Toloka Board Governance Rules

These Rules manage the operation of the Board of the Ukrainian Cultural Center Toloka of Washington State, its proceedings in voting and making decisions, and the operational management appointment. The Rules are governed by RCW 24.03A.

1. **General**
    a. The Board includes corresponding members from the projects and organizations that financially support Toloka's operative needs, actively participate in planning Toloka's activities and events, and provide necessary contributions to support the operative management of Toloka.
    b. **Special Positions on the Board:**
        i. School Vyriy's Seat: School Vyriy, as a founding project, has two seats on the Board. The Board can revoke one seat with at least a 2/3 vote of all the Board members if School Vyriy's participation in Toloka's life decreases (annual input falls below 20% of the operational budget). One seat will always remain with the School Parent Committee as long as the School exists.
        ii. Honorary Consulate Seat: The Board includes one seat reserved for the Honorary Consulate of Ukraine in Washington state. This seat can be revoked by at least a 2/3 vote of all the Board members.
    c. **2024-2026 Board Members Include:**
        - **School Vyriy:** Oksana Krivizuk
        - **School Vyriy:** Olena Bedenko
        - **Nashi:** Tamara Cyhan
        - **HraiMore:** Olga Okhapkina
        - Viktoria Nikituk
        - **Honorary Consulate of Ukraine:** Valeriy Goloborodko
    d. Review of the Rules: These governance rules will be reviewed every two years or as needed to ensure they align with the organization's goals and legal requirements. Amendments can be proposed by any Board member anytime and must be approved by at least a 2/3 votes of all members of the Board.

2. **Eligibility and Voting Rights:**
    a. Every Board member has one vote.
    b. On July 1, every project that was active during the last Toloka financial year and invested more than 20% of the operational Toloka budget, including all operational costs for the facility, has the right to submit a request to be added as a voting member to the Toloka Board.
        i. A project is considered "active" if it has used the Toloka facility for its projects. If a project's investment falls below 20% in the previous year, it loses its voting seat on the Board.
    c. Any project that reinvests more than 20% in a future financial year may request to be returned to the Board, but the Board must vote on this request.

d. Quorum requirement: a majority of board members in office before a meeting starts.
e. At least 2/3 of the present votes are required for any board decision to be made.
f. The Board can revoke a seat with a 2/3 vote of the present members.
g. The Annual Strategic Plan for the upcoming year must be approved by all members of the Board at the beginning of the financial year (July-August). The Board may change this Plan if the financial situation and/or the volunteers' ability have changed during the year.
h. <u>Meetings:</u>
    i. Board meetings occur every three months. The Secretary is responsible for ensuring that minutes are kept and distributed.
    ii. The Secretary of the Board has the authority to call an urgent meeting, providing at least a seven-day notice to allow members adequate time to prepare.
    iii. Any board member may invite any member at the operational level of the organization to attend Board meetings. However, they can only participate as observers or present information without voting rights.

3. Duties and Responsibilities:

a. Duty of Care:

i. The Board members must actively participate in the management of the organization, including setting direction, attending meetings of the board, evaluating reports, reading minutes, reviewing the performance and compensation of the executive director, and so on.

ii. <u>Committee Formation:</u> The Board may establish committees as needed to address specific issues or tasks. Each committee will include at least one Board member and may include other patrons of Toloka or experts as required.

iii. <u>Board Actions:</u> A board member who is present at a meeting when an action is approved by the entire board is presumed to have agreed to the action unless the member (1) objects to the meeting because it was not lawfully called or convened and doesn't otherwise participate in the meeting; (2) votes against the action; or (3) is prohibited from voting on the action because of a conflict of interest. Normally, the minutes will record such objections to create a record of the dissent.

iv. <u>Minutes of Meetings:</u> Written minutes should be taken at every board meeting by someone other than the chair. The minutes should accurately reflect board discussions as well as actions taken at meetings.

