

Society for Benefit-Cost Analysis

BYLAWS OF THE SOCIETY FOR BENEFIT-COST ANALYSIS

(Incorporated in Washington, DC, 11/7/2013)

Revised Bylaws adopted 7/15/18

ARTICLE I – PURPOSE

The Society for Benefit-Cost Analysis ("the Society") is an international organization dedicated to the advancement, encouragement and exchange of ideas, research, and other activities relating to benefit-cost analysis, cost-effectiveness analysis, risk-benefit analysis, applied welfare economic analysis, and damage assessments. This includes the intersection with disciplines such as economics, law, engineering, policy, decision sciences and the natural sciences.

The Society is organized exclusively for educational and scientific purposes under section 501 (c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

The Society has adopted the following primary goals:

1. Bring together individuals from diverse disciplines and from different countries and provide them opportunities to foster collaboration and exchange information, ideas and methodologies related to the practice and theory of benefit-cost analysis and applied welfare economics;
2. Encourage applications of benefit-cost and applied welfare analysis, and promote dialogue between practitioners and others who are interested in benefit-cost analysis;
3. Facilitate the development and dissemination of knowledge about benefit- cost/applied welfare analysis methods and their applications;
4. Develop and update standards of practice for benefit-cost and applied welfare analysis.
5. Foster methods to improve communication and consideration of benefit-cost analysis methods and results.

In pursuit of the above goals, the Society may issue publications, newsletters, and guidance; organize meetings and symposia; and engage in other activities appropriate for the stimulation and improvement of work in its area of interest, and the promotion of the professional activities of its members. The Society is dedicated to freedom of discussion and research, and undertakes to avoid partisan positions with respect to any individual, group, or political philosophy.

ARTICLE II – MEMBERSHIP

SECTION 1. QUALIFICATIONS. – Any person interested in benefit-cost analysis and related fields may become a member upon payment of at least one year's dues. Nonpayment of dues, or of any other financial obligation to the Society, shall constitute sufficient grounds for termination of membership without further notice.

Society for Benefit-Cost Analysis

SECTION 2. TERM. – Membership shall be for a rolling twelve-month period that depends on the date an individual member joins the Society (anniversary date basis).

SECTION 3. SUSPENSION. – Any member who makes use of his/her affiliation with the Society in a manner considered improper by the Board of Directors may be suspended from membership by the Board after opportunity has been given the individual for a hearing before the Board (in person, or via written correspondence with the Board), and may be expelled from the Society by a vote of the Board and a majority of members voting at the next Business Meeting of the Society.

SECTION 4. MEMBERSHIP CATEGORIES. – The Society shall consist of the following membership categories:

A. Honorary Membership: Individuals determined by the Board to have made fundamental contributions to the field of benefit-cost analysis or who have made major contributions of their time and energy to the Society. B. Regular Individual Membership: Open to individuals who by their profession, training, and/or function are interested or involved in benefit-cost analysis, cost-effectiveness analysis, risk analysis, applied welfare economic analysis, and/or damage assessments. Regular Individual Memberships may have multiple donation levels and benefits, as determined by the Board of Directors. C. Student Membership: Open to individuals who are full-time students engaged in a degree program and have an interest in the Society's work.

D. Organizational Affiliates: Open to any association and public or private institution, organization, or firm that operates in fields connected with the aims of the Society, or which pursues the aims or materially supports the activities or initiatives of the Society, by providing human, organizational or financial resources. Organizational Affiliates shall receive a prescribed number of Regular Individual Memberships, as determined by the Board, and shall designate the individuals at their institutions who will receive these memberships. The Board may establish multiple donation levels and benefits for Organizational Affiliates.

SECTION 5. DUES. – The Board of Directors shall have the authority to establish and revise dues for any class of membership. Changes in dues shall become effective on the first day of the calendar year following the date on which the Board acts.

SECTION 6. MEMBERSHIP RIGHTS. –

A. Voting rights shall be limited to Voting Members, defined as Regular Individual Members, including those assigned by Organizational Affiliates, and any subsequent class of membership established by the Board of Directors for which the annual dues equal or exceed the lowest annual dues paid by Regular Individual Members, who have paid the requisite dues as established by the Board.

