

## Montana Nonprofit Association, Inc.

### Executive Committee Charter

#### A. Purposes.

1. This Charter implements the Bylaws of MNA with regard to the Executive Committee.
2. The Executive Committee is delegated authority to Act for the Board in fulfilling the Board's fiduciary duties by engaging in the activities identified in this Charter and by acting for the Board between meetings of the Board to the extent allowed by law, within the limits established in this Charter and the Bylaws.

#### B. Chair. The Chair of the Board shall be Chair of the Executive Committee.

#### C. Membership. Membership on the Executive Committee shall consist of the Board Officers of MNA and the immediate past Board Chair, if still a director, plus any other directors or officers appointed by the Board.

#### D. Ex Officio Member. The Executive Director shall be an ex officio member without vote, invited to attend meetings of the Executive Committee unless requested not to attend by the person acting as Chair.

#### E. Meetings and Procedures

1. The Committee shall establish and continuously update and revise a calendar that shows the month or quarter within which basic functions of the Committee, such as evaluation of the Executive Director, are expected to occur.
2. The Committee shall hold meetings at the call of the Committee chair, Executive Director, or any two members.
3. The Committee shall either maintain minutes of its meetings and provide them to the full Board at regularly scheduled meetings or shall report to the Board, which shall incorporate the report of the Executive Committee into its written minutes.

#### F. Powers.

1. The Executive Committee may act for the Board between meetings; provided, however, that it may **not** do the following:
  - a. approve or recommend to members the dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the MNA's assets;
  - b. elect, appoint or remove directors or permanently fill vacancies on the Board or any committee of the Board;
  - c. adopt, amend or repeal the Bylaws or Articles of Incorporation;
  - d. amend any committee charter or resolution of a Board committee previously established by the Board;

- e. hire or fire the Executive Director;
  - f. approve or change the budget;
  - g. add or eliminate programs previously authorized by the Board;
  - h. change or add membership categories or the rights or benefits of membership; or
  - i. permanently relocate the main office.
2. Investigate Conflict of Interest Transactions. The Executive Committee shall conduct investigations into potential conflicts of interest and make a final determination on whether any potential conflicts exists and, if it does, on whether the transaction is fair to MNA.
  3. Executive Oversight. Subject to limitations on its authority established by the Board, these Bylaws, or law, the Executive Committee shall oversee the performance of the Executive Director and make recommendations to the Board on reasonable executive compensation.
  4. Personnel Matters. The Executive Committee shall oversee the development of personnel policies and their implementation by the Executive Director.

G. **Report to Board.** Any action taken by the Executive Committee between meetings of the Board shall be reported to the Board at the next meeting.

Approved by the Board of Directors on July 25, 2007.

Revised:

Revised:

## Montana Nonprofit Association, Inc.

### Governance and Nominating Committee Charter

#### A. Purposes.

1. This Charter implements the Bylaws of MNA with regard to a Governance and Nominating Committee.
2. The Governance and Nominating Committee is delegated the authority to act for the Board in fulfilling the Board's fiduciary duties by engaging in the activities identified in this Charter and by engaging in other activities assigned to the Committee by the Executive Committee or the Board, within the limits established in this Charter and the Bylaws.

B. **Membership.** Membership on the Governance and Nominating Committee shall consist of not less than three Directors. All members shall be free from any relationship that, in the judgment of the Board, would interfere with the member's independent exercise of judgment as a committee member.

C. **Ex Officio Member.** The Executive Director shall be an ex officio member without vote, invited to attend meetings of the Executive Committee, unless requested not to attend by the person acting as Chair.

#### D. Meetings and Procedures

1. The Committee shall establish and continuously update and revise a calendar that shows the month or quarter within which basic functions of the Committee, such as nominations of committee members and officers, review of the bylaws, and nomination of directors are expected to occur.
2. The Committee shall hold meetings at the call of the Committee chair, Executive Director, or any two members.
3. The Committee shall either maintain minutes of its meetings and provide them to the full Board at regularly scheduled meetings or shall report to the Board (or, upon request, the Executive Committee of the Board), which shall incorporate the report of the Governance and Nominating Committee into its written minutes.

E. **Powers.** The duties and responsibilities of the Governance and Nominating Committee shall include, at a minimum, the following:

##### 1. **Nomination of Directors.**

- a. The Governance and Nominating Committee shall submit to the Board of Directors recommendations for nominations of candidates for election or appointment to the Board of Directors. All nominees shall be from the membership of MNA, including the voting and nonvoting members.

- b. The Governance and Nominating Committee shall ensure that MNA maintains a list of the terms of directors, when each director is elected or appointed, and when each term ends.
    - c. The Governance and Nominating Committee shall oversee director appointment and election processes to ensure that individuals are appointed by the Board or elected by the members according to the bylaws of MNA.
    - d. The Committee shall evaluate the skill mix of directors and the composition of the directors to achieve a representative mix of MNA's membership and to enhance the diversity of Board members on a periodic basis.
  2. **Nomination of Officers.** At least five days prior to the Annual Corporate Board Meeting, the Governance and Nominating Committee shall submit to the Board of Directors, in writing, a slate of Officers for the next year.
  3. **Committees and Committee Members.** The Governance and Nominating Committee shall submit recommendations for committees of the Board, including recommendations for changes in the committees and the charters of committees. It shall recommend members of Board committees and the Chair of such committees, if the Chair is not established by these Bylaws. The Nominating Committee shall be responsible for determining whether a Board member is "independent," to the extent required for committee service.
  4. **Review of Articles and Bylaws.** At least every two years, the Governance and Nominating Committee shall review and recommend revisions to the Articles of Incorporation and Bylaws.
  5. **Governance Policies.** The Governance and Nominating Committee shall develop and oversee Board policies related to governance matters, including policies related to Board governance principles and expectations of directors (including any description of the responsibilities of directors), Conflicts of Interest, Corporate Opportunity, Board Travel and Education, Confidentiality, Membership categories, voting and election practices for the board and membership, and Management's Duty to Disclose and Report. All such policies shall become effective only upon vote of the full Board. The Governance and Nominating Committee shall review such policies at least every two years.
  6. **Board Education.** The Governance and Nominating Committee shall ensure that directors receive education on their duties and responsibilities as directors and shall develop and maintain an orientation program for new Board members and continuing education for all Board members on their fiduciary duties.
- F. **Report to Board.** Any action taken by the Governance and Nominating Committee between meetings of the Board shall be reported to the Board at the next meeting.

Approved by the Board of Directors on July 25, 2007.

Revised:

Revised:

## **Montana Nonprofit Association, Inc.**

### **Finance and Audit Committee Charter**

#### **A. Purposes.**

1. This Charter implements the Bylaws of MNA with regard to a Finance and Audit Committee.
2. The Finance and Audit Committee is delegated the authority to act for the Board in fulfilling the Board's fiduciary duties by engaging in the activities identified in this Charter and by engaging in other activities assigned to the Committee by the Executive Committee or the Board, within the limits established in this Charter and the Bylaws.
3. The basic responsibility of the Finance and Audit Committee is to oversee the activities of MNA to ensure its fiscal stability and long-term economic health. Board responsibility for the budget, financial reporting, audits, investments, and financial relationships such as banking shall be addressed by the Finance and Audit Committee.

#### **B. Membership.**

1. Except for any ex officio members, Membership on the Finance and Audit Committee shall consist of not less than three Directors, all of whom shall be independent directors.
  - a. A director shall be considered "independent" for the purposes of this Committee Charter if he or she:
    - i. is not, and has not been for a period of at least three years, an employee of MNA or any entity in which MNA has a financial interest;
    - ii. does not directly or indirectly have a significant business relationship with MNA, which, in the Board's judgment, might affect independence in decision-making;
    - iii. is not employed as an executive of another corporation where any of MNA's executive officers or employees serve on that corporation's compensation committee; and
    - iv. does not have an immediate family member who is an executive officer or employee of MNA or who, in the Board's judgment, holds a position that has a significant financial relationship with MNA.
2. The members of the Committee shall be able to read and understand basic financial statements, including a balance sheet, income statement and cash flow statement, and an external audit or financial review report and shall otherwise possess the skills to fulfill the duties established in the Bylaws and this Charter. The Committee is authorized to provide education to committee members in order to meet the requirements of this section.

#### **C. Meetings and Procedures**

1. The Committee shall establish and continuously update and revise a calendar that shows the month or other reasonable time frame within which basic functions of the Committee are expected to occur.
2. The Committee shall hold meetings at the call of the Committee chair, Executive Director, or any two members.
3. The Committee shall either maintain minutes of its meetings and provide them to the full Board at regularly scheduled meetings or shall report to the Board (or, upon request, the Executive Committee of the Board), which shall incorporate the report of the Finance and Audit Committee into its written minutes.

D. **Ex Officio Members.** The Executive Director shall be an ex officio member without vote, invited to attend meetings of the Finance and Audit Committee, unless requested not to attend by the person acting as Chair. If the Board at any time appoints a person to act in the capacity of Financial Officer of MNA, that person shall be an ex officio member without vote, invited to attend meetings of the Finance and Audit Committee, unless requested not to attend by the person acting as Chair.

E. **Powers.** The duties and responsibilities of the Finance and Audit Committee shall include, at a minimum, the following:

1. **Auditor or Financial Reviewer.** The Finance and Audit Committee shall select an auditor or financial reviewer and assure that the audit or financial review of the MNA is conducted by an independent person. The Committee shall oversee the audit/financial review process. The Executive Director and any other member of management shall not be present during the portion of at least one meeting at which the audit or financial review are discussed with the auditor or financial reviewer. The committee shall present the results of the audit or financial review and any recommendations to the Board.
2. **Internal Controls.** The Finance and Audit Committee shall recommend internal control policies to the Board, consistent with sound financial practices recognized by the accounting industry for organizations of the size of MNA, and shall oversee the implementation of sound internal controls by management.
3. **Financial Statements and Records.** The Finance and Audit Committee shall oversee preparation and maintenance of the financial records of MNA and ensure that appropriate financial statements, including an account of major transactions and the financial condition of MNA, are made available to the Board of Directors on a timely basis.
4. **Budget.** The Finance and Audit Committee shall annually present a budget for approval by the Board of Directors prior to the annual Membership meeting, and shall monitor performance against the approved budget, developing remedial action recommendations as required.
5. **Oversight of Investments, Grants, and Restricted Funds.** The Committee shall recommend to the Board policies and procedures to make certain that MNA manages

investments, grants, and restricted funds in accordance with contractual requirements, legally enforceable donor restrictions, accepted accounting practices, and applicable law. The Committee shall be responsible for overseeing management's compliance with such board policies and procedures and applicable enforceable obligations of MNA.

6. **Financial Policies.** The Finance and Audit Committee shall recommend and oversee financial policies and other policies within the scope of its responsibilities under this Charter to the Board. Any policy within the scope of its authority under this Charter that is approved by the Finance and Audit Committee shall go into effect immediately, but shall be presented to the full Board for its information and consideration.

F. **Report to Board.** Any action taken by the Finance and Audit Committee between meetings of the Board shall be reported to the Board at the next meeting.

Approved by the Board of Directors on July 25, 2007.

Revised:

Revised: