

BY-LAWS
OF
Fairfax Coin Club, Inc.

Article I – Membership

Section 1. Membership in Fairfax Coin Club, Inc. (Club) shall be divided into the following classes: **Active Member**, over eighteen years of age; **Young Numismatist**, under eighteen years of age; **Honorary Member**, and **Life Member**.

Section 2. Life Members are Active Members who have paid the prescribed Life Membership dues. Life Members have all the rights of Active Members.

Section 3. A Young Numismatist shall have the necessary membership forms signed by a parent or legal guardian. A Young Numismatist becomes an Active Member upon turning eighteen years of age. All rights and privileges are granted to Young Numismatists except the right to hold an elective office.

Section 4. Honorary Members shall comprise those who are considered deserving of the distinctive title, "Honorary," and have rendered Fairfax Coin Club, or the science of numismatics, special service. Honorary Members shall be nominated by a two-thirds majority vote of the membership at any regular meeting and shall be elected at the next regular meeting by a majority vote of the Board. Honorary members shall be entitled to all privileges of the Club, except holding office and voting, and shall be exempt from payment of dues.

Section 5. The Active Members and Life Members shall constitute the governing body of the organization from which all officers shall be chosen.

Section 6. Suspension and Expulsion. Any Active Member or Life Member may bring written charges against any Member for conduct prejudicial to the welfare of the Club. Such charges shall be filed with the President, who shall furnish the accused Member and the Board with a written copy. The accused Member shall have a reasonable opportunity to enter a written defense to such charges after which the Board shall determine the case under such rules and regulations as it may adopt. The Executive Board may dismiss such charges, or it may censure, suspend or expel the accused member. Until the final decision of the Board, the accused member shall continue in good standing.

Section 7. Application for membership shall be given to the Secretary and membership granted upon proper notice to the membership and payment of dues. The application shall include the applicant's name, address, birth date, date of application, telephone number and email address, and first year's due.

Article II – Revenue

Section 1. The revenue of this organization shall be derived from the dues of its members, auction commissions, raffle ticket sales, coin show, and any other source approved by the Board.

Article III – Amendments

Section 1. The By-Laws may be amended by a two-thirds vote of the Members present and voting at any Regular Meeting of the Club, provided the amendments or additions proposed shall have been presented

at the preceding regular meeting, and the members are duly notified of the of the time when such amendments are to be voted upon.

Section 2. Members absent from meetings at which voting is scheduled may vote by written or email proxy.

Article IV – Meetings

Section 1. The Regular Meetings of this organization shall be held once per month on a day, place and time set in advance by the membership or the Board at a previous meeting. The Regular Meeting in December shall also be the Annual Meeting.

Section 2. Special Meetings may be called at any time subject to the approval of the Board for social or other purposes, should same be necessary or advisable.

Section 3. Fifteen voting members or 25% of the membership, whichever is less, shall constitute a quorum for the transaction of business and the election of Board members. A quorum for Board meetings shall be 50% of the members of the Board.

Article V – Dues

Section 1. The annual dues shall be set by the Board and voted on by the Members at the Annual Meeting. Annual dues are payable on or before the January Regular Meeting.

Section 2. Any Member in arrears more than six months shall automatically be suspended from club membership.

Article VI – Officers.

Section 1. The Officers of the Club shall be the President, Vice President, Secretary, and Treasurer, and shall be chosen by the Board annually.

Section 2. The Board shall be composed of the Officers, and up to three Additional Directors elected at the annual election. The Board, comprised of up to seven members, shall be the governing body of the Club, with a minimum of 50% to constitute a quorum for the transaction of business. A Board meeting may be called by either the President or the Secretary, or a petition signed by 25% of the Members. The Board shall meet at least semi-annually.

Section 3. All Additional Directors shall be elected by ballot at the Annual Meeting in December of each year, and shall hold office for two years. The initial terms will be staggered.

Article VII – Duties of Officers and the Auction Chairman

Section 1. The President shall preside at all meetings and supervise all matters of interest to the club. The President establishes Committees and persons to perform Club functions subject to approval by the Board.

Section 2. The Vice President shall preside in the absence of the President, The Vice President shall perform any duties assigned by the President.

Section 3. The Secretary shall record the minutes of the regular and Board meetings, preserve all current documents, handle general correspondence and maintain a current list of members. As a minimum, the Secretary shall record all motions and the results of all voting. The Secretary maintains the membership mailing lists, and is responsible for any newsletter or email correspondence with the membership.

Section 4. The Treasurer shall collect and record all dues, fees and auction sales receipts, and dispense funds for reasonable and customary expenditures included in the approved annual budget. Other expenditures require Board approval. The Treasurer shall present a report of the financial status of the Club at a regular meeting at least quarterly. At the January meeting the outgoing Treasurer shall present a financial statement for the past year. An annual budget will be prepared by the Treasurer, presented to the membership at the Annual Meeting, and approved by the Board.

Section 5. The Auction Chairman receives coins from members for upcoming coin auctions; grades, prices auction coins and arranges for publishing, The Auction Chairman recruits assistants and Auctioneers to help him carry out auction duties, and coordinates with the Treasurer for collection of auction proceeds and payment of consignors.

Article VIII – Other Laws and Regulations

Section 1. No Officer, Committee or Member shall incur in the name of the organization any expense unless the same has been authorized by the Board, Adoption of the annual budget by the Board is deemed authorization for any Officer to incur reasonable and customary expenditures included within the budget.

Section 2. At the expiration of their terms of office all Officers and Board members shall deliver to their successors all books, papers, money or other property of the organization in their possession and shall not be relieved of their bond or obligation until this requirement has been met.

Section 3. In the case of a vacancy of any Officer or member of the Board, the Board shall elect a Member in good standing to serve for the remainder of the term.

Section 4, These By-Laws may not be suspended. The By-Laws may be altered or amended at any regular meeting of the organization, provided the proposed changes are communicated to the Members prior to the meeting, and written notice is provided as to the proposed changes, the time and place of the vote.

Section 5. Any motion or resolution not specifically excepted by the Articles of Incorporation or By-Laws requires only a majority vote for its adoption.

Article IX - IRC 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets

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

Section 4. Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation (1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; (2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; (3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; (4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and (5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

Article X - Conflict of Interest and Compensation Approval Policies

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

- a. Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation 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 Section 3, paragraph B, 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.

Section 3. Conflict of Interest Avoidance Procedures

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

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

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

- d. Violations of the Conflicts of Interest Policy.** If the 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. 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.

Section 4. Records of Board and Board Committee Proceedings

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

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

Section 5. Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation. When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved;
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
 5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
 6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
 7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. 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:

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

Section 7. Periodic Reviews

To ensure the corporation 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:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation'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.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation 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.

