

**NATIVE CDFI NETWORK  
BYLAWS**

**ARTICLE I  
PURPOSE**

The Native CDFI Network, Inc. is a coalition of Native CDFIs and partners that advances policy for Native inclusion and economic opportunity, promoting access to capital and peer learning for Native CDFIs. This organization is a voluntary network of certified and emerging Native CDFIs and other entities interested in furthering NCN's overall purpose.

**ARTICLE II  
MEMBERSHIP**

Section 1. Classes of Membership. The Network shall have two classes of members: (1) Network Member and (2) Affiliate Member.

Section 2. Network Members. Eligibility requirements to be a Network Member shall include: is a certified or emerging Native CDFI; pays annual membership dues in the amount determined by the Board of Directors; supports the Network's mission; commits to participating in the Network's data collection initiatives; and promotes the work of the Network through connections and other networks. Benefits of Network Membership shall include: voting privileges; ability to serve on Board of Directors, committees and task forces; and other benefits as determined by the Board of Directors.

Section 3. Affiliate Members. Eligibility requirements to be an Affiliate Member shall include: is an individual, nonprofit or for profit organization, or government entity; pays annual membership dues in the amount determined by the Board of Directors; supports the Network's mission; commits to participating in the Network's data collection initiatives; and promotes the work of the Network through connections and other networks. Benefits of Affiliate Membership include: ability to serve on the Board of Directors, committees and task forces; and other benefits as determined by the Board of Directors. Affiliate Members do not have membership voting privileges.

Section 4. Voting Privileges. Network Members shall have the authority to vote on the election of members of the Board of Directors and other matters brought before the membership at the Annual Membership Meeting. Each Network Member organization shall designate a primary member who shall have the ability to cast one vote on behalf of the organization. Affiliate Members have no membership voting privileges.

Section 5. Annual Membership Meeting. The Members of the Network shall meet annually at a date, time, and location determined by the Board of Directors. Network Members shall vote on Board of Director vacancies and other matters brought before the membership. Affiliate Members may attend the Annual Membership Meeting as non-voting participants. Notice of the time, day, and place of the Annual Membership

Meeting shall be given at least 30 days previous to the meeting and in the manner set forth in Article VI.

### **ARTICLE III BOARD OF DIRECTORS**

Section 1. Powers. There shall be a Board of Directors, which shall supervise and control the business, property, and affairs of the Network, except as otherwise expressly provided by law or these Bylaws.

Section 2. Number and Qualifications. The members of the initial Board of Directors shall be those individuals named as adopters of these Bylaws. The Board of Directors shall be composed of no less than five and no more than nine individuals. The number of Board members may be decreased, but no decrease shall have the effect of shortening the term of any incumbent Board member. The Board of Directors shall consist of individuals who are 18 years of age or older. The majority of members of the Board of Directors shall be Native certified or emerging CDFIs. In addition, the majority of the individuals serving on the Board of Directors shall be American Indian, Alaska Native, or Native Hawaiian.

Section 3. Election and Term of Office. The members of the Board of Directors shall be elected by the Members of the Network at the Annual Membership Meeting of the Network or at a future regular or special meeting to be held within three months of the date of the annual meeting. Members of the Board of Directors shall serve for a term of two years. Members of the Board of Directors shall serve no more than two consecutive terms; however a director may be re-elected after a one year absence from the board. The terms of the initial Board of Directors shall be staggered.

Section 4. Ex Officio Board Members. The Board of Directors may request representatives from certain organizations which have a previous or existing relationship with the Network or one or more of its Network Members and bring particular expertise in areas of concern to the Network to act in an advisory capacity to the Board as an Ex Officio Board member. These Ex Officio Board members shall serve a term of two years and shall not be entitled to any Board of Directors voting rights or privileges provided for in these bylaws.

Section 5. Resignation. Any Board member may resign at any time by giving written notice to the Chairperson of the Board. Such resignation shall take effect at the time of acceptance thereof as determined by the Board of Directors.

Section 6. Removal. Any Board member may be removed from such office, with cause, by a majority vote of the Network Members at any regular meeting, or special meeting called expressly for that purpose. Grounds for removal may include but is not limited to a conflict of interest, unethical or obstructive behavior, or lack of participation. If any director misses three consecutive regular meetings of the Board of Directors or three consecutive meetings of a committee of the Network on which he or she serves, a formal

review of this Board member's capacity to continue serving shall be evaluated by the Board of Directors.

Section 7. Vacancies. Newly created Board memberships resulting from any increase in the authorized number of Directors or vacancies, except those caused by removal of a Director, may be filled by a plurality vote of the Network Members or by a majority of the voting members of the Board of Directors then in office, though less than a quorum, or by a sole remaining voting Director. The new Board members so chosen shall hold office until the next annual election and until their successors are duly elected or appointed. Vacancies due to the removal of an elected Director shall be filled only by the Network Members at their next regular or special meeting. If there are no Directors in office, then an election of Directors may be held in the manner provided by South Dakota statute pertaining to non-profit organizations. When filling vacancies, the remaining members of the Board of Directors shall ensure that the majority of the composition of the Board is Network Members and is American Indian, Alaska Native, or Native Hawaiian.

Section 8. Regular Meetings. At least quarterly regular in-person or teleconference meetings of the Board of Directors shall be held each year, at such time, day, and place as shall be designated by the Board of Directors.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called at the direction of the Chairperson or by a majority of the voting Board members then in office, to be held at such time, day, and place as shall be designated in the notice of the meeting.

Section 10. Notice. Notice of the time, day, and place of any regular meeting of the Board of Directors shall be given at least 30 days previous to the meeting and in the manner set forth in Article VI. Notice of a special meeting as set forth in Section 9 shall be giving at least 24 hours in advance. The purpose for which a special meeting is called shall be stated in the notice. Any Board member may waive notice of any meeting by a written statement executed either before or after the meeting. Attendance and participation at a meeting without objection to notice shall also constitute a waiver of notice.

Section 11. Quorum. The majority of the Board members then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Ex Officio Board Members shall not be counted in the quorum.

Section 12. Manner of Acting. Except as otherwise expressly required by law or these Bylaws, the affirmative vote of a majority of the Board members present at any meeting at which a quorum is present shall be the act of the Board of Directors. Each Board member shall have one vote. Voting by proxy shall not be permitted.

Section 13. Written Consent In Lieu of a Meeting. The Board of Directors may take action without a meeting if written consent to the action is signed or communicated via email by a two-thirds majority of the current voting Board members.

Section 14. Telephone Meeting. Any one or more Board members may participate in a meeting of the Board of Directors by means of a conference telephone or similar telecommunications device, which allows all persons participating in the meeting to hear each other. Participation by telephone shall be equivalent to presence in person at the meeting for purposes of determining if a quorum is present.

Section 15. Fitness to Serve. Any person under criminal indictment for a crime involving dishonesty shall be unfit to serve on the Board of Directors.

## **ARTICLE IV OFFICERS**

Section 1. Officers. The officers of the Board of Directors shall consist of a Chairperson, Vice-Chairperson, Secretary, and Treasurer. One person shall not hold two offices with the exception of Secretary/Treasurer, which may be filled by the same person.

Section 2. Election of Officers. The officers of the Board of Directors shall be elected annually by the voting Board members at the annual meeting of the Board of Directors or at a future regular or special meeting to be held within three months of the date of the annual meeting.

Section 3. Term of Office. The officers of the Board of Directors shall serve at the pleasure of the Board of Directors and be installed at the meeting at which they are elected and shall hold office.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the Chairperson of the Board of Directors or the Vice-Chairperson if the Chairperson is submitting his/her resignation. Such resignation shall take effect at the time specified in the notice, or if no time is specified, then immediately.

Section 5. Removal. Any officer may be removed from such office, with or without cause, by a majority vote of the Board members at any regular or special meeting of the Board of Directors called expressly for that purpose.

Section 6. Vacancies. A vacancy in any office shall be filled by the Board of Directors for the unexpired term.

Section 7. Chairperson. The Chairperson shall preside at all meetings of the Board of Directors. The Chairperson may sign, with the secretary or any other proper officer of the Board of Directors authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the Board of Directors or by these Bylaws or by South Dakota statute to some other officer or agent of the Network; and in general the Chairperson shall perform all duties

incident to the office of Chairperson and such other duties as may be prescribed by the Board of Directors.

Section 8 Vice Chairperson. The Vice Chairperson shall perform the duties of the Chairperson when the Chairperson is unavailable; and in general the Vice Chairperson shall perform all duties incident to the office of Vice Chairperson and such other duties as may be prescribed by the Board of Directors.

Section 9. Secretary. The Secretary shall keep the records of the meetings of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 10. Treasurer. The Treasurer shall be responsible for and oversee all matters of the finances of the Network. The Treasurer shall ensure fiscal agents properly receive and give receipts for moneys due and payable to the Network and deposit all such moneys in the name of the Network in appropriate banks, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

## **ARTICLE V COMMITTEES**

Section 1. Executive Committee. The executive committee shall be comprised of the Chairperson, Vice Chairperson, Secretary, Treasurer, and Immediate Past Chairperson.

Section 2. Executive Committee Powers. The executive committee, when the Board of Directors is not in session, shall prepare reports and other documents related to the business of the Network for the review and approval by the full Board of Directors. The Board of Directors may delegate additional authority to the Executive Committee only by written resolution.

Section 3. Committees and Task Forces. The Board of Directors may create, direct, and appoint Members to such committees and task forces as they shall deem appropriate. Such committees and task forces shall have the power and duties designated by the Board of Directors, and shall give advice and make non-binding recommendations to the Board of Directors.

## **ARTICLE VI NOTICE**

Whenever under the provisions of these Bylaws notice is required to be given to a director, officer, or committee member, such notice shall be given in writing using one of the following means: facsimile, electronic mail, hand delivery, first-class mail or overnight delivery service. Notice will be deemed given when received. If using first-

class mail or overnight delivery service, postage must be prepaid to such person at his or her address as it appears on the records of the Network.

## **ARTICLE VII FISCAL YEAR**

The fiscal year for the Network shall be January 1 through December 31.

## **ARTICLE VIII AMENDMENTS TO BYLAWS**

These Bylaws may be amended or new Bylaws adopted upon the affirmative vote of a two-thirds majority of the Board of Directors at any regular or special meeting of the Board of Directors. The notice of the meeting shall set forth a summary of the proposed amendments.

## **ARTICLE IX ASSET MANAGEMENT PROVISIONS**

Section 1. Prohibition against Private Inurement. No part of the net earnings of this Network may inure to the benefit of, or be distributable to, its Board of Directors, officers, or other private persons, except that the Network shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this Network.

Section 2. Distribution of Assets. Upon the dissolution of this Network, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Network, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 3. Fiscal Agent. The monetary and other assets of the Network may be held by a fiscal agent for the benefit of the Network. The relationship between the fiscal agent and the Network will be managed according to a Fiscal Sponsorship Agreement which must be approved by the majority of the Board of Directors. The Fiscal Sponsorship Agreement shall be reviewed annually by the Board of Directors. The Board of Directors shall ensure that the Fiscal Sponsorship Agreement between the Network and the fiscal agent requires the fiscal agent to provide quarterly financial statements to the Executive Committee of the Board of Directors.

**ARTICLE X**  
**CONFLICT OF INTEREST POLICIES**

Section 1. Purpose of Conflict of Interest Policy. The purpose of this conflict of interest policy is to protect this Network's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Board of Directors member, or Ex Officio Board of Directors member of the Network or benefit the private interest of any person closely related to an officer, Board of Directors member, or Ex Officio Board of Directors member of the Network. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

- a. Interested Person. Any Board of Directors member, Ex Officio Board of Directors member, officer, member of a committee with Board of Directors delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - 1. An ownership or investment interest in any entity with which the Network has a transaction or arrangement;
  - 2. A compensation arrangement with any entity or individual with which the Network has a transaction or arrangement; or
  - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Network is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Conflict of Interest Avoidance Procedures, paragraph 'b', a person who has a financial interest may have a conflict of interest only if the Board of Directors or appropriate committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures.

- a. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors members and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting

while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors or committee members shall decide if a conflict of interest exists.

- c. Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The Chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board of Directors or committee shall determine whether the Network can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Board of Directors members whether the transaction or arrangement is in the Network's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- d. Violations of the Conflicts of Interest Policy. If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board of Directors and NCN Committee Proceedings. The minutes of meetings of the Board of Directors and all committees with Board of Directors delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any



alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Annual Statements. Each Board of Directors member, principal officer, and member of a committee with Board of Directors delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy.

## **ARTICLE XI CONSTRUCTION AND TERMS**

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 2006 as amended from time to time, or to corresponding provisions of any future federal tax code.

## **ADOPTION OF BYLAWS**

I, the undersigned, as Chairman of the Board of Directors of the Native CDFI Network do hereby certify that the Board of Directors is composed of 9 members, of whom 6, constituting a quorum, took action in writing on April 2<sup>nd</sup>, 2015 and the foregoing By-Laws were modified and adopted at said meeting by an affirmative vote of 6 members, 0 against, and 1 abstaining.



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Tanya Fiddler, Chairman

### **ENDNOTES:**

The above noted changes were adopted at a meeting of the Board of Directors on April 2, 2015. In addition to several technical corrections, the revisions were made to improve transparency of the Board's actions and to reduce the concentration of power held by the executive committee and fiscal sponsor. The revisions were deemed appropriate given the Board's intention to have NCN establish its own corporate identity and secure tax-exempt status as an entity separate and apart from Four Bands Community Fund (NCN's fiscal sponsor from 2012- mid 2015).