

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

OMB No. 1545-0056
 If exempt status is approved, this application will be open for public inspection.

Read the instructions for each Part carefully.
A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Part I Identification of Applicant


1a Full name of organization (as shown in organizing document) National Council of Nonprofit Association		2 Employer identification number (If none, see instructions.) None SS-4 attached
1b c/o Name (if applicable) Nonprofits' Risk Management and Insurance Institute	3 Name and telephone number of person to be contacted if additional information is needed Robert M. Kardon (408) 458-1955	
1c Address (number and street) 1731 Connecticut Avenue, N.W., Suite 300	4 Month the annual accounting period ends December	
1d City or town, state, and ZIP code Washington, DC 20009	5 Date incorporated or formed May 30, 1990	
6 Activity codes (See instructions.) 603 123		7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9 Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form number(s), years filed, and Internal Revenue office where filed. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

10 Check the box for your type of organization. BE SURE TO ATTACH A COMPLETE COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a Corporation— Attach a copy of your Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate state official; also include a copy of your bylaws.
- b Trust— Attach a copy of your Trust Indenture or Agreement, including all appropriate signatures and dates.
- c Association— Attach a copy of your Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of your bylaws.

If you are a corporation or an unincorporated association that has not yet adopted bylaws, check here

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  Chairperson 6/21/90
(Signature) (Title or authority of signer) (Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Complete the Procedural Checklist (page 7 of the instructions) prior to filing.

Part II Activities and Operational Information (Continued)

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual Compensation

SEE ATTACHMENT

NONE

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? Yes No
If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See the Specific Instructions for line 4d.) Yes No
If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? Yes No
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship to another organization by reason of interlocking directorates or other factors? Yes No
If either of these questions is answered "Yes," explain.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? Yes No
If "Yes," explain fully and identify the other organization(s) involved.

7 Is the organization financially accountable to any other organization? Yes No
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

The organization will provide financial and other reports to its foundation, corporate, and government funding sources. No such reports have been requested or provided at this time.

Part III Technical Requirements

1 Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed? **Yes** **No**
If you answer "Yes," do not answer questions 2 through 6.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- (a) Is a church, interchurch organization, local unit of a church, a convention or association of churches, or an integrated auxiliary of a church;
- (b) Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or,
- (c) Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If you do not meet any of the exceptions in question 2, do you wish to request relief from the 15-month filing requirement? **Yes** **No**

4 If you answer "Yes" to question 3, please give your reasons for not filing this application within 15 months from the end of the month in which your organization was created or formed.

5 If you answer "No" to both questions 1 and 3 and do not meet any of the exceptions in question 2, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed? **Yes** **No**

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date you were formed and ending with the date your Form 1023 application was received (the effective date of your section 501(c)(3) status), check here and attach a completed page 1 of Form 1024 to this application.

Part III Technical Requirements (Continued)

- 10** If you checked box (h), (i), or (j) in question 9, have you completed a tax year of at least 8 months?
 No—You must request an advance ruling by completing and signing 2 Forms 872-C and attaching them to your application.
 Yes—Indicate whether you are requesting:
 A definitive ruling (Answer question 11 through and including question 14.)
 An advance ruling (Answer questions 11 and 14 and attach 2 Forms 872-C completed and signed.)

- 11** If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of each such grant.

N/A

- 12** If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here and:

- a** Enter 2% of line 8, column (e) of Part IV-A _____
b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount you entered on line 12a above.

- 13** If you are requesting a definitive ruling under section 509(a)(2), check here and:

- a** For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each person who is a "disqualified person."
b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following, and if so, complete the required schedule. (Submit only those schedules, if any, that apply to your organization. Do not submit blank schedules.)	Yes	No	If "Yes," complete schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization an operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Part IV Financial Data (Continued)

B.—Balance Sheet (at the end of the period shown)		Current tax year Date <u>12/31/90</u>
Assets		
1	Cash	600
2	Accounts receivable, net	
3	Inventories	
4	Bonds and notes receivable (attach schedule)	
5	Corporate stocks (attach schedule)	
6	Mortgage loans (attach schedule)	
7	Other investments (attach schedule)	
8	Depreciable and depletable assets (attach schedule)	
9	Land	
10	Other assets (attach schedule)	
11	Total assets	600
Liabilities		
12	Accounts payable	
13	Contributions, gifts, grants, etc., payable	
14	Mortgages and notes payable (attach schedule)	
15	Other liabilities (attach schedule)	
16	Total liabilities	0
Fund Balances or Net Assets		
17	Total fund balances or net assets	600
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	600

If there has been any substantial change in any aspect of your financial activities since the end of the period shown above, check the box and attach a detailed explanation

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Part II, Question 1

During the past few years, nonprofit, Section 501(c)(3) tax-exempt organizations in Washington, D.C., California, and many others states have formed statewide councils. These statewide councils, themselves nonprofit, Section 501(c)(3) tax-exempt organizations, provide technical and other assistance to Section 501(c)(3) organizations, including educational seminars and workshops, responses to requests for information and referral to other appropriate sources of assistance, and informational papers and newsletters. This assistance is intended to help Section 501(c)(3) organizations reduce overhead costs, increase their funding base, and increase their effectiveness and ability to accomplish their exempt purposes. Much of this assistance is devoted to smaller organizations with limited resources, whose administrative budgets are under constant pressure from funding cutbacks, which cannot afford to pay for technical assistance, and which are not always aware of available resources.

The statewide councils have determined the need for a national council to provide similar services on a national basis in support of the statewide councils and the Section 501(c)(3) organizations which they serve. Thus, the National Council of Nonprofit Associations (NCNA) was formed.

NCNA will promote and assist the establishment of new statewide councils, drawing upon the experiences of existing councils. Through its volunteer board members and others experienced in the development of councils, it will provide assistance to council organizers in states without a council. This assistance will include a discussion of the benefits of a statewide council, the services it can provide, and how to provide them.

For existing statewide councils, NCNA will provide technical assistance, again through its network of volunteers, on questions and issues arising from the councils' provision of assistance. NCNA will act as a referral source and hotline to help improve the efficiency and effectiveness of the statewide councils in providing assistance to Section 501(c)(3) organizations. NCNA may arrange for a representative from one council which has developed a particular program of assistance to speak to other councils about how they too can develop such a program. If the expertise to address a problem facing a Section 501(c)(3)

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Part II, Question 1 (cont'd)

organization cannot be found within its state by a council, the council can turn to NCNA for referrals to sources of assistance in other states.

To support the sharing of information and technical assistance among the councils, NCNA plans to prepare and distribute a newsletter with articles on topics of concern to councils and the Section 501(c)(3) organizations they serve. The councils can then distribute the newsletter within their state. Also, NCNA plans to develop an electronic network among the councils. This computer-link will provide the councils a forum for discussing issues and solving common problems. Information and technical assistance to councils will also be provided through an annual conference with workshops and speakers, and through the preparation and dissemination of papers which address societal and economic trends affecting the councils and the Section 501(c)(3) organizations they serve.

NCNA's first project is the development of a nonprofit risk management institute. The institute is supported by several foundations concerned about the growing cost of insurance for nonprofit, Section 501(c)(3) organizations, and the resultant decrease in the dollars available for direct services. The institute, a component of NCNA, will prepare manuals and other material on how Section 501(c)(3) organizations can manage and reduce their risks of operation. The material will discuss, for example, workplace safety to reduce workers compensation and general liability insurance costs, good hiring and employment practices to reduce the number of employment terminations and unemployment insurance costs, and how statewide councils can develop training and technical assistance programs on risk management. The material will also provide information on how Section 501(c)(3) organizations can be better consumers of insurance, by explaining the type and amount of insurance needed, how to identify and work with a good insurance broker, how statewide councils can develop multi-organization self-insurance liability pools, and similar matters. The institute will also provide technical assistance in response to requests for information. A copy of an informational brochure about the institute is enclosed.

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Part II, Question 1 (cont'd)

NCNA is also sponsoring/endorsing a national unemployment insurance trust. An Section 501(c)(3) organization can join the trust. By self-insuring and pooling unemployment costs, participating organizations hope to achieve significant savings. NCNA will keep the statewide councils and the organizations they serve informed of the existence of laws which allow such self-insurance pooling, and of the existence of this national trust. NCNA will not be involved in any way in the operation or administration of the trust. For its sponsorship, NCNA will receive \$1 per employee enrolled in the trust each year. To date, this totals \$3,000.

NCNA does not plan to charge for its services and assistance. It will rely primarily on foundation grants and member dues. Its activities, other than the already-funded risk management institute and trust sponsorship, are now being conducted on a limited, all-volunteer basis. When grants are received, NCNA intends to have a paid coordinator to facilitate the development of the informational and technical assistance programs described above.