1. The Secretary of the Board is responsible for keeping meeting minutes. These minutes will be shared with Board members within one week of the meeting for review and approval. Once approved, the minutes will be posted on the website, making them accessible to the public and patrons.

v. Messenger Chat for Mid-Meeting Discussions: The Board will maintain a separate Messenger chat for ongoing discussions and decision-making between meetings. This chat will be used for mid-meeting discussions and to ensure continuous communication among Board members.

vi. Books and Records: A Board member should have general knowledge of the books and records of the organization as well as its general operation. The organization's articles, bylaws, accounting and membership records, voting agreements, and minutes must be made available to Board members who wish to inspect them for a proper purpose.

b. Duty of Loyalty:

i. Conflict of Interest Policy: Board members must disclose any conflicts of interest at the beginning of each meeting or when a conflict arises. Members with a conflict must recuse themselves from voting on the relevant issue.

ii. Internal Revenue Code: Other prohibitions relating to the duty of loyalty are specified in the rules of the Internal Revenue Code regarding self-dealing. These rules apply to private foundations.

c. Duty of Obedience:

i. Federal, State, and Local Statutes: Board members should be familiar with federal, state, and local laws relating to nonprofit corporations, charitable solicitations, sales and uses taxes, FICA (Social Security) and income tax withholding, and unemployment and workers' compensation obligations. Board members should assure themselves that the provisions of the Internal Revenue Code applying to 501(c)(3) organizations have been met before advising donors that their contributions may be tax-deductible.

ii. Filing Requirements: Board members must comply with or ensure compliance with deadlines for tax and financial reporting, for registering with the Secretary of State, for making Social Security payments, for income tax withholding, and so on.

iii. Outside Help: Where appropriate, Board members should obtain opinions of legal counsel or accountants.

d. Board's Officials Responsibilities:

i. The President is the Board Chair and the highest position in Operational Management. They have official signature authority for legal, financial, and personnel matters.

ii. After the end of the financial year, the Board votes for the Executive Officers of Toloka: President, Secretary, and Treasurer.

iii. The term for these officers is two years. Re-elections happen during the first Board meeting after the start of the financial year (after July 1). Any Board member can propose a candidate, or candidates may propose themselves for any positions.

iv. NO MORE THAN 2 TERMS IN A ROW

v. The President and Secretary must be the Board members, while the Treasurer can be proposed by any Board member from any volunteers of Toloka.

vi. The Board Secretary is a deputy to the President in Operational management and is also responsible for documenting and executing Board decisions.
vii. The Treasurer is responsible for the financial audit of Toloka's operational management team and has an official signature on financial matters.

4. **Election of Operational Officers, Their Duties and Responsibilities:**
    a. The operational level includes program managers, assigned volunteers, or hired employees who are responsible for the daily operations of Toloka.
    b. After the end of the financial year, the Board votes for the Operational Officers of Toloka.
    c. Operational Officers are volunteers; the Board may compensate their work if Toloka has the financial ability or the Officer is a person named in the grant's documentation and is eligible for the payment.
    d. The term for these officers is one year. Re-elections happen during the first Board meeting after the start of the financial year (after July 1). Any Board member can propose candidates for any Operational Officer positions according to the Annual Strategic Plan for the upcoming year.
    e. The Operational Officers are required to follow the Duties of Loyalty, Care, and Obedience listed above in the scope that applies to them.
    f. Operational Officers may be removed: (1) at will by sending a 2-weeks notice to the Board through the Secretary of the Board; (2) by removal of the Board in a case of gross negligence according to their duties and responsibilities; (3) according to the law.
    g. Operational Officers are not financially responsible for their decisions unless they knowingly, intelligently, and voluntarily violated the law governing the organization's financial conduct.

5. **Financial Oversight:**
    a. The annual budget must be presented and reviewed during the last Board meeting before the end of the financial year.
    b. The budget must be approved by at least 2/3 of all members before the start of the new financial year.
    c. The board can apply for grants and other financial support as a single non-profit organization and/or in a collective application.