

**AMENDED AND RESTATED  
BYLAWS  
OF  
Houston Arts Alliance  
A Texas Non-Profit Corporation**

Date of Adoption

June 6, 2016

# AMENDED AND RESTATED BYLAWS

## Houston Arts Alliance

### A Texas Non-Profit Corporation

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**AMENDED AND RESTATED  
BYLAWS  
OF  
HOUSTON ARTS ALLIANCE  
A Texas Non-Profit Corporation**

These Amended and Restated Bylaws of Houston Arts Alliance, a Texas non-profit corporation (the “Corporation”) are adopted by the Corporation as hereinafter provided, effective as of June 6, 2016 (the “Effective Date”), as the governing bylaws of the Corporation (the “Bylaws”). These Bylaws supersede, amend and restate, in their entirety, as of the Effective Date, those certain Amended and Restated Bylaws of HAA as adopted on March 24, 2008.

**ARTICLE I- NAME**

The name of the Corporation is Houston Arts Alliance (“HAA”).

**ARTICLE II- PURPOSE**

Houston Arts Alliance (HAA) is the local nonprofit arts agency that enhances the city’s quality of life through advancing and investing in the arts and diverse cultural programming. The work of HAA encourages Houston’s development and shapes its global reputation by fostering tourism and supporting and promoting the city’s creative economy.

**ARTICLE III- FISCAL YEAR**

The fiscal year of the Corporation shall be July 1<sup>st</sup> to June 30<sup>th</sup> of each year and shall coincide with the fiscal year of the City of Houston unless otherwise determined by the Board pursuant to a subsequent amendment of these Bylaws (the Corporation's “Fiscal Year”).

**ARTICLE IV - MEMBERS**

**Section 1. Corporate Members.** The Corporation shall have no voting members. The Board may establish non-voting memberships in the Corporation, with or without dues and with such other rights, privileges, duties and responsibilities as the Board decides is appropriate. The Board, by adoption of these Bylaws, hereby establishes Advisory Memberships and Contributing Memberships in the Corporation, each having the rights, privileges, duties and responsibilities hereinafter set forth.

**Section 2. Advisory Members.** The Corporation may admit, as determined advisable by the Board in its sole discretion, members of the Corporation with the following qualifications who shall have the rights, privileges, duties and responsibilities hereinafter set forth (the “Advisory Members”). Advisory Members shall be individuals and/or entities having achieved outstanding recognition in their or its particular artistic endeavor that affords such individual or entity name recognition in one or more segments of the arts community in Texas and the nation. Each Advisory Member shall agree to permit the Corporation to use his, her or its name in the general letterhead of the Corporation and/or in general and/or specific

correspondence written by or on behalf of the Corporation in which the Advisory Member's name could provide credibility to the Corporation and aid the Corporation in achieving its purposes. Additionally, the Corporation may call upon all or specific Advisory Members for particular assistance in connection with specifically identified projects for which the Advisory Member(s) has expertise or access to other resources deemed important by the Board in the achievement of the Corporation's goals and purposes. No Advisory Member shall be obligated to respond to such inquiries and/or requests, but agrees to use his, her or its reasonable efforts to assist the Corporation when and where possible in connection with such inquiries and/or requests. Advisory Members shall serve in such capacity until the earlier to occur of their or its resignation and the removal from such position by the Board.

**Section 3. Contributing Members.** The Corporation may admit, as determined advisable by the Board in its sole discretion, members of the Corporation with the following qualifications who shall have the rights, privileges, duties and responsibilities hereinafter set forth (the "Contributing Members"). Contributing Members shall be individuals and/or entities who (i) are significant supporters of the arts locally and/or nationally, and (ii) contribute financially to the development of special projects developed by HAA in an amount or amounts determined by the Board. Contributing Members of HAA shall be acknowledged as such in all printed materials of the Corporation in which such types of acknowledgements are made and shall be entitled to such other rights and benefits as may be determined by the Board from time to time.

**Section 4. Emeritus Members.** The Corporation may admit, as determined advisable by the Board in its sole discretion, members of the Corporation with the following qualifications who shall have the rights, privileges, duties and responsibilities hereinafter set forth (the "Emeritus Members"). Emeritus Members shall be individuals having served as Contributing Members. In addition, Emeritus Members shall be individuals who have made extraordinary service and contribution to the mission of HAA. The membership of the Emeritus Members shall not exceed 10 individuals and has no term limitation. The Emeritus Members shall be invited to participate in all board meetings and shall have voting rights but his/her presence shall not count against quorum. The Nominating Committee of HAA shall present to the Board the slate of nominees it recommends for election as the Emeritus Members. The names of nominees selected by the Nominating Committee to be considered by the Board as Corporate Directors must be contained in the notice given for the meeting at which they are to be considered. Election shall be by oral ballot, unless otherwise directed by a majority of the Directors present. No name shall be placed in nomination by the Nominating Committee without the prior consent of such nominee. No name of a nominee shall be considered unless it has been previously recommended to the Board by the Nominating Committee. Any slate of nominees for Corporate Directors failing to receive an affirmative vote of the Board shall be withdrawn and a new slate of nominees must be selected and presented by the Nominating Committee. The Board may elect, from time to time as it deems

necessary or advisable, individuals serving as Emeritus Members to participate on one or more of the Corporation's committees. Emeritus Members of HAA shall be acknowledged as such in all printed materials of the Corporation in which such types of acknowledgements are made and shall be entitled to such other rights and benefits as may be determined by the Board from time to time.

## **ARTICLE V — BOARD OF DIRECTORS**

**Section 1. Governance.** The business of the Corporation shall be governed by a board of directors, herein called individually, a “Director” and collectively, the “Board.”

**Section 2. Duties, Responsibilities, and General Purposes.** The Board shall exercise all the powers of the Corporation. The duties and responsibilities of the Board in exercising said powers shall include, but are not limited to:

- (a) Establishing the policies of the Corporation regarding its property, its funds, and its affairs (including approval of the annual budget), subject to such restriction, if any; as may be imposed by law, the Articles of Incorporation or these Bylaws;
- (b) Formulating policy and providing leadership in developing the programs, goals, and fund-raising activities necessary to support and operate the Corporation and to carry out the mission of the Corporation.
- (c) Reviewing all reports of the Chief Executive Officer of the Corporation, Standing Committees and Special (Ad-Hoc) Committees.
- (d) Incurring indebtedness on behalf of the Corporation;
- (e) Appointing counsel and auditors;
- (f) Hiring the Chief Executive Officer of the Corporation and retaining the authority to terminate the Chief Executive Officer of the Corporation; and
- (g) Comply with the City of Houston Administrative Procedures No 2-10 regarding City Nonprofit and Local Government Corporations.

**Section 3. Earnings.** No part of the net earnings of the Corporation shall inure to the benefit of any Member of the Corporation, Director of the Corporation, Officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no Member, Director or Officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

**Section 4. Dissolution.** Upon voting to totally dissolve the Corporation, the Corporation's assets shall be distributed exclusively to other Texas arts and cultural non-profit

organizations which qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code.

**Section 5. Removal.** Any Director may be removed from office at any time, with or without cause, by the vote of a majority of the Board in accordance with Article VI, Section VII hereof. Any individual Director absent from three (3) or more consecutive regular meetings of the Board may be removed by simple majority vote of the Board members present at any regular, special or emergency meeting of the Board of Directors at which a quorum is present. Such motion shall be presented by the Chairman of the Board in consultation with the Nominating Committee.

**Section 6. Vacancies.** Any vacancy occurring on the Board, including any vacancy to be filled due to an increase in the number of Directors, may be filled by action of the Board utilizing the Nominating Committee procedure or, if there is less than a quorum of the Board remaining, the affirmative vote of a majority of the remaining Directors, unless the Board has determined to reduce the number of Directors and for this reason elects no successor. Any Director selected to fill a vacancy will serve for the unexpired term of his or her predecessor in office. In the event the office of Chair becomes vacant for any reason, the Vice Chair shall assume the title, duties and responsibilities of the Chair until the next regular meeting of the Board. In the event both offices are vacated, the Board, by the affirmative consent of fifty-one percent (51%) of the Directors qualified in and serving on the Board, shall elect a Chair and a Vice Chair from among its members to serve until the end of the fiscal year.

**Section 7. Number and Source.** The number of Directors shall be thirty-one (31) of whom (i) twenty-two (22) shall be nominated and elected by position to the Board as provided in these By-Laws, one of whom shall be the Immediate Past Chair of the Board, a position that shall have a one (1) year term limit, (the “Corporate Directors”) (ii) six (6) shall be appointed by the Mayor and approved by City Council (the “City Directors”) and three (3) shall be voting Ex-Officio members, one each representing the Mayor's Liaison for Cultural Affairs, the Greater Houston Convention & Visitor's Bureau (“CVB”) and the Hotel & Lodging Association of Greater Houston (“Hotel & Lodging”), and collectively, the “Ex-Officio Directors”). No change in the number of Directors shall have the effect of shortening the term of any incumbent member of the Board. In addition to the 22 corporate directors, up to three (3) repeat corporate directors may serve at any given time. After stepping down for one year, previous corporate members are eligible for nomination to serve a maximum of two additional consecutive 3-year terms.

**Section 8. Reciprocal Board (Management) Representatives.** The Corporation agrees to have reciprocal board appointments with CVB and Hotel & Lodging.

(a) The CEO or his/her designated appointee shall serve as HAA's ex-officio representative to the board of the CVB. The Chair shall appoint annually a

Director to serve as HAA's ex-officio representative to the board of Hotel & Lodging. Board members interested in serving as HAA's ex-officio representative of Hotel & Lodging are encouraged to advise the Chair of their interest.

- (b) The ex-officio representative of the CVB to the Board shall be the chief executive officer of CVB. The ex-officio representative of Hotel & Lodging to the Board shall be designated in writing by such organization and automatically admitted as Hotel & Lodging's representative to the Board. Such appointment shall be recorded in the minutes of the regular board meeting closest to the receipt of the appointment. The reciprocal appointments of CVB and Hotel & Lodging shall be subject to all terms and conditions of board service.
- (c) The reciprocal board appointment with CVB may include service by the CEO on the Executive Committee of CVB.
- (d) The reciprocal appointees for each of CVB and Hotel & Lodging shall have voting rights in the organization for which they serve as reciprocal appointee.

**Section 9. Electing Corporate Directors.** The Nominating Committee of HAA shall present to the Board the slate of nominees it recommends for election as the Corporate Directors. The Leadership Committee shall present to the Board the slate of Officers of the Board of HAA. When the Nominating Committee is preparing to consider candidates for nomination to fill Corporate Director seats, it shall give notice of this fact to the Board to allow time for any Director to submit names for consideration to the chair of the Nominating Committee. The names of nominees selected by the Nominating Committee to be considered by the Board as Corporate Directors must be contained in the notice given for the meeting at which they are to be considered. Election shall be by oral ballot, unless otherwise directed by a majority of the Directors present. No name shall be placed in nomination by the Nominating Committee without the prior consent of such nominee. No name of a nominee shall be considered unless it has been previously recommended to the Board by the Nominating Committee. Any slate of nominees for Corporate Directors failing to receive an affirmative vote of the Board shall be withdrawn and a new slate of nominees must be selected and presented by the Nominating Committee. In addition, the Board may make interim appointments to the Board of Directors. All persons elected or appointed as interim members shall serve until the next annual meeting of the Corporation.

**Section 10. Term.** Each Director is expected to fulfill the following terms of service:

- (a) Once elected, a Director shall hold office for the term for which such Director is elected, and until such Director's successor shall have been elected and qualified or until his or her earlier death, resignation or removal. Each Corporate Director and City Director is eligible to be



nominated for a second term of three (3) years and each Ex-Officio Director is eligible to serve for as many annual terms as its appointing agency shall deem appropriate.

- (b) Upon the Leadership Committee's recommendation, the Board may extend an existing Director's term if the Director is serving as an Officer or Immediate Past Chair, if such Director agrees and the Board approves, for additional one year terms while serving in an official capacity. Any Director so extended shall be in addition to the total number of Directors as set forth in Article V, Section 7.

**Section 11. Resignation.** Any Director may resign at any time by giving written notice to the Chair or the Board. Such resignation shall take effect at the time specified therein. The resignation need not be accepted by the Corporation to be effective.

**Section 12. Responsibilities.** Each Director is expected to fulfill the following responsibilities during each annual term of service:

- (a) Adhere to the policies of the Corporation regarding its property, its funds, and its affairs (including approval of the annual budget), subject to such restriction, if any, as may be imposed by federal, state or local law, the Articles of Incorporation or these Bylaws;
- (b) Take responsibility for the financial well-being of the Corporation; participate in fundraising by identifying, cultivating and soliciting donors; be willing to make use of personal and business contacts for fundraising; and support the Corporation through direct contributions or bequests;
- (c) Demonstrate interest in the work of the Corporation by regularly attending meetings, programs and fund raising events;
- (d) Communicate support of the Corporation's interests to elected representatives at all government levels; promote the Corporation to friends, business associates, etc.;
- (e) Attend Board meetings regularly, serve on at least one (1) committee and attend the meetings of such committee or committees regularly; and
- (f) Work collaboratively with members the Directors, Members and Associates in support of the Corporation.

**Section 13. Board Residency and Diversity.** The Corporation will, in good faith, attempt to create a Director, Member and Associate structure that will be geographically representative of Greater Houston and the metropolitan area and provide the Corporation with the resources and talent necessary to successfully achieve its purpose.

The Corporation will, to the best of its ability, create Board, Committee and Advisory leadership inclusive of the ethnic, cultural, gender and age diversity of Houston.

**Section 14. Chief Executive Officer.** The Board shall employ a Chief Executive Officer for the Corporation (the “CEO”) who shall be:

- (a) The CEO of the Corporation;
- (b) Responsible for carrying out the Corporation's mission through its programs. This includes professional practices with regards to grant and services programs, civic art, arts administration, arts education and for providing conceptual leadership through specialized knowledge of the field;
- (c) Responsible for the overall Management and direction of the Corporation's operations according to the policies established by the Board for its business, its property and its affairs. In this connection, the CEO shall be accountable to the Board;
- (d) Responsible for the preparation of the annual budget and shall be:
  - 1) Empowered to authorize and initiate expenditures under the approved budget; and
  - 2) Responsible for supervising and approving all expenditures under the budget;
- (e) Responsible for the implementation and supervision of all of the Corporation's programs;
- (f) Authorized to employ personnel for the Corporation as authorized by the Board and to terminate the employment of such personnel. The CEO shall have full authority as well as the responsibility to supervise the work of such personnel, and they shall be responsible solely to the CEO;
- (g) Required to devote full time to the operations of the Corporation;
- (h) Hired by and serve at the pleasure of the Board. The CEO shall attend all meetings of the Board and the Executive Committee, but shall not be entitled to vote. The CEO may attend all Standing and Ad-Hoc Committee meetings, but shall not be entitled to vote;
- (i) The CEO shall be given an annual performance review by the chair of the Human Resources Committee and the Chairman of the Board; and
- (j) The CEO shall perform such other duties as may be assigned to him or her by the Board.

**Section 15. Associates.** The Board may elect, from time to time as it deems necessary or advisable, individuals from the community interested in the work of HAA to participate on one or more of the Corporation's committees ("Associates") provided, however, that only Directors shall serve on the Finance, Leadership and Executive committees. Only Directors and Advisory Members may serve on the Nominating and Human Resources committees. Associates may participate on remaining committees provided that Directors constitute the majority of the membership. Associate Members shall be individuals and/or entities who (i) are significant supporters of or participators in the arts locally and/or nationally, and (ii) contribute financially to the development of special projects developed by HAA in an amount or amounts determined by the Board. Associates shall be appointed by the Chairman of the Board in consultation with the Committee Chairman for a term of one (1) year commencing at the start of the Fiscal Year in which such Associate is nominated and may be re-appointed for a total of three consecutive terms. Associates shall have voting rights at the committee level for each committee on which he or she serves. The number of Associates and the specific duties and responsibilities of each Associate shall be determined by the Committee Chairman on which such Associate is serving in accordance with Article VIII and the other provisions of these Bylaws. Board members should direct all proposed nominations for Associates to the Nominating Committee. Members of the Nominating Committee shall present all such names to the Chairman of the Board.

## ARTICLE VI – MEETINGS

**Section 1. Authority to Call Meetings.** Except as otherwise provided in these Bylaws, all meetings of the Board shall be at the call of the Chair as hereinafter described or a majority of the Directors and may be held at a place designated by the Chair or a majority of the Directors.

**Section 2. Meetings of the Board.** The Board shall meet no less than four (4) times per Fiscal Year, usually during the months of October, February, May and June. In the fourth quarter of the fiscal year, the annual budget for the Corporation shall be presented and voted on by the Board. Also in the fourth quarter of the fiscal year, the annual meeting of the Corporation shall take place and will include, as part of agenda, the presentation of the slate of Director nominations and reappointments by the Nominating Committee and the election of Officers for the following year as presented by the Leadership Committee. Such meetings shall occur at a time and place designated by the Chair or a majority of the Board.

**Section 3. Executive Sessions of the Board of Directors.** All executive sessions of the Board shall be closed to anyone who is not a member of the Board, except invited staff and/or invited counsel. Executive sessions of the Board shall be limited in accordance with the limitations of the Executive Committee as set forth in Article VIII, Section 2 hereof.

**Section 4. Special Meetings of the Board of Directors.** Special meetings of the Board may be called at any time by the Chair or designated representative acting on behalf of the Chair or by a majority of the Board. Such meeting may be called upon notification by the party calling for such special meeting, setting forth the date and objectives of such special meeting. Written notice of the time, place and purpose of such meeting shall be provided to each member entitled to vote at such meeting, no less than five (5) and no more than sixty (60) days, prior to the date fixed for the holding of such special meeting of the Board. In the absence of any objection, presiding officers may vary the order of business or add thereto at their discretion.

**Section 5. Notice of Meetings.** At least ten (10) business days before any regular meetings of the Board, the Secretary shall give each Director notice of the date, time and place of such meeting in person or by telephone, telecopy, mail or electronic mail. At least twenty-four (24) hours before any emergency meeting of the Board, the Secretary shall give each Director notice of the date, time and place of such meeting in person or by telephone, electronic transmissions including, without limitation, facsimile or email or regular mail. If the meeting is called by a majority of the Directors who are serving duly elected terms of office at the time the meeting is called, such Directors shall send by electronic transmission, including, without limitation, facsimile or email or by regular mail written notice of the date, time and place of such meeting to the Chair of the Board and the Secretary at least ten (10) business days before any such meeting of the Board. All matters pertaining to the purposes of the Corporation may be considered and acted upon at any meeting of the Directors; provided, however, that express notice must be given of any proposed action to: (i) amend the Articles of Incorporation or Bylaws of the Corporation, (ii) approve the budget of the Corporation, (iii) liquidate or dissolve the Corporation or merge or consolidate the Corporation with or into another corporation where the Corporation is not the surviving entity, or (iv) sell, lease or exchange all or substantially all of the assets of the Corporation. The annual schedule and location of board meetings will be posted on the agency's website and at the entrance to the office.

**Section 6. Quorum.** One-third (1/3) of Directors then qualified and serving on the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time.

**Section 7. Voting and Consent Requirements.** The act of a majority of the Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number of Directors is required by law, by the Articles of Incorporation or by these Bylaws. In addition to being approved at a meeting of the Board, pursuant to the preceding sentence, the affirmative consent of fifty-one percent (51%) of the Directors qualified and serving on the Board is required for action: (i) amending these Bylaws, (ii) liquidating or dissolving the Corporation, or merging the Corporation with another entity in a

transaction in which the Corporation is not the surviving entity; (iii) selling, leasing or exchanging all or substantially all of the assets of the Corporation; or (iv) removal of a Director or an Officer of the Corporation. A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent of such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation within twenty-four (24) hours after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

**Section 8. Proxies.** Proxy voting is not allowed.

**Section 9. Conduct of Business at the Meetings of the Board.** At the meetings of the Board, matters pertaining to the purposes of the Corporation shall be considered in such order as from time to time the Board may determine. The Chair shall preside over all meetings of the Board. In the absence of the Chair, the succession of responsibility for presiding over meetings passes to the Vice Chair, the Treasurer and the Secretary, in that order. The Secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting. The Chair shall appoint, at his or her discretion, one of the Directors present at the meeting to serve as parliamentarian for the meeting. The parliamentarian for the meeting shall be responsible for assuring that the meeting proceeds in accordance with Article XV of these Bylaws.

**Section 10. Action Without a Meeting by Directors or Committees.** Any action required by law or these Bylaws to be taken at a meeting of the Board, or any action which may be taken at a meeting of the Board or any committee thereof, may be taken without such a meeting if a consent in writing, setting forth the action to be taken, shall be signed by a supermajority, defined as 2/3 of the membership, of the Directors, or a supermajority of the members of the committee, as the case may be. A telegram, telex, cablegram, electronic mail or similar transmission by a Director or member of a committee or a photographic, photo static, facsimile, or similar reproduction of a writing signed by a Director or a member of a committee shall be regarded as signed by the Director or member of a committee for purposes of this Section. Action item votes conducted by this method require a majority vote to pass.

**Section 11. Meetings by Telephonic or Other Remote Communications Technology.** Subject to the provisions required by these Bylaws for notice of meetings, members of the Board or member of any committee designated by the Board may participate in and hold a meeting of the Board, or such committee, by means of conference telephone or similar communications equipment or other suitable electronic communications system, including videoconference or webcast (collectively, "Electronic Communications") by which all persons participating in the meeting can hear each other; only if:

- (a) Each member entitled to participate in the meeting consents to the meeting being held by means of that system; and
- (b) The system provides access to the meeting in a manner or using a method by which each member participating in the meeting can communicate concurrently with each other participant.

If possible at the scheduled meeting locations, Electronic Communications for any meeting shall be made available to any Director or committee member requesting to participate in such manner; provided, however, such request is received by the Corporation no less than seventy-two (72) hours prior to such meeting.

Participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**Section 12. Compensation of Members, Directors and Associates.** Members, Directors and Associates shall not receive any salary or compensation for their services as Members, Directors or Associates; provided, that nothing contained herein shall be construed to preclude the Board from; (i) determining that a Member, Director or Associate or a business entity with which a Member, Director or Associate is affiliated may receive compensation in a reasonable amount for personal services rendered (other than services rendered in his or her capacity as a Member, Director or Associate) which are reasonable and necessary in carrying out the Corporation's purposes; (ii) adopting and implementing such policies as the Board shall determine are appropriate regarding the reimbursement of Members, Directors or Associates for reasonable out-of-pocket expenses directly related to the business of the Board.

**Section 13. Director's Reliance on Consultant Information.** A Director shall not be liable if, while acting in good faith and with ordinary care, he relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by:

- (a) One or more other Directors or Officers of the Corporation;
- (b) Legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or
- (c) A committee of the Board of which the Director is not a member.

**Section 14. Certified as to Compliance with Bylaws.** Each Officer, Director and Associate shall execute the Certificate as to compliance with these Bylaws, attached as “Exhibit A”.

**Section 15. Code of Ethics.** Each Director and Associate shall read and familiarize his or herself with the attached “Code of Ethics” and sign the conflict of interest statement attached as part of “Exhibit B”.

## **ARTICLE VII – OFFICERS OF THE BOARD**

**Section 1. Officers.** The Officers of the Board shall consist of a Chair, a Vice Chair, a Secretary and a Treasurer. The Board may create additional officer and assistant officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions as it deems advisable, in its sole discretion.

**Section 2. Election and Term of Office.** The Leadership Committee shall present a slate of officers for election by the Board at the annual meeting. The names of the nominees and their respective offices must be contained in the notice given for the meeting at which they are to be considered; provided, however in any year in which the Chair for the prior Fiscal Year is leaving such office, the Vice Chair for the prior year shall become the Chair for the new year. Any nominee failing to receive an affirmative vote of the Board shall be withdrawn and a new nominee must be selected and presented by the Leadership Committee for that office. The Chair, Vice Chair, the Secretary and the Treasurer shall be elected by the Board at the last regular Board meeting of that Fiscal Year. The Chair and Vice Chair term is for two (2) years or until the Officer's death, resignation or removal. The Secretary and Treasurer term is for one (1) year or until the Officer's death, resignation or removal. Each elected Officer shall take office following his or her election on the first day of the next fiscal year. Any Officer may be elected to serve succeeding terms.

**Section 3. Responsibility of Officers.**

(a) The Chair shall have the following powers and duties:

- 1) The Chair shall exercise the usual functions of a presiding Officer and shall serve as Chairperson of the Executive Committee. The Chair shall coordinate such activities with the Vice Chair and keep the Vice Chair apprised of all major issues relating to the Corporation so that the Vice Chair may be adequately prepared to assume the role of the chairmanship upon Chair's leaving office.
- 2) The Chair shall have the right to propose and discuss motions; however, the Chair shall vote on resolutions and motions only in instances of a tie in order to break the tie.

- 3) The Chair, at his or her discretion and in consultation with the CEO, shall appoint the chairperson and, if appropriate, vice-chairperson of all Standing Committees and Ad-Hoc Committees, except for the chairperson of the Executive Committee, which is chaired by the Chair, and the chairperson of the Finance Committee, which is chaired by the Treasurer. The Chair, in consultation with the CEO and the chairs and vice-chairs of each committee, shall appoint the members of each of the committees.
  - 4) The Chair shall perform all such other duties as from time to time shall be assigned by the Executive Committee.
- (b) The Vice Chair shall assume the duties of chair whenever the Chair is unable or unavailable to act and perform such other duties as may be designated to him or her by the Chair. The succession of responsibility for presiding over meetings passes from the Chair to the Vice Chair, the Treasurer and the Secretary, in that order.
- (c) The Secretary will
- 1) Give all notices as provided in the Bylaws or as required by law.
  - 2) Oversee minutes of the meetings of the Board and the keeping of the minutes as part of the corporate records.
  - 3) Oversee custody of the corporate records of the Corporation.
  - 4) Keep a register of the mailing address of each Director, Officer, committee member and employee of the Corporation;
  - 5) Perform duties incident to the office of the Secretary and such other duties as may be assigned by the Board of Directors; and
  - 6) Designate a staff member of HAA as an Assistant Secretary to perform certain of the above duties.
- (d) The Treasurer shall chair the Finance Committee and shall oversee the keeping of a record of all receipts and disbursements of the Corporation, shall verify the maintenance of a File of vouchers and supporting documents open for examination, shall oversee the conduct of the financial affairs of the Corporation as directed and authorized by the Board of Directors, shall oversee the making of reports of the Corporation's finances as required by the Chair, shall perform such other



duties as are required by the Board, and, upon leaving office, shall turn over to his or her successor all of the financial records of the Corporation in his or her possession.

**Section 4. Removal.** An Officer may be removed from office for cause by affirmative majority vote of the Board in accordance with Article VI, Section 7 of these Bylaws. The conduct for which an Officer may be removed includes, but is not limited to, conduct constituting gross misconduct, fraud, or indictment by any local or federal court, theft, embezzlement or bribery. An Officer is also subject to removal if he or she has two (2) unexcused absences from a Board Meeting during a calendar year. A Director seeking removal of an Officer must submit, to the Chair and the CEO, a request stating the grounds for removal. The request must be submitted thirty (30) days before the meeting at which such removal is to be considered.

**Section 5. Vacancies.** The Board may select a person to fill a vacancy in any office for the unexpired portion of the officer's term.

## ARTICLE VIII – COMMITTEES

**Section 1. Standing Committees.** The Executive Committee, Finance Committee, Grants Committee, Nominating Committee, Leadership Committee, Civic Art Committee, Human Resources Committee, Capacity Building Initiatives Committee, Folklife and Civic Engagement Committee and Audit Committee shall comprise the standing committees of the Corporation (the “Standing Committees”). The chairpersons and vice-chairpersons of each Standing Committee must be Directors and, except for the Executive Committee and Finance Committee, shall be appointed by the Chair in consultation with the CEO. The chairpersons of each Standing Committee are responsible for reporting to the Board as to the activities of their respective Standing Committees. The chairperson and vice-chairperson of each standing Committee, except for the Executive Committee and Finance Committee shall serve for a term of at least one (1) year and may be reappointed or elected for additional terms. The establishment of the Standing Committees and delegation thereto shall not operate to relieve the Board, or any individual Director, of any responsibility imposed on him or her by law. The Executive Committee, Leadership Committee and Finance Committee shall be composed of Board members only. The members of the Nominating Committee, Audit Committee and Human Resource Committee shall be comprised of Board and Advisory Council members only. All other committees may include Associates and all committees, with the exception of the Capacity Building Initiatives Committee, shall have a majority Director membership.

**Section 2. Executive Committee.** The Executive Committee is authorized and empowered to exercise, on behalf of the Board when it is not convened, all of the powers of the Board in the management of the business and affairs of the Corporation and to take any and all action that may be taken by the Board; provided, however, that

the Executive Committee shall not have the power to (a) amend the Articles of Incorporation, as amended; (b) adopt a plan of merger or of consolidation with another corporation; (c) authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets; (d) authorize voluntary dissolution of the Corporation; (e) revoke proceedings for voluntary dissolution of the Corporation; (f) adopt a plan for distributing the Corporation's assets; (g) amend, alter or repeal the Bylaws or adopt new bylaws for the Corporation; (h) elect, appoint or remove a Director, Officer of the Board; (i) approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined by the Bylaws; (j) approve the annual budget; (k) authorize the sale, lease, exchange, purchase or mortgage of any real estate; or (l) terminate or remove the CEO or hire or appoint a new CEO.

- (a) Committee Chairperson. The Executive Committee will be chaired by the Chair.
- (b) Voting Members. The voting members of the Executive Committee shall be the following elected officers: Chair, Vice Chair, Secretary, Treasurer (who is also the Finance Committee Chairperson) and the following appointed members: the chairpersons of the Standing Committees (Nominating, Leadership, Grants, Civic Art, Human Resources, Capacity Building Initiatives, Folklife and Civic Engagement, and Audit), chairpersons of ad-hoc committees as appointed by the Chair, in consultation with the CEO, for the fiscal year, the Immediate Past Chair and the Mayor of Houston's Liaison for Cultural Affairs, if such a position is filled. The Executive Committee may invite other Directors, Associates and non-Board members to any meeting for the sole purpose of reviewing the Corporation's legal and fiscal affairs, but he or she shall not vote on matters before the committee.
- (c) Meetings. Meetings of the Executive Committee shall be scheduled in the months between board meetings and may be cancelled at the discretion of the Chair. Upon the call of the Chair, special meetings may be called with at least twenty-four (24) hours notice. The Executive Committee shall keep and preserve minutes of all its meetings. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) To counsel and assist the Chair of the Board with respect to all activities of the Corporation.
  - 2) To make policy recommendations to the Board of Directors.
  - 3) To authorize the transfer of amounts between budget categories in the approved budget and to authorize

expenditures of unbudgeted amounts to meet emergency requirements or to address special circumstances that may arise from time to time at the discretion of the Chair and Treasurer.

- 4) To approve specific agreements to be executed on behalf of the Corporation, within policies previously established by the Board of Directors.
  - 5) To act on behalf of the Board of Directors when the Executive Committee determines that such action is necessary, subject to ratification by the Board of Directors at its next meeting.
  - 6) To receive all committee chairperson's reports.
- (e) Records. All actions of the Executive Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Board of Directors at its next meeting. The Minutes of the Board of Directors shall reflect that such a report was made along with any action taken by the Board of Directors with respect thereto.

**Section 3. Leadership Committee.** The Leadership Committee is authorized and empowered to present an annual slate of candidates to serve as Officers of the Corporation.

- (a) Committee Chairperson. The Leadership Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.
- (b) Voting Members. The voting members of the Leadership Committee shall be appointed by the Chair, in consultation with the CEO, to serve on the Committee for the fiscal year. At least five (5) Directors will be appointed to this Committee. The members of the Leadership Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, with thirty (30) days advance notice to the Board. Additional suggestions for membership in the Leadership Committee may be made by Directors to the Chair and/or the chair of the committee. The Leadership Committee's members shall be comprised of board appointed Directors only. Committee members may serve up to three consecutive 1-year appointments.
- (c) Meetings. The Leadership Committee shall meet at least three times a year. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.

- 1) Recommend prospective candidates to serve as Officers of the Board.
  - 2) Conduct meetings with prospective candidates to ascertain their suitability and interest in serving as an officer.
  - 3) Review and evaluate the performance of officers on an annual basis to determine their level of commitment, interest and performance.
  - 4) Report to the Board of Directors at least annually.
  - 5) Present a slate of nominees for consideration of the Board at the last regular meeting of the fiscal year. The names of the nominees shall be contained in the notice given for the meeting at which they are to be considered.
  - 6) No member of the Leadership Committee shall be proposed as an Officer of the Corporation in the slate of nominees presented to the Board.
- (e) Records. All actions of the Leadership Committee shall be recorded in writing and kept on file and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 4. Nominating Committee.** The Nominating Committee is authorized and empowered to present an annual slate of candidates for membership on the Board of Directors.

- (a) Committee Chairperson. The Nominating Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.
- (b) Voting Members. The voting members of the Nominating Committee shall be appointed by the Chair, in consultation with the CEO, to serve on the Committee for the fiscal year. At least five (5) Directors will be appointed to this Committee. The members of the Nominating Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, with thirty (30) days advance notice to the Board. Additional suggestions for membership in the Nominating Committee may be made by Directors to the Chair and/or the chair of the committee. The Nominating Committee's members shall be comprised of Board and Advisory Council members only. Committee members may serve up to three consecutive 1-year appointments.

- (c) Meetings. The Nominating Committee shall meet at least three times a year. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) Recommend prospective candidates (i) for membership on the Board and (ii) to serve on the various committees, as permitted by these Bylaws, as Associates.
  - 2) Conduct meetings with prospective candidates to familiarize them with the Corporation, duties and responsibilities of Board members and Associates, as applicable, and to ascertain their suitability and interest in serving on the Board or as an Associate.
  - 3) Review and evaluate the performance of Board members and Associates on an annual basis to determine their level of commitment, interest and performance as a Board member or Associate.
  - 4) Review these Bylaws annually and present any amendments for consideration by the Board.
  - 5) Report to the Board of Directors at least annually.
  - 6) Present a slate of nominees for consideration of the Board at the last regular meeting of the fiscal year. The names of the nominees shall be contained in the notice given for the meeting at which they are to be considered.
- (e) Records. All actions of the Nominating Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 5. Finance Committee.** The Finance Committee coordinates the board's oversight responsibilities for all financial matters pertaining to the Corporation.

- (a) Committee Chairperson. The Finance Committee will be chaired by the Treasurer.
- (b) Voting Members. The voting members of the Finance Committee shall include the Treasurer and any Director appointed by the Chair, in consultation with the CEO and Treasurer, to serve in the Finance Committee for the fiscal year. The Finance Committee shall be composed of Board members only. At least five (5) Directors will be appointed to

this Committee. Committee members may serve up to three consecutive 1-year appointments.

- (c) Meetings. The Finance Committee shall meet at least quarterly to review the quarterly financial statements of the Corporation and recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) To review and recommend action by the Executive Committee and the Board on the annual budget.
  - 2) To review and recommend Executive Committee action on any published financial reports or other reports containing financial information.
  - 3) To review and file all required Internal Revenue Service reports based on the findings of the independent audit as approved by the Board.
  - 4) To review proposals for and approve the investment of funds of the Corporation.
  - 5) To review any need for borrowing, including means of expected repayment, and make recommendations to the Board and Executive Committee regarding borrowing.
  - 6) To report to the Board at least quarterly and to the Executive Committee at least bi-monthly regarding the activities of the Committee.
- (e) Records. All actions of the Finance Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 6. Audit Committee.** The Audit Committee coordinates the Board's oversight responsibilities with respect to (1) the audit of the Corporation's books and records and (2) the system of internal controls that the Corporation has established.

- (a) Committee Chairperson. The Audit Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.
- (b) Voting Members. The voting members of the Audit Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the

committee, to serve in the Audit Committee for the fiscal year. Advisory and Associate members may serve on the Audit Committee's membership provided that Board members constitute a majority. At least five (5) members will be appointed to this Committee. Committee members may serve up to three consecutive 1-year appointments.

- (c) Meetings. The Audit Committee shall meet as needed to review the financial statements of the Corporation and recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) To select and recommend a firm of independent Certified Public Accountants to perform an annual audit for the Corporation.
  - 2) To review and approve the scope of the annual audit for the Corporation as recommended by the independent Certified Public Accountants.
  - 3) To meet with the independent Certified Public Accountants to review and recommend action by the Executive Committee and the Board on the annual audit report.
  - 4) To meet with the independent Certified Public Accountants when requested by them.
  - 5) To report to the Board at least annually and to the Executive Committee at least quarterly regarding the activities of the Committee.
- (e) Records. All actions of the Audit Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 7. Capacity Building Initiatives Committee.** The Capacity Building Committee coordinates the Board's oversight responsibilities for the agency's programs that inform, impact and invest in the administrative capacity of arts and culture organizations toward artistic excellence.

- (a) Committee Chairperson. The Capacity Building Initiatives Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.

- (b) **Voting Members.** The voting members of the Capacity Building Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, to serve on the Capacity Building Initiatives Committee for the fiscal year. At least five (5) members will be appointed to this Committee. Advisory and Associate members may serve on the Capacity Building Initiatives Committee provided that Board members constitute a majority. Committee members may serve up to three consecutive 1-year appointments.
- (c) **Meetings.** The Capacity Building Initiatives Committee shall meet at least quarterly to review the capacity building programs of the Corporation and recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) **Duties and Responsibilities.**
  - 1) To evaluate the capacity building programs to ensure they are continually meeting the needs of the organizations it serves.
  - 2) Develop measurements of success and benchmarks for organizations engaged in the capacity building programs that balance mission based goals and industry best practices.
  - 3) Develop a post-grant interview process with participants of the capacity building programs that assess the effectiveness of the programs.
  - 4) Review and endorse the peer review panels' policies and processes for capacity building initiative applications to the Grants Committee.
- (e) **Records.** All actions of the Capacity Building Initiatives Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 8. Folklife and Civic Engagement Committee.** The Folklife and Civic Engagement Committee provides Board oversight and guidance for program development in the agency's folklife and traditional arts, creative placemaking activities, neighborhood and community engagement and other civic initiatives to be determined.

- (a) **Committee Chairperson.** The Folklife and Civic Engagement Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.



- (b) Voting Members. The voting members of the Folklife and Civic Engagement Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, to serve on the Committee for the fiscal year. Advisory and Associate members may serve on the Folklife and Civic Engagement Committee provided that Board members constitute a majority. At least five (5) members will be appointed to this Committee. Committee members may serve up to three consecutive 1-year appointments.
- (c) Meetings. The Folklife and Civic Engagement Committee shall meet at least quarterly to review program development and recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) Oversee planning, evaluation and operation of the Corporation's Folklife + Traditional Arts, creative placemaking activities, neighborhood and community engagement, and other civic initiatives to be determined.
  - 2) Report to the Board of Directors at least quarterly and to the Executive Committee at least bi-monthly regarding the activities of the Committee.
- (e) Records. All actions of the Folklife and Civic Engagement Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 9. Grants Committee.** The Grants Committee coordinates the Board's oversight responsibilities for the agency's various competitive grant programs.

- (a) Committee Chairperson. The Grants Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.
- (b) Voting Members. The voting members of the Grants Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, to serve on the Grants Committee for the fiscal year. At least five (5) members will be appointed to this Committee. One seat on the Grants Committee shall be reserved for a City Director. Advisory and Associate members may serve on the Grants Committee provided that Board members constitute a majority. Committee members may serve up to three consecutive 1-year appointments.

- (c) Meetings. The Grants Committee shall meet at least monthly to review the grants and services of the Corporation and recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) Oversee planning, evaluation and operation of the Corporation's grants programs.
  - 2) Make recommendations to the Executive Committee and the Board on policy, practices and procedures designed to enhance the fairness and professionalism of the grants process and its proper alignment with the Corporation's roles and responsibilities within the community.
  - 3) Report to the Board of Directors at least quarterly and to the Executive Committee at least bi-monthly regarding the activities of the Committee.
- (e) Records. All actions of the Grants Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 10. Civic Art Committee.** The Civic Art Committee coordinates the Board's oversight responsibilities for civic art and design programming and opportunities.

- (a) Committee Chairperson. The Civic Art Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.
- (b) Voting Members. The voting members of the Civic Art Committee shall be appointed by the Chair, in consultation with the CEO and the chairperson of the committee, to serve on the Committee for the fiscal year. At least five (5) members will be appointed to this Committee. One seat on the Civic Art Committee shall be reserved for a City Director. Advisory and Associate members may serve on the Civic Art Committee provided that Board members constitute a majority. Committee members may serve up to three consecutive 1-year appointments.
- (c) Meetings. The Civic Art Committee shall meet at least six times a year to review the civic art contracts and services of the Corporation and recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities

1. Responsible for leadership, vision, planning, policy and advocacy for civic art, public art, art in public space, and civic design for the agency, its clients, partners and ultimately the Houston region.
  2. Maintain, implement and recommend best practices in collection management, maintenance and conservation.
  3. Make recommendations to the Board of Directors on policy, practices and procedures regarding the civic art + design program and its proper alignment with the Corporation's roles and responsibilities within the community.
  4. Report to the Board of Directors at least quarterly regarding the activities of the Committee.
- (e) Records. All actions of the Civic Art Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 12. Human Resources Committee.** The Human Resources Committee coordinates the Board's oversight responsibilities with respect to (1) the Corporation's policies and procedures regarding personnel management and (2) the annual performance evaluation of the CEO.

- (a) Committee Chairperson. The Human Resources Committee will be chaired by a Director appointed by the Chair in consultation with the CEO.
- (b) Voting Members. The voting members of the Human Resources Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, to serve in the Human Resources Committee for the fiscal year. At least three (3) Directors will be appointed to this Committee. Advisory members may serve on the Human Resources Committee provided that Board members constitute a majority. Committee members may serve up to three consecutive 1-year appointments.
- (c) Meetings. The Human Resources Committee shall meet as needed and to recommend Executive Committee and Board action thereon. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities.
  - 1) To review and approve the policies and procedures as set forth in the HAA Employee Handbook.

- 2) To provide guidance for personnel matters when requested by the CEO and Chief Operating Officer (“COO”).
  - 3) To perform the annual performance review for the CEO.
  - 4) To report to the Board at least annually and to the Executive Committee at least quarterly regarding the activities of the Committee.
- (e) Records. All actions of the Human Resources Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 13. Additional Committees and Limitations on Authority.** Additional committees (“Ad-Hoc Committees”) may be established by the Chair, in consultation with the CEO Ad-Hoc Committees, to the extent provided in the establishing resolution, shall have and exercise the duties as are assigned to them by the Chair. The establishment of any Ad-Hoc Committee and delegation thereto shall not operate to relieve the Corporation or the Board, or any individual Director, of any responsibility imposed on him or her by law. The membership of any Ad-Hoc Committee shall consist of Advisory, Director and Associate members of the Corporation. In the event that non-Directors are appointed to an Ad-Hoc Committee, a majority of the members of an Ad-Hoc Committee shall be Directors of the Corporation. No Ad-Hoc Committee shall have the authority of the Board to: (a) amend the Articles of Incorporation; (b) adopt a plan of merger or of consolidation with another corporation; (c) authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property and assets; (d) authorize voluntary dissolution of the Corporation; (e) revoke proceedings for voluntary dissolution of the Corporation; (f) adopt a plan for distributing the Corporation's assets; (g) amend, alter or repeal these Bylaws or adopt new bylaws for the Corporation; (h) elect, appoint or remove a Director or officer of the Board or the CEO; (i) approve any transaction to which the Corporation is a party and that involves a potential conflict of interest; or (i) take any action outside the scope of authority delegated to it by the Board.

- (a) Ad-Hoc Committee Chairperson. The Chair in consultation with the CEO shall appoint the chairperson of any Ad-Hoc Committee. The chairperson shall be a member of the Board.
- (b) Voting Members. Board members that are members of any Ad-Hoc Committee shall be appointed by the Chair, in consultation with the CEO and the chair of the committee, to serve on the Committee for the Fiscal Year and shall be voting members of such committee. At least five (5) members will be appointed to any Ad-Hoc Committee. Associate

members of any Ad-Hoc Committee shall also be voting members and shall be appointed in accordance with Article V, Section 15 of these Bylaws. All Ad-Hoc Committee members may serve up to three consecutive 1-year appointments on that committee.

- (c) Meetings. The frequency of meetings of any Ad-Hoc Committee shall be determined by the Chair in consultation with the CEO. A quorum of the Committee shall be a simple majority of the voting members.
- (d) Duties and Responsibilities. The duties and responsibilities of any Ad-Hoc Committee shall be set forth in the resolution authorizing the Committee. The established Ad-Hoc Committee will report to the Executive Committee or to the Standing Committee designated in the authorizing resolution.
- (e) Records. All actions of any Ad-Hoc Committee shall be recorded in writing in a file kept for that purpose and a report of all action shall be made to the Executive Committee at its next meeting. The Minutes of the Executive Committee shall reflect that such a report was made along with any action taken by the Executive Committee with respect thereto.

**Section 14. Appointment; Term of Office; Eligibility; and Removal.** The chairperson, vice-chairperson and members of any Standing or Ad-Hoc committee shall be appointed by the Chair in consultation with the CEO, except for the chairperson of the Executive Committee, who shall be the Chair of the Corporation, and the chairperson of the Finance Committee, who shall be the Treasurer of the Corporation. The chairperson, vice chairpersons and members of any Standing Committee shall continue as such until the next election of the Board and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof. Any member of the Board shall be eligible to serve on any committee (other than the Executive Committee). Members of any committee may be removed from a committee (other than the Executive Committee) by the Chair.

## **ARTICLE IX – TRANSACTIONS OF CORPORATION**

**Section 1. Contracts .** The Board may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

**Section 2. Potential Conflicts of Interest.** The Corporation may not make any loan to a Member, Director, Associate or Officer of the Corporation. A Member, Director, Associate, Officer, or committee member of the Corporation may lend money to, and otherwise transact business with, the Corporation except as otherwise

provided by these Bylaws, the articles of incorporation, or applicable law. Such person transacting business with the Corporation has the same rights and obligations relating to those matters as to other persons transacting business with the Corporation. The Corporation may not borrow money from, or otherwise transact business with, a Member, Director, Associate, Officer, or committee member of the Corporation without full disclosure of all relevant facts and without the Board's approval, not including the vote of any person having a personal interest in the transaction.

## **ARTICLE X – BOOKS AND RECORDS**

**Section 1. Required Books and Records.** The Corporation will keep correct and complete books and records of account. The books and records will include: (a) a file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent; (b) a copy of all bylaws, including these Bylaws, and any amended versions or amendments to them; (c) minutes of the proceedings of the Board and committees having any of the authority of the Board; (d) a list of the names and addresses of the Directors, officers, and any committee members of the Corporation; (e) a financial statement showing the Corporation's assets, liabilities, and net worth; (f) a financial statement showing the Corporation's income and expenses for the three most recent fiscal years; (g) all rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status; and (h) the Corporation's federal, state, and local tax information or income tax returns for each of the Corporation's three most recent tax years.

**Section 2. Inspection and Copying.** Any Director, Officer of the Board, or committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under the Bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Corporation. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time no later than five (5) business days after the Corporation receives a proper written request. The Corporation will provide requested copies of books or records no later than ten (10) business days after receiving a proper written request. The Board may establish reasonable copying fees, which may cover the cost of materials, equipment and labor.

## **ARTICLE XI– INDEMNIFICATION AND INSURANCE**

**Section 1. Indemnification.** Each Director and each officer or former Director or officer of the Corporation shall be indemnified and may be advanced reasonable expenses by the Corporation against liabilities imposed upon him or her in connection with any claim against him or her, or any action, suit or proceeding to which he or she may be a party by reason of his or her being or having been such Director or

officer, and against such sum as independent counsel selected by the Directors shall deem reasonable payment made in settlement of any such claim, action, suit or proceeding primarily with the view of avoiding expenses of litigation; provided, however, that no Director or officer shall be indemnified (a) with respect to matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in performance of duty, (b) with respect to any matters which shall be settled by the payment of sums which independent counsel selected by the Directors shall not deem reasonable payment made primarily with a view to avoiding the expense of litigation, or (c) with respect to matters for which such indemnification would be against public policy. Such rights of indemnification shall be in addition to any other rights to which Directors or officers may be entitled under any bylaw, agreement, corporate resolution, vote of Directors or otherwise.

**Section 2. Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against such a person and incurred by him or her in such a capacity or arising out of his or her status as such a person, whether or not the Corporation would have the power to indemnify him or her against that liability under the Texas Non-Profit Corporation Act.

## **ARTICLE XII – AMENDING BYLAWS**

**Section 1. Amending Bylaws.** These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the affirmative vote of fifty-one percent (51%) of the then current Board of Directors.

## **ARTICLE XIII – TAX PROVISIONS**

**Section 1. Compliance with Internal Revenue Code.** No part of the net earnings of the Corporation shall inure to the benefit of any Director or officer of the Corporation (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no Director or officer of the Corporation shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these Bylaws, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501 (c) (3) of the Internal

Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code and Regulations as they now exist or as they may hereafter be amended.

Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation shall be distributed by the Board exclusively to Texas non-profit organizations which would then qualify under the provisions of Section 501 (c) (3) of the Internal Revenue Code and its Regulation as they now exist or as they may hereafter be amended.

#### **ARTICLE XIV– POLICY MANUAL**

**Section 1. Policy Manual.** Policies may be adopted at any duly called meeting of the Board. These policies will be placed in a “Policy Manual” to be maintained in the offices of the Corporation. Such policies may be repealed in the same manner by which they were adopted.

#### **ARTICLE XV – PARLIAMENTARY AUTHORITY**

**Section 1. Conduct of Meetings.** The rules contained in Roberts Rules of Order, Revised, shall govern the Corporation and shall be the parliamentary authority at all official meetings of any of its designated bodies in all cases to which they apply and in which they are not inconsistent with the law, the Articles of Incorporation or the Bylaws.

#### **ARTICLE XVI –MISCELLANEOUS PROVISIONS**

**Section 1. Legal Authorities Governing Construction of Bylaws.** These Bylaws will be construed under Texas law. All references in these Bylaws to statutes, regulations or other sources of legal authority will refer to the authorities cited, or their successors, as they may be amended from time to time.

**Section 2. Legal Construction.** If any Bylaw provision is held invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability will not affect any other provision, and the Bylaws will be constructed as if they had not included the invalid, illegal or unenforceable provision.

**Section 3. Headings.** The headings used in the Bylaws are for convenience and may not be considered in construing the Bylaws.

**Section 4. Power of Attorney.** A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary to be kept with the corporate records; provided, however, no power of attorney shall be used for casting a vote as Director.



CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Houston Arts Alliance and that these Bylaws constitute the Corporation's Bylaws. These Bylaws were duly amended at a meeting of the Board of Directors held on the 6 day of June, 2016.

Dated: \_\_\_\_\_

Secretary of the Corporation

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**EXHIBIT A — CERTIFICATE AS TO COMPLIANCE WITH BYLAWS**

I have read the Houston Arts Alliance Board of Directors Bylaws, Code of Ethics and Conflict of Interest Statement.

To the best of my knowledge and belief, except as disclosed below, I have no relationship, other than those disclosed below, that may represent or appear to represent a potential competing or conflicting interest as defined in the Conflict of Interest Policy for Directors.

- A) Without exception, no such relations \_\_\_\_\_
- B) Relationships described below \_\_\_\_\_

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Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

## **EXHIBIT B – CODE OF ETHICS**

The highest standard of ethical conduct and fair dealing is expected of each Director, Associate, employee, volunteer and all others associated with the Houston Arts Alliance (“HAA”). HAA's reputation is our most valuable asset, and we must continually earn the trust, confidence and respect of our board members, our benefactors, our vendors, volunteers and our community.

This Code of Ethics provides general guidance on the ethical principles that all Directors, Associates, employees, volunteers and all others associated with HAA must follow. But no guideline can anticipate all situations. HAA must depend on the basic honesty and good judgment of every individual, and sensitivity to the way others see us and may interpret our actions.

Directors, Associates, employees, volunteers or others associated with HAA who have any questions about this Code of Ethics, have as their responsibility to consult the Chair or Chief Executive Officer. Exceptions to this Code of Ethics may be made only by the Chair, and then only after consulting on any such exceptions with members of the Executive Committee.

Everyone is expected to promptly disclose to the Chair anything that may be in violation of this Policy of which he or she acquires knowledge. The Chair, in consultation with the Chief Executive Officer, will then initiate an investigation into such report. The Chair, after consulting with the Chief Executive Officer and members of the Executive Committee, will decide the appropriate response to any policy violation that is determined to exist. HAA does not condone retaliation or retribution against anyone who brings actual or suspected violations of this Code of Ethics to the Chair's attention.

**Section 1**     **Compliance with Laws and Regulations.** HAA seeks to conduct all of its activities in compliance with the letter and spirit of all laws and regulations that may relate to the corporation's operations. The Corporation shall seek legal advice as appropriate to fulfill this responsibility.

**Section 2.**     **Conflict of Interest Policy.** Directors, Associates, employees, volunteers and all others associated with HAA should avoid any interest, influence or relationship which might conflict, or appear to conflict, with the best interests of HAA, or which might affect their judgment or loyalty to HAA. Directors, Associates, staff and volunteers must be constantly diligent to avoid any situation in which their loyalty may be divided, and shall promptly disclose any situation where an actual or potential conflict may exist.

- a) No Director, Associate, employee, volunteer or other individual associated with HAA shall use his or her position, or the knowledge gained there from, in such a manner that a conflict between the interest of HAA, or any of its applicant organizations, and his or her personal interest arises.
- b) Each Director, Associate, employee, volunteer or other individual associated with HAA has a duty to place the interest of HAA foremost in any dealings with HAA and has a continuing responsibility to comply only with the requirements of this policy.
- c) Directors, Associates, employees, volunteers or other individuals associated with HAA may not use their position at HAA for personal gain and may not obtain for themselves, their immediate family or their friends a material interest of any kind from their association with HAA.
- d) If a Director, Associate, employee, volunteer or other individual associated with HAA has an interest in any proposed transaction with HAA in the form of a significant personal financial interest in the transaction or in any organization involved in the

transaction, or holds a position as trustee, director or officer in any such organization, he or she must make full disclosure of such interest before any discussion or negotiation of such transaction and may not vote on said matter.

**Section 3. Political Activity.** HAA recognizes that Directors, Associates, employees and volunteers in their individual capacity, may participate in the political process by supporting political parties, candidates or causes. However, HAA, as a tax-exempt organization, is therefore limited in its level of participation in any political campaign or in support or opposition to any political candidate. HAA may not contribute anything of value, including employee's time, to a candidate's campaign or engage in any other activity which may be considered in support of or in opposition to any candidate in violation of nonprofit regulations. Unless authorized by the Board, it must also be clear that any statements on public issues are not those of the Houston Arts Alliance.

**Section 4. Confidential Information.** Every Director, Associate, employee and volunteer shall maintain the confidentiality of information accessed or received through his/her involvement in HAA, and shall only use such information to advance the interests and objectives of HAA. Directors, Associates, employees and volunteers will avoid the unauthorized disclosure or inappropriate use of confidential information.

**Section 5. Personal Conduct.** Each Director, Associate, employee and volunteer, in their respective capacity representing HAA, shall earnestly seek to make judgments and undertake actions always on the basis of what is best for the organization as a whole. On matters which are the subject of board deliberations, each Director is responsible to vote according to one's individual conviction, to respectively probe and test the conclusions of others during such deliberations, yet to be willing to support the collective decision of the board and work with fellow board members in a spirit of cooperation. Each Director recognizes that the Chair alone speaks for the Board and that no member may speak for the organization unless authorized to do so by Board action. Directors and Associates shall refrain from actions and involvement that might prove embarrassing to HAA.

**Section 6. Accounting and Financial Reports.** Each Director shall accept and abide by the legal and fiscal responsibilities of the Board as specified by our institutional articles of incorporation, bylaws, and state statutes and regulations. HAA's financial statements, and all books and records on which they are based, shall accurately reflect all of the Corporation's transactions. All disbursements and receipts of funds must be properly authorized and recorded. No undisclosed or unreported fund may be established for any purpose. Those responsible for the handling or disbursal of funds must assure that all transactions are executed as authorized and recorded to permit financial statements in accordance with Generally Accepted Accounting Principles.

**Section 7. Compliance.** Failure to comply with this Policy will result in disciplinary action as described in these Bylaws. All Directors, Associates, employees and volunteers shall sign the below Certification.

### **Certification**

I have read and understand the Code of Ethics of the Houston Arts Alliance and I agree to abide by this Code in all dealings for and with the Houston Arts Alliance.

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Signature

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Date



# CITY OF HOUSTON

## Administrative Procedure

Subject: **City Nonprofit and Local Government Corporations**

A.P. No: **2-10**

Effective Date:  
**March 5, 2014**

### 1. AUTHORITY

- 1.1 Article VI, Section 7a, of the Charter of the City of Houston.

### 2. PURPOSE

- 2.1 To establish uniform procedures for the creation of a Corporation, as well as procedures for the operation of any such entity including, but not limited to, submission of financial and other reports to the City by the Corporation.

### 3. OBJECTIVES

- 3.1 To insure that a Corporation whether currently existing or created hereunder as a fund- raising entity and/or to support a City department or its programs, adheres to the policies and procedures established herein.
- 3.2 The establishment of clear lines of responsibilities for persons engaged in the management, operation or administration of a Corporation.
- 3.3 The promulgation and issuance of procedures by the Finance Department (Finance) relating to financial matters, including reports to be used by both City departments and a Corporation.
- 3.4 The establishment of roles and responsibilities of City departments relating to documenting and reporting of all financial activities for Corporations.
- 3.5 The development of internal controls to provide guidance and oversight relating to administrative and financial reports required herein.

### 4. DEFINITIONS

*Certificate of Formation* – The form promulgated by the Texas Secretary of State for the creation or establishment of a Corporation.

*Corporation* – A nonprofit corporation or local government corporation (LGC) created to solicit funds or carry out other activities in support of a City department and/or City programs.

*Director* – The director of a Sponsoring Department.

*Finance Director* – The director of the City's Department of Finance.

*Sponsoring Department* – The City department responsible for the creation and operational oversight of a Corporation.

Approved:

Date Approved:

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*Quinn D. Parker*

03/05/2014

5. PROCEDURE FOR CREATION OF NEW CORPORATIONS

- 5.1 The creation of a Corporation by a Sponsoring Department for any purpose shall require the prior written approval of the Mayor.
- 5.2 In order to secure Mayoral approval, a Director shall submit a written request for the creation and use of the Corporation. This request shall include, at a minimum, the following information:
  - 5.2.1 The proposed name of the Corporation and a listing of the specific purposes for which it is to be created and used by the department;
  - 5.2.2 The names of the corporations' organizers;
  - 5.2.3 The names and resumes of the persons to be named as the initial board of directors of the Corporation;
  - 5.2.4 Whether the Corporation will seek tax-exempt status from the Internal Revenue Service (IRS) and if so, the section of the IRS Code under which the exemption will be claimed; and
  - 5.2.5 If the Corporation is intended to engage in fund-raising for the Sponsoring Department, a description of the means and methods to be used in such efforts and the expected program recipients.
- 5.3 In addition to these requirements, if the proposal is to create a local government corporation, the incorporation process shall also comply with the applicable procedures and requirements of Section 431.101, *et seq.* of the Texas Transportation Code and Chapter 394 of the Texas Local Government Code.
- 5.4 No action to create or establish a Corporation shall proceed until the Director has received the written approval of the Mayor.

6. RESPONSIBILITIES

- 6.1 Upon approval by the Mayor of a request by a Director to form a Corporation, the Director shall provide a copy of the approved request to the City Attorney, the Finance Director and the City Controller.
- 6.2 The Director shall not file, or cause to be filed, any corporate formation document until the City Attorney has approved the corporate formation documents and the Finance Director has approved the portion of the corporate formation documents relating to the reporting of financial or other matters.
- 6.3 The City Attorney shall:
  - 6.3.1 Review and approve all corporate formation documents, including the Corporation's Certificate of Formation and proposed bylaws.
  - 6.3.2 Ensure that provisions are made in the Certificate of Formation and bylaws, as appropriate or necessary to:
    - 6.3.2.1 Require the Mayor's approval of the appointment or re-appointment of any director of the Corporation upon the end of a term or the filling of any vacancy on the board;

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- 6.3.2.2 Require that no amendment to the Certificate of Formation, bylaws or other corporate instrument shall be effective without the prior approval of the Mayor and the City Attorney, or as otherwise required by law;
- 6.3.2.3 Provide that the Mayor, or designee, shall be named as a non-voting ex officio member of the board;
- 6.3.2.4 Require the Corporation to file, at least annually, audited financial statements meeting the requirements set by the Finance Director and prepared by an auditor or accounting firm approved by the Finance Director;
- 6.3.2.5 Provide for access to the books and records of the Corporation, or any person or entity providing financial or other services to it, including, but not limited to, accounting, bookkeeping or other financial services, upon request by the Mayor, the Finance Director or the City Controller;
- 6.3.2.6 Require that all meetings of the Corporation's board of directors, or any committee thereof, be held in conformity with the Texas Open Meetings Law, Chapter 551, Texas Government Code; and
- 6.3.2.7 Require that all books and records of the Corporation be made available for inspection by any member of the public, in conformity with the Texas Public Information Act, Chapter 552, Texas Government Code.
- 6.3.2.8 If the Corporation receives money from private donors, provide a quarterly report to the Mayor, the Finance Director, or their designees that contains the following:
  - (1) Name of donor;
  - (2) Amount of donation; and
  - (3) Purpose of donation.

6.4 The Finance Director shall:

- 6.4.1 Specify, or review and approve, the methods and procedures to be utilized by the Corporation to record and report its revenues and expenses;
- 6.4.2 Ensure that the Corporation complies with all accounting or other financial reporting record keeping or reporting required or approved by the Finance Director necessary to qualify the Corporation as a component unit of the City for all accounting purposes through periodic audits or inspection of the Corporation's books of account, including the books or records of any entity providing such services to each Corporation; and
- 6.4.3 Review the annual audited statements provided by the Corporation and report any deficiencies found therein to the Mayor.

6.5 The Chair, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of a Corporation shall, unless otherwise provided in a contract between the City and the Corporation:

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- 6.5.1 Ensure that no document to create or establish any Corporation, or methods of accounting of revenues and expenses of a Corporation, is executed or filed with any government agency without the review and approval of the City Attorney and the Finance Director. There will be no exception to this provision except as may be approved in writing by the Mayor in advance;
- 6.5.2 Ensure all fiscal year dates coincide with the City of Houston fiscal year, currently July 1 through June 30. If the fiscal year for the City of Houston changes, the Corporation's fiscal year shall be changed to be consistent with the City's fiscal year;
- 6.5.3 Ensure the City is named as an insured, beneficiary, or indemnified person, as applicable, on all types of insurance, bonds and indemnities relating to the Corporation;
- 6.5.4 Establish and maintain resources and procedures so that the financial operations are amenable to (a) periodic audits by the Finance Director and the Corporation's Independent (External) Auditor in accordance with generally accepted accounting principles (GAAP) and with generally accepted government auditing standards (GAGAS) and (b) inclusion in the City's Comprehensive Annual Financial Report (CAFR);
- 6.5.5 Submit to the Finance Director, no later than March 1 of each year, a draft budget approved by the Board of the Corporation for the fiscal year beginning on July 1 of such year and submit the final approved budget by June 30 of each year. The Corporation shall present the budget to the City Council Budget and Fiscal Affairs Committee if requested by the Chair of that Committee;
- 6.5.6 Submit monthly financial statements including projections and actual values for the period reported to the Finance Director or his designee, no later than 45 days after the end of the reported month. A Corporation engaged in fund-raising activities must submit, with the monthly report, details on the fund-raising efforts and the funds allocated to the specific cause of those efforts;
- 6.5.7 Submit to the Finance Director, or his designee, no later than 2 days after audited financials are complete, annual audited financial statements in accordance with GAAP;
- 6.5.8 Submit annual reports to the Director of the Office of Business Opportunity regarding the Corporation's efforts to comply with the City's MWBE program goals; and
- 6.5.9 Ensure the Corporation adopts all requirements of this policy in the Corporation's bylaws. If bylaws require the board to approve these policies, the Corporation shall pass a motion or resolution to that effect.

7. CONFLICT AND REPEAL

7.1 This Administrative Procedure supersedes Executive Order 1-29, Creation and Use of Non-Profit Corporations, signed January 4, 2011, which shall be of no further force or effect. In any circumstance or case where compliance with former Executive Order 1-29 was required or made a condition in any regard, this requirement shall be deemed to include this Administrative Procedure 2-10 and any future amendments thereto.

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