Part II, Question 4(a)

Chairperson: Robert M. Kardon, California Association of Nonprofits, 740
Front Street, Suite 250 B, Santa Cruz, CA 95060

Vice-Chairperson: Betsy Johnson, Washington Council of Agencies, 1001
Connecticut Avenue, N.W., Washington, D.C. 20036

Vice-Chairperson: Jon Pratt, Minnesota Council of Nonprofits, 2200 University
Avenue West, St. Paul, MN 55114

Secretary: Don Tebbe, Illinois Community Action Council, 101 N. 16th
Street, Springfield, IL 62705

Treasurer: Dan Wallach, Colorado Association of Nonprofit Organizations,
1245 E. Colfax, Suite 411, Denver, CO 80218

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Part II, Question 4(a) (cont'd)

Director: Ben Amos, Delaware Association of Nonprofit Agencies, 613
Washington Street, Wilmington, DE 19801

Director: Byron Williams, Nonprofit Alliance, 1941 Northwest 18th,
Oklahoma City, OK 73106

Director: Gerald Kaufman, Center for Nonprofit Corporations, 36 West
Lafayette Street, Trenton, NJ 08608

Part II, Question 9(a)

The organization will initially contract with one of its member organizations, the California Association of Nonprofits, a Section 501(c)(3) tax-exempt organization (CAN), for coordination of its activities. CAN will charge for the time of its staff involved on the organization's matters, including associated office overhead. CAN's charges will be less than its full cost of providing this service. A written contract has not as yet been entered into.

On behalf of the organization, CAN has leased space in Washington, D.C. from an unrelated Section 501(c)(3) organization for the offices of the risk management institute. The organization will assume responsibility for this lease as soon as funding permits. A copy of the lease is enclosed.

Part II, Question 10(a)

The organization's membership requirements are described in the bylaws, a copy of which is included in this application. The organization has two types of members: state or multi-state associations (councils) of Section 501(c)(3) organizations that meet the six criteria for membership described in Article 6, Section 1 of the bylaws, and sub-state associations (councils) of Section 501(c)(3) organizations that meet the second, third, and fourth criteria for membership described in Article 6, Section 1 of the bylaws. Other Section 501(c)(3) organizations may become associates, but not voting members.

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Part II, Question 10(a) (cont'd)

Current annual membership fees and dues are:

For state or multi-state associations (Class A members):	\$250 if budget is \$250,000 per year or less
	\$500 if budget is between \$250,001 and \$500,000
	\$1,000 if budget is more than \$500,000
For sub-state associations (Class B members):	1/2 of Class A member dues
For others associated with the organization:	\$100

Part II, Question 10(b)

The organization disseminates information about its activities through its existing members. As described above, it will disseminate a newsletter, hold an annual conference, and form an electronic network. It will also inform funders, such as foundations, about its activities and encourage them to refer associations (councils). A copy of an informational brochure about the organization and distributed to potential members is enclosed. The organization will provide assistance in the formation of new associations (councils) which might then become members.

Part II, Question 10(c)

In general, the organization's services are available to Section 501(c)(3) organizations and associations (councils) of such organizations regardless of membership status. Dues support the general operation of the organization and are not earmarked for specific services. Members will benefit from the

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Part II, Question 10(c) (cont'd)

organization's ability to carry out its information and technical assistance activities. However, the organization may find it necessary to charge nonmembers for certain services, such as the newsletter, for the purpose of recouping direct out-of-pocket expenses associated with that service (such as printing and mailing costs).

Part II, Question 12

The organization plans to devote a small percentage of its time (approximately 5%) and funds (less than 5%), to providing information to its member organizations about pending legislation that may have an impact on Section 501(c)(3) organizations, with recommendations on whether to support or oppose the legislation. The legislative analysis will be prepared by the organization's volunteer board and committee members, and sent, for the most part, only to the organization's member organizations. Each member organization will independently decide what action, if any, it will take concerning the legislation, and whether or not to inform its local section 501(c)(3) organizations. On occasion, anticipated to be less than 5% of its time and funds, the organization may directly contact members of Congress or their staff to discuss the impact of pending legislation on Section 501(c)(3) organizations, particularly small organizations.

The organization might, but has not yet decided to, file Form 5768.

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Part IV A. Statement of Revenue and Expenses

	<u>Line 22a</u>	<u>Line 22b</u>	<u>Line 22c</u>
Contract with California Association of Nonprofits (CAN) for coordination of activities (staff time and overhead)	\$18,324	\$36,648	\$36,648
Consultants, contract and temporary personnel	6,250	37,500	37,500
Insurance	1,000	2,000	2,000
Office supplies, computer services	3,950	16,500	21,300
Telephone, postage, delivery	5,000	12,000	13,000
Printing and duplicating	5,250	13,500	13,500
Travel	11,000	24,000	25,500
Board and committee meetings	6,000	7,000	7,300
Subscriptions, memberships	2,226	4,952	4,952
Annual Conference	50,000	50,000	50,000
Other overhead	<u>7,900</u>	<u>24,500</u>	<u>31,300</u>
Total	\$116,900	\$228,600	\$243,000

NCNA

National Council of Nonprofit Associations

PROFILE

National Council of Nonprofit Associations

"The National Council of Nonprofit Associations is a coalition of organizations concerned about broad based issues that effect all segments of the nonprofit sector. Our purpose is to strengthen and unify the effectiveness and autonomy of state, local and regional associations of nonprofit organizations through collaboration, information sharing, networking and providing mutual support, promotion and advocacy for the sector."

In just ten months, National Council of Nonprofit Associations (NCNA) has launched a national unemployment insurance trust, initiated the Nonprofits' Risk Management & Insurance Institute, issued protocols for an electronic network for associations, promulgated guidelines for encouraging state and regional public policy initiatives, developed a system for determining the feasibility of creating new, national group purchasing plans, and begun planning for an annual conference.

Many nonprofits lack support systems to help them improve management, better utilize resources, and influence public decisions. The goal of NCNA is to improve the effectiveness of small to medium sized nonprofit organizations by strengthening their state and regional coalitions and associations.

The principal methods used to achieve this goal will be through the further development and implementation of programs that save nonprofits money, provide technical assistance, promote model state level advocacy strategies, and encourage collaborative efforts. Through both original work and cooperative ventures, NCNA committees, with staff support, will determine the feasibility of a broad range of advocacy strategies, group purchasing programs, technical assistance services, as well as assist in the creation of new state associations.

NCNA's programs, administration, and governance will be facilitated on an electronic network is supported by a major computer company. At the annual conference in the Fall of 1990, the work of NCNA will be consolidated and advanced.

The proposed initial financing of NCNA is from membership dues, fees from NNUIT, in-kind contributions, and corporate and foundation grants.

EARLY ACCOMPLISHMENTS

The consensus of the association directors involved in the formation of NCNA is that there are many benefits to be gained, especially for small to medium sized nonprofits, through collaborations among the NCNA membership. There are some early indications that NCNA has the potential to substantially improve the condition of nonprofits.

In November 1989 NCNA launched the National Nonprofit Unemployment Insurance Trust (NNUIT) which has already enrolled 3,000 nonprofit employees in 50 organizations in 8 states. The administrator of this trust, Marsh McLellan, estimates that this program will grow to 20,000 employees within 3 years and result in savings to nonprofits in excess of \$3 million during that period. NCNA's program committee is coordinating the development of other national group purchasing programs including health, dental & retirement plans.

We have begun discussions with Independent Sector and other national institutions concerned with public policy on how to coordinate advocacy efforts. NCNA has the potential to mobilize grassroots response from thousands of nonprofits. The close relationship of associations and their members adds a new dimension to the rallying of support for national and state public policy initiatives.

Increasingly, important public policy change is originating at the state level e.g. fundraising regulation and property tax exemption. The issues committee of NCNA is analyzing pending state legislation that will impact large segments of the nonprofit sector. The committee will suggest advocacy approaches and disseminate information about effective strategies used by NCNA members.

NCNA has 3 classes of membership: Member status is available to statewide associations whose membership is open to all 501(c)(3)'s. Members will elect 8 of the 15 board members. Affiliate status is open to state, local and regional associations whose members are principally 501(c)(3)'s e.g., countywide associations, state associations of human service providers. Affiliates elect 4 board members. The 12 elected board members will select 3 at large board members to represent various areas of expertise. Associate status will be available to any organization that does not qualify for regular or affiliate membership but supports the mission of NCNA. Associates do not have voting rights.

THE NONPROFITS' RISK MANAGEMENT & INSURANCE INSTITUTE

The newly formed Nonprofits' Risk Management & Insurance Institute (NRMII), is a project of NCNA. See attachments A & B for a list of the members on NRMII's Program Board and Council of Technical Advisors. The Institute is designed to provide sophisticated analysis and assistance that will help nonprofit organizations to achieve three principal goals: 1) preventing avoidable liability, 2) complying with increasingly complex legal rules, and 3) obtaining suitable insurance coverages at a reasonable cost. These efforts will extend beyond liability issues that impelled the Institute's creation to include employee benefits and other matters that call for similar strategies.

