NATIONAL GUARD ASSOCIATION OF UTAH

BYLAWS

(As Amended 1 March 2025)

ARTICLE I

PURPOSES

The NATIONAL GUARD ASSOCIATION OF UTAH (hereinafter "**NGAUT**" or "the Association"), is a non-profit corporation organized and existing in perpetuity under the laws of the State of Utah for the purposes stated in the Articles of Incorporation.

ARTICLE II

MEMBERSHIP

The Association shall consist of annual members, life members, honorary members, associate members and corporate members who shall be qualified for and receive the privileges of membership upon the following terms and conditions:

Section 1. Membership Categories and Requirements:

a. Annual Members. Upon application and payment of the prescribed annual dues, an annual membership may be issued to:

(1) A federally recognized commissioned officer or warrant officer, active, inactive or retired, of the Utah National Guard; or

(2) A federally recognized commissioned officer or warrant officer of a regular or reserve component of the Armed Forces of the United States whose present assignment is in direct support of the Utah National Guard and whose membership is approved by the Board of Trustees.

b. Life Members. Annual members of the Association may apply for and receive lifetime membership in the Association upon meeting criteria established by the Board of Trustees.

c. Honorary Members. All Governors of the State of Utah shall be honorary members of the Association. Furthermore, the Board of Trustees of the Association may, by two-thirds vote, confer honorary membership upon persons who, in their judgment, merit such recognition because of outstanding service or achievement.

d. Associate Members. Upon application and payment of prescribed dues, associate membership may be issued to any person who is interested in and dedicated to the purpose of the NGAUT and who is not otherwise eligible for membership in the Association. If an associate member becomes eligible to become an annual member, associate membership shall be revoked and dues paid will be pro-rated and applied to that membership.

e. Corporate Members. Membership may be issued to any company, firm, organization, corporation or person who is interested in and dedicated to the purpose of the NGAUT and upon approval by the Board of Trustees. The Board may delegate approval authority to the President.

Section 2. Privileges of membership. Only Annual Members and Life Members shall be eligible to (1) be officers, trustees, committee members or delegates of the Association; and (2) vote for officers and trustees of the Association. Except as may be otherwise stated herein, all other privileges of membership shall be available to members in all membership categories.

Section 3. Revocation of Membership. Upon the written motion of any member and for good cause shown, the Board of Trustees may, in its sole discretion and by two-thirds vote, revoke or suspend the membership of any member. Reasons constituting good cause shall include, but not be limited to, the following:

a. Nonpayment of prescribed dues;

b. Conduct unbecoming an officer;

c. Conviction of a felony or crime involving moral turpitude;

d. Other conduct that may discredit the Utah National Guard or the Association.

Section 4. Reinstatement of Membership. Upon written motion of any member, the Board of Trustees may, by two-thirds vote and upon such terms and conditions as it shall in its sole discretion establish, reinstate the membership of any person whose membership has been revoked or suspended.

Section 5. Membership Dues. With the approval of two-thirds of the members voting in an Annual Conference of the Association, the Board of Trustees shall have authority to set annual dues and the terms and conditions for their payment.

Section 6: 501(c)19, Veterans' Organizations, Tax Exempt Status. Notwithstanding sections 1 through 5 above, in order to comply with Internal Revenue Code section 501(c)(19), the following membership requirements will be maintained:

a. At least 75 percent of the membership of the Association must be past or present member of the United States Armed Forces; and

b. At least 97.5 percent of the membership of the Association must be:

i. present or former members of the United States Armed Forces;

ii. cadets (including only students in college or university ROTC programs or at Armed Services academies) or

iii. spouses, widows, widowers, ancestors, or lineal descendants of individuals referred to in subsection 5(b)(i) or subsection 5(b)(ii)

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Types of Meetings

a. An annual meeting of the members shall be held at the call of the President after advance written or electronic mail notice is sent to the general membership at least 30 days before the meeting is to take place. This annual meeting shall be known as the "ANNUAL CONFERENCE." The location of the Annual Conference shall be determined by the Board of Trustees in consultation with the membership to the fullest extent possible.

b. Special meetings of the members may be held at the call of the President after advance written or electronic mail notice sent to the general membership at least 15 days before the meeting is to take place.

Section 2. Registration Fees for Meetings. The Board of Trustees shall have the authority to establish the amount, manner and means of collection of registration fees for any annual or special meeting of the membership.

Section 3. Business to be conducted at Meetings. The President shall propose and the Board of Trustees shall establish the agenda of business to be conducted at all annual and special meetings of the Association, to include recognition of distinguished visitors, roll call of attendees, nomination and election of officers and trustees, awards and recognitions, president's report, consideration of resolutions and such other business as shall be deemed appropriate.

Section 4. Voting. All voting at duly convened meetings of the Association must be in person. There shall be no proxy voting permitted, except as otherwise stated in these bylaws. The results of all motions, resolutions and elections will be governed by majority vote. Voting shall be by secret ballot unless suspended by voice vote of the majority in attendance at the meeting.

Section 5. Quorum. The members present in person at any duly convened meeting of the Association shall constitute a quorum. The vote of a majority of the votes entitled to be cast by the members present at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the members unless otherwise required by law, the articles of incorporation or these bylaws.

ARTICLE IV

OFFICERS AND BOARD OF TRUSTEES

Section 1. Composition of the Board of Trustees. The power and authority to manage direct and govern the business, property, activities and affairs of the Association shall be vested in a Board of Trustees composed of the following:

a. President (1)

b. Vice President/President-Elect (1)

c. Immediate Past President (1)

d. ARNG Legislative Trustee (1)

e. Warrant Trustee (1)

f. ANG Legislative Trustee (1)

g. Company Grade Trustee (2), One ARNG and One ANG

h. Technical Support/Secretary (1)

i. Executive Director of the Association (1)

j. Treasurer (1)

k. Social Media Trustee (1)

Section 2. Authority and Duties of the Board of Trustees.

a. President. The President shall serve a term of three years beginning at an appropriate ceremony occurring during the Annual Conference at which he or she accedes to the office. He or she shall serve as President of the Association and of the Board of Trustees, shall be the senior official and principal spokesperson for the Association and shall

chair all meetings of the Board of Trustees and of the Association. If the President and Vice President/President-Elect are not present at a meeting, the Board of Trustees shall appoint a Chair of that meeting. In general, the President shall perform such duties as are provided for in these Bylaws and as, from time to time, may be assigned by the Board of Trustees.

b. Vice President/President-Elect. The Vice President/President-Elect shall serve a one-year term that begins and ends at the same time as the term of the President. He or she shall succeed to the office of President upon completion of the President's term of office. The Vice President/President-Elect shall perform such functions as may be assigned to him or her by the President. In the absence or disability of the President, the Vice President/President-Elect shall perform the duties and functions of the President.

c. Immediate Past President. On completion of his or her term of office, the President assumes the office of Immediate Past President to serve until the next election of officers and trustees at the Annual Conference. The Immediate Past President shall serve as chairman of the Nominating Committee and shall perform such other duties as may be assigned to him or her by the President.

d. Trustees. All Trustees shall serve from the time of their election until the election of their successor(s) at the next applicable Annual Conference. They shall perform such duties as may be assigned to them by the President.

e. Executive Director. The Board of Trustees shall employ an Executive Director who will serve as the Chief Executive Officer of the Association and who will be compensated as determined by the Board of Trustees. Except as otherwise determined by of the Board of Trustees, the Executive Director shall have the right to attend all Board meetings and to participate fully in the discussion of the Board but shall have no power to vote. The Executive Director shall be responsible to keep minutes of meetings of the Board of Trustees and to maintain the books and records of the Association. Subject to the oversight of the Board of Trustees, the Executive Director shall have general supervision, direction and control of the business and staff of the organization. He or she shall have the general powers and duties of management usually vested in the office of the chief executive officer of a corporation and shall have such other responsibilities and duties as may be prescribed by the Board of Trustees or by the Bylaws. The Executive Director serves at the pleasure of the Board of Trustees.

f. Treasurer. The Treasurer shall serve a term of three years. He or she shall be the custodian of all funds of the Association, and cause to be kept an accurate account of all receipts and disbursements of all monies, securities and other property of the Association. Report to the Board of Trustees on the financial standing of the Association, whenever required to do so; and render an annual report to the Association.

g. Technical Support/Secretary. Will be responsible for information technology and the minutes of all Board Meetings. This person will be appointed by the President with approval of the Board of Trustees. This person serves at the pleasure of the Board of Trustees.

Section 3. Vacancies. Except as otherwise stated in these bylaws, any vacancy occurring in the Board of Trustees by reason of resignation, removal or otherwise, may be filled by the affirmative vote of a majority of the remaining trustees. A trustee elected by the Board to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 4. Meetings of the Board of Trustees. The Board of Trustees will meet not less frequently than quarterly, according to a schedule and at a location or locations established by the President. Notice of meetings of the Board of Trustees shall be given in writing and transmitted either by mail or electronically in a manner established by the Board at least ten days previous thereto. Telephonic attendance at meetings is permitted with permission of a majority of the Trustees (See section 6). Attendance at a meeting by any Trustee constitutes a waiver of notice of that meeting. Attendance at meetings of the Board is an inherent expectation of all duly elected members of the Board of Trustees. Recurrent failure to attend scheduled meetings and/or failure to complete assigned tasks may constitute removal for cause (See section 8).

Section 5. Voting at Board Meetings. Except as otherwise stated in these bylaws, each member of the Board of Trustees shall have one vote on each matter submitted to a vote of the trustees. Trustee voting may be in person or by duly executed written proxy.

Section 6. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the board. An act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law or by these bylaws.

Section 7. Compensation. With the exception of the Executive Director, whose compensation is referred to elsewhere in these Bylaws, officers and trustees of the Association shall serve without compensation. However, they may, at the discretion of the Board, be permitted to be reimbursed for expenses incurred while performing the business of the Association. At the discretion of the Board of Trustees, Staff members may receive compensation for services rendered for the Association.

Section 8. Removal for Cause. A member of the Board of Trustees may be removed, for good cause shown, by a vote of three-fourths of the entire Board of Trustees.

Section 9. Powers of the Board of Trustees. In addition to other powers described elsewhere in these Bylaws, the Board of Trustees shall have power to: (1) establish procedures for the assessment and/or collection of dues and contributions; (2) acquire and hold property, both real and personal in the name of the Association; (3) invest and reinvest funds of the Association in appropriate instruments and accounts, except that the Board shall not have power to loan monies of the Association; (4) enter into contracts on behalf of the Association; (5) sell, lease or encumber the assets of the Association; (6) receive and disburse monies on behalf of the Association; (7) Facilitate the acquisition of insurance by members of the Association at group rates; (8) purchase insurance to protect the Association and its officers and directors against liability for Association activities and business; (9) except as limited elsewhere in these bylaws, perform such other actions and engage in such other activities as are authorized by law.

Section 10. Oath of Office. The oath of office will be administered as follows. Each member of the Board of Trustees shall be placed under oath immediately upon being elected or at the next meeting of the Board of Trustees by the President or Chair of such meeting. The person to be sworn in and the person administering the oath will raise their right hands. The person administering the oath states: "Do you swear (or affirm) that you will execute the duties and fulfill the responsibilities of the office of which you are about to enter to the best of your abilities, and without reservation, that you will uphold the highest ethical standards and deal fairly with all concerned, and that your sole purpose for entering this office will be to promote the aims of the association? " Officers answer "I will."

Section 11. Reading of Bylaws. All newly elected officers shall, within sixty (60) days of being elected, sign a letter stating that they have read and understand the Association Bylaws.

ARTICLE V

ELECTION OF OFFICERS AND TRUSTEES

Section 1. Nominations.

a. Candidates for election as officers or trustees of the Association shall apply for nomination according to procedures established by the Nominating Committee, or shall be nominated by the Nominating Committee, or shall be nominated from the floor at the Annual Convention.

b. The Nominating Committee shall be chaired by the Immediate Past President of the Association and, in additional to the chair, shall consist of four Army Guard and two Air Guard representatives selected by the Board of Trustees from their respective military components. No two Army Guard representatives may be from the same military

command. No two Air Guard Representatives may be from the same military unit. In the event the Immediate Past President is unwilling or unavailable to serve, the President may appoint a member of the Board of Trustees to perform the nominating committee duties of the Immediate Past President.

c. The Nominating Committee shall present all advance nominations to the Executive Director at least fifteen days prior to the convening of the Annual Conference, whereupon the Executive Director shall prepare official ballots to be used at the Annual Conference. The Nominating Committee shall conduct the election in conformity with procedures described in these Bylaws.

Section 2. Elections.

a. Beginning in the year 2000 and in every third year thereafter, the office of President shall be occupied by a member of the Air National Guard. In every other year, the Office of President shall be occupied by a member of the Army National Guard. (E.g. 2000 - ANG; 2001, 2002 - ARNG; 2003 - ANG, etc.) Where resignation, removal or replacement of the President results in the elevation of the Vice President/President-Elect to fill the unexpired term of his or her predecessor, the occupation of the presidential office shall not be counted as part of the year allotted to that person's service component.

b. One Vice President/President Elect shall be elected annually. Candidates for the office of Vice President/President-Elect shall be from a service component meeting the requirements of the paragraph governing election of the President.

c. One Warrant Trustee, One Company Grade Trustee (ANG), and One Social Media Trustee shall be elected in odd numbered years.

d. One Company Grade Trustee (ARNG) shall be elected in even numbered years.

e. One Treasurer, ANG Legislative Trustee, and ARNG Legislative Trustee shall be elected every third year.

ARTICLE VI

COMMITTEES

The President may appoint Members of the Board of Trustees to chair committees composed of members of the Board and members of the Association to advise the Board and to otherwise accomplish the work of the Association in areas such as: awards and scholarships; budget and finance; association governance; member benefits; NGAUS coordination; resolutions; Annual Conference; and such other miscellaneous committees as may be required. Each committee will meet at the call and under the direction of its Chairperson.

ARTICLE VII

FINANCES, BOOKS AND RECORDS

Section 1. Accounting. Financial transactions and activities of the Association shall be conducted and records thereof shall be kept in accordance with generally accepted accounting principles as outlined in Appendix A.

Section 2. Fiscal Year. The fiscal year of the Association commences on 1 January and ends on 31 December.

Section 3. Public Accounting Report. An experienced accountant approved by the Board of Trustees shall annually audit the records and finances of the Association and render a report thereon to the Board.

Section 4. Inspection. All books and records of the Association may be inspected by any member, or his agent or attorney, upon written demand, for any proper purpose at any reasonable time.

Section 5. Annual Reports. The Treasurer shall make an annual report to the members showing in reasonable detail the assets and liabilities of the Association and a general statement of its transactions and financial condition.

Section 6. Expenditures. Bills, claims and expenditures of the Association shall be (a) certified by the Board of Trustees or Treasurer; and (b) paid by check, approved e-transfer or approved debit card, drawn on the funds of the Association and executed by any one of the following: (i) President (ii) President Elect (iii) Treasurer

ARTICLE VIII

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES (NGAUS)

Section 1. Relationship with NGAUS. The Board is authorized to work cooperatively with the National Guard Association of the United States (NGAUS) and assist in the pursuit of its goals and objectives consistent with the requirements of law, the articles of incorporation and these bylaws.

Section 2. Delegates to NGAUS Conference. Official delegate spaces to the National Conference of the National Guard Association of the United States (NGAUS) are allocated annually to the State of Utah. Allocated spaces shall be distributed by the Board of Trustees according to the following priority: The Adjutant General of Utah, the officers and Trustees of the Association, such members as the Board may, in its sole discretion, select.

Section 3. Financial Support of Delegates. Sponsorship and financial support of delegates attending the NGAUS Conference will be determined annually by the Board of Trustees.

ARTICLE IX

REGISTERED AGENT AND PLACE OF BUSINESS

Section 1. Registered Agent. The Board of Trustees shall have the power to designate a registered agent for the Association.

Section 2. Principal Place of Business. The Association's principal place of business shall be 12953 South Minute Man Drive, Draper, Utah 840208, or such other location as the Board of Trustees may designate.

ARTICLE XTAX EXEMPT STATUS

The Association and its Board of Trustees shall only engage in activities that are consistent with the federal tax-exempt status that it enjoys under the provisions of the Internal Revenue Code of the United States (See section 6 of Article II above).

ARTICLE XI

BYLAWS

Section 1. Association Bylaws Input and Review Process

a. The Association Board shall publish a “Request for Written Input” from all Association members annually for an open period of 180 days. At the end of the open period, the Board of Trustees shall review those comments submitted by Association members for inclusion into the Bylaws for a period of 90 days. Those written comments that are not accepted by the Board of Trustees shall be returned to the member(s) with a written explanation for non-acceptance. When the final comments have been accepted the provisions of Section 2 apply.
b. The association Bylaws shall be reviewed annually by the Board of Trustees in conjunction with the same timeframe as Association members submit comments.
c. The Association Bylaws, upon completion of the two above timeframes, shall be voted by the Board of Trustees as being reviewed and approved by, and then signed by the Association President. The original of these Bylaws will be maintained on file by the Association Executive Director and an electronic copy will be produced and posted to the NGAUT Webpage for all Association members to view.

Section 2. Amendments of Bylaws

Amendments to these bylaws may be proposed by any three members of the Board of Trustees or by petition of the membership containing the signatures of at least 25 annual or life members. Any amendment shall be effective when approved by a unanimous vote of the Board of Trustees or by a two-thirds vote of the members of the Association present at a duly convened meeting.

Article XII

SCHOLARSHIP

The National Guard Association of Utah (NGAUT) through its membership, insurance program, and corporate memberships maintains funds to award annual scholarships to members of NGAUT and their families. The annual issuance of scholarships is dependent on the funds available and the consensus of the board that it is in the continued best interest of the Association to support the scholarship program. Prerequisites to apply for the scholarships are as follows:

-Must be a National Guard Officers Association of Utah (NGAUT) Annual or Life member or dependent.
-Must be attending an accredited College or University, or must be a High School Senior
-Must be carrying a course load of 6 credit hours or more
-Applicants may continue to apply each year, however, PRIOR NGAUTS CHOLARSHIP RECIPIENTS ARE INELIGIBLE FOR SUBSEQUENT AWARDS.

Article XIII

RESTRICTIONS ON THE DISTRIBUTION OF ASSETS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its members, trustees, directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes enumerated in Section 501(c)(19) of the Internal Revenue Code of 1986, as amended (or the corresponding section of any future Federal tax law). Notwithstanding any other provision of the Articles of Incorporation or these Bylaws, the Association shall not carry on any other activities not permitted to be carried on (a) by a corporation/organization exempt from Federal income tax under Section 502(c)(19) of the Internal Revenue Code of 41986, as amended (or the corresponding section of any future Federal tax law) or (b) by a corporation/organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended (or the corresponding section of any future Federal tax law.)

Upon the dissolution of the Association, its assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(19) or 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding section of any future Federal tax law), or shall be distributed to the Federal government, or to the Utah state or other Utah local government, for a public purpose. However, if a named recipient of the assets of the Association upon dissolution is not then in existence or is no longer a qualified distributee, or is unwilling or unable to accept the distribution, then the assets of this Association shall be distributed to a fund, foundation, corporation or other entity organized and operated exclusively for the purposes specified in Sections 501(c)(19) or Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding section of any future Federal tax law).

APPROVAL OF AMENDED BYLAWS

The foregoing amended Bylaws were adopted by unanimous vote of the Board of Directors (Board of Trustees) of the National Guard Association of Utah (NGAUT) on 24 March 2023.

Appendix A – NGAUT Fiscal Policies

A.01 General Fiscal Principles

A.11 Fiscal year: The fiscal year of the Association commences on 1 January and ends on 31 December.

A.12 Method of accounting: The day-to-day records of the Association shall use the cash method of accounting.

A.13 Internal financial reports: Designated financial reports outlining operational expenses shall be provided monthly to the NGAUT unit chairs and executive committee members with designated grant authority.

A.14 Lobbying: The Association shall ensure that expenses for lobbying and political activities do not exceed the limit for 501(c)(4) organizations set by the Internal Revenue Service.

A.15 This fiscal policy should be reviewed annually by the NGAUT Treasurer and Board of Trustees.

A.02 Budget Development, Review, and Approval

A.21 In collaboration with the NGAUT Vice President/President-Elect and the Executive Director, the Treasurer submits the budget for initial review by the Board of Trustees at the last Board meeting of the fiscal year. This is developed by the Executive Director in collaboration with the Treasurer who reviews the financial needs of the organization, taking into consideration the priorities of the Association's strategic plan and any other budgetary needs submitted by the organization’s Board of Trustees.

A.22 All activities and events sponsored by the Association or its units must be planned as cost-recoverable. Activities that do not comply with this guideline must be approved by the Board of Trustees.

A.23 Budget revisions must be approved by the Board of Trustees.

A.03 General Reimbursement & Billing Policies

A.31 The Association will reimburse only expenses that have been officially approved by the Board of Trustees through its annual budget. Members cannot incur a program expense without the prior approval of the appropriate person.

A.32 NGAUT officers may NOT enter into a contractual agreement or incur vendor expense for any activities without the approval of the NGAUT Board of Trustees.

A.33 Reimbursable expenses: The following expenses incurred on approved Association business, including participation as a Board of Trustees member or committee member, may be reimbursed upon receipt of the approved voucher.

A.0331 Transportation

1. Public transportation: Actual cost of coach fares on airlines, buses, railroads, or cab fares with reasonable tip will be reimbursed. If the most expensive means of transportation is utilized, the expense must be pre-approved by the division or conference chair hosting the meeting. When available, members are expected to use an airport limousine or bus rather than private taxi. Baggage handling, tolls, parking fees, and other necessary tips are reimbursable.
2. Private automobiles: The mileage rate will be set by the NGAUT Board of Trustees. Mileage payment shall not exceed the cost of public transportation when the latter is a reasonable alternative. When two or more people travel in the same vehicle, only one shall claim mileage.
3. Rental cars: Rented vehicles shall be used only when no other form of transportation is available or in cases where use by more than one person results in a savings over other available transportation.

A.0332 Housing: Government Per Diem rates as outlined on GSA (https://www.gsa.gov/travel/plan-book/transportation-airfare-rates-pov-rates/city-pair-program-cpp) will be authorized when overnight stay is required as a part of official NGAUT duties. Room rates in excess of the government rate require justification letter signed by the President of the Board.

9.0333 Food: Government Per Diem rates as outlined on GSA (https://www.gsa.gov/travel/plan-book/transportation-airfare-rates-pov-rates/city-pair-program-cpp) will be authorized when overnight stay is required as part of NGAUT duties. If meals are provided as part of a conference, the member will not receive Per Diem for that meal. The Association does not reimburse expenses for alcoholic beverages.

A.34 Payment of Bills, Contracts, and Other Expenses: Bills are paid within thirty days of receipt. Checks in payment of vouchers and bills are issued semimonthly.

A.35 Activities -- Expenditures and Reimbursements: All expenditures/reimbursement of expenses related to Association activities, such as workshops, publications, or conferences, must be approved Board of Trustees prior to payment.

A.36 Honoraria and Fees

A.0361 Association members are not paid honoraria or fees for work performed for the Association. Speaking engagements or workshop presentations are examples of service to the Association in the same manner as assuming a leadership role within the Association or committee work.

A.37 Expenses for NGAUS Annual Conferences: The Association will support the attendance of the NGAUS Conference. The Association will budget annually appropriate amounts for covering the expenses when the budget is prepared. Reimbursement for transportation, lodging, and food will be based on the NGAUT Fiscal Policy and Procedures.

A.04 Bank Accounts and Assets

A.41 The Association shall maintain at least two months operational expenses in a readily accessible account from which withdrawal may be made without penalty. A six-month operating reserve of relatively liquid investment to back up the cash on-hand will be maintained.

A.42 The remainder of all Association assets shall be invested according to short-, mid- and long-term accounts as determined by the NGAUT Treasurer, Finance/Investment, and financial consultant(s) if hired.

A.43 All operational cash receipts shall be deposited in the bank account and credited to the appropriate ledger account, which is reviewed by the NGAUT Treasurer.

A.44 Internal controls

A.0441 Withdrawal or transfer of funds from the Association savings/investment account(s) will require two signatures from the NGAUT President or Vice President/President-Elect, NGAUT Treasurer, and/or Executive Director.

A.0442 Checks drawn on the Association checking account require signature of the Executive Director, NGAUT Treasurer, President, or Vice President/President-Elect. Checks in excess of $500 or made payable to the Executive Director, Treasurer, President, and Vice President/President-Elect require two signatures.

A.45 Annual Net Income/Loss

A.0451 Should income for the fiscal year prove to be a net income instance, those monies will be invested as determined by the Finance/Investment Committee and approved by the Board of Trustees.

A.0452 Should income for the fiscal year prove to be a net loss instance, monies from unrestricted net assets will be used to balance the fiscal year and replenish operations bank account.

A.46 Unrestricted Net Assets

A.0461 It shall be the goal of the Association to build and maintain unrestricted net assets which, at the end of a given year, are equal to a minimum of fifty percent (50%) of the Association's total budgeted expenses for the following year. These monies shall constitute NGAUT's operating reserve and shall be used to provide for temporary cash flows exigencies as well as to meet unexpected or emergency needs that severely impair the Association's ability to operate.

A.0464 A complete record of all investments, including bank or other holding agency, amount of investment, account number or other identification, interest rate, maturity date, conditions for withdrawal, and other pertinent information shall be on file in the Executive Director's office.

A.05 Credit Card

A.051 The Association Executive Director is authorized to apply for a credit card in the

name of the Association from the Association's official bank. Association credit cards are subject to the following restrictions and controls:

A.0511 Only the following individuals shall be listed on the credit card agreement as authorized users: President, President Elect, Treasurer, and Executive Director.

A.0512 The Association credit card shall only be used for transactions in which writing a check in advance of the order is either impossible or would result in a delay in the delivery of goods or services during a time of emergency. The Association credit card may also be used to facilitate travel for official Association business. Any use of the credit card shall be done in accordance with the Association's Fiscal Policy and Procedures.

A.0513 Use of the Association credit card to charge any personal purchases is strictly prohibited, regardless of whether the individual intends to reimburse the Association for the purchase.

A.0514 Any individual authorized to use the Association credit card shall submit to the Executive Director original receipts for all purchases made with the card as soon as practical after the purchase is made and a receipt received. Each month the Executive Director shall reconcile the receipts submitted with the monthly credit card statement to ensure proper card usage.

A.0515 The Executive Director shall ensure that the credit card statement is paid in full each month so that no finance charges are incurred. Copies of each month's credit card statement shall be made available to the Board of Trustees upon request.

A.06 Records

A.061 Records retention: The following books and records will be maintained by the Association as required by the Internal Revenue Service and other government agencies:

- Cash Receipts
- Cash Disbursements
- General Ledger
- General Journal
- Accounts Receivable
- Accounts Payable
- Membership Roster
- Investment Records

A.0611 Records retained permanently

- Annual Reports
- Articles of Incorporation
- Check Registers
- Bylaws and procedures
- Correspondence--legal/important matters only
- General Journals
- Tax Returns/Payment Checks
- Insurance Records

- Membership Rosters
- Minutes and Resolutions
- Newsletters
- Board & Annual Membership Policies & Procedures
- Publication Samples--current version

A.0612 Record retained for ten years

- Budgets
- Purchase Invoices
- General Ledgers

A.0613 Records retained for three years

- Correspondence--general
- Insurance Policies--after expiration
- Investment Records

A.0614 Records retained for one year

- Correspondence--routine

A.062 Taxes

A.0621 The Executive Director shall be responsible for meeting deposit and filing requirements of state, local, and federal agencies. These include:

1. Filing of annual information reports as a tax-exempt organization with the U.S. Internal Revenue Service.
2. Filing of all other forms pertinent to taxes.

A.0622 Cash Awards/Honoraria: A monetary award of $600 or more to an Association member requires the Executive Director to submit a 1099-MISC tax form in the name of the award recipient.

A.07 External Auditors

A.71 The accounts and procedures of engagement of the Association shall be reviewed annually by an accounting professional selected by the Board of Trustees.

A.72 The annual review of the accounts and procedures of engagement report should be presented to the NGAUT Treasurer, NGAUT President, and the Executive Director by an accounting professional. It will be the responsibility of the NGAUT Treasurer and the Executive Director to present the results of the review to the NGAUT board at the state conference.

A.08 Suspected Misconduct and Dishonesty

A.81 Introduction

A.0811 Like all organizations, the Association is faced with the risks that come from wrongdoing, misconduct, dishonesty, and fraud. As with all business exposures, we must be prepared to manage these risks and their potential impact in a professional manner.

A.0812 The impact of misconduct and dishonesty may include:

- The actual financial loss incurred
- Damage to the reputation of our organization and to our employees
- Negative publicity
- Cost of investigation
- Loss of members
- Damage to our relationship with our suppliers or contractors
- Litigation
- Decrease in membership morale

A.0813 The Association's goal is to establish and maintain an environment of fairness, ethics, and honesty for our members, officers, contractor, and anyone else with whom we have a relationship with. To maintain such an environment requires the active assistance of every officer every day.

A.0814 The Association is committed to the deterrence, detection, and correction of misconduct and dishonesty. The discovery, reporting, and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

A.82 Purpose: The purpose of this policy is to communicate Association policy regarding the deterrence and investigation of suspected misconduct and dishonesty by employees, officers, and others, and to provide specific instructions regarding appropriate action in case of suspected misconduct.

A.83 Definition of Misconduct and Dishonesty

A.0831 Misconduct and dishonesty include but are not limited to:

- Theft or other misappropriation of assets, including assets of the organization, our customers, suppliers, or others with whom we have a business relationship.
- Misstatements and other fraud in our organization's records, including intentional misstatement of the financial position or results of operations.
- Forgery or other alteration of documents
- Fraud, including misappropriation of assets, and other unlawful acts
- Other wrongdoing

A.0832 The Association specifically prohibits these and any other illegal activities in the actions of its officers and others responsible for carrying out the Association's activities.

A.84 <u>Reporting</u>

A.0841 It is the responsibility of every officer or others responsible for carrying out the Association's activities to immediately report suspected misconduct or dishonesty to the

NGAUT President or a member of the Finance/Investment Committee. Any reprisal against any officer or other reporting individual because that individual, in good faith, reported misconduct, is strictly forbidden.

A.0842 Due to the important yet sensitive nature of suspected misconduct, effective professional follow-up is critical. Officers, while appropriately concerned about “getting to the bottom” of such issues, should not in any circumstances perform any investigative or other follow-up steps on their own. Concerned, but uninformed, officers represent one of the greatest threats to proper incident handling. All relevant matters, including suspected but unproven matters, should be referred immediately to the NGAUT President and the board of Trustees.

A.09 Investment Policy

A.91 General Investment Principles

A.0911 The primary consideration for the investment of the Association's funds is security; the second most important is liquidity; the third most important is maximizing the return.

A.0912 The NGAUT Treasurer and Finance/Investment Committee, in coordination with the Executive Director and financial consultant(s), if hired, shall administer the Association investments when cash assets allow such investments without jeopardizing the Association's ability to conduct business.

A.0913 Earnings from all Association investments shall be deposited according to fund type and investment category.

A.0914 A complete record of all investments, including bank or other holding agency, amount of investment, account number or other identification, interest rate, maturity date, conditions for withdrawal, and other pertinent information shall be on file in the Executive Director’s office.

A.92 Short-term Investment Policy

A.0921 The primary consideration for the investment of the Association’s funds for short-term consideration (anything less than 3 years) is security and liquidity with little fluctuation and limited growth expected.

A.0922 A six month operating reserve will be established and invested in an appropriate short-term investment account.

A.0923 The investments shall include, but not be limited to the following: mutual funds invested in U.S. government-backed securities or GNMA funds; obligations of the U.S. government and its agencies; Federal Money Market Fund; and certificates of deposit issued by U.S. government-insured financial institutions. The Board of Trustees has the authority/or may appoint an Investment Broker, as needed, to work with the Executive Director and NGAUT Treasurer in developing an investment portfolio to meet the Association’s needs.

A.93 Mid-term Investment Policy

A.0931 The primary consideration for the investment of the Association's funds for mid-term (3 to 7 years) is that of low to moderate risk that will result in some fluctuation with medium growth.

A.0932 The percent of organization's assets to be invested at this level will be determined by the Finance/Investment Committee along with the NGAUT Treasurer and final approval by Board of Trustees.

A.0933 The investments shall include, but not be limited to, the following: index funds, mutual funds, individual stocks and bonds that mature within the designated time frame of not more than 7 years.

A.0934 The Board of Trustees may retain professional investment management to manage the investments of the funds and to provide advice and counsel in such matters.

A.0934 Total investment return for each investment over a market cycle is expected to be in the top half of the peer group and appropriate benchmark for each investment.

A.94 Long-term Investment Policy

9.0941The primary consideration for the investment of the Association's funds for long-term (7+ years) is that of higher risk that will result in growth. It is acknowledged that there will be fluctuation and principal will be impacted.

A.0942 General Information

A.09421 The long-term invested funds of the Association, is an investment portfolio generated from the net surpluses of the Association in prior years.

A.09422 The long-term investment fund is held as an asset of the Association under the authority of the Board of Trustees for the express purposes of providing investment income to support the programs and services of the Association, to serve as a reserve source of funds in the unforeseen event of a financial catastrophe or deficit, and to build the assets of the Association through reinvestment and capital appreciation.

A.09423 The long-term investment fund shall not contain any assets that may be restricted as regards their investment or disposition. The Board of Trustees is responsible for the implementation of and adherence to the policies and objectives of the long-term investment fund as set forth in this document.

A.09424 The Board of Trustees may retain professional investment management to manage the investments of the Fund(s) and to provide advice and counsel in such matters.

A.0943 Investment Objectives

A.09431 Rate of Return Objectives: The long-term investment(s) fund is expected to achieve, over the measured period as defined in A.0434, a total return which meets the identified benchmark.

A.09432 Cash Income Requirements: Since there are no immediate liquidity demands on the long-term investment fund(s), the source of investment return is not important. There is no preference for cash income as opposed to capital appreciation.

A.09433 Relative Performance: In addition to the real rate of return objective stated above, total investment return for long term funds over a market cycle is expected to be in the top half of the peer group and appropriate benchmark for each investment.

A.09434 Measured Period: For purposes of measuring a rate of return over a market cycle, the measured period shall be no less than three nor more than five calendar years.

A.09435 Fiduciary Standards: The assets of the long-term invested funds are to be invested and managed in a fashion that is consistent with generally accepted standards of fiduciary responsibility. The safeguards that would guide a prudent investment manager are to be strictly observed. All transactions utilizing assets of the fund are to be undertaken for the sole benefit of the fund and the Association. All regulations specific to the State of Utah will be observed.

A.0944 Investment Guidelines

A.09441 Permissible Investments: Assets of the long-term investment fund(s) may be invested only in equity investments, publicly-traded common and preferred stocks, exchange traded funds, convertible bonds, and fixed income securities, whether interest bearing or purchased at discount, including money-market instruments, subject to any restrictions hereinafter specified. In addition, index and mutual funds may be utilized for investment of fund assets. No other securities or instruments shall be presumed to be permissible investments without prior written approval of the Board of Trustees.

A.09442 Asset Allocation: The asset allocation for the funds shall be determined by Finance/Investment Committee with recommendation to the Board of Trustees for final approval.

A.0945 Investment Management

A.09451 Investment Management: The Board of Trustees, at its discretion, may retain the services of one or more professional, licensed investment consultants to assist in the implementation of the Board of Trustee's stated investment policy. A copy of this policy shall be provided to the investment consultant(s). Any fees shall be set forth in a letter of agreement between the Association and the consultant(s).

A.09452 Operating Procedures: The Executive Director and the Finance/Investment Committee is hereby authorized to carry out and implement the directions of the Board with respect to the investment of fund assets.

A.0946 Review Procedures

A.09461 Review and Amendments: The Board of Trustees, or the Finance/Investment Committee shall review this policy annually to determine if amendments or modifications are appropriate. Amendments, when approved, shall be communicated promptly to all

interested parties.

A.09462 Management Reporting: Any consultant(s) retained by the Board of Trustees shall be present for one regular or special meeting of the Board each year. They will review the performance of the long-term invested fund(s) within the context of the Investment Policy and objectives and will make recommendations as to any desirable changes in the overall investment strategy. The consultant(s) will also make recommendations regarding any changes in investment policy deemed appropriate.