

# AAZK Chapter Ethical Conduct

## Legal Obligations Operating Methodology

Ed Hansen  
CEO/CFO - AAZK



# Primary Workshop Objectives

- Ensure Chapter Executive Officers and Chapter Members understand the importance of detailed fiscal management and the legal ramifications of financial mismanagement
- Ensure Chapter Executive Officers and Chapter Members understand the importance of the group decision making process and documentation of every decision
- Ensure Chapter Membership understand where to locate AAZK resources for Chapter operation



# Learning Objectives

- Parent/Subordinate Relationship
- Financial Reporting Obligations
- Tax Obligations – Federal and State
  
- Executive Officer Conduct
- Meeting Format and Organization
- AAZK Resources
- Documentation



# Legal Obligations



# Non-profit Status

- AAZK is 501 (c) (3)
- Incorporated for **Education (Conservation)**
- Assignment of a Federal Tax ID
  - Relief from Federal Income Tax Obligations
- Incorporation Requires:
  - Corporation Officers
  - Bylaws
  - Articles of Incorporation
  - **Statement of Purpose**
  - Financial Reporting



# Parent Organization

- Federal Tax ID (Parent EIN)
- Group Exemption Letter (Number)
- Allows for Application of a Chapter EIN
  
- Chapter EIN is issued under the Parent EIN
- Grants the Chapter Non-profit status within their State – meaning Chapter income is not subject to taxation
- Does not relieve the Chapter from other taxation obligations  
Example = Sales Tax



# Subordinate Chapter

- Assignment of Local EIN
- Allows for **local** operation of a Federal tax exempt entity
- Requires
  - Officers
  - **Bylaws**
  - **Statement of Purpose**
  - Form of Local Governance
  - Financial Reporting



# IRS Reporting – IRS990

- Annual Obligation
- Fiscal Year= Calendar Year
- Tax Day = 15 May

2012

- Income Generation = \$173,994
- Program Income = \$337,191
- Total = \$511,185





# Chapter Reporting – IRS 990N

- Annual Obligation
- Fiscal Year= Calendar Year
- Tax Day = 15 May
  - 94 Chapters
  - Combined Income Generation approaches 500K
- Chapters with Income *normally* under \$50,000/year file **IRS990N**
- Chapters with income *normally* above \$50,000/year file **IRS 990**



# Additional Tax Obligations

- Sales Tax

Chapters are not exempt from paying Sales Tax on any purchased item. An exemption from Sales Tax is granted from Local Governing Authorities and is sometimes granted by the seller

- Unrelated Taxable Business Income (UTBI)

When Chapters offer for sale any item that does not directly correlate to the **Statement of Purpose** – the sale may be subject to UTBI



# Donations

- Direct Donation

Chapters **may** not be allowed to accept direct donation (cash or property) unless the Chapter is registered with their State as a Charitable Organization

- Direct Donation Acknowledgement

Chapters can acknowledge a donation of property or in-kind service but **may not** assign a value to the donation



# Tax Deductible Statements

- Profit Statement

Chapters should always ensure that when a Chapter sells a product or a Chapter event solicits a donation, or charges an admission fee that a Profit Statement is utilized in any advertisement:

x% of the PROFITS will go to \_\_\_\_\_

*or*

- Donation Statement

Advertisement **should not** include the wording: “Your Donation is Tax Deductible” – unless that statement is true. Normally the proper advertisement is: **“A Portion of Your Donation is Tax Deductible”**



# Operating Methodology

American Association of Zoo Keepers  
aazk.org | Facebook.com/AAZKinc | Twitter.com/AAZKinc



# Chapter Bylaws and Constitution

- Bylaws: **Day-to-Day Operation**
  - Rule and Policy
  - Consequences
- Constitution: **Shape and Format**
  - Rule-making and Policy Formation for:
    - Membership
    - Officers
    - Elections
    - Meetings
    - Voting
    - Documentation



# Chapter Bylaws

Chapters may **adopt** AAZK Bylaws  
**or**  
Chapters may **create** their own Bylaws

- Chapter Bylaws **may not** be:
  - In direct conflict with AAZK Bylaws
  - Less restrictive than AAZK Bylaws
  - Appear to condone illegal or unethical behavior



# Chapter Constitution

## Template Document

- A Chapter Constitution **shall**:
  - Defines **who** is in the Chapter
  - Defines **when** the Chapter will meet
  - Defines **what** officers will oversee the Chapter
  - Defines **how** the officers will govern
  - Defines **why** the Members will monitor Officer and Member conduct and action
  