Nonprofits' Risk Management & Insurance Institute

~~Advisory Board~~
Program

Nancy Axelrod
Executive Director
National Center for Nonprofit Boards

Frank Bailey
Executive Director
VOLUNTEER--The National Center

Mark Battle
Executive Director
National Association of Social Workers

Richard T. Ingram
Executive Vice President
Association of Governing Boards of Universities and Colleges

Robert Kardon
Executive Director
California Association of Nonprofits

E. B. Knauft
Vice President
INDEPENDENT SECTOR

Beverly McDonald
Executive Director
Michigan League for Human Services

Peter Swords
Executive Director
Nonprofit Coordinating Committee of New York

Phyllis Wolfe
Executive Director
Health Care for the Homeless

Phyllis Wolfe
Executive Director
Health Care for the Homeless

Herb Yamanishi
Executive Director
Michigan Community Action Agency Association

Invitations to other organizations pending. Representation is being sought from associations of religious charities, health care providers, and cultural organizations.

**Nonprofits' Risk Management & Insurance Institute
Council of Technical Advisors**

Arthur Broadhurst
Vice President
United Educators Insurance Risk Retention Group Inc.

Pamela Davis
Chief Executive Officer
Nonprofits' Insurance Alliance of California

Dolores Delahanty
Past Chair
National Association of Social Workers Insurance Trust

John Edie
General Counsel
Council on Foundations

Brad Johnson
Executive Director
Public Risk Management Association

Steven Paulachak
President
Partnership Umbrella

Marc Rosenberg
Vice President
Insurance Information Institute

Byron Stone
President
First Non Profit Risk Pooling Trust

James Strickland
President
Human Services Risk Management

Katherine Sperko Vargo
Risk Manager
Presbyterian Church (USA)

Invitations to other professionals pending.

Nonprofits' Risk Management & Insurance Institute

The efficacy of the nonprofit sector is imperiled both by the inherent risks of delivering needed services and by counterproductive responses to risk. In the mid-1980s, attention turned to risk as sharp price hikes for liability insurance disrupted nonprofits' operations. Faced with unacceptable financial risks to their organizations and themselves, some nonprofit organization boards and directors responded by eschewing high-risk services. To develop satisfactory methods of avoiding harm and redressing injuries when they occur, the nonprofit sector needs a readily available source of assistance for legal, insurance, and other risk management matters.

The Nonprofits' Risk Management & Insurance Institute will help meet this need for better risk management practices and insurance services. Planning for the Institute began with a two-year study the Ford Foundation funded to examine the legal liability and insurance problems of charitable organizations and volunteers. Based on the results of this extensive investigation, a national task force that included representatives from Independent Sector, the United Way of America, the National Association of Social Workers, the National Center for Nonprofit Boards, the California Association of Nonprofits, and the Nonprofit Coordinating Committee recommended creating the Institute to perform essential services that existing organizations are unable to offer. In addition to addressing liability-related issues, the Institute will extend its efforts to encompass workers' compensation and employee benefits matters that call for similar types of analysis and coordination.

To achieve its objectives, the Institute will collaborate with the organizations represented on the original Task Force (which are now members of the Institute's advisory board) as well as other entities that provide nonprofit sector management assistance. The following projects will be undertaken to reduce the cost and increase the quality of insurance services for nonprofits, while simultaneously enhancing the value of nonprofits' services to their communities.

- Administer a clearinghouse for legal liability and insurance information.
- Support cooperative risk management activities among nonprofit organizations.
- Operate a nonprofit sector risk management research laboratory.
- Develop a reporting system for claims data.
- Analyze tort and insurance law for nonprofits and volunteers.
- Produce customized risk management materials.
- Act as a liaison between the nonprofit sector and the legal, insurance, and professional risk management communities.
- Assess nonprofit organizations' employee benefits options.

The Nonprofits' Risk Management & Insurance Institute will operate as a project of the National Council of Nonprofit Associations, a recently-created umbrella group consisting primarily of state-wide associations representing over 10,000 nonprofit organizations.

For further information, please contact Charles Tremper, Executive Director, Nonprofits' Risk Management & Insurance Institute, 1731 Connecticut Avenue, NW, Suite 300, Washington, DC 20009 (202) 462-8190; FAX: (202) 265-0492.

**Nonprofits' Risk Management & Insurance Institute
Advisory Board**

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Executive Director
National Center for Nonprofit Boards

Frank Bailey
Executive Director
VOLUNTEER--The National Center

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California Association of Nonprofits

E. B. Knauff
Vice President
INDEPENDENT SECTOR

Beverly McDonald
Executive Director
Michigan League for Human Services

Peter Swords
Executive Director
Nonprofit Coordinating Committee of New York

(successor to Steven Paulachak)
United Way of America

Phyllis Wolfe
Executive Director
Health Care for the Homeless

Herb Yamanishi
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Pamela Davis
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Nonprofits' Insurance Alliance of California

Dolores Delahanty
Past Chair
National Association of Social Workers Insurance Trust

John Edie
General Counsel
Council on Foundations

Brad Johnson
Executive Director
Public Risk Management Association

Steven Paulachak
President
Partnership Umbrella

Marc Rosenberg
Vice President
Insurance Information Institute

Byron Stone
President
First Non Profit Risk Pooling Trust

James Strickland
President
Human Services Risk Management

(Member to be named)
Risk and Insurance Management Society

Invitations to other professionals pending.

Nonprofits' Risk Management & Insurance Institute Goals and Activities

The Nonprofits' Risk Management & Insurance Institute has been created to improve the community by working with nonprofit organizations and volunteers to reduce the number and severity of losses they cause and to redress injuries that occur in the course of nonprofit and volunteer activity.

Listed below are the principal goals for the Institute. Each of these goals is both long-term and beyond the capability of the Institute to effectuate directly. To indicate how these ultimate goals will be accomplished, the following pages identify instrumental goals that will serve as operational targets for the Institute. For each ultimate goal, specific activities are listed.

Goals

1. Reduce the likelihood that harm will result from nonprofit organizations' and volunteers' activities.
2. Improve liability insurance coverage and services.
3. Control liability insurance costs.
4. Reduce volunteers' legal vulnerability.
5. Meet the health and safety needs of nonprofits' employees and volunteers.

Goal 1
Reduce the Likelihood That Harm Will Result from Nonprofit Organizations' and Volunteers' Activities

Instrumental Goals

Increase the quality, quantity, and availability of information pertinent to risk management for nonprofit organizations and volunteers.

Raise awareness in the nonprofit sector about the importance of risk management.

Explore methods of reducing accidents and other forms of harm that occur in the course of nonprofit and volunteer activity.

Activities

Support cooperative risk management activities among nonprofit organizations.

Operate a voluntary sector risk management laboratory.

Assist personnel with the United Way of America, Support Centers, VOLUNTEER, and various volunteer management assistance entities to incorporate risk management training into the services they provide.

Produce risk management materials including manuals, videotapes, and computer-assisted programs that are tailored to the types of activities nonprofit organizations and volunteers conduct

Maintain a computer network forum that will provide risk management guidance for nonprofit organization administrators.

Put on workshops on risk management at conferences of nonprofit organizations.

Create, collect, and disseminate risk management information.

Goal 2

Improve Liability Insurance Coverage and Services

Instrumental Goals

Improve communication between the nonprofit sector and the insurance industry.

Increase the prevalence of insurance strategies that link coverage benefits to adequacy of risk management practices.

Activities

Develop model insurance policy forms.

Work with the Insurance Information Institute, American Insurance Association, National Association of Insurance Brokers, and other suitable insurance groups to foster their members' adoption of more suitable policy forms and provision of more adequate services.

Write articles for the insurance press to dispel misconceptions about nonprofit organizations and volunteers.

Serve as a referral service to inform nonprofit organizations and volunteers that need insurance with providers of the desired coverages.

Host forums on specific insurance problems as they arise.

Serve as a clearinghouse for legal liability and insurance information pertinent to nonprofit organizations and volunteers.

Goal 3

Control Liability Insurance Costs

Instrumental Goals

Obtain better information about claims against volunteers and nonprofit organization.

Increase nonprofit organizations use of group purchasing, risk pooling, and other arrangements with substantial cost reduction potential.

Improve the legal liability and insurance rules that affect nonprofit organizations and volunteers.

Activities

Collaborate with the Public Risk Management Association to design a standardized claims data collection form and to operate a claims analysis center.

Work with the Insurance Services Office to refine the Commercial Lines Manual for standardized collection of claims data so that information for nonprofit organizations can be analyzed separately.

Assist organizations in forming insurance purchasing groups and risk pools.

Undertake activities listed under Goals 1 and 4 that will lead to lower insurance costs by reducing losses.

Goal 4

Reduce Volunteers' Legal Vulnerability

Instrumental Goals

Encourage adoption of suitable laws protecting volunteers from personal liability.

Enable organizations to obtain insurance coverage that protects volunteers.

Enable individuals to obtain insurance coverage that encompasses claims filed against them as volunteers.

Activities

Develop model laws for volunteer and charitable organization liability.

Suggest modifications of federal laws that impose personal liability on volunteers.

Hold conferences in cooperation with the National Conference of State Legislatures and Council of State Governments to promote model volunteer and charitable organization liability laws.

Coordinate with the Volunteer Protection Coalition, the Governors' Offices of Volunteerism, and other organizations with an interest in modifying volunteer and charitable organization liability laws.

Work with the National Association of Insurance Commissioners, Insurance Services Office, and other appropriate entities to stimulate adoption of regulations that expand the scope of business and personal insurance policies to cover volunteer activity.

Undertake activities listed under Goals 1-3 that will help nonprofit organizations to obtain adequate insurance coverage for their volunteers.

Goal 5
**Meet the Health and Safety Needs of Nonprofits' Employees and
Volunteers**

Instrumental Goals

Foster group purchasing and pooling arrangements for workers' compensation and employee health plans.

Create safer workplaces for nonprofit organizations' employees and volunteers.

Increase nonprofit organization managers' understanding of their obligations to employees and volunteers.

Activities

Draw upon the risk management research conducted in furtherance of achieving objective four to develop procedures that reduce risks to employees and volunteers.

Serve as a referral service to match nonprofit organizations with suitable insurance service providers.

Participate in the national workers' compensation forum.

The Union Institute

The Center for Public Policy

Page 1 of 2

SUBLET AGREEMENT

This Agreement is between the Union Institute Center for Public Policy (herein the Tenant), and the California Association of Nonprofits in its capacity as fiscal agent for the National Council of Nonprofit Associations (herein the Subtenant). It is for the purpose of allowing the sublet use of office space, specifically the large rear office in the northeast corner of the third floor (the third floor is known as Suite 300) of 1731 Connecticut Avenue, N.W., Washington, D.C. 20009-1146.

The Subtenant agrees to allow no more than two people to use its office space at any given time. Additionally, in recognition of the fact that the rental rate for sublet space (see below) includes a pro rata share of core areas, the Subtenant is granted permission to place a secretarial desk and chair in the common area adjacent to its offices and to place one more person at it (for a total of no more than three staff). It is understood that the Tenant holds authority to specify the exact location of such a secretarial station within that area.

All space is to be used by the Subtenant exclusively for the purposes of administering its Nonprofit Risk Management and Insurance Institute or, upon approval of the Tenant, for similar purposes. All terms and conditions of the Tenant's primary lease, which is incorporated into this Agreement by reference, apply in full to the Subtenant. The Subtenant extends to the Tenant the same rights and indemnifications as the Tenant extends the Landlord under the terms of its primary lease.

The rental rate for sublet space is seven hundred and thirty-five dollars per month (\$735.00), payable in advance on the first day of each month, to the order of the Union Institute, delivered to the Office Manager of the Center.

The term of this Agreement is twelve (12) months, to begin on April 1, 1990 and to be in effect no longer than March 31, 1991. It may be renewed on mutual agreement of both parties at rates then in effect.

It is understood that the Subtenant or the Tenant may terminate this Agreement on ninety (90) days written notice to the other party. If either party exercises such option prior to six months of occupancy by the Subtenant (for reasons other than default; see below), it shall pay to the other party an amount equivalent to fifty percent (50%) of one (1) month of the Subtenant's rent to compensate the other for incidental expenses associated with such relocation.

RECORDED 1 1990

The Tenant agrees to provide use of one office desk and one chair to the Subtenant for the period of occupancy.

The Tenant agrees to provide Subtenant the right to employ its telephone system and to provide one desk set (located in the principal office) for the purposes of allowing the Subtenant to establish and maintain telephone service (line installation, monthly charges, long distance charges, etc.) at the Subtenant's own expense. It is further agreed that should the Subtenant wish to install one or more additional telephone desk sets at its own expense, the Tenant will provide reasonable cooperation in allowing it to do so. It is further understood that any such equipment must be of the AT&T Merlin system type.

The Tenant agrees to provide Subtenant with an account for use of its photocopy machine at a cost to the Subtenant of seven cents (\$0.07) per page, payable at the close of each month. An anticipated change in the Tenant's actual equipment, maintenance and supply costs may increase this amount.

The Tenant agrees to provide Subtenant with an account for use of its fax machine at a cost to the Subtenant of twenty-five cents (\$0.25) per page, plus any related long distance telephone charges at actual cost, payable at the close of each month. Changes in the Tenant's actual equipment, maintenance and supply costs may alter this amount.

The Tenant agrees to provide the Subtenant use of its Conference Room, from time-to-time, as might be convenient for the Tenant, at its sole discretion.

The Tenant agrees to provide the Subtenant with a listing on the building's telephone entry system and on interior personnel listings.

The Subtenant agrees to allow no other use to be made of the subleased space other than that indicated above and is prohibited from allowing use of that space by others except as may be agreed to by Tenant from time-to-time.

If the Subtenant should fail to pay rent or charges associated with any other service covered by this Agreement within ten (10) days of the time that they are due and payable, the Tenant may, at its sole discretion, vacate this Agreement and reclaim space immediately. The Subtenant agrees that should such action be taken by the Tenant, it will immediately vacate and surrender space, furniture, keys, etc. and seek no further recourse or redress. In such an eventuality, the Tenant will not be required to pay any compensation to the Subtenant.

SUBTENANT	<u>Robert M. Kau</u>	DATE	<u>3/12/90</u>
UI/ CPP	<u>Har Rosen</u>	DATE	<u>3/4/90</u>

Application for Employer Identification Number

(For use by employers and others. Please read the attached instructions before completing this form.) Please type or print clearly.

EIN _____
 OMB No. 1545-0003
 Expires 7-31-91

1 Name of applicant (True legal name) (See instructions.)
National Council of Nonprofit Associations

2 Trade name of business, if different from name in line 1
N/A

3 Executor, trustee, "care of name"
c/o Nonprofits' Risk Management and Insurance Institute

4a Mailing address (street address) (room, apt., or suite no.)
1731 Connecticut Avenue, NW, Suite 300

5a Address of business. (See instructions.)
1731 Connecticut Avenue, NW, Suite 300

4b City, state, and ZIP code
Washington, DC 20009

5b City, state, and ZIP code
Washington, DC 20009

6 County and state where principal business is located
Washington, DC

7 Name of principal officer, grantor, or general partner. (See instructions.) ▶
Robert M. Kardon

8a Type of entity (Check only one box.) (See instructions.)

<input type="checkbox"/> Individual SSN _____	<input type="checkbox"/> Estate	<input type="checkbox"/> Trust
<input type="checkbox"/> REMIC	<input type="checkbox"/> Plan administrator SSN _____	<input type="checkbox"/> Partnership
<input type="checkbox"/> State/local government	<input type="checkbox"/> Other corporation (specify) _____	<input type="checkbox"/> Farmers' cooperative
<input type="checkbox"/> Personal service corp.	<input type="checkbox"/> Federal government/military	<input type="checkbox"/> Church or church controlled organization
<input type="checkbox"/> National guard	<input type="checkbox"/> Other (specify) ▶ _____	
<input checked="" type="checkbox"/> Other nonprofit organization (specify) charitable	If nonprofit organization enter GEN (if applicable) N/A	

8b If a corporation, give name of foreign country (if applicable) or state in the U.S. where incorporated ▶ Foreign country State
N/A **Washington, DC**

9 Reason for applying (Check only one box)

<input checked="" type="checkbox"/> Started new business	<input type="checkbox"/> Changed type of organization (specify) ▶ _____
<input type="checkbox"/> Hired employees	<input type="checkbox"/> Purchased going business
<input type="checkbox"/> Created a pension plan (specify type) ▶ _____	<input type="checkbox"/> Created a trust (specify) ▶ _____
<input type="checkbox"/> Banking purpose (specify) ▶ _____	<input type="checkbox"/> Other (specify) ▶ _____

10 Date business started or acquired (Mo., day, year) (See instructions.)
May 30, 1990

11 Enter closing month of accounting year. (See instructions.)
December

12 First date wages or annuities were paid or will be paid (Mo., day, year). **Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (Mo., day, year).** ▶ **October 1, 1990**

13 Enter highest number of employees expected in the next 12 months. **Note: If the applicant does not expect to have any employees during the period, enter "0."**

Nonagricultural	Agricultural	Household
5	0	0

14 Does the applicant operate more than one place of business? Yes No
 If "Yes," enter name of business. ▶ _____

15 Principal activity or service (See instructions.) ▶ **charitable - assist charitable organizations**

16 Is the principal business activity manufacturing? Yes No
 If "Yes," principal product and raw material used ▶ _____

17 To whom are most of the products or services sold? Please check the appropriate box.

<input type="checkbox"/> Public (retail)	<input type="checkbox"/> Other (specify) ▶ _____	<input type="checkbox"/> Business (wholesale)	<input checked="" type="checkbox"/> N/A
--	--	---	---

18a Has the applicant ever applied for an identification number for this or any other business? Yes No
Note: If "Yes," please complete lines 18b and 18c.

18b If you checked the "Yes" box in line 18a, give applicant's true name and trade name, if different than name shown on prior application.

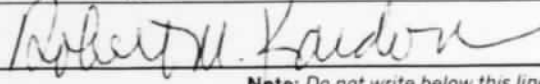
True name ▶ _____ Trade name ▶ _____

18c Enter approximate date, city, and state where the application was filed and the previous employer identification number if known.

Approximate date when filed (Mo., day, year)	City and state where filed	Previous EIN

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (Please type or print clearly.) ▶ **Robert M. Kardon** Chairperson Telephone number (include area code) **(408) 458-1955**

Signature ▶  Date ▶ **June 21, 1990**

Note: Do not write below this line. For official use only.

Please leave blank ▶	Geo.	Ind.	Class	Size	Reason for applying

User Fee for Exempt Organization Determination Letter Request

For IRS Use Only

Control number _____
 Amount paid _____
 User fee screener _____

▶ Attach to determination letter applications.

1 Name of organization

National Council of Nonprofit Associations

2 Type of request (check only one box and include a check or money order made payable to Internal Revenue Service for the amount of the indicated fee):

Fee

- a Initial request for recognition of tax-exempt status under section 501(a) (except a section 401(a) trust) by an organization whose gross receipts have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four taxable years. If you check this box you must complete the income certification below \$ 150

Certification

I hereby certify that the gross receipts of _____ (enter name of organization) have not exceeded (or are not expected to exceed) \$10,000 annually, averaged over its first four years of operation.

Signature ▶ _____ Title _____

- b All other initial requests for recognition of tax-exempt status under section 501(a) or 521 (except a section 401(a) trust) \$ 300
- c Private foundation which has completed a section 507 termination and which seeks a determination letter that it is now a public charity. \$ 200

Instructions

The Revenue Act of 1987 requires payment of a user fee for determination letter requests submitted to the Internal Revenue Service. The fee must accompany each request submitted to a key district office.

The fee for each type of request for an exempt organization determination letter is listed in item 2 of this form. Check the block that describes the type of request you are submitting, and attach this form to the front of your request form along with a check or money order for the amount indicated. Make the check or money order payable to the Internal Revenue Service.

Determination letter requests received with no payment or with an insufficient payment will be returned to the applicant for submission of the proper fee. To avoid delays in receiving a determination letter,

be sure that your application is sent to the applicable address shown below. These addresses supersede the addresses listed in Publication 557 and all application forms.

If entity is in this IRS District	Send fee and request for determination letter to this address	
Brooklyn, Albany, Augusta, Boston, Buffalo, Burlington, Hartford, Manhattan, Portsmouth, Providence	Internal Revenue Service EP/EO Division P. O. Box 1680, GPO Brooklyn, NY 11202	Dallas, Albuquerque, Austin, Cheyenne, Denver, Houston, Oklahoma City, Phoenix, Salt Lake City, Wichita Internal Revenue Service EP/EO Division Mail Code 4950 DAL 1100 Commerce Street Dallas, TX 75242
Baltimore, District of Columbia, Pittsburgh, Richmond, Newark, Philadelphia, Wilmington, any U.S. possession or foreign country	Internal Revenue Service EP/EO Division P. O. Box 17010 Baltimore, MD 21203	Atlanta, Birmingham, Columbia, FL, Lauderdale, Greensboro, Jackson, Jacksonville, Little Rock, Nashville, New Orleans Internal Revenue Service EP/EO Division C-1130 Atlanta, GA 30301
Cincinnati, Cleveland, Detroit, Indianapolis, Louisville, Parkersburg	Internal Revenue Service EP/EO Division P. O. Box 3159 Cincinnati, OH 45201	Anchorage, Las Vegas, Boise, Los Angeles, Honolulu, Portland, Laguna Niguel, San Jose, Seattle Internal Revenue Service EO Application Receiving Room 5127, P. O. Box 486 Los Angeles, CA 90053-0486
		Sacramento, San Francisco Internal Revenue Service EO Application Receiving Stop SF 4446 P. O. Box 36001 San Francisco, CA 94102
		Chicago, Aberdeen, Des Moines, Fargo, Helena, Milwaukee, Omaha, St. Louis, St. Paul, Springfield Internal Revenue Service EP/EO Division 230 S. Dearborn DPN 20-5 Chicago, IL 60604

Attach Check or Money Order Here

Form **872-C**

(Rev. 12-89)

Department of the Treasury—Internal Revenue Service

Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

(See instructions on reverse side.)

OMB No. 1545-0056

To be used with Form 1023. Submit in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

National Council of Nonprofit Associations

(Exact legal name of organization as shown in organizing document)

1731 Connecticut Avenue, NW, Suite 300 Washington, DC

(Number, street, city or town, state, and ZIP code)

20009

and the District Director of Internal Revenue, or Assistant Commissioner (Employee Plans and Exempt Organizations)

Consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year December 31, 1990

(Month, day, and year)

Name of organization (as shown in organizing document)

Date

National Council of Nonprofit Associations

June 21, 1990

Officer or trustee having authority to sign

Signature ▶

Robert M. Kardon, Chairman

For IRS use only

District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)

Date

By ▶

For Paperwork Reduction Act Notice, see page 1 of the Form 1023 Instructions.

Form **872-C**

(Rev. 12-89)

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Date

National Council of Nonprofit Associations

June 21, 1990

Officer or trustee having authority to sign

Signature ▶

Robert H. Kardon, chairman

For IRS use only

District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)

Date

By ▶

For Paperwork Reduction Act Notice, see page 1 of the Form 1023 Instructions.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION



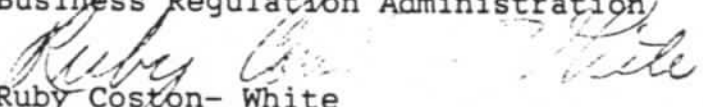
CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the DISTRICT OF COLUMBIA NONPROFIT CORPORATION ACT have been complied with and accordingly, this CERTIFICATE of INCORPORATION is hereby issued to NATIONAL COUNCIL OF NONPROFIT ASSOCIATIONS

as of MAY 30TH , 1990 .

Donald G. Murray
Director

Henry C. Lee, III
Administrator
Business Regulation Administration


Ruby Coston- White
Superintendent of Corporations
Corporations Division

Marion Barry, Jr.
Mayor

ARTICLES OF INCORPORATION
OF
NATIONAL COUNCIL OF NONPROFIT ASSOCIATIONS

We, the undersigned natural persons of the age of 18 years or more, acting as incorporators of a corporation, adopt the following Articles of Incorporation for such corporation pursuant to the District of Columbia Nonprofit Corporation Act.

ARTICLE I

The name of this corporation is National Council of Nonprofit Associations.

ARTICLE II

The period of duration is perpetual.

ARTICLE III

The purposes for which the corporation is organized are charitable and educational. The specific charitable and educational purposes are:

1. To support and conduct activities to support nonprofit, Internal Revenue Code Section 501(c)(3) tax-exempt organizations throughout the United States.

FILED

MAY 30 1990

BY:

Row

2. To educate the public about the benefits of the activities of said organizations.
3. To conduct research and share information among association of said organizations.
4. To support the ability of said organizations to provide effective human services, arts, education, economic development, health, and environmental protection.
5. To sponsor services that reduce the costs and increase the resources available to support the activities of said organizations.

The general purposes and powers are to have and exercise all rights and powers conferred on nonprofit corporations under the laws of the District of Columbia, provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of charitable and educational purposes.

ARTICLE IV

This corporation shall have members. The authorized number and qualifications of members, the classes of membership, the property, voting, and other rights and privileges of the members, and their liability for dues and assessments and the method of collection, shall be provided in the bylaws.

ARTICLE V

The number of directors ~~two~~ ^{two} to be elected or appointed by the members and the manner in which such directors shall be elected or appointed shall be provided in the bylaws.

ARTICLE VI

The property of this corporation is irrevocably dedicated to charitable and educational purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable and/or educational purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE VII

- A. This corporation is organized and operated exclusively for charitable educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under

Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

- B. No substantial part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code, nor shall this corporation participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE VIII

The Board of Directors may amend these Articles of Incorporation by the affirmative vote of (a) two-thirds of the directors present and voting at a duly held meeting at which a quorum is present, or (b) a majority of the directors in office, whichever is greater, provided that written notice of such meeting, setting forth the proposed amendment, is given in accordance with the bylaws, unless such notice is waived in accordance with the bylaws.

ARTICLE IX

The address of this corporation's initial registered office is 1001 Connecticut Avenue, N.W., Washington, D.C. 20036, and the name of its initial registered agent at such address is Charles Tremper.

ARTICLE X

The number of directors constituting the initial board of directors is eight (8). The names and addresses of the persons who are to serve as the initial directors until the first annual meeting or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Betsy Johnson	1001 Connecticut Avenue, N.W., Washington, DC 20036
Robert Kardon	740 Front Street, Suite 250B, Santa Cruz, CA 95060
Jon Pratt	2200 University Avenue West, St. Paul, MN 55114
Don Tebbe	<i>BA</i> 101 NORTH 16 th STREET P.O. Box 1090 , Springfield, IL 62705
Dan Wallach	1245 E. Colfax, Suite 411, Denver, CO 80218
Ben Amos	613 Washington Street, Wilmington, DE 19801
Byron Williams	1941 Northwest 18th, Oklahoma City, OK 73106
Gerald Kaufman	36 West Lafayette Street, Trenton, NJ 08608

ARTICLE XI

The name and address of the three incorporators of this corporation are:

<u>Name</u>	<u>Address</u>
Betsy Johnson	1001 Connecticut Avenue, N.W., Washington, D.C. 20036
<u>Charles Tremper</u>	<u>1001 Connecticut Ave, N.W., Washington, D.C. 20036</u>
<u>Matt Watson</u>	<u>1233 20th Street, N.W., Washington, D.C. 20036</u>

Dated: 5/25/90 Betsy Johnson
 Betsy Johnson

Dated: 5/25/90 Charles Tremper
 Charles Tremper

Dated: 5/25/90 Matt Watson
 Matt Watson

I, Debbi S. Rife, a Notary Public, hereby certify that on the 25th day of May, 1990, personally appeared before me Betsy Johnson, Charles Tremper, and Matthew S. Watson, who signed the foregoing document as incorporators, and that the statements therein contained are true.

Debbi S. Rife
 Notary Public

DEBBI S. RIFE
 Notary Public, District of Columbia
 My Commission Expires: 14 Nov 95

BYLAWS
OF
NATIONAL COUNCIL OF NONPROFIT ASSOCIATIONS
(a District of Columbia Nonprofit Corporation)

ARTICLE 1: NAME

The name of this corporation is National Council of Nonprofit Associations (NCNA).

ARTICLE 2: PURPOSES

This corporation has been formed for charitable and educational purposes, to support and conduct activities to support nonprofit, Internal Revenue Code Section 501(c)(3) tax-exempt organizations throughout the United States, as stated in greater detail in Article III of this corporation's Articles of Incorporation.

The corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of charitable and educational purposes.

ARTICLE 3: PRINCIPAL OFFICE

The initial principal office for the transaction of the business of the corporation is located at the offices of the California Association of Nonprofits, Inc. in Santa Cruz, California. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another.

The Board of Directors may at any time establish branch offices at any place where the corporation is qualified to do business.

The corporation shall maintain a registered office in the District of Columbia.

ARTICLE 4: NONPARTISAN ACTIVITIES

No substantial part of the activities of the corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE 5: DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to charitable and educational purposes. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, director or officer of this corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization dedicated to charitable and/or educational purposes which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3).

ARTICLE 6: MEMBERSHIP

Section 1. Qualifications. This corporation shall have two classes of members as follows: Class A membership shall be open to any state or multi-state association of nonprofit, Internal Revenue Code Section 501(c)(3) tax-exempt organizations that

- (a) primarily addresses nonprofit Section 501(c)(3) sector issues per se;
- (b) has a governing body elected in whole or in part by its membership;
- (c) is a membership association whose members are principally nonprofit, Section 501(c)(3) organizations;
- (d) supports the purposes of this corporation;

- (e) has a statewide or multi-statewide membership and focus, with the exception of the Washington (D.C.) Council of Agencies and the Nonprofit Coordinating Committee of New York City, and is the primary association of nonprofit, Section 501(c)(3) organizations in its state or multi-state region; and
- (f) has broad based support from the nonprofit, Section 501(c)(3) organizations in its state or multi-state region.

If two or more associations from a state or multi-state region qualify for Class A membership, the associations involved shall agree among themselves as to which shall apply for Class A membership. Until an agreement is reached, the associations may apply for Class B membership.

Any association of nonprofit, Internal Revenue Code Section 501(c)(3) tax-exempt organizations that meets criteria (b) through (d), and whose state does not have an association that also meets criteria (a) through (f), shall be eligible for Class A membership until an association from that state that meets criteria (a) through (f) is accepted for Class A membership, or until a more appropriate association from that state that meets criteria (b) through (d) is accepted for Class A membership.

Class B membership shall be open to any association of nonprofit, Internal Revenue Code Section 501(c)(3) tax-exempt organizations that meets criteria (b) through (d). Associations that lose Class A membership status when a new Class A member is designated for its state automatically become Class B members.

Membership shall commence on approval of the membership application and designation of membership class by the board of directors and on timely payment of such initial membership dues and fees as the board may fix from time to time. No association shall hold more than one membership, and no state shall be represented by more than one Class A member. Reference in these bylaws to "members" shall mean both Class A and Class B members unless otherwise stated. Class B members constitute a separate class of members only for the purpose of electing directors.

Section 2. Rights of Membership. Members shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, members shall have all rights afforded members under the District of Columbia Nonprofit Corporation Act and these bylaws. This corporation may benefit, serve, or assist persons who are not members, but may

restrict the provision of certain benefits, services, and assistance to members. Each member shall designate in writing the name or position of the individual entitled to vote or exercise its rights and to receive notices on behalf of the member (a "member representative"). Such designation may be amended by the member at any time, and all such designations and amendments thereto shall be filed with the records of this corporation.

Section 3. Other Persons Associated with the Corporation. Any nonprofit, Internal Revenue Code Section 501(c)(3) tax-exempt organization that is not eligible to participate in an association which is a Class A or Class B member of this corporation may become a Class C Associate Member of this corporation. The corporation may refer to organizations associated with it as "Members" or "Associates," even though those organizations do not meet the qualifications for membership as set forth in Article 6, Section 1 of these bylaws, but no such reference shall constitute anyone a member. The corporation may grant some or all of the nonvoting rights of members, as set forth in these bylaws, to any organization that does not have the right to vote on any of the matters specified in Article 6, Section 2 of these bylaws but no such organization shall be a member.

Section 4. Dues, Fees, and Assessments. Each member must pay, within the time and on the conditions set by the board, the dues, fees, and assessments in amounts to be fixed from time to time by the board. Those members who have timely paid the required dues, fees, and assessments and who are not suspended shall be members in good standing. The board may require the payment of dues, fees, and assessments, in amounts to be fixed from time to time, by those organizations associated with the corporation as described in Article 6, Section 3 of these bylaws.

Section 5. Termination of Membership. A membership shall terminate on occurrence of any of the following events:

- (a) Resignation of the member, on reasonable notice to the corporation;
- (b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the board;
- (c) Failure of the member to pay dues, fees, or assessments as set by the board within thirty (30) days after they become due and payable;
- (d) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- (e) Expulsion of the member under Article 6, Section 7 of these bylaws

based on the good faith determination by the board, or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

Section 6. Suspension of Membership. A member may be suspended under Article 6, Section 7 of these bylaws, based on the good faith determination by the board, or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation. A person whose membership is suspended shall not be a member during the period of suspension.

Section 7. Procedure for Expulsion or Suspension. If grounds appear to exist for expulsion or suspension of a member under Article 6, Sections 5 or 6 of these bylaws, the procedure set forth below shall be followed:

- (a) The member shall be given 15 days' prior notice, by any method reasonably calculated to provide actual notice, of the proposed expulsion or suspension and the reasons therefor. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.
- (b) The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the board or by a committee or person authorized by the board to determine whether the expulsion or suspension should take place.
- (c) The board, committee, or person shall decide whether or not the member should be suspended, expelled or sanctioned in some other way. The decision of the board, committee or person shall be final.
- (d) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

Section 8. Transfer of Membership. No membership or right arising from membership shall be transferred. All membership rights cease on the member's

dissolution or termination of membership pursuant to Article 6, Section 5 of these bylaws.

Section 9. Liability for Debts or Obligations. A member of the corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

Section 10. Place of Meeting. Meetings of the members shall be held at any place within or outside California or the District of Columbia designated by the board of directors. In the absence of any such designation, members' meetings shall be held at the corporation's principal office.

Section 11. Annual Meeting. A regular annual meeting of members shall be held in the fourth quarter of each year, beginning in 1990. The board of directors shall fix the date and time and notify members as provided in Article 6, Section 13. At this meeting, directors shall be elected and any other proper business may be transacted.

Section 12. Special Meetings. A special meeting of the members for any lawful purpose may be called at any time by the board of directors, the chairperson of the board, the Executive Committee, the Secretary or by ten percent (10%) or more of the members. A special meeting called by the members shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the chairperson of the board, or the secretary. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Article 6, Section 13 of these bylaws, stating that a meeting will be held at a specified time and date fixed by the board. If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 13. Notice of Meetings. Whenever members are required or permitted to take action at a meeting, a written notice of the meeting shall be given at least ten (10) but no more than fifty (50) days before the meeting date to each member entitled to vote at that meeting. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote at the address of that member appearing on the books of the corporation or at the address given by the member to the corporation for purposes of notice.

Notices shall specify the place, date, and hour of the meeting and (1) for a special meeting, the general nature of the business to be transacted; or (2) for a regular meeting, those matters which the board, at the time notice is given, intends to present for action by the members, but any proper matter may be

presented at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

Section 14. Quorum. One-third (1/3) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken, other than adjournment, is approved by at least a majority of the members required to constitute a quorum.

Section 15. Adjournment. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

Section 16. Voting. Members entitled to vote at any meeting of members shall be those members in good standing as of the date next preceding the date notice is given in accordance with these bylaws. Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any member at the meeting before the voting begins. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members, or, in the election of directors, shall have the number of votes equal to the number of directors to be elected by their membership class. Each member entitled to vote shall have the right to cumulate its vote in any election for directors. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by law, the articles of incorporation, or these bylaws. In any election of directors, the candidates receiving the highest number of votes are elected.

Section 17. Waiver of Notice or Consent by Absent Members. The transactions of any meeting of members, however called or noticed and whenever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy and if, either before or after the meeting, each member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of

members. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section 18. Action by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting and without prior notice, if all members consent in writing to the action. The written consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

Section 19. Action by Written Ballot Without a Meeting. Any action, including the election of directors, that may be taken at any meeting of members may be taken without a meeting and without prior notice by complying with the provisions of this Section 19 concerning written ballots.

The corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Article 6, Section 13 of these bylaws. All solicitations of votes by written ballot shall

- (a) indicate the number of responses needed to meet the quorum requirement;
- (b) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures; and
- (c) specify the time by which the ballot must be received in order to be counted.

Each ballot so distributed shall

- (a) set forth the proposed action;
- (b) provide the members an opportunity to specify approval or disapproval of each proposal; and

- (c) provide a reasonable time within which to return the ballot to the corporation.

In any election of directors, a written ballot that a member marks "withhold" or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

Approval by written ballot shall be valid only when the number of votes cast by ballot, including those ballots marked "withhold" or otherwise indicate that authority to vote is withheld, within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

A written ballot may not be revoked.

All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records.

Section 20. Election of Directors. The board of directors shall appoint a Board Development Committee to select qualified candidates for election to the board by the members at least 120 days before the date of any election of directors. This committee shall make its report at least 90 days before the date of the election, or at such other time as the board of directors may set, and the secretary shall forward to each member, with the notice of meeting required by these bylaws, a list of all candidates nominated by the committee under this section. The number of candidates nominated in each class shall equal at least one-and-a-half times the number of candidates to be elected by that class of member. In nominating candidates, the committee shall seek to achieve the following goals regarding the nominees: diversity of backgrounds and skills relevant to the needs of the corporation, and such other goals as the board of directors may establish.

Members representing five percent (5%) of a membership class may nominate candidates for director by a petition, signed by those members within 11 months preceding the next time directors are to be elected, and delivered to an officer of the corporation at least 90 days before the day directors are to be elected. On timely receipt of a petition signed by the required number of members, the secretary shall cause the names of the candidates named therein to be placed on the ballot along with the names of those candidates named by the Board Development Committee.

If there is a meeting of members to elect directors, any member present at the meeting may place names in nomination.

The board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

If the corporation distributes any written election material soliciting a vote for any nominee for director at the corporation's expense, it shall make available at the corporation's expense to each other nominee, in or with the same material, the same amount of space that is provided any other nominee, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

Without board authorization, no corporate funds may be expended to support a nominee for director after more people have been nominated for director than can be elected.

ARTICLE 7: BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. This corporation shall hold and may exercise all such powers as may be conferred upon a nonprofit corporation by the laws of the District of Columbia and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation, provided, however, that in no event shall the corporation engage in activities which are not permitted to be carried on by a corporation exempt under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Number of Directors. Until the first meeting of members for the election of directors in the fourth quarter of 1990, the corporation shall be governed by an eight (8) member Board of Directors. Thereafter, the authorized number of directors shall be an odd number not less than nine (9) nor more than fifteen (15). The exact number of directors shall be fixed from time to time, within these limits, by the Board of Directors. The number of directors elected by

each class of members shall be as follows:

<u>Authorized Number</u>	<u>Elected by Class A Members</u>	<u>Elected by Class B Members</u>	<u>At-Large (Not Elected By Members)</u>
9	5	2	2
11	6	3	2
13	7	3	3
15	8	4	3

Section 3. Election, Designation, and Term of Office of Directors. At the first annual meeting of members, the Class A and Class B member-elected directors shall each be divided into three groups for the purpose of providing, as nearly as numerically possible as determined by the Board of Directors, for the election of one-third of the directors in each subsequent year. Except as provided for the initial terms of directors, the term of office of member-elected directors shall be three (3) years. However, if any member-elected directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose or by written ballot. Each member-elected director, including a director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. Member-elected directors may serve any number of consecutive terms.

At the first board meeting following the election of directors each year, the member-elected directors shall designate the number of at-large directors specified in Article 7, Section 2, to hold office for one (1) year beginning from the date of the next director meeting and until a successor has been designated and qualified. At-large directors may not serve more than six (6) consecutive years.

The Board Development Committee shall nominate qualified candidates for designation as at-large directors by the member-elected directors. In nominating candidates, the committee shall seek to achieve diversity of background and skills relevant to the needs of the corporation, broad representation of the nonprofit sector, and such other goals as the board of directors may establish. And director present at the meeting at which at-large directors are to be elected may place names in nomination. In designating at-large directors, the member-elected directors shall seek to achieve the goals expressed herein.

A member-elected director must be a member representative at the time of election and at all times thereafter, representing a member of the class which elected the director.

Section 4. Vacancies. A vacancy on the board shall exist on the occurrence of the following: (a) the death or resignation of any director; (b) the declaration by resolution of the board of a vacancy in the office of a director who has missed three (3) meetings of the board of directors during any one calendar year; (c) the vote of the members of a class to remove a director elected by that class, (d) the vote of three-fourths (3/4) of the directors in office, not counting the director to be removed, to remove a director with or without cause; (e) an increase in the authorized number of directors; (f) the failure of the members, at any meeting of members at which directors are to be elected, to elect the number of directors required to be elected at such meeting; or (g) the failure of a director to satisfy the qualifications for service as a director.

Any director may resign effective upon giving written notice to the chairperson of the board or the secretary unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, the board may elect a successor to take office when the resignation becomes effective.

Except for a vacancy created by the removal of a director by the members, vacancies on the board may be filled by vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. Nominations for filling a vacancy may be submitted to the secretary by any director or member at least fourteen (14) days in advance of the next board meeting. The secretary shall include the list of nominees with the notice of the meeting. The members may fill any vacancy not filled by the directors. However, vacancies on the board in an at-large designated directorship may be filled only by the member-elected directors. Prior to the removal of any director, the director to be removed shall have been notified in writing in the manner set forth in Article 7, Section 5 that such action would be considered at the meeting at which removal is voted.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. Meetings. The Board of Directors shall meet at least four times each year. Meetings shall be held at any place designated by resolution of the board, or, if not designated, at the principal office of the corporation. A meeting may be held at any place consented to in writing by all the directors, either before or after the meeting. Consents shall be filed with the minutes of the meeting. Any meeting may be held by conference telephone or similar communications equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Meetings of the board for any purpose may be called at any time by the chairperson of the board or by one-third (1/3) of the directors then in office. Notice of the date, time, and place of meetings shall be delivered personally to each director or communicated to each director by telephone at least fourteen (14) days before the date of the meeting, or communicated by telegraph or first-class mail, charges prepaid, addressed to the director at the director's address as it is shown upon the records of the corporation, deposited in the mails or given to the telegraph company at least fourteen (14) days before the date of the meeting. The notice need not specify the purpose of the meeting. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such director. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6. Action at a Meeting. Presence of forty percent (40%) of the authorized number of directors at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these Bylaws, or by law. Directors may not vote by proxy. A meeting at which a quorum is initially present, including an adjourned meeting, may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a disinterested majority of the required quorum for such meeting, or such greater number as required by the Articles of Incorporation, these Bylaws or by law.

