

**Standing Rules of the
New Mexico Dressage Association**
(st. May 7, 2008, restated and approved by the Board of Directors:

The Standing Rules of the Association, a formal record of NMDA policies and procedures, shall be established and approved by the Board of Directors to specify the policies, procedures, and rules by which the business of the Association shall be conducted. The Standing Rules derive their authority from the Bylaws. Whenever a conflict exists between the Standing Rules and the Bylaws, the Bylaws shall be the prevailing authority.

Changes or additions to the Standing Rules require approval by the simple majority of a quorum (as specified in Bylaws Article V, 1, E) of the Board of Directors. These changes or additions shall be published on the website at the direction of the Secretary or President in a timely manner after approval. (Bylaws Article IX, 2)

Part 1 – Association Policies and Procedures

I. Membership Obligation and Information^[SEP]

Each Member is strongly encouraged to contribute to the success of NMDA by serving as an Officer, Board Member, Committee Chair or Member, volunteering at an NMDA-sponsored activity, or performing other service to the Association. (Bylaws Article III)

A. Membership Classifications and Associated Dues: these classifications are for payment of membership dues only. (11/8/17)

1. Primary Adult Member (22 years of age and over) - \$45
2. Primary Youth Member (21 years and under) - \$25 [considered “Youth” until the end of the calendar year in which they turn 21]
3. Additional Family Member(s) (spouse/partner and/or children living at the same address) - \$15 each
4. Business Member (business entities receive one Primary Adult membership and additional Business benefits noted below) - \$100

B. Membership Benefits:

1. Each Membership Class listed above receives the following benefits: all NMDA benefits, one USDF GM membership, and one test booklet, if requested, for each paid Primary Adult, Youth or Business membership.
2. Business Members also receive: One business card-sized ad, a logo, and a link on the NMDA website for the membership year; and the Business Member’s monthly events included in the Association email blasts, if requested.

C. Miscellaneous Information:

1. Memberships received after October 1 will be sent to USDF for the next membership year starting on December 1st. NMDA discounts and benefits will be honored from the date of membership.

2.The NMDA Membership contact information will not be released to outside parties, except on a case-by-case basis as determined by the Board of Directors.

II. Board-Approved Actions:

A. Fees:

1. A rental fee will be charged for use of the NMDA arena, trailer, tent, table and chairs for non-NMDA events: \$200 for rental with a refundable \$250 damage deposit. The \$250 damage deposit check will be held until the arena is returned. If there is no damage, the check will be either returned or destroyed.
2. Bank-returned checks: NMDA may charge \$25 for each returned check.
3. Advertising clinics: any NMDA Member putting on a clinic may have a calendar listing and link on the NMDA website. Non-members pay a \$50 fee.
4. Business ads (for one calendar year) are free to Business Members, \$50 to Members and \$75 to Non-members for one year (with the exception of clinic calendar listings and links, see above).
5. Classified ads are free to Members, non-members \$45.
6. Schooling Show Class and Entry fees - \$15 office, \$20 class, \$10 group class, \$20 Non-member fee.
7. Non-competing Horses: All horses brought to the show grounds must be entered in the show, or pay a \$10 fee plus the \$15 office fee.
8. Trainers, who are Members, can post information on the website for free.
9. Juniors(18 and under) receive their first class for free.

B. Expenses:

1. "Customary and Usual" Expenses:
 - a. The Board may approve periodically, the Association's "customary and usual" expenses (including, but not necessarily limited to, the amounts to be paid to show judges, venues, and incidentals like purchase of dressage tests, ribbons, office supplies) to be paid by the Treasurer without further approvals being provided on an individual basis for Board-approved events. Expenses for educational activities (e.g. clinics), and other costs substantively over the Board-approved "customary and usual" expenses (greater than 50% over) must have separate Board approval prior to the event. (Bylaws Article V, 2, D)
 - b. If any expenses are above the approved expenses listed below, or are not listed below, Board approval is necessary for reimbursement of expenses. (6/8/16)
2. NMDA Board-Approved Schooling Show Expenses:

| | |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Venue fee | up to \$400/show day, if higher needs Board approval (should include at least one dinking/watering of arena, office with electric, restrooms and PA use, if available) 12/11/19 |
| L Graduate judge fee | \$200/show day [for up to 8 hours (includes 30-minute lunch and 10-minute breaks every 2 hours), plus \$20/hr for over 8 hours] 12/11/19 |