B. Eligibility for elective office shall be limited to Voting Members.

ARTICLE III – THE BOARD OF DIRECTORS

Society for Benefit-Cost Analysis

SECTION 1. FUNCTIONS – The governing body of the Society shall be a Board of Directors (“Board”), which shall have the authority to conduct all business of the Society not reserved by these Bylaws to the members, including but not limited to: the selection of editor(s) of the Journal of Benefit-Cost Analysis, the location of the Society’s administrative offices, and the selection of an executive director and/or administrative assistant(s). The Board shall meet at least twice each calendar year to transact all business of the Society not delegated by it to subordinate committees or individuals; to assign additional specific responsibilities to the officers and committees of the Society; and to create, appoint, or abolish any committees, agents, or offices not specified in these Bylaws as it may deem advisable. Whether expressly noted or not, meetings of the Board and its committees may be held in person, by conference call, or by any other means of written or verbal communication through which all persons participating are able to hear and communicate with the group.

SECTION 2. COMPOSITION. – The Board of Directors shall be composed of the Officers (comprising the President, Vice President, Past President, Secretary, Treasurer, Assistant Treasurer, and Past Treasurer); plus an even number of non-officer Board Members totaling at least six (6). Each member of the Board of Directors shall have one vote. The Board shall include a diversity of membership as described in Art. IV. Sec 2(A), and its members shall be elected by the Society membership as specified in Art. IV.

The Board of Directors shall include as non-voting ex-officio members the Editor(s) of the Journal of Benefit-Cost Analysis and such other persons whom the Board may from time to time appoint.

SECTION 3. TERMS OF OFFICE. –

A. The Vice President shall serve for a term of one year; automatically succeed to the office of President for one year; automatically succeed to the office of Past President for one year; then be ineligible to serve in any elected capacity for one year, except as specified in section 6.

B. The Secretary shall serve for three years, and thereafter shall be ineligible to serve in any elected capacity for one year.

C. The Assistant Treasurer shall serve for a period of one year; then automatically succeed to the office of Treasurer for one year; automatically succeed to the office of Past Treasurer for one year; then be ineligible to serve in any elected capacity for one year.

D. Non-officer members of the Board shall serve for three years, staggered such that a third typically are elected in any one year. At any time, a non-officer Board member may stand for election to the Board as an officer.

E. Upon completion of their terms, non-officer Board members shall be ineligible to serve as non-officer Board members for one year.

F. Service on the Board as a non-officer Member for less than three years shall not be subject to paragraph E.

Society for Benefit-Cost Analysis

SECTION 4. QUALIFICATIONS. – All officers and members of the Board, both voting and exofficio, must be Voting Members of the Society the year prior to and during their terms of office.

SECTION 5. RESIGNATIONS AND REMOVALS. – Any officer or non-officer member of the Board may resign by informing the Secretary in writing, such resignation taking effect at the time specified, or, if no time is specified, at the time of its receipt by the Secretary. The acceptance of a resignation shall not be necessary to make it effective. Any officer or non-officer member of the Board may be removed for cause by a two-thirds vote of the full Board.

SECTION 6. VACANCIES. –

A. If the office of Past President becomes vacant, the Board shall appoint any past president to serve in the office of Past President.

B. If the office of Vice President becomes vacant, the Board shall promptly appoint a Voting Member to complete the unexpired term. Notwithstanding any other provision of these Bylaws, all Board members shall be eligible. The appointee shall serve in accordance with subsection 3(A) as if having been elected.

C. If the office of President becomes vacant, the Board may appoint either the Vice President or Past President to serve the remainder of the unexpired term. The Board shall appoint a replacement Vice President or Past President, whichever office is left vacant by the operation of this subsection, as set forth in subsections A or B of this Section.

D. If the office of Past Treasurer becomes vacant, the Board may appoint any person who has previously served as Treasurer to serve the unexpired term, or another qualified Voting Member if no Past Treasurer is available to serve.

E. If the office of Treasurer or Assistant Treasurer becomes vacant, the Board shall promptly appoint any person who has previously served as Treasurer to serve the relevant unexpired term(s) as set forth in Section 3(C), or another qualified Voting

Member if no Past Treasurer is available to serve. The appointee shall serve in accordance with Section 3(C) as if having been elected.

F. If the office of Secretary becomes vacant, the Board shall promptly appoint a nonofficer member of the Board to serve the unexpired term.

G. If a non-officer Board member position becomes vacant, the Board shall promptly appoint a qualified Voting Member to serve the unexpired term.

SECTION 7. QUORUM – A majority of the voting members of the Board of Directors, and a majority of the voting members of any of its committees, shall constitute a quorum for the transaction of business by the Board or by its committees, respectively.

SECTION 8. ACTION WITHOUT MEETING. – Any action required or permitted at any meeting of the Board of Directors, or of any committee thereof, may be taken by mail, email or electronic ballot sent by the Secretary (or designee) to all voting Board Members. At least one

Society for Benefit-Cost Analysis

week must be allowed from the date of transmission for voting to be completed, with a majority of the total voting membership of the Board required for approval.

