TITLE: Governance

POLICY: Catholic Charities Spokane promotes the public interest and the organization’s viability and sustainability through sound governance and administration, in accordance with applicable legal requirements, principles of effective management, and ethical practice.
TITLE: Legal Authorization to Operate

PROCEDURE GOV 1: Catholic Charities maintains written evidence of the source of its operating authority.

Catholic Charities is legally authorized to operate as a not-for-profit organization with its own Board of Directors that is incorporated in the state of Washington, and has duly promulgated Articles of Incorporation and By-Laws.

A. ARTICLES OF INCORPORATION:

RESTATED ARTICLES OF INCORPORATION
OF
CATHOLIC CHARITIES OF SPOKANE

Pursuant to Section 24.03.183 of the Revised Code of Washington (“RCW”), the following constitute the Restated Articles of Incorporation of Catholic Charities of Spokane (“Catholic Charities”). These Restated Articles of Incorporation correctly set forth without change the corresponding provisions of the Articles of Incorporation as heretofore amended, and supersede the original and amended Articles of Incorporation of Catholic Charities and all amendments thereto.

ARTICLE 1.
Name

The name of this Corporation is “CATHOLIC CHARITIES OF SPOKANE,” hereinafter referred to as “Catholic Charities.”

ARTICLE 2.
Duration

The duration of Catholic Charities shall be perpetual.
ARTICLE 3.
Purpose and Powers

3.1 Purposes. Catholic Charities is organized and operated exclusively for religious, charitable, educational, scientific, and literary purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”). The mission and purposes of the corporation is rooted in the teachings of the Roman Catholic Church which deems mercy to the poor and sick, charitable works and works of mutual aid for the alleviation of all kinds of human need as an essential expression of faith. This corporation shall conduct its affairs in the spirit and in accord with the teachings of the Roman Catholic Church and the Code of Ethics promoted by Catholic Charities USA (1989) and the policies created by the Corporation. To that end, its purposes shall include, but not be limited to, the following:

a. To engage in works of charity;

b. To coordinate, standardize and develop charitable enterprises in Eastern Washington;

c. To study, plan and develop any activities and projects to meet new and emergent needs in the fields of charity and social services;

d. To work toward the strengthening of family life and the prevention of those factors which hinder its full development;

e. To maintain, educate, care and assume custody of destitute, dependent, delinquent, or neglected children;

f. To arrange for and consent to the adoption of children relinquished to its custody;

g. To sponsor and operate institutions for the care of dependent individuals in Eastern Washington;

h. To work for changes which would bring about the betterment of life for children, families or individuals;

i. To cooperate with the government in providing needed social and charitable services for the people in Eastern Washington and to utilize government funding which may be available to provide such social and charitable services;

j. To purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real and personal property, or any interest therein, wherever situated; and
k. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.

3.2 **Tax-Exempt Status.** Catholic Charities is an organization exempt from federal income tax under Section 501(c)(3) of the Code, a public charity under Section 509(a)(1) of the Code. Catholic Charities is listed in the Official Catholic Directory (published by P.J. Kennedy & Sons) and exists and functions pursuant to the precepts of civil laws, and the teachings of the Roman Catholic Church. Catholic Charities is guided by the values of respect, compassion, collaboration, and justice in all of its operations and decisions, thus remaining faithful to the heritage and mission of Jesus Christ. All terms and provisions of these Articles of Incorporation and all purposes, powers, and activities of Catholic Charities shall be construed, applied, and carried out in accordance with such intentions.

3.3 **Limitations.**

a. **Nonprofit Status.** Catholic Charities shall not have or issue shares of stock. Catholic Charities is not organized for profit, and no part of its net earnings shall inure to the benefit of any director or officer of Catholic Charities or any private individual, and Catholic Charities shall not be authorized and empowered to pay any compensation to its directors or officers for their services as such, except that Catholic Charities may pay reasonable compensation for services rendered to Catholic Charities. Catholic Charities shall not loan money or extend credit to its directors, officers or employees.

b. **Distributions; Dissolution.** The dissolution of Catholic Charities can only be enacted by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. No director or officer of Catholic Charities, and no other private individual, shall be entitled to share in the distribution of any of the corporate assets upon dissolution of Catholic Charities or the winding up of its affairs. Upon such dissolution, or winding up, after paying or making adequate provisions for the payment of all the liabilities of Catholic Charities, all the remaining assets of Catholic Charities shall be distributed to any successor organization, which also qualifies as a tax-exempt organization under Section 501(c)(3) of the Code, and if no such organization exists, then to any other organization or organizations organized
and operated exclusively for religious, charitable, educational, scientific, or literary purposes which then qualify for exemption under the provisions of Section 501(c)(3) of the Code and any amendments thereto, as the Board of Directors of Catholic Charities shall determine.

c. **Prohibited Activity.** No substantial part of the activities of Catholic Charities shall be devoted to the carrying on of propaganda, or otherwise attempting to influence legislation, except as may be permitted by Section 501(c)(3) organizations under the Code, and Catholic Charities shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

### 3.4 **Powers.**

In general, and subject to such limitations and conditions as are or may be prescribed by law, or in the Articles of Incorporation or Bylaws of Catholic Charities, the Board of Directors shall have all powers which now or hereafter are conferred by law upon a corporation organized for the purposes set forth above, including without limitation, those general powers set forth in RCW Section 24.03.035, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of Catholic Charities’ purposes.

**ARTICLE 4. Nonmembership**

Catholic Charities shall have no members, and shall exist as a nonmembership corporation under the laws of the State of Washington.

**ARTICLE 5. Directors**

The affairs of Catholic Charities shall be managed by a Board of Directors of not less than nine (9) directors. The Board of Directors shall be comprised of the Catholic Bishop of Spokane, the Executive Director of Catholic Charities and not less than seven (7) other individuals elected by the Board of Directors. The number of directors, their qualifications and terms of office, the manner in which they are selected and may be removed from office, the rules and procedures regarding their meetings, and their powers and duties shall be as from time to time prescribed in the Bylaws of Catholic Charities.
ARTICLE 6. Indemnification

6.1 Limitation of Liability. A director or officer of Catholic Charities shall not be personally liable to Catholic Charities for monetary damages arising from any conduct as a director or officer, except their limitation on liability shall not apply to (i) acts or omissions involving intentional misconduct or a knowing violation of law, (ii) any transaction from which the director or officer will personally receive a benefit in money, property, or services to which the director or officer is not legally entitled. If the Washington Business Corporation Act or the Washington Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of a director or officer, then the liability of the same shall be eliminated or limited to the fullest extent permitted by such law or laws, as so amended. Any repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a director or officer of Catholic Charities existing at the time of such repeal or modification.

6.2 Indemnification. Catholic Charities has the power to indemnify, and to purchase and maintain insurance for, its directors, officers, employees, and other persons and agents. Without limiting the generality of the foregoing, Catholic Charities shall indemnify its directors against all liability, damages, and costs or expenses (including attorneys fees) arising from or in connection with service for employment by, or other affiliation with, Catholic Charities to the maximum extent and under all circumstances permitted by law.

ARTICLE 7. Amendments to Articles of Incorporation

The Articles of Incorporation of Catholic Charities may be amended, altered, or repealed upon majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane, subject to any mandatory contrary provision under Washington law. Provided, however, that no such amendment, alteration, or repeal shall in any way be in conflict with the provisions of Section 501(c)(3) of the Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE 8. Bylaws

The authority to adopt, amend, and repeal the Bylaws of Catholic Charities is vested in the Board of Directors of Catholic Charities and shall
require a majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. The Bylaws may contain any provision for the regulation and management of the affairs of Catholic Charities which is not inconsistent with these Articles of Incorporation or the laws of the State of Washington.

These Restated Articles of Incorporation were adopted by written unanimous consent in a form of a record executed by all members entitled to vote with respect thereto.

Dated this ____ day of April, 2006.

CATHOLIC CHARITIES OF SPOKANE

By: ________________________________
    Robert J. McCann, President

THESE RESTATED ARTICLES OF INCORPORATION ARE HEREBY
APPROVED AND ACCEPTED BY:

___________________________
Bishop William S. Skylstad

DATE: ______________________

RESTATED BYLAWS
OF
CATHOLIC CHARITIES OF SPOKANE
A Washington Nonprofit Corporation

The Board of Directors of Catholic Charities of Spokane (“Catholic Charities”) adopted a corporate resolution which amended and restated its Bylaws, and the following constitute the Restated Bylaws of Catholic Charities. These Restated Bylaws correctly and completely set forth the Bylaws of Catholic Charities and supersede all prior Bylaws, amended or restated.
PURPOSES

Entity. Catholic Charities is a Washington nonprofit corporation, a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code") and a public charity under Section 509(a)(1) of the Code. Contributions made to Catholic Charities are tax-deductible under Sections 170(c), 2055(a) and 2522(a) of the Code.

Purposes. The mission and purposes of the corporation is rooted in the teachings of the Roman Catholic Church which deems mercy to the poor and sick, charitable works and works of mutual aid for the alleviation of all kinds of human need as an essential expression of faith. This corporation shall conduct its affairs in the spirit and in accord with the teachings of the Roman Catholic Church and the Code of Ethics promoted by Catholic Charities USA (1989) and the policies created by the Corporation. Catholic Charities is organized exclusively for religious, charitable, educational, scientific, and literary purposes, which may include, without limitation, the following:

a. To engage in works of charity;

b. To coordinate, standardize and develop charitable enterprises in Eastern Washington;

c. To study, plan and develop any activities and projects to meet new and emergent needs in the fields of charity and social services;

d. To work toward the strengthening of family life and the prevention of those factors which hinder its full development;

e. To maintain, educate, care and assume custody of destitute, dependent, delinquent, or neglected children;

f. To arrange for and consent to the adoption of children relinquished to its custody;

g. To sponsor and operate institutions for the care of dependent individuals in Eastern Washington;

h. To work for changes which would bring about the betterment of life for children, families or individuals;

i. To cooperate with the government in providing needed social and charitable services for the people in Eastern Washington and to utilize government funding which may be available to provide such social and charitable services;
j. To purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real and personal property, or any interest therein, wherever situated; and

k. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.

**Mission.** Catholic Charities is a network of agencies, institutions, parishes and individuals, united in gospel spirit, who are servants to the poor, supporters for families and aides to parishes and communities in meeting the social service needs of people in Eastern Washington.

**Core Values.** Inclusive of many cultures, faiths and traditions, Catholic Charities is committed to integrating these values throughout the organization: (i) respect - we believe each person is a child of God with innate dignity; (ii) compassion - we believe in a ministry of love and service to those in need; (iii) collaboration - we believe in the transformative power of partnerships among participants, colleagues and community; (iv) justice - we believe in ethical, honest and equitable relationships among all people.

**PRINCIPAL OFFICE**
The principal office of Catholic Charities is located at:

1023 West Riverside
Spokane WA 99201

Catholic Charities may change its address or establish other offices as may from time to time be designated by its Board of Directors.

**NONMEMBERSHIP**
Catholic Charities shall have no members, and shall exist as a nonmembership corporation under the laws of the State of Washington.

**BOARD OF DIRECTORS**
**Number and Qualifications.** The business affairs and property of Catholic Charities shall be managed by a Board of Directors of not less than nine (9) directors. The Board of Directors shall be comprised of the Catholic Bishop of Spokane, the Executive Director of Catholic Charities and not less than seven (7) other individuals elected by the Board of Directors.

**Election--Term of Office.** The directors shall be elected by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring
affirmative vote of the Catholic Bishop of Spokane. Except as provided below, the standard term of office of an elected director shall be three (3) years, without limitation or restriction on serving consecutive terms provided the director's name is submitted for reelection and approved by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. The Board of Directors may depart from the standard three (3) year term and designate a different term for a director if necessary to create staggered terms or deemed appropriate based on extraordinary contribution to the growth and well-being of Catholic Charities through gifts of time, wealth, wisdom or goodwill. The term of office for the Catholic Bishop of Spokane and the Executive Director of Catholic Charities shall be concurrent with his or her respective term of office or appointment of position.

Powers of Directors.

General. The Board of Directors shall manage the entire business and affairs of Catholic Charities. The Board of Directors may exercise all such corporate powers of Catholic Charities and do all such lawful acts to the fullest extent permitted by law.

Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, Catholic Charities, and such authority may be general or confined to the specific instance. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind Catholic Charities by any contract or engagement, or to pledge its credit, or render it liable pecuniarily for any purpose and to any amount.

Board Committees. The Board of Directors may, by resolution, designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except no such committee shall have the authority to:

(1) Amend, alter, or repeal the Bylaws;

(2) Elect, appoint, or remove any member of any such committee or any director or officer of Catholic Charities;

(3) Amend the Articles of Incorporation;

(4) Adopt a plan of merger or adopt a plan of consolidation with another corporation;
(5) Authorize a sale, lease, or exchange of all or substantially all of the property and assets of Catholic Charities not in the ordinary course of business;

(6) Authorize the voluntary dissolution of Catholic Charities or revoke proceedings therefore;

(7) Adopt a plan for the distribution of the assets of Catholic Charities; or

(8) Amend, alter, or repeal any resolution of the Board of Directors which, by its terms, provides that it shall not be amended, altered, or repealed by such committee.

Standing Committees. The Board of Directors may create or abolish standing committees as deemed necessary to achieve the purposes of Catholic Charities. The chairperson of the Board of Directors shall appoint the chairpersons of standing committees whom shall be members of the Board of Directors. The Executive Committee shall be a board committee consisting of only of members of the Board of Directors and as such, the Executive Committee shall consist of the officers of Catholic Charities Board of Directors and other members of the Board of Directors as appointed by the Board of Directors. The Executive Committee shall be given the necessary authority and responsibility to manage the affairs of Catholic Charities, subject to such policies as may be adopted and such orders as may be issued by the full Board of Directors. Except as otherwise provided in RCW 24.03.115, the Executive Committee shall have and exercise the full authority of the Board of Directors of Catholic Charities. The Executive Committee shall meet on call of the Chairperson of the Catholic Charities Board of Directors and the Chairperson of the Catholic Charities Board of Directors shall serve as chairperson of the Executive Committee.

The chairpersons for committees shall be nominated by the Chairperson of the Catholic Charities Board of Directors and approved by the Catholic Charities Board of Directors. The Chairperson and the committee chairperson shall jointly nominate the members of their respective committees, with all nominated candidates subject to approval by the Board of Directors at its next regular meeting.
Consultants. The Board of Directors may invite additional individuals with expertise in a pertinent area to meet with and assist the Board. Such consultants shall not vote or be counted in determining the existence of a quorum and may be excluded from any executive session of the Board by vote of the directors.

Compensation. Directors shall not receive any stated compensation for their services as directors.

Time, Place, and Notice of Director' Meetings.

Regular Meetings. Regular meetings of the Board of Directors shall be held at such places and at such times as the Board of Directors may determine, and if so determined, no notice thereof need be given.

Special Meetings. Special meetings of the Board of Directors may be held at any time or place whenever called by any officer or two (2) or more directors, notice thereof being given to each director by the officer calling the meeting, or by the Secretary of Catholic Charities.

Notice. Notice of special meetings of the Board of Directors, stating the date, time, and place thereof, shall be given at least two (2) days prior to the date of the meeting. Such notice may be oral or written. Oral notice may be communicated in person or by telephone, wire or wireless equipment, which does not transmit a facsimile of the notice. Oral notice is effective when communicated. Written notice may be transmitted by mail, private carrier, or personal delivery; electronic mail; or telephone, wire, or wireless equipment which transmits a facsimile of the notice. Written notice is effective at the earliest of the following: (a) when dispatched, if notice is sent to the director's address, telephone number or other number appearing upon the records of Catholic Charities; (b) when received; (c) five (5) days after its deposit in the U.S. mail if mailed with first-class postage; (d) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Waiver of Notice. A director may waive any notice required to be given by these Bylaws or Washington law. A waiver is valid when given in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein.

Conference Telephone. Meetings of the Board of Directors or any committee designated by the Board of Directors may be effectuated by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at such meetings.
Quorum of Directors. A simple majority (i.e. greater than 50%) of the members of the Board of Directors shall constitute a quorum for the transaction of business. When a quorum is present at any meeting, a simple majority of the directors present thereat shall decide any question brought before such meeting, except as otherwise provided by law or by these Bylaws.

Voting. Each director shall possess one (1) vote in matters coming before the Board. All voting at meetings of the Board of Directors shall be by each director in person, whether by telephone or otherwise, and voting by proxy shall not be allowed.

Presumption of Assent. A director of Catholic Charities who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless:

ii) The director's dissent or abstention shall be entered in the minutes of the meeting; or

iii) The director shall file his or her written dissent or abstention to such action with the acting Secretary of the meeting before the adjournment thereof or shall forward such dissenter abstention to the Secretary of Catholic Charities immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Action Without Meeting. Any action required under the provisions of any law or by the Articles of Incorporation, or Bylaws, to be taken at a meeting of the Board of Directors of Catholic Charities, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote.

Resignation and Removal.

Resignation. Any director of Catholic Charities may resign at any time by giving written notice to the Board of Directors or the President or Secretary of the Board of Catholic Charities. Any such resignation is effective when the notice is delivered, unless the notice specifies a later date.

Removal. Any director may be removed, with or without cause, by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane, with such vacancy filled by the Board of Directors.
OFFICERS

Positions. The officers of Catholic Charities shall consist of a Chairperson, a Vice Chairperson, a President, a Secretary and a Treasurer. All officers shall be members of the Board of Directors of Catholic Charities.

Appointment and Term of Office. The officers of Catholic Charities shall be elected or appointed annually by the Board of Directors. Each officer shall hold office until a successor shall have been elected or appointed and qualified, or until said officer's death, or until said officer shall have resigned or shall have been removed in the manner hereafter provided. The appointment of an officer does not itself create contract rights.

Powers and Duties. The officers of Catholic Charities shall have the following powers and duties:

Chairperson. The Chairperson shall preside at all meetings of the Board of Directors, and shall make reports to the Board of Directors and shall perform all such duties as are incident to his or her office or as are required by the Board of Directors, including without limitation, coordinating all Board matters, providing leadership in formulating, developing and evaluating corporate policies and goals, and approving the agenda for Board meetings.

Vice Chairperson. During the absence or disability of the Chairperson, the Vice Chairperson shall exercise all functions of the Chairperson. The Vice Chairperson shall have such powers and discharge such duties as may be assigned from time to time to such Vice Chairperson by the Chairperson or by the Board of Directors.

President. The President shall serve as the chief executive officer and Executive Director of Catholic Charities subject to the policy direction of the Board of Directors. The President shall have and exercise the general powers and duties usually vested in the president of a nonprofit corporation. The Executive Director of Catholic Charities will only be appointed by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. The Executive Director of Catholic Charities will also only be removed by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane.

Secretary. The Secretary shall keep accurate minutes of all meetings of the Board of Directors, and shall perform all the duties commonly incident to this office, and shall perform such other duties and have such other powers as the Board of Directors shall designate. In the Secretary's absence, an Assistant Secretary shall perform the Secretary's duties.
**Treasurer.** The Treasurer shall oversee the care and custody of the money, funds, valuable papers, and documents of Catholic Charities, and shall have and exercise, under the supervision of the Board of Directors, all the powers and duties commonly incident to this office.

**Resignation or Removal.** Any officer of Catholic Charities may resign at any time by giving written notice to the Board of Directors or to any officer of Catholic Charities. Any such resignation is effective when the notice is delivered, unless the notice specifies a later date. The Board of Directors, may remove from office any officer or agent appointed by it with majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. The removal shall be without prejudice to the contract rights, if any, of the person so removed.

**Vacancies.** If the office of any officer or agent becomes vacant by any reason, the Board of Directors may choose a successor or successors who shall hold office for the unexpired term.

**INDEMNIFICATION**
Each director or officer now or hereafter serving Catholic Charities shall be indemnified to the fullest extent provided by RCW 2313.08.500 through 2313.08.600 as now or hereafter amended.

**FISCAL YEAR**
The fiscal year of Catholic Charities shall end at midnight on the 31st day of December of each year.

**EXEMPT ACTIVITIES**
**General.** Notwithstanding any other provision of these Bylaws, no director, officer, employee, or representative of Catholic Charities shall take any action or carry on any activity, by or on behalf of Catholic Charities, not permitted to be taken or carried on without penalty by an organization exempt from taxation, by a Washington nonprofit corporation, or by an organization whose contributions are deductible under federal income tax laws as they now exist, or as they should hereafter be amended.

**Fiduciary Responsibility.** Each member of the Board of Directors shall serve in a fiduciary capacity, acting at all times in the best interest of Catholic Charities and not his or her own interest or the interest of another entity or person. Each director shall exercise his or her power in such manner as not to disqualify
Prohibition Against Sharing in Corporate Earnings. No director, officer, or employee of, or member of a committee of, or person connected with Catholic Charities, or any other private individual, shall receive at any time any of the net earnings or pecuniary profit from the operation of Catholic Charities, and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of Catholic Charities.

Dissolution. The dissolution of Catholic Charities can only be enacted by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. In the event of a dissolution of Catholic Charities, all of its property, both real and personal, of whatever nature and wheresoever located, shall be transferred to its successor corporation, or if none, then said assets shall be transferred to such other organization or organizations, organized and operated exclusively for religious, charitable, educational, scientific, or literary purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the Board of Directors of Catholic Charities shall determine.

GIFTS TO CATHOLIC CHARITIES
Method. Donors may make gifts to Catholic Charities by naming or otherwise identifying Catholic Charities, whether or not a director, agent or custodian is designated to have custody of the property contributed. Gifts shall vest in Catholic Charities upon receipt and acceptance by it as evidenced in writing by an officer, employee or agent of Catholic Charities. Catholic Charities may enter into agreements with directors, agents or custodians having custody of the funds of Catholic Charities, specifying additional terms of such custody. Catholic Charities may hold title to any cash or property in its own name, and invest, manage and distribute such property as directed by the Board of Directors.

Split-Interest Gifts. Catholic Charities shall have the power and authority to receive, arrange and administer deferred and other split-interest gifts, including but not limited to, charitable lead trusts, charitable remainder trusts (i.e. unitrusts and annuity trusts), pooled income funds, and charitable gift annuities.

Donor Restrictions. Any donor may, with respect to a gift made by such donor to Catholic Charities and at the time of the gift, provide restrictions or conditions which are not inconsistent with the charitable purposes of Catholic Charities, as to (i) the charitable purposes or uses to be supported; (ii) whether distributions will be made from principal and/or income (e.g. establishment of a permanent endowment fund whereby only net appreciation of said fund is available for
current distribution); (iii) the geographic limits; or (iv) the name, as a memorial or otherwise, for a fund given, or addition to a fund previously held, or anonymity for the gift. All such restrictions or conditions by donors shall be followed unless inconsistent with the provisions in the Articles of Incorporation or Bylaws of Catholic Charities or as otherwise required by law.

**Investments.** Restrictions involving the naming of a fund as a memorial or otherwise may be satisfied by keeping such fund under such name in a common investment with other funds in such a manner as to reflect appropriately the interest of each fund in such common investment. The funds shall be separately accounted for as to their market value and net appreciation, from time to time.

**Presumptions as to Donor's Intent.** Each gift to a fund of Catholic Charities shall be presumed to be intended (i) to be used only for exempt purposes; (ii) to be productive of a reasonable return from interest, dividends, rents or gains, realized and unrealized, available, in whole or part, for current expenditure at the discretion of the Board of Directors, in fulfillment of its exempt purposes; (iii) to be used only for such purposes and in such manner as not to disqualify the gift or fund from deduction as a charitable contribution, gift or bequest in computing any federal income, gift or estate tax of the donor or estate; and (iv) not to disqualify Catholic Charities from exemption from federal income tax as a qualified charitable organization or from classification as a public charity. If a restriction or condition by the donor if followed, results in use contrary to the intent so presumed, or if the Board of Directors is advised by legal counsel that there is a substantial risk of such result, the restriction or condition shall not be followed, but shall be varied by the Board of Directors so far as necessary to avoid such result, except if the donor has clearly stated that compliance with the restriction or condition is a condition of the gift, then the gift shall not be accepted in case of such advice unless an appropriate judicial or administrative body first determines that the condition and restriction need not be followed. Reasonable charges and expenses of legal counsel for such advice and proceedings shall be properly charged against the subject fund.

**Variance.** Whenever the Board of Directors determines that conditions or circumstances are such or have so changed since the restriction or condition by the donor as to the purpose, or manner of distribution, use, or investment was provided, that literal compliance with the restriction or condition is, in effect, unnecessary, incapable of fulfillment, impracticable, or impossible, or the restriction or condition is inconsistent with the charitable needs of the area served by Catholic Charities, it may order such variance from or modification of the restriction or condition and the application of the whole or any part of the principal or income of the fund as in its judgment will more effectively serve the religious, charitable, educational, scientific or literary purposes of Catholic Charities.
Refusal to Accept Gifts. The Board of Directors in its discretion may refuse to accept any gift to Catholic Charities for any reason deemed sufficient by the Board of Directors.

CONFLICTS OF INTEREST
Definitions. A conflict of interest arises when any "Responsible Person" or any "Party Related to a Responsible Person" has an "Interest Adverse to Catholic Charities." A Responsible Person is any individual in a position to exercise substantial influence over the affairs of Catholic Charities, and specifically includes, without limitation, directors and officers of Catholic Charities and the chairperson and members of any committee making recommendations or decisions on behalf of Catholic Charities. A Party Related to a Responsible Person includes his or her extended family (including spouse, ancestors, descendants and sibling, and their respective spouses and descendants), an estate or trust in which the Responsible Person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the Responsible Person or any member of his or her extended family is a director, director or officer or has a financial interest. An "Interest Adverse to Catholic Charities" includes any interest in any contract, transaction or other financial relationship with Catholic Charities, and any interest in an entity whose best interests may be impaired by the best interests of Catholic Charities including, without limitation, an entity providing any goods or services to or receiving any goods or services from Catholic Charities, an entity in which Catholic Charities has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of Catholic Charities.

Disclosure. If a Responsible Person is aware that Catholic Charities is about to enter into any transaction or make any decision involving a conflict of interest (a "Conflicting Interest Transaction") such person shall: (i) immediately inform those charged with approving the Conflicting Interest Transaction on behalf of Catholic Charities of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the Responsible Person's knowledge that bear on the advisability of Catholic Charities entering into the Conflicting Interest Transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

Approval of Conflicting Interest Transactions. Catholic Charities may enter into a Conflicting Interest Transaction provided the material facts as to the Responsible Person's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors or to a committee of Catholic Charities that authorizes, approves or ratifies the
Conflicting Interest Transaction, and the Board of Directors in good faith authorizes, approves or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested directors on the Board, even though the disinterested directors are less than a quorum.

**AMENDMENTS OF BYLAWS**

These Bylaws may be amended, repealed or restated by majority vote of the Board of Directors, which majority shall exist only if it includes the concurring affirmative vote of the Catholic Bishop of Spokane. The Bylaws may contain any provision for the regulation and management of the affairs of Catholic Charities that is not inconsistent with its Articles of Incorporation, Bylaws or applicable laws.

The undersigned, President of Catholic Charities, does hereby certify that the above and foregoing Restated Bylaws of Catholic Charities were duly adopted, and that the same now constitutes the Restated Bylaws of Catholic Charities.

DATED this ____ day of April, 2006.

CATHOLIC CHARITIES OF SPOKANE

By______________________________________
Robert J. McCann, President

THESE RESTATED BYLAWS ARE HEREBY
APPROVED AND ACCEPTED BY:

_______________________________________
Bishop William S. Skylstad

DATE:_____________________________
TITLE: Governing Body and Community Representation

PROCEDURE GOV 2: Catholic Charities’ Board of Directors is sufficiently active, capable and diverse to guide, plan, and support the achievement of the organization’s mission and goals.

GOV 2.01 The Catholic Charities Board of Directors is committed to responsible stewardship and ensures that the organization’s policies and performance uphold the public trust.

IMPLEMENTATION: The Board minutes document discussion and actions reflective of the intent of the above procedure.

GOV 2.02 Catholic Charities will to the best of its ability create a Board of Directors that:

- Reflects the demographics of the communities it serves;
- Reflects the interests of the communities it serves;
- Serves as the link between the organization and the communities; and
- Ensures that the organization's policies and performance uphold the public interest.

IMPLEMENTATION: See Restated By Laws

GOV 2.03 The membership of the Catholic Charities Board of Directors reflects the following qualities:

- governance expertise, including leadership ability and policy development skills;
- relevant business experience;
- financial expertise;
- knowledge of consumer issues and trends;
- familiarity with and access to community leaders, political representatives and other relevant local organizations;
- public recognition and respect; and
• commitment and ability to fund raise or to connect Catholic Charities with potential resources.

**IMPLEMENTATION:** See list of current Board members including members’ occupations and professional backgrounds.
TITLE: Mission

PROCEDURE GOV 3: The mission of Catholic Charities Spokane is responsive to the needs and aspirations of the community and guides the delivery of services.

GOV 3.1 Catholic Charities has a written mission and specified purpose that defines how it supports and enhances the lives of the individuals, families, and groups in its community.

Mission of Catholic Charities

Catholic Charities, Diocese of Spokane, is a network of agencies, institutions, parishes, and individuals, united in Gospel spirit, who are servants to the poor, supporters for families and aides to parishes and communities in meeting the social service needs of people in eastern Washington.

CATHOLIC CHARITIES STATEMENT OF VALUES:

Inclusive of many cultures, faiths and traditions, Catholic Charities is committed to integrating these values throughout the organization.

- **Respect:** We believe each person is a child of God with innate dignity.
- **Compassion:** We believe in a ministry of love and service to those in need.
- **Collaboration:** We believe in the transformative power of partnerships among participants colleagues and community.
- **Justice:** We believe in ethical, honest and equitable relationships among all people.
GOV 3.2 The Board of Directors, through a process of consultation, approves the mission statement for Catholic Charities. A major review will be undertaken every three years. Amendments to the mission statement approved by the Board become effective immediately upon adoption unless otherwise provided.

GOV 3.3 Catholic Charities’ primary purposes include the provision of human services.

IMPLEMENTATION: Refer to the mission statement under policy GOV 3.1 and the purpose in the articles of incorporation for clarification on Catholic Charities mission and purpose statements.
TITLE: Community Involvement and Advocacy

PROCEDURE GOV 4: Catholic Charities and its Board of Directors regularly inform the public of its mission and remain informed about community needs and strengths. It advocates for comprehensive and coordinated service delivery within the community. The Board encourages the elimination of social, economic, and environmental injustice.

IMPLEMENTATION: Catholic Charities clearly states the operating authority in the Articles of Incorporation and By-Laws and are written in full under G3.4 Legal Structure and Accountability. Catholic Charities has and follows an organizational chart as follows:

GOV 4.01 Catholic Charities conducts an ongoing public education program to:
Inform the community about the organization’s purpose, function, and role in the social service system;
Broaden awareness of the strengths, needs, and challenges of the individuals, families, and groups it serves;
Publicize its role, functions, and capacities to other organizations, governmental bodies, and corporations, as appropriate to its array of services;
Build community support and presence and maintain effective partnerships; and
Elicit feedback as to unmet needs in the community that can be addressed by the organization as its top advocacy priorities.

**IMPLEMENTATION:** Catholic Charities of the Diocese of Spokane will maintain an on-going twelve month public education program utilizing personal presentations, special events, publicity, paid and public service advertising, and publications so that the people of Eastern Washington.

- Will be familiar with the services of Catholic Charities;
- Have increased awareness of the needs and challenges of those served by Catholic Charities; and
- Will be invited to share time and talent.

*The Development Program is established by Catholic Charities to oversee an ongoing twelve-month public education calendar which includes:*

1. **Newsletters**
   a. *Loaves and Fishes* – 4-6 pages, circulation 15,000, October, December and April; timely, corporation-wide information
   b. *Inside Catholic Charities* – 2 pages; circulation 1300; monthly; program features timely staff/volunteer news
   c. House of Charity newsletter – one page circulation 3500, monthly, House of Charity news
   d. “Postcards from St. Margaret’s” – two pages, circulation 3000, monthly; resident testimonials, timely news and need for donations and volunteers

2. **Media Relations**
   a. appropriate news items submitted to Inland Register diocesan newspaper
   b. appropriate news items submitted to secular press and TV stations
   c. local/regional media resource manual and mailing list manual maintained and contacts updated quarterly
   d. media representatives invited to all special events
   e. press conferences for major efforts
   f. media representatives included as members of the Catholic Charities Communications Advisory Committee

4. The Catholic Charities public information portfolio includes a fact sheet, up-to-date brochures for individual programs, a Catholic Charities historical overview, and annual statistical projections updated quarterly.

5. Power Point Presentation presenting the past, present and future strategies for Catholic Charities. This is used at least monthly with staff, volunteers, church and community groups.

6. Development Program oversees a 12-month calendar of special events to enhance the educational and “friend-raising” efforts of Catholic Charities.
   a. Spirit of St. Patrick, March, benefiting St. Margaret’s Shelter
   b. Bishop’s Dinner, May, benefiting all Catholic Charities Programs
   c. Caring for Kids, September, benefiting St. Anne’s Children and Family Center
   d. Poor Man’s Meal, October, benefiting House of Charity

7. Personal presentations – churches, community groups, civic groups.

8. Human interest stories and testimonials . . . the Development program has established a policy whereby every publication and all donor correspondence will include appropriate stories of those being served in the programs of Catholic Charities.


**GOV 4.02** Catholic Charities' Board of Directors and management will collaborate with national and local voluntary organizations, public organizations, and community and ethnic groups to advocate for issues of mutual concern, such as:

- Improvements to existing services;
- Redress for gaps in service;
- The full and appropriate implementation of applicable laws and regulations regarding issues concerning the service population;
- Improved supports and accommodations for persons with special needs; and
- Service coordination.

**IMPLEMENTATION:** Some examples of Catholic Charities collaborating with national and local organizations are:
• The House of Charity and the Spokane Homeless Coalition;
• St. Margaret’s Shelter and the Spokane Homeless Coalition;
• The House of Charity and Sacred Heart Medical Center;
• Membership in Catholic Charities USA.
• Catholic Charities’ membership in the Spokane Low Income Housing Consortium.
• The participation of the Executive Director on the Washington State Catholic Conference and Providence Services of Eastern Washington Board of Directors.

**GOV 4.03** Catholic Charities works in an active partnership with persons and families served to:

- Ensure that they have appropriate advocacy support, either from their own support system or through active case advocacy;
- Assist them to gain access to the full array of services to which they are eligible; and
- Mediate barriers to services within the service delivery system
TITLE: Organization of the Governing Body

PROCEDURE GOV 5: Catholic Charities exercises leadership through a functional, effective structure.

GOV 5.01 Catholic Charities reviews its Articles of Incorporation and By-Laws every four years and establishes:

- The organization’s structure, size, and the responsibilities of the Board of Directors and/or the advisory board, as appropriate;
- The minimum number of Board of Directors meetings and their quorum;
- The body to which the Board of Directors and/or advisory board delegates interim authority; and
- A process for assessing and implementing responsibilities, such as establishing task forces/committees and respective responsibilities and composition

IMPLEMENTATION: Refer to the Restated Articles of Incorporation and the Restated By Laws.

GOV 5.02 The documents described in GOV 5.01 also set forth:

- Eligibility requirements for Board of Directors membership;
- Mechanisms for recruitment, selection, rotation, and duration of Board of Directors membership; and
- The mechanisms for election of officers and duration of terms.

IMPLEMENTATION: Refer to the Restated Articles of Incorporation and the Restated By Laws.

GOV 5.03 All Members of Catholic Charities’ Board of Directors:

- Receive an orientation to the Board of Directors and to the responsibilities of membership;
Receive a manual with current, relevant organizational material that specifies their fiduciary and other responsibilities to Catholic Charities;

Receive a formal orientation to the organization’s mission, history, goals, objectives, structure, methods of operation, and introductions to key staff;

Are familiarized with the activities of the organization through a visit and tour of various programs and facilities.

**GOV 5.04:** Catholic Charities maintains a Board of Directors manual that includes Board of Directors-approved policies and up-to-date minutes and records of all meetings. These documents are on file at the CCS main office at 12 E Fifth Ave, Spokane WA 99202.

**IMPLEMENTATION:** See Articles and By-laws
TITLE: Leadership Responsibilities

PROCEDURE GOV 6: The Board of Directors is responsible for adopting policies, guiding Catholic Charities development, overseeing financial management, and ensuring the organization’s accountability to the public.

The Board of Directors assumes the following responsibilities:
- Setting the organization’s long-term direction;
- Planning for Catholic Charities’ future; and
- Participation in the planning and quality improvement processes.

In fulfilling its oversight responsibilities, the Board of Directors:
- Oversees the Executive Director’s and Catholic Charities’ operations and services;
- Defines outcomes and goals it expects Catholic Charities to achieve;
- Ensures that all planned or provided services are consistent with Catholic Charities’ mission and long-term plan; and
- Determines whether services are within Catholic Charities’ capabilities and resources.

In fulfilling its fiduciary responsibilities, the Board of Directors:
- Reviews management’s implementation of an effective strategic planning process;
- Reviews risk identification and management processes to prevent loss of reputation, vital resources, and ability to operate;
- Develops and adopts policy;
- Provides financial oversight, adopting changes to policies considered necessary based on reviews and evaluations;
- Anticipates the need for and develops resources;
- Reviews achievement of the organizations’ objectives through operations and services; and
- Enhances and promotes community-organization relationships.

IMPLEMENTATION: Refer to C. Board of Directors By-Laws.
GOV 6.01 Catholic Charities adheres to high standards of ethical conduct in governance and operations to ensure that Board of Directors members, personnel, and/or consultants do not have or give the appearance of conflicts of interest and do not use their relationship with the organization for personal gain.

Personnel, Board of Directors, and/or advisory board members and consultants follow a conflict of interest policy that enumerates conflict of interest situations and provides a framework for evaluating situations that may be considered a conflict and the appropriate protocols for disclosure of conflicts, as necessary.

**IMPLEMENTATION:** The By-Laws incorporated into this chapter contain the Conflict of Interest policy for Directors and officers of Catholic Charities. These policies are extended to include Key Employees as defined by the Internal Revenue Service in reference to tax returns filed by exempt organizations.

All Board of Directors members, Officers, and Key Employees comply with Board of Directors policies on conflict of interest, accountability, and delegation of authority.

Catholic Charities monitors compliance with the policy as described in Risk Prevention and Management (RPM) section of this document.

To facilitate the identification of potential conflicts as well as the monitoring of compliance, Members of the Board of Directors, Officers, and Key Employees of Catholic Charities provide annual disclose of interests that could give rise to conflicts of interest including business or family relationships with other Directors, Officers or Key Employees.

**IMPLEMENTATION:** Refer to By-Laws.

Written policy prohibits Catholic Charities personnel and paid consultants from having direct or indirect financial interest in the organization’s:

- Assets;
- Leases;
- Business transactions; and
- Professional services.

**IMPLEMENTATION:** Refer to Catholic Charities By-Laws.

Catholic Charities has written policy mandating that members of the Board of Directors disclose individual, business, or professional relationships which may involve the organization’s business transactions or current professional services. Board members with such relationships do not participate in any vote taken with respect to such transactions or services.
Catholic Charities has written policy that prohibits preferential treatment of members of the Board of Directors, advisory boards, personnel, or consultants in applying for and receiving the organization’s services.

**IMPLEMENTATION:** Refer to by-laws and HRM under conflict of interest.

Board of Directors members do not accept honoraria from the organization except where permitted by law or the organization’s bylaws.

**GOV 6.02** Catholic Charities engages in organization-wide long-term planning and, at least every four years, the Catholic Charities Board of Directors supports an organization-wide strategic planning review.

**GOV 6.03** Catholic Charities Board of Directors reviews and approves the long-term plan framework, to ensure that planning:

- Clarifies the organization’s mission, values, and mandates;
- Establishes goals and action plans that flow from its mission and mandated responsibilities;
- Assesses its strengths and weaknesses;
- Assesses human resource needs; and
- Identifies and formulates strategies for meeting identified goals, including consideration of the organization’s continued development and sustainability and/or possible need to change its services.

Long-term planning includes an assessment of community needs that examines:

- Services offered by other providers in the community;
- Gaps in the array of services needed by the organization’s defined service population;
- Accessibility issues;
- The need to redirect, eliminate, and/or expand service in response to changing demographics; and
- The needs and wishes of the community.

Once each long-term planning cycle, Catholic Charities creates a demographic profile of both its defined community and actual consumers that includes as much as possible the following information:

- Economic indicators;
• Gender;
• Age;
• Racial/ethnic composition;
• Religious affiliation, as appropriate to the services provided; and
• Languages of choice.

GOV 6.04 The Board of Directors assumes responsibility for policy development and maintenance by:

• Adopting policies;
• Reviewing policies at specified intervals and whenever legal requirements or regulations change;
• Adopting any changes to policies resulting from recommendations; and
• Evaluating management’s implementation of policies.

GOV 6.05 The Board of Directors assumes responsibility for resource development by:

• Establishing resource development targets and goals; and
• Ensuring adequate resources to support the organization’s services.

GOV 6.06 The Board of Directors of Catholic Charities conducts all financial duties related to its fiduciary role with integrity.

Catholic Charities Board of Directors or designated committee:

• Approves the organization’s annual budget;
• Reviews fiscal summaries at least quarterly to examine the relationship of budget to expenditures and revenues;
• Examines fiscal policy and the recommendations of the organization’s auditors; and
• Annually evaluates the chief executive officer’s management of the organization’s fiscal affairs.

IMPLEMENTATION: Refer to Board of Directors By Laws.

GOV 6.07 The Board of Directors’ responsibilities regarding the Executive Director include:

• appointing the Executive Director;
collaborating with the Executive Director;
- delegating to the Executive Director the authority and responsibility for organization management and policy implementation;
- overseeing and annually evaluating the Executive Director’s performance and compensation;
- approving the Executive Director’s employment activities outside of Catholic Charities to ensure they do not interfere with her/his administrative responsibilities;
- establishing a written plan for delegating authority in the absence of the Executive Director and/or designating an interim executive director, if necessary; and
- evaluating itself, and the effectiveness of its partnership with the Executive Director, at least every two years.

**IMPLEMENTATION:** Refer to the Board of Directors By Laws.

**GOV 6.08** Catholic Charities and its Board of Directors regularly monitor risks that may expose Catholic Charities to liability and that may reveal unsatisfactory service.

Catholic Charities reports, at least annually, to the Board of Directors or its designated authority on the nature of risks and actions taken to address them.

**IMPLEMENTATION:** All Program Directors will submit possible risk and liability exposure to the CQI committee each quarter as instructed by the CQI policy and procedures. It will be the responsibility of the CQI council to provide feedback to the Program Director and an annual report will be compiled for review.

The Board of Directors reviews patterns of complaints and grievances filed by persons served and addresses specific problematic or unresolved issues that may expose the organization to liability.

The Board of Directors ensures that the organization complies with all laws related to fiscal accountability and governance.

The Board of Directors reviews the continuing ability of the organization to pursue its strategic goals, contracting practices, and any research projects that include service recipients as participants.

**IMPLEMENTATION:** The mechanism Catholic Charities uses to ensure compliance with laws related to fiscal accountability and governance is an annual audit.
TITLE: Oversight of Investments

PROCEDURE GOV 7: Catholic Charities ensures that controls are in place for the proper management of investments, including oversight by the Board Audit & Finance Committee that reports to the Board of Directors. At a minimum their oversight includes:

- following, and biennially reviewing, an investment policy that outlines acceptable levels of risk, criteria for contracting with investment advisors or firms, and protocols for making investment decisions;
- overseeing and reviewing both the investment of funds and the management, purchase, or sale of real estate, securities, and other assets;
- ensuring that practices conform to applicable legal and regulatory requirements; and
- reporting the status of investments and investment recommendations to the Board of Directors.
TITLE: Executive Director

PROCEDURE GOV 8: The Executive Director effectively collaborates with the Board of Directors, promotes a healthy organizational culture, and oversees and manages the organization’s operations.

GOV 8.01 The responsibilities of the Executive Director include:

- management of the organization;
- implementation of organization-wide, long-term strategic planning and periodic reviews;
- encouragement of timely, engaged, and mission oriented board deliberations;
- work with the Board of Directors to ensure adequate resources;
- development of policies governing the organization’s program of services, planned and coordinated with the Board of Directors;
- attendance at all meetings of the Board of Directors except possibly those held to review the executive’s performance, status or compensation;
- to actively promote strategic, planned adaptation to changing conditions;
- provision of early stage information that requires creative and critical Board of Directors thinking;
- provision of regular reports to the Board of Directors on the organization’s operations, finances and implementation of the long-term plan; and
- establish a workforce environment that is respectful of and supportive of the rights and welfare of the organization’s staff, volunteers, and consumers.

GOV 8.02 The Executive Director inspires, directs, and works effectively with senior management to provide the structure, values, leadership, and adaptive, technical and managerial processes and activities to maintain a positive, productive, ethical culture.

GOV 8.03 The Executive Director is qualified by:

- an advanced degree from an accredited college or university in a field related to the organization’s mission and services;
• at least five years of related leadership experience;
• competence in administering the provision of services to families, adults, youth and/or children;
• the skills to oversee human resource and financial management matters; and
• the ability to work effectively and proactively with other community providers, and local, state, and federal entities.