

## **OVERVIEW OF MAJOR CHANGES (October 5, 2017)**

1. Purpose. Limit scope of artifacts accepted into collection to just the Town of Cumberland.
2. "Trustees" changed to "Board of Directors"
3. Board of Directors reduced from 9 members to 7.
4. General membership ONLY votes on Board of Directors (BOD) at the annual meeting or a special called meeting by the BOD (for example, to amend the By-Laws.)
5. At least (5) Directors must be present to conduct business at a board meeting. A quorum is the minimum number of unrelated members needed to count as an official meeting. Vote passage will be by majority vote. This means if only (5) members are present, three board members could approve a motion.

*(Note: IRS regulation for granting 501(c)3 status through Form 1023 require the board of directors of any nonprofit to be composed primarily of people who are not related to each other. IRS Form (Governance Check List) also reviews family and business relationships. This form is used for auditing purposes by the IRS. Further guidance by the Foundation Group (a non-profit providing guidance to non-profits) state that "in a non-profit setting, a quorum is the minimum number of unrelated board members needed to count as an official meetings. Board members who are related through blood or marriage are considered related parties. The IRS typically considers grandparents, spouses, or siblings a relationship. Any relationship beyond an immediate family member, such as a cousin or aunt, is not normally considered a relationship in the eyes of the IRS. Business partners are also considered related parties; if two or more individuals own 35% of a business, the IRS considers them related through business dealings. )*

6. The Board of Directors vote on Chair, Vice Chair, Treasurer, and Secretary. The three remaining members are designated "Directors-at-Large".
7. The Board of Directors appoints a Curator who manages the building and its collection.
8. At least 10 members must be present at general meeting to vote on the slate of the Board of Directors.... A quorum is the minimum number of unrelated members needed to count as an official meeting. A 2/3<sup>rd</sup> vote is needed to pass. This means it is possible for 7 people at a general meeting to approve a new Board of Directors. See "Note" in #5 above.
9. The Board of Directors determines when a position on the Board becomes vacant and can appoint a new member for the unexpired term or can call for a special general membership meeting.

10. It is good business practice that supporting written policies and standard operating procedures be written complementing the By-Laws (which are established in accordance with State and Federal statute for a 501c3.) The BOD will review and approve policies as needed.

11. Annual general membership meeting will be held in the fall instead of the month of June since the Fiscal Year ends in June.