- Define Chapter's **Code of Conduct**





# Chapter Membership

- Chapter Membership eligibility is defined within the Chapter Constitution
- Chapter Membership cannot be exclusionary
- Chapter Membership is open to any AAZK member in good standing
- Non-AAZK members may be accepted at the discretion of the Chapter but **shall** be reported on the Re-charter documents subject to tariff applied by AAZK



# Chapter Officers

- Standard Officers:
  - President
  - Vice-president
  - Secretary
  - Treasurer
- Optional:
  - Chapter Liaison
  - Sergeant-at-Arms
  
- If defined in the Chapter Constitution – Officers may hold any combination of titles



# Chapter Elections

- AAZK Directive 8.01–3 calls for Chapter elections to be standardized so that a complete set of Officers are in place during the Re-charter period
- Chapter Constitution should define which members of the Chapter are eligible to hold office
- An Officer election shall be formal and shall be documented for the record



# Chapter Meetings

- The Chapter Constitution shall set Membership meetings that are standard by date, time and location
- A Chapter Membership Meeting cannot conduct business (vote) on any issue without a quorum of members defined in the Chapter Constitution
- Only a Chapter Executive Officer may conduct a Membership Meeting



# Chapter Officer Meetings

- The Chapter Constitution shall define the circumstances of a Chapter Officer Meeting
- Chapter Officer meetings shall not be held in “secret”
- The Chapter Constitution should define that decisions reached in an Officer Meeting must be approved by the Chapter Membership



# Chapter Voting

- The Chapter Constitution shall define how individuals will vote on any issue before the Chapter Membership
- Every financial decision deserves formal motion, discussion and vote
- *Financial (mis)management is the cause of 95% of Chapter conflict*



# Chapter Documentation

- Utilize Roberts Rules of Order
- Every decision = Motion, Second, Vote
- Documented in Meeting Minutes by the Chapter Secretary or designate



# Minutes

- Legal documentation of Chapter operation and shall be kept for a period of three (3) years
- Subject to Open Meeting Laws in applicable States and when AAZK Bylaws are adopted
- Minutes are a primary document reviewed during Ethics investigations and a subject to subpoena in criminal investigation





# Discussion





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Subject: <b>Chapter Constitution</b>	Reviewed/ Revised: June 20 2013

**Board Administrative Directive**

**PURPOSE**

To provide a “boilerplate” copy of the Standard Constitution issued to all Chartered Chapters of the American Association of Zoo Keepers (AAZK).

Further reference to Chapter Constitution is found in Administrative Directives 8.01-2, 8.01-3, 8.01-4

**POLICY**

It is the decree of the Board of Directors of the AAZK that all Chartered Chapters of AAZK Inc., shall adopt and ratify the attached model Constitution to ensure compliance with IRS requirements for tax exempt entities.

**Failure of the Chapter to adopt and ratify the model Constitution may result in disciplinary action as per the adopted and ratified Bylaws of the Association.**

A copy of the model constitution is attached in the addendum to this Directive.

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## CONSTITUTION

\_\_\_\_\_  
Chapter Name

### AMERICAN ASSOCIATION OF ZOO KEEPERS GENERAL ARTICLES

#### *ARTICLE I - NAME*

The name of this organization shall be \_\_\_\_\_  
(Chapter Name)

#### *ARTICLE II- STATEMENT OF PURPOSE*

This Chapter is established and chartered by the American Association of Zoo Keepers (AAZK) in accordance with the procedures in the Bylaws as established by the Board of Directors and is subject to the Bylaws of the parent organization. This Chapter is a non-profit organization in accordance with the provisions made by the Internal Revenue Code of 1954 and adheres to the declaration of the Charter and subsequent Re-charter Agreements as notarized by the elected Chapter Officers.

The objects and purposes of this Chapter shall be:

##### *Section 1*

To promote and establish good relationships amongst professional animal care personnel; to promote and establish a means to stimulate incentive, greater interest and professional attitudes towards sound captive management through the zoo keeping profession; and promote greater communication with members of the profession through projects and programs that will strengthen the member's professional knowledge.

##### *Section 2*

To support and publicize our concern for all valid and deserving projects of conservation and to do our part in educating the general public to the need for worthwhile projects of preserving our natural resources and animal life.

##### *Section 3*

To establish materials beneficial to member education.

##### *Section 4*

To accept and receive property, both real and personal, by gift, grant or bequest; and to manage, hold, contract and dispose of same in accordance with the purposes of the Chapter and under the restrictions of the Bylaws of AAZK, Inc.

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### ***Section 5***

Upon dissolution of this Chapter by unanimous vote of its members, a letter of resignation accompanied by a copy of the minutes of the dissolution meeting shall be sent to the Chief Executive/Financial Officer of AAZK. All funds remaining in the Chapter treasury after payment of debts shall be forwarded to the National Association for distribution through the AAZK Grants Committee.

## ***ARTICLE III - OFFICES***

### ***Section 1***

**Principal Offices for the transaction of business of the Chapter is hereby located at:**

### ***Section 2***

**Chapter records shall be kept in the possession of the Chapter**

## ***ARTICLE IV - MEMBERSHIP***

### ***Section 1***

Membership eligibility, dues, initiation fees and assessments shall be fixed by the Chapter Bylaws.

## ***ARTICLE V - ELECTIONS***

### ***Section 1***

Chapter elections shall be held in such a manner as fixed by the Chapter Bylaws, but should be held in December (Fall) of a calendar year.

## ***ARTICLE VI- MANAGEMENT***

### ***Section 1***

The re-charter date for this Chapter (excepting Student Chapters) shall be 1 March of each calendar year. The re-charter fee shall be set by the Board of Directors of AAZK. The names of the elected Chapter Officers and the Student Chapter Advisor shall be reported to Administrative Offices at the re-charter date.

### ***Section 2***

Failure of this Chapter to comply with fees and required reports by the annual re-charter date shall be considered in violation of Article V, Section 1 and 2 of the AAZK, Inc. Bylaws and the Chapter charter shall be subject to revocation.

### ***Section 3***

All Chapter monetary transactions, in any form shall require the signature of two Chapter officers, or a written policy for the approval of debit or credit type purchases.

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#### ***Section 4***

No individual member or Chapter officer or Student Chapter Advisor may enter into any contract utilizing Chapter-generated funds or execute any instrument in the name of, or on behalf of the AAZK, without prior written application to, and consent of the Board of Directors of the AAZK. Similarly, no individual shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit or to tender it liable for any purpose in any amount, without prior written application to, and consent of the Board of Directors of AAZK. Chapters are empowered to enter into contracts for less than \$1000.00 without the prior approval of the Board of Directors.

#### ***Section 5***

Chapters may not hold permanent title to real estate or vehicles of any kind without written application to, and consent of, the Board of Directors of AAZK **and** unless the Chapter incorporates in some form within their individual State or Province. Chapters must notify the AAZK of their intent to incorporate; the Chapter must provide the Board of Directors of AAZK with a copy of their Bylaws and their final incorporation papers. Student chapters are prohibited from incorporation unless the action of incorporation is mandated the State in which the Chapter is operating.

#### ***Section 6***

In accordance to Article VII, Section 6 of the current Bylaws of AAZK all profits made on products/projects as described in said Article and Section must be split equally between the Chapter and the National Association.

#### ***Section 7***

The fiscal year of the Chapter shall be **January 1 to December 31** inclusive

Student Chapters, while electing/selecting officers and operating based upon the school calendar year must still report/ confirm charter based upon the calendar year.

#### ***Section 8***

Election of Chapter officers as defined and fixed in the Bylaws shall take place in the tenth through twelfth month of the current fiscal year.

Student Chapters may select officer candidates or elect officers within the school calendar year, and shall report those officers on the re-charter materials due to the Administrative Offices prior to 1 March of each calendar year.

#### ***Section 9***

Chapter officers and Student Chapter Advisors shall be responsible to the membership and to AAZK to control and manage the Chapter and its property, and to perform and comply with all duties and requirements as prescribed by the Bylaws of the Chapter and the Constitution and Bylaws of AAZK, Inc.

### ***ARTICLE VII- CHAPTER BYLAW CUSTOMIZATION/AMENDMENTS***

Subject to the limitations of this Constitution and amendments as to action which shall be authorized or approved by the Board of Directors of AAZK Chapters shall maintain the right to

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make amendments to the Articles of Bylaws and further customize them so that they will facilitate the operation of the Chapter. Amendments to the Articles of Bylaws shall not affect the content of the General Articles of this Constitution, nor may the General Articles be amended unless prescribed or approved by the Board of Directors of AAZK.

Amendments shall be passed by a majority of the voting Chapter members at any regular or special meeting called for such purpose.

All proposed amendments shall be presented in writing to the Chapter membership thirty (30) days prior to voting.

Chapters shall be required to forward a copy of the Chapter Bylaws, complete with all approved amendments, upon written request from the Administrative Offices of AAZK or the Board of Directors of AAZK within thirty (30) days of the receipt of such request.