| | |
|------------------------------|------------------------------------------------------------------------------------------------------------|
| USEF "r" judge and higher | varies, if higher than \$350 needs approval by Board, every effort should be made to cover costs. 12/11/19 |
| Judge's mileage | \$0.58/mile RT (if judge asks for reimbursement), if over \$200 needs Board approval 12/11/19 |
| Lunches for judge/volunteers | up to \$75/show day (depending on show size), if higher needs Board approval |
| Prizes | up to \$100/show, if higher needs Board approval |
| Water & ice | up to \$20/show |
| Copying | up to \$20/show |
| Port-a-john (if needed) | \$130-\$150 |
| Other expenses | need Board approval prior to expenditures |

3. NMDA Clinic and Other Educational Activity Expenses:

Clinician fee, lodging, travel/mileage expenses, venue fee (should include at least one disk/watering of arena, office with electric, restrooms and PA use, if available), audio system and/or port-a-potty rentals (if not included with venue), and any other expenses associated with the activity must be approved by the Board prior to the event. The activity coordinator shall prepare an activity budget, and submit this budget to the Board for approval

1. Annual Year-End Banquet Expenses - all the following expenses need prior Board approval:

- a. venue;
- b. catering;
- c. Championship ribbons;
- d. Awards; and
- e. raffle items purchase.

5. Miscellaneous Association Expenses - it is recognized that all the miscellaneous expenses below are necessary, but can vary widely for numerous reasons. As such, these types of expenses will be approved by the Board on an individual basis:

- a. USDF test booklets;
- b. test copying;
- c. ribbons/bridle numbers;
- d. office supplies/copying;
- e. Post Office box/postage; and
- f. Member mtg/elections expenses.

6. Schooling Show Prizes - maximum \$100 per show, if more is requested it must be approved by the Board at a regularly scheduled Board Meeting, well in advance of the expenditure. (see above)

7. Additional Expense policies:

- a. Expense reimbursement with original receipts only.
- b. Neither the President nor the Treasurer can write checks to themselves to cover expenses.

III. Binding Contracts and Miscellaneous Financial Items:

- A. Use NMDA Board-approved contracts when possible when engaging clinicians, facilities/venues, judges and other service providers contracted for NMDA activities.
- B. President and Treasurer must co-sign all binding contracts/obligations.
- C. Any service provider expected to receive >\$600 from NMDA per calendar year must complete a W-9 form.
- D. Hold all original Schooling Show/clinic documentation until all income/expenses have been cleared and reconciled with monthly bank statement.

IV. Additional Detailed Description of Committee Chairs and Advisory/Liaison Groups - this complements and elaborates on some of the Committee Chair and Liaison descriptions in the Bylaws (Articles VII and VIII):

- A. Membership Chair:** maintains an accurate record of the current membership of the Association and electronically reports to USDF monthly or as often as necessary per USDF guidelines and provides contact lists as needed to conduct NMDA business. Note: The first NMDA membership list must be either submitted to USDF electronically or postmarked before December 1st. Matching USDF dues must also be postmarked by December 1st for the next year's group members.
- B. Schooling Show Coordinator:** Helps plan the show calendar, with the approval of the Board, to avoid conflicts (with other dressage shows/clinics); gives names of venues/contact/dates to the Treasurer for insurance purposes in early January; find and instruct (if necessary) show secretaries and managers; makes sure ribbons and tests are ordered in bulk (schooling show tests can be copied); and keeps track of Association show equipment (arena trailer, set-up kit, office equipment, table(s), chairs, canopy, etc.). Makes sure the premiums and rules are correct and current, and published on the website in a timely manner. There is an easy to follow "Instruction Book" available. Some experience as a Schooling Show manager is helpful, but not necessary.
- C. Schooling Show Managers:** Plans and manages individual Schooling Shows; gives names of venue contacts/dates to the Treasurer for insurance purposes in early January. Contracts the venue and judge(s) in accordance with NMDA Standing Rules. ; finds and instructs (if necessary) show volunteers; makes sure ribbons and test copies are ordered (schooling show tests can be copied); safeguards Association show equipment (arena trailer, set-up kit, office equipment, table(s), chairs, canopy, etc.). Makes sure the show premium is correct and current, and published on the web site in a timely manner. There is an easy to follow "Instruction Book" available.
- D. Member-at-Large duties:** This person will solicit feedback and information from members in a variety of ways: circulation at shows, attendance at general membership meetings, telephone contact, etc. He or she will help other Board members when needed.

V. Clinics and Other Educational Activities

A.General - Educational activities could include, but not necessarily limited to: NMDA Schooling Shows, clinics - both mounted and unmounted “how to” clinics (e.g. show “turnout”, braiding), educational lectures and/or updates on important equine topics (e.g. proper nutrition, veterinary care, farriery, saddle-fitting), and educational training focused on show management, scribing, stewarding, how to become an “L Graduate” judge, etc. NMDA will endeavor to offer at least one clinic per year.

B.Education Fund Mini-Grants: Education Funds can be used to encourage participation in NMDA educational opportunities, as listed in “A.” above, and are derived from donations received throughout the year, and raffle proceeds from the Annual Year-End Awards Banquet.

1.General Mini-Grant Information:

- a .Mini-grants are awarded on a first-come, first-served basis, and are available to members and non-members.
- b. Volunteer hours and grant coupons are non-transferrable to others.
- c. Mini-grant coupons are good for two years and expire at the end of the second calendar year after the date the grants were earned.
- d. In addition to volunteering at NMDA shows and clinics, see www.NMDdressage.net web site for additional suggestions for volunteering.
- e. Board Members may not use hours from board-related efforts/tasks as volunteer hours.

2.Mini-grant application requirements:

- a. Applicant must submit a “NMDA Education Fund Mini Grant Application” and document their interest in furthering their knowledge/education of dressage on the Application Form.
- b. Applicant must meet and verify the required volunteer hours:
 - 8+ verified hours of volunteer work to receive a \$25 grant
 - 16+ verified hours of volunteer work to receive a \$50 grant
 - 32+ verified hours of volunteer work to receive a \$75 grant;
- c. Maximum \$75 grant in a calendar year.
- d. Applicant must disclose relationship, if any, to Board Directors. (See Conflict of Interest in Appendix.)

3. How to Apply:

1. Send in Application to Grant Coordinator stating hours and where volunteered and desire to receive a Mini Grant.
2. Grant Coordinator verifies hours volunteered and approves or disapproves the grant. If approved, the Mini Grant Coordinator sends coupon(s) to the Applicant.
3. Applicant sends in coupon(s) to NMDA Event secretary with balance of entry fee.

(SAMPLE – a coupon for each \$25)

“NMDA Mini Grant Coupon”

This Mini Grant awards \$25 towards entrance In a designated NMDA Educational Event to:

(name:) _____

(Expires November 30, _____ (date))

Part 2 – Schooling Show and Awards Policies, Procedures and Rules

I. NMDA Schooling Shows

A. General Show Policies

1. **Show judges** must be “L” graduates or USEF licensed judges.
2. **Show management reserves the right** to:
 - a. Cancel, rearrange, and/or change classes or officials;
 - b. Refuse any exhibitor for cause, have any horse removed from the grounds for cause, and/or return any entry fee and eliminate the exhibitor for cause, all without being liable for damages or compensation; and
 - c. Allow or disallow competitors around or in show arenas prior to or during competition.
3. **Show Cancellation** - if a show manager is considering canceling or postponing a show for reasons other than weather or insufficient entries he/she must get Board approval, ideally a week before the show. If NMDA cancels a show or event – all entry fees will be returned to sender.
**** With the pandemic in mind, the Board moved to suspend the 20 ride minimum of the schooling show rule so that shows would not be canceled if less than 20 rides signed up FOR 2021 ONLY. (9/16/20)**
4. **Show Prizes** - awarding Schooling Show Hi-Score Awards/Ribbons are up to the discretion of each Schooling Show manager.
5. **Dogs** are not welcome on show grounds. However, if dogs *must* be brought to the show, they must be on a leash, no longer than 6 feet, at all times and attached to a human for the safety of all concerned. No exceptions.
6. **Manure and other waste** should be picked up from the parking area before leaving the show grounds.
7. **It is appreciated** if show participants stay to help pick up the competition arena(s).

B. Show Entry Requirements and Information:

1. Entries will be **accepted on a first-come, first-served basis**. In general, 50 rides is considered a full show - but final decision regarding number of rides per show is at show management’s discretion.
2. Schooling Show **Opening and Closing dates** are determined by show management. Shows are open as soon as the show information is posted on the NMDA website. Entries must be postmarked no later than Closing date.
3. Entries must be **entirely filled out, signed and full payment** of fees must accompany the entry form. No phone, or fax-entries will be accepted. A class entry will be presumed to be an Open class unless specifically marked otherwise.

4. For the purpose of schooling show entries, riders may be classified as **Juniors (JR) until the end of the calendar year they turn 18**; thereafter, they may compete as Adult Amateurs (A/A) (19 and over) or Open competitors.
5. A rider **may not enter Open and Adult Amateur** at the same Schooling Show. At NMDA schooling shows a rider/horse combination can ride the same test twice – but **the second test** will be *hors de Concours* (“out of competition”). The score for the second test does not count towards any awards and cannot be used for any NMDA Y.E. Awards.
6. **No horse may be shown in more than three tests** per day with the exception of one additional group class.
7. A horse **may not be ridden in more than two adjoining levels**. (For example: USDF Introductory Level tests A, B and C are one level below Training Level).
8. **Group classes** (e.g. Equitation, Suitability) may be entered at the show – time permitting.
9. **Non-member fees:** A fee will be charged for each non-member rider and owner for each horse/rider combination Entry Form submitted.
10. **Non-competing Horses:** All horses brought to the show grounds must be entered in the show or pay a \$10 fee plus the \$15 Office Fee and a liability form signed. The horse will be issued a number which must be worn while on the show grounds. This rule applies to all horses brought to the show for any reason.
11. **Payment:** If entries are mailed or hand delivered, checks must be made payable to NMDA. Checks returned for non-payment may incur a fee of \$25.
12. **Refunds and Scratches:** Full refunds will be made if withdrawals are received prior to the Closing Date. After the closing date a full refund only with Doctor’s or Veterinary’s note.
13. **Ride times** will be posted on the NMDA website approximately three (3) days before the show.
14. **Substitutions:** Substitution of rider, horse, or times will be made only at the discretion of show management.

C. Schooling Show Rules:

1. Shows will be run in accordance with the following USEF rules:

DR101 thru DR118 – Gaits and Movements

DR119 – Participation in Dressage Competitions – Exception to DR119.3: Riders may compete in NMDA Schooling Shows as Adults when they reach the age of 19, and Exception to DR119.7: The Manager and Secretary can compete at their own Competition. (5/7/08)

DR120 – Dress – Exception: Informal dress is allowed, neatness is requested (no Tank tops, inappropriate t-shirts.) Half chaps are allowed at any level. Coats are not required. (5/7/08)

DR121 – Saddlery & Equipment – Exception: Colored saddle pads are allowed. Bits, Bridles, and saddles **MUST** adhere to USEF rules. Checking tack and attire is optional. Correct equipment and attire is the responsibility of the competitor.

DR122 – Execution & Judging of Tests

DR123 – Scoring, Classification & Prize-Giving – Except as stated below (# 14.)

DR124 – Elimination

DR132 – Suitable to Become a Dressage Horse

DR133 – Dressage Seat Equitation (2/14/18)

2. **Event tests** will be judged by USEF-Event Division rules. (2/14/18)
3. **Western Dressage tests** will be judged by the USEF Western Dressage Division rules with the following highlights:

- a. Horses shown in Western tack must enter/ride the Western Dressage Association of America (WDAA) tests
- b. Helmets must be worn whenever mounted. This is the only exception to USEF/ WD rules.
- c. Gaited horses are allowed in Western Dressage, substitute “Saddle Gait” for “Jog.” Gaited horses will be put in separate classes (see USEF-WD129). (Gaited horses are severely penalized in Classical & Event classes.)
- d. WD riders may use voice and patting during a test.
- e. May carry a regulation dressage whip (no longer than 47.2 inches).
- f. A regulation snaffle, Western curb bit or Bosal is allowed at any age – any level. Mechanical hackamores are not allowed.
- g. With a snaffle must ride with 2 hands, with a leverage bit may ride with 2 hands or one hand but cannot switch during a test.

4. All disciplines have the following exceptions and guidelines.

- 5. All riders, regardless of discipline, must wear a regulation HELMET and RIDING BOOTS or paddock shoes with a distinguishable heel, while mounted.
- 6. Judges are allowed to talk with exhibitors – judge to initiate the conversation.
- 7. Judges are allowed to judge their students or horses that they have bought or sold.
- 8. Tack may be checked before or after entry into the arena, or in the warm-up at the discretion of the gate keeper or show management.
- 9. Schooling, riding or lunging is permitted only in designated areas.
- 10. A horse on the show grounds (including non-competing horses) must wear its assigned number at all times except when in its stall or trailer. If two numbers are provided, numbers must be visible on both sides of the horse.
- 11. Show management reserves the right to refuse any exhibitor for cause; to have any horse removed from the grounds for cause; to return any entry fee and eliminate the exhibitor for cause; all without being liable for damages or compensation.
- 12. Tests will be released only to the rider or the rider’s representative. Riders are urged to check their tests for errors before leaving the show grounds.
- 13. The Show Manager has final say in all disagreements regarding a particular show. In some cases the Board of Directors will be consulted on a decision. USEF rules dominate where possible.
- 14. **Ribbons:** Beginning with the 2019 show season: In all dressage (D and WD) test classes, ribbons will be awarded by the following standard:
 - Blue = 62 % or better
 - Red = 59 to 61 %
 - Yellow = 58 % or below
 - Place ribbons, 1 through 6, will be awarded in group classes, e.g.: Equitation and Suitability. (3-13-19)

II. NMDA Year-End Awards

A. General Award Information:

- 1. NMDA offers Year-End Awards of Champion and Reserve Champion for both Classical (or Traditional) and Western Dressage, by level and division as described below.

- a. An NMDA Member may be eligible for a Year-End Schooling Show Award(s) if she/he submits a minimum of three (3) scores per level from three (3) different NMDA-sponsored activities, and three (3) different judges during the current year.
 - b. All eligible scores that are submitted must be from NMDA Schooling shows, **either/ or a combination of virtual shows**, and/or NMDA Ride Re-Ride clinics.
 - c. All three (3) scores must be from the highest test of the level. The eligible scores are averaged for determination of Year-End Awards.
 - d. Awards are available for Introductory through Fourth level Classical or Traditional Dressage, and Introductory through Level 4 Western Dressage, in the three (3) divisions of Junior, Adult Amateur and Open, with the following exception - no Awards for Introductory level (either Classical or Western) in the Open division.
2. The Competition year is December 1 to November 30.
 3. The owner and rider of the horse must be NMDA Members at the time the scores are earned. Exception: The parent or guardian of a Junior rider can be owner of the horse without being members.
 4. For the purposes of NMDA Year-End Awards: Junior is 18 and under; Adult Amateur is 19 and over.
 5. The final average score must be 55% or higher to receive an award.
 6. Year-End Awards are presented at the Annual Awards Banquet.

B. Specific Award Information:

1. A horse/rider combination can only win one division at a level in a year (example: a horse/rider combination cannot win both Training Level Adult Amateur and Training Level Open Championship or Reserve in the same year). Different horse/rider combinations can win at the same level.
2. **Memorial Traveling Trophy:** Each year, at the Year-End Awards Banquet a perpetual trophy will be awarded to the highest scored First Level A/A rider, in memory of Sue Ann Kirkby, who passed away July 2, 2010. The Trophy will be held by the winner for one year. Can only be won by a rider once.
3. **NMDA Year-End Junior Equitation Award** - award requirements for highest placed Junior in Equitation classes:
 - a. JR rider must place in a minimum of three (3) Junior Equitation group classes at NMDA Schooling Shows; and
 - b. JR rider's three (3) highest percent scores from a. above are averaged. The JR rider with the highest percent score wins the Year-End Award.
4. **Ride Re-Ride Clinics:** In a "Ride Re-Ride" clinic, the rider performs a dressage test, then the judge/clinician instructs the rider for a period of time, then the same test is ridden/judged again. The first test of a "set" may count towards Year-End Awards, but not the "re-ridden" test.

APPENDIX

Conflict of Interest Policy

Article I: Purpose

The purpose of the conflict of interest policy is to protect this nonprofit organization's (New Mexico Dressage Association (NMDA) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the NMDA or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and/or federal law governing conflict of interest applicable to nonprofit and charitable organizations.

Article II: Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a) An ownership or investment interest in any entity with which the NMDA has a transaction or arrangement,
- b) A compensation arrangement with the NMDA or with any entity or individual with which the NMDA has a transaction or arrangement, or
- c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the NMDA is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III: Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest
 - a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c) After exercising due diligence, the governing board or committee shall determine whether the NMDA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the NMDA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. Violations of the Conflicts of Interest Policy
 - a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V: Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the NMDA for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the NMDA for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the NMDA,

either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the NMDA is nonprofit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII: Periodic Reviews

To ensure the NMDA operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the NMDA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII: Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the NMDA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

(end)