Section 7. Adjourned Meeting and Notice. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. Such notice may be waived in the manner provided for in Article 7, Section 5.

Section 8. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same

force and effect as the unanimous vote of such directors.

Section 9. Fees and Compensation. Directors and members of committees shall not receive compensation for their services as such, but may receive reasonable reimbursement for expenses.

Section 10. Officers. The officers of the corporation shall consist of a Chairperson, two Vice Chairpersons, Secretary and Treasurer, and such other officers as the Board may designate by resolution. No two offices may be held by the same person. All officers shall be directors.

The Chairperson of the Board, shall, when present, preside at all meetings of the members, the Board of Directors, and the Executive Committee, and shall perform all the duties commonly incident to that office.

Subject to the control, advice and consent of the Board of Directors, the Chairperson shall, in general, supervise and conduct the activities and operations of the corporation, shall keep the Board of Directors fully informed and shall freely consult with them concerning the activities of the corporation, and shall see that all orders and resolutions of the board are carried into effect. The Chairperson shall be empowered to act, speak for, or otherwise represent the corporation between meetings of the board. The Chairperson shall be responsible for the hiring and firing of all personnel, and shall be responsible for keeping the board informed at all times of staff performance and for implementing any personnel policies adopted by the board. The Chairperson is authorized to contract, receive, deposit, disburse, and account for funds of the corporation; to execute in the name of the corporation all contracts and other documents authorized either generally or specifically by the board to be executed by the corporation; and to negotiate all material business transactions of the corporation. He or she shall have such other powers and perform such other duties as shall, from time to time, be assigned to him or her by the Board of Directors. The Board of Directors may hire an Executive Director, and assign some or all of the powers and duties described in this paragraph to that person.

One of the Vice Chairpersons shall, in the absence of the Chairperson, or in the event of his or her inability or refusal to act, perform all the duties of the Chairperson, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chairperson. The Vice Chairpersons shall chair committees on special subjects and shall have other powers and perform such other duties as may be prescribed by the Board of Directors.

The Secretary, or his/her designee, shall act as secretary of all the meetings of the Board of Directors and the members, and shall keep the minutes of all such meetings in books proposed for that purpose. He or she shall attend to the giving

and serving of all notices of the corporation, and shall see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws. He or she shall keep or cause to be kept records of the members showing their names and addresses. He or she shall perform all other duties customarily incident to the office of secretary, subject to control of the Board of Directors, and shall perform such additional duties as shall, from time to time, be assigned to him or her by the Board of Directors.

The Treasurer, or his or her designee, shall have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors. He or she shall keep and maintain or cause to be kept and maintained adequate and correct books and records of account of the financial transactions of the corporation, and shall render to the Board of Directors at each meeting an account of the financial condition of the corporation.

The Treasurer shall chair the Finance Committee, assist in the preparation of the budget, help develop fundraising plans, and in general, shall perform all duties incident to the office of treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

The officers shall be chosen by the board at the meeting at which at-large directors are designated, and shall serve at the pleasure of the board, subject to the rights, if any, of any officer under any contract of employment. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the board. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairperson of the Board, or the Secretary of the corporation, without prejudice, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board of Directors.

ARTICLE 8: STANDARD OF CARE

Section 1. General. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented:
- (b) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence, or;
- (c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article 8, Section 3, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

Section 2. Loans. This corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 3. Self-Dealing Transactions. Except as approved in Section 4 below, the

Board shall not approve a self-dealing transaction. A self-dealing transaction is one to which the corporation is a party and in which one or more of the directors has a material financial interest or a transaction between this corporation and one or more of the directors or between this corporation and any person in which one or more of its directors has a material financial interest.

Section 4. Approval. The Board of Directors may approve a self-dealing transaction if the Board determines that the transaction is in the best interests of, and is fair and reasonable to, this corporation and, after reasonable investigation under the circumstances, determines that this corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board, in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of the majority of the directors then in office, provided that a quorum is present, without counting the vote of the interested director or directors.

Section 5. Indemnification. To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other agents, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any action or proceeding, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described above.

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification in defending any action or proceeding shall be advanced by the corporation before final disposition of the action or proceeding upon receipt by the corporation of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

The corporation shall have power to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by such persons in such capacity or arising out of the person's status as such.

ARTICLE 9: COMMITTEES

Section 1. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is

present, designate one or more committees, each of which shall consist of two or more directors, and may also include members who are not on the Board of Directors, to serve at the pleasure of the Board. The Board shall designate the committee chairperson, who shall be a director, and may designate one or more alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. Any committee that includes voting members who are not on the Board of Directors may not be delegated the authority or power of the Board of Directors. Any committee whose voting members consist only of directors, to the extent of the powers specifically delegated in the resolution of the Board of Directors or in these Bylaws, may have all or a portion of the authority of the Board of Directors, except that no committee, regardless of Board resolution, may:

- (a) Approve any action that also requires approval of the members.
- (b) Fill vacancies on the Board of Directors or in any committee that has the authority of the Board.
- (c) Fix compensation of the directors for serving on the Board or on any committee.
- (d) Amend or repeal the articles of incorporation or bylaws or adopt new bylaws.
- (e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- (f) Appoint any other committees of the Board of Directors or the members of such committees.
- (g) Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business; or revoke any such plan.
- (h) Approve any self-dealing transaction.
- (i) Bind the corporation in a contract or agreement exceeding the amount of \$10,000.
- (j) Expend corporate funds to support a nominee for director after there

are more people nominated for director than can be elected.

Section 2. Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 7 of these Bylaws, concerning meetings and actions of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the government of any committee.

Section 3. Executive Committee. The Chairperson, two Vice Chairpersons, Secretary, and Treasurer shall serve as the Executive Committee of the board. The Executive Committee, unless limited in a resolution of the board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the board; provided, however, that the Executive Committee shall not have the authority of the board in reference to those matters enumerated in Article 9, Section 1. The Executive Committee shall periodically review the performance of the Executive Director. The Secretary of the Corporation shall send to each director a summary report of the business conducted at any meeting of the Executive Committee.

Section 4. Finance Committee. The Finance Committee shall consist of three directors, including the Treasurer, who shall serve as committee chairperson. The committee shall develop and review with staff and the Board of Directors fiscal procedures, fundraising plans, and annual budgets. The Board of Directors shall approve each budget. Any change in the budget of more than ten (10) percent, or expenditure in excess of the budgeted amount, must be approved by the Board of Directors or Executive Committee.

Section 5. Board Development Committee. The Board Development Committee shall consist of three directors who shall represent diverse aspects of the nonprofit community. The committee shall make nominations for directors and committee members, and shall plan for board training and leadership development.

Section 6. Personnel Committee. The Personnel Committee shall operate as a grievance committee, and shall develop personnel policies.

Section 7. Other Committees. The Board of Directors may create other committees as needed, such as Program, Public Relations, Issues, and Information and Electronics Network Committee.

ARTICLE 10: RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members and directors at all reasonable times during office hours.

Section 2. Maintenance and Inspection of Other Corporate Records. The corporation shall keep adequate and correct books and records of accounts; written minutes of the proceedings of its members, board, and committees of the board; and a record of each member's name and address. All such records shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal office of the corporation. A record of the names and addresses of the members entitled to vote shall be kept at the registered office in the District of Columbia. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his or her successor or the chairperson, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

On written demand of the corporation, any member may inspect, copy, and make extracts of the accounting books and records, record of the names and addresses of the members entitled to vote, and the minutes of proceedings of the members, the board, and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the corporation.

ARTICLE 11: FISCAL YEAR

The fiscal year for this corporation shall be the calendar year.

ARTICLE 12: AMENDMENTS AND REVISIONS

The board may adopt, amend, or repeal bylaws by the affirmative vote of two-thirds (2/3) of the directors present and voting at a duly held meeting at which a quorum is present. Proposed amendments to these bylaws must be in writing and sent to the directors at least fourteen (14) days in advance of the board meeting at which they will be considered for adoption.

If any provision of these bylaws requires the vote of a larger proportion of the board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

CERTIFICATE OF CHAIRPERSON

I, the undersigned, certify that I am the presently elected and acting Chairperson of the National Council of Nonprofit Associations, a District of Columbia nonprofit corporation, and the above Bylaws, consisting of 21 pages, are the Bylaws of this corporation as adopted by the board of directors on June 20, 1990, and that they have not been amended or modified since that date.

Executed on June 21, 1990 at Santa Cruz, California.


Chairperson

Bylaws.NCN
06/20/90