## **ARTICLES OF BYLAWS**

### ***ARTICLE I - MEMBERSHIP***

Membership in the Chapter shall be open to any (animal keeper, attendant, handler, aquarist, trainer, other) employed by a recognized animal keeping facility (located within the State or Province of \_\_\_\_\_); associations or groups thereof; and to individuals and associations interested in the objectives and purposes of the Chapter.

The membership categories shall include the following:

- a) **Professional:** Permanent, salaried, full-time or part-time (as defined in the AAZK Operations Manual) zoo or aquariums keepers, veterinary technicians, research technicians and other personnel directly connected with the care, feeding, and educational display of captive wildlife in recognized zoological parks, aquariums, animals reserves and other animal care facilities. This also includes retired animal keepers with at least ten (10) years service prior to retirement, and who were professional members of the Association during the year previous to retirement. Only Professional members residing in the United States and Canada shall be entitled to cast a national electoral vote and hold a national elective office.
- b) **Affiliate:** Zoo and aquarium personnel employed, salaried, or in a volunteer position at a recognized zoo, aquarium or animal care facility, in a position not described in the Professional category. This includes managerial, curatorial, veterinary, non-keeper positions. Also includes; docents, provisional non-student interns, and volunteers. Affiliate members may vote and hold office on a local level at the discretion of the Chapter Constitution and Bylaws and appointed office on a national level.
- c) **Student:** A person interested in the animal care profession who is currently registered as a student in the college, high school or middle school level. Proof of current student identification (copy) is required when submitting the application for membership in the Association. Student members shall not be entitled to vote or hold elective or appointed

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office on any level within the Association, unless a Chapter is formed and duly chartered at the local level, consisting primarily of Student members. An AAZK Student Chapter may only be formed at the College level.

Chapter dues will be \$ \_\_\_ per member and will cover the period of \_\_\_ year(s) from the date of payment.

The property of the members shall be exempt from execution for the debts of the Chapter, and no member shall be liable or responsible for any debts or liabilities of the Chapter. No member shall have any rights to the property of the Chapter.

Only active Chapter Professional, Affiliate and Student members (those having contributed dues to local and National AAZK membership for the current year) shall be entitled to one vote, (chapter level) provided the right of vote is granted to the membership category at the Chapter level.

Only active Chapter members (as defined above) are eligible to hold office of President, Vice-President, Secretary, and Treasurer on the Chapter Executive. Any member is eligible to hold appointed office within the Chapter, unless prevented by the Chapter Constitution.

Any member who defaults in payment of dues for local membership shall be stricken from the rolls of the Chapter and his/her membership terminated.

Any member may terminate his/her membership in the Chapter by submitting a letter of resignation to the Chapter Secretary, but no monies shall be refunded for dues or fees previously paid.

If any member of the Chapter shall commit any illegal or prejudicial act detrimental to the conduct of the affairs of the Chapter or the AAZK or the purposes for which it was formed, such person shall be notified, in writing, to appear personally before the Chapter Executive Officers at a designated time not less than thirty (30) days after such notification and, at such time, be given a hearing. By a majority vote of all the Chapter Officers present at the meeting, the membership of such person in the Chapter may be terminated or suspended.

Membership in the Chapter shall not be transferable.

Fines or penalties are not permitted. The penalty of misconduct is suspension or termination, as provided above.

## ***ARTICLE II- ELECTIONS***

The terms of office of the members of the Chapter Executive shall be \_\_\_ year(s). Elections shall be held according to the terms of office. Each elected officer shall serve for year(s) following the election meeting. Officers of the Chapter may serve for two (2) consecutive terms; and after a year lapse, they may run for and hold office again.

Student Chapters shall elect their officers in concert or conjunction with the annual school calendar (August to May of each calendar year), or a term specified and delineated as follows:

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Any officer elected by the members may be removed by the members whenever, in its judgment, the best interests of the Chapter would be served, provided such removal be effected by a vote of the majority of voting members of the Chapter. This vote shall take place at a special meeting and shall be documented for record.

Except as otherwise provided for in these Bylaws, any vacancy in any office of the Chapter may be filled by appointment by the remaining Chapter Executive Officers for the unexpired term of such office.

### ***ARTICLE III MEETINGS***

Regular meetings shall be held at such time and place as fixed by resolution of the Chapter Executive Officers and designated in the notice of the meeting.

Special meetings of the members may be called by the Chapter President, Chapter Officers, or upon a written request signed by at least ten percent (other) of the total membership.

Any meeting of the members, whether or not a quorum is present, may be adjourned by a majority of the members present; but in the absence of a quorum, no other business may be transacted at such meetings.

The presence of at least 50% percent of the voting members of the Chapter shall constitute a quorum necessary for the business at all meetings of the members. After a quorum has once been called at any meeting, the withdrawal of members thereafter shall not defeat the quorum.

Each voting member, as defined by the Chapter Bylaws, shall be entitled to one (1) single vote on each matter submitted to a vote at a meeting of the members.

Meetings of the Chapter Executive Officers shall be attended by a majority of the Executive Officers and for Student Chapters, the Student Chapter Advisor, in order to conduct business.

### ***ARTICLE IV OFFICERS***

#### Powers

Subject to the limitations of this Constitution and amendments as to action which shall be authorized or approved by the members, and subject to the duties of Officers as prescribed by the Bylaws; all Chapter powers shall be exercised by or under the authority of, and the conduct and affairs of the Chapter shall be controlled by, the Chapter Executive Officers.

#### Duties

The duties of the Chapter Executive Officers herein described as Officers shall be:

- a. To control and manage the Chapter and *its* property, passing upon acquisitions and disbursements with a vote of a simple majority of the membership, other than allowable operating expenses.
- b. To formulate policies, rules, and regulations in accordance with the Constitution and these Bylaws.
- c. To empower the Chapter Treasurer authority to purchase items necessary to conduct the business of the Chapter, without the approval of the membership, not to exceed



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- § \_\_\_\_\_
- d. Officers. The Executive Officers of the Chapter shall be a President, a Vice-President, a Secretary and a Treasurer. Any number of offices may be held by the same person with membership approval.

#### Subordinate Officers

The Chapter Executive Officers may appoint such other officers as the conduct of the Chapter may require, each of whom shall have authority and perform such duties as are provided in these Bylaws or as the Chapter Executive Officers may from time to time specify.

#### Vacancies

Vacancies on the Chapter Executive Offices may be filled by a majority of the remaining officers, although less than a quorum, or by a sole remaining officer. If at any time, by reason of any cause, the Chapter should have no Executive in office, then any Chapter member may apply to the Chapter membership for a decree summarily ordering election. Each officer so elected shall hold office until a successor is elected at a meeting of the members.

#### Number and Qualification of Officers

The authorized number of officers of the Chapter shall be until changed by amendment to this Bylaw. Officers must be members in good standing with AAZK.

#### Removal and Resignation

An officer may be removed, either with or without cause, by a majority of the Chapter Executive Officers at the time in office, at any regular or special meeting, or by any officer upon whom such power of removal may be conferred by the Chapter Executive Officers.

#### Voting

Any voting of the Chapter Executive Officers shall consist of no less than three (3) consenting votes.

#### President

The President shall be the Chief Executive Officer of the Chapter and shall, subject to the control of the Chapter Executive Officers, have general supervision, direction and control of the conduct and officers of the Chapter. The President shall preside at all meetings of the membership and at all meetings of the Chapter Executive Officers. The President shall be an ex officio member of all Chapter committees, if any, and shall have the general duties and powers as may be prescribed by the Chapter Executive Officers or these Bylaws.

#### Vice-President

In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have the powers of, and be subject to all the restrictions upon, the President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed by the Chapter Executive Officers or these Bylaws.

#### Secretary

The Secretary shall keep, or cause to be kept, a book of minutes at the principal offices or other such place as prescribed by the Chapter Executive, with the time and place of holding meetings, whether regular or special, members present or represented at such meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, a membership list, showing the names of the members and their addresses, and the number and date of memberships issued; and the date of suspension, termination or resignation of every membership surrendered for cancellation. The

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Secretary shall have other powers and perform other duties as from time to time may be prescribed by the Chapter Executive or these Bylaws.

Treasurer

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Chapter with such depositories as may be designated by the Chapter Executive Offices. The Treasurer shall disburse the funds of the Chapter as may be ordered by the Chapter Executive, shall render to the President and Chapter Officers, whenever they request it, an account of all the transactions as Treasurer and of the financial condition of the Chapter, and shall have such other powers and perform other duties as from time to time may be prescribed by the Chapter Executive or these Bylaws.

Student Chapter Advisor

Shall serve as an ex-officio member (non-voting advisor) to the Student Chapter Board and shall be directly responsible to AAZK Inc, for the timely reporting of all chapters activities as required by this document, the Administrative Directives of the Association and the ratified and adopted Bylaws of the Association, and shall directly supervise the actions of the Student Chapter Treasurer and the financial assets of the Chapter. Student Chapters are prohibiting from operation in the absence of a Student Advisor.