ARTICLE IV – NOMINATION AND ELECTION OF VOTING MEMBERS OF THE BOARD OF DIRECTORS

SECTION 1. INITIAL SLATE. – All officers and non-officer Board members holding office at the time these revised Bylaws are approved shall assume the offices to which they were elected as if they had been elected in accordance with the revised Bylaws.

SECTION 2. NOMINATING COMMITTEE. No later than May 1, the Vice President (who pursuant to Art. VI, Sec. 1(A) shall chair the Committee), shall recommend to the Board for approval an even number of Voting Members to serve thereon in addition to the Vice President.

A. DIVERSITY OF NOMINEES. – The Nominating Committee shall actively seek to ensure that nominees are balanced between benefit-cost practitioners (defined as persons whose primary benefit-cost analysis activities consist of the preparation or use of benefit-cost analyses) and benefit-cost academics (defined as persons whose primary benefit-cost analysis activities are teaching and research). The

Nominating Committee shall strive to ensure a balance of benefit-cost practitioners and benefit-cost academics in the selection of candidates for Vice President.

B. SLATE AND SCHEDULE. – No later than September 1, the Nominating Committee shall propose to the Board at least one candidate for Vice President; at least one candidate for Assistant Treasurer; at least one candidate for Secretary (if such office is scheduled to be vacant), and candidates for non-officer Board members equal to at least 1-1/2 times the number of expected Board vacancies.

C. SELF-RECOMMENDATION. – Voting Members with a desire to serve the Society in an elective capacity are encouraged to inform the Nominating Committee of such desire no later than June 1.

D. SELF-NOMINATION. – Any Voting Member who self-recommended pursuant to subsection C and wishes to independently stand for election shall inform the Secretary no later than October 1 and shall be included on the ballot if supported by a petition, in a form prescribed by the Secretary, endorsed by at least five percent (5%) of the Voting Members of the Society, and otherwise not ineligible to serve. Qualifying petitions must be received by the Secretary no later than November 1.

SECTION 3. CONDUCT OF ELECTIONS. – Membership elections shall be conducted annually by mail, email or electronic ballot of all members of the Society in good standing, with a deadline for receipt of ballots not later than November 30. Election results shall be determined by the Election Committee, which shall decide the elections of each officer position and each nonofficer Board member position by the highest number of votes cast. In the case of a tie vote, the winner shall be determined by real or virtual coin toss performed by the Vice President.

Society for Benefit-Cost Analysis

SECTION 4. STAGGERING OF TERMS –

If at the time of an election the conditions of Art. III, Sec. 3(E) are not met, the Secretary shall assign terms to newly elected non-officer Board members to ensure that this provision is met. The Secretary shall allocate the longest terms to those receiving the most votes.

SECTION 5. TERMS OF OFFICE. – Terms of office shall begin on January 1 and end on December 31.

ARTICLE V – FUNCTIONS OF THE OFFICERS

SECTION 1. PRESIDENT. – The President is the Chief Executive Officer of the Society and is primarily responsible for its welfare. Duties of the President include supervising executive and nonfinancial administrative staff, whether employed directly or on contract; chairing meetings of the Board of Directors and the Executive Committee; appointing members of standing and ad hoc committees not otherwise specified in these Bylaws; presiding at the Annual Business Meeting; representing the Society in its business matters whenever called upon to do so; and ensuring that the business of the Society is faithfully transacted in accordance with these Bylaws and policies and procedures established by the Board of Directors. The President may deliver an address to the Annual Business Meeting on a topic relating to benefit-cost analysis.

SECTION 2. VICE PRESIDENT. – The Vice President shall chair the Program Committee for the meetings held during the Vice President’s term, chair the Nominating Committee, and assume the duties of the President when the latter is temporarily unavailable or unable to do so.

SECTION 3. SECRETARY. – The Secretary shall preserve the nonfinancial records of the Society, recording all proceedings of the Board, and if so directed, other meetings of the Society, in a manner to be directed by the Board; and conduct all required nonfinancial correspondence on behalf of the Society. The Secretary shall give, or cause to be given, notice of all elections and meetings of the Board of Directors.

SECTION 4. TREASURER. – The Treasurer shall have custody of the funds of the Society, subject to the rules and oversight of the Board of Directors; keep accurate account of receipts and disbursements in books belonging to the Society; deposit all monies and other valuables in the name and to the credit of the Society in such depositories as may be designated by the Board; and file (or cause to be filed) appropriate tax returns. The Treasurer shall disburse, or cause to be disbursed, such Society funds as may be ordered by the Board.

SECTION 5. ASSISTANT TREASURER and PAST TREASURER. – The Assistant Treasurer and Past Treasurer shall assist the Treasurer in the performance of the Treasurer’s duties, as directed by the Treasurer.

SECTION 6. PAST PRESIDENT. – The immediate Past President shall serve on the Board of Directors, the Executive Committee, and other committees as provided for in these Bylaws or by special appointment, and shall otherwise provide for continuity in the leadership of the Society.

Society for Benefit-Cost Analysis

ARTICLE VI. – COMMITTEES OF THE SOCIETY

SECTION 1. PERMANENT COMMITTEES. – The Society shall have the following permanent committees, each having the specified primary function:

A. The NOMINATING COMMITTEE shall recruit candidates for all elective offices of the Society. The Committee shall be chaired by the Vice President, and shall include an even number of Voting Members selected by the Board after receiving recommendations from the Vice President. Except for the Vice President, no officer or non-officer member of the Board may serve on the Committee. B. The ELECTIONS COMMITTEE shall organize and conduct the elections of the Society. The Elections Committee shall be chaired by the Secretary (or Board designee, if the Secretary is standing for election) and include two (2) additional Voting Members selected by the Board after receiving recommendations from the Secretary. No person who is standing for election may serve on the Elections Committee. C. The FINANCE COMMITTEE shall propose annual budgets, supervise the financial aspects of the annual meeting and other events, and oversee all financial affairs of the Society, including the selection of independent accountants and auditors, if any. The Finance Committee shall consist of the Treasurer (Chair), the Assistant Treasurer, the Past Treasurer and the President, and may include other Voting Members appointed by the Board after receiving recommendations from the Treasurer. D. The JOURNAL COMMITTEE shall oversee the Journal of Benefit-Cost Analysis, and any other scholarly publications of the Society. The Journal Committee shall consist of the Past President (Chair), the President, the Vice President, the Editor(s) of the Journal, and other Voting Members appointed by the Board after receiving recommendations from the Past President and the Editor(s). E. The EXECUTIVE COMMITTEE shall oversee the day-to-day management of the Society and consist of the President (chair), Vice President, Past President, Secretary, and Treasurer.

F. The AUDIT COMMITTEE shall establish an auditing procedure consistent with law that is appropriate for the Society, and implement such procedure annually after the close of the fiscal year. The Audit Committee shall consist of the Treasurer (chair, ex officio) and an odd number (at least three) of non-officer Board members or other Voting Members of the Society. G. The PROGRAM COMMITTEE shall organize the annual conference of the Society. The Committee shall consist of the Vice President, who shall serve as chair, and at least four additional Voting Members of the Society nominated to serve by the Vice President, subject to the approval of the Board. H. The DEVELOPMENT COMMITTEE shall seek external financial support for the Society in various forms including, but not limited to, grants, gifts, donations, Organizational Affiliates, and event sponsorships. The President shall nominate a Voting Member to chair this Committee, subject to approval by the Board. The Chair shall propose at least three additional Voting Members to serve on the Committee, subject to approval by the Board. Any proposed financial contribution from an individual or entity exceeding 5% of the Society's current annual budget shall be subject to review and prior approval by the Board.

SECTION 2. TEMPORARY COMMITTEES. – The Board may from time to time establish temporary committees as it deems appropriate. The functions, duties and terms of any temporary

Society for Benefit-Cost Analysis

committee shall be stated in writing and properly documented, and they may not supersede the functions and duties of any permanent committee.

ARTICLE VII – GENERAL PROVISIONS

SECTION 1. CONTRACTS – The Board may authorize any officer, employee, or agent to negotiate contracts on behalf of the Board, and deliver any instrument in the name of and on behalf of the Society. Such authority may be general or confined to specific instances. All contracts shall be executed by the President and, if they have financial terms, co-signed by the Treasurer.

SECTION 2. LOANS. – No loans shall be contracted on behalf of the Society and no evidence of indebtedness shall be issued in its name unless authorized by the Board. Such authority may be general or confined to specific instances. All loans shall be executed by the President and co-signed by the Treasurer.

SECTION 3. CHECKS AND DRAFTS – All checks, drafts, or other orders for the payment of money issued in the name of the Society shall be executed by the Treasurer (or if designated by the Treasurer, the Assistant Treasurer or Past Treasurer) and in such manner as shall be determined from time to time by the Board.

SECTION 4. DEPOSITS – All funds of the Society not otherwise employed shall be deposited from time to time to the credit of the Society in such depositories as the Board may select.

SECTION 5. WAIVER OF NOTICE. – Whenever any notice is required to be given to any Board member or other person under the provisions of District of Columbia law, the Articles of Incorporation, or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, shall be equivalent to the giving of such notice.

SECTION 6. PROHIBITION AGAINST SHARING IN SOCIETY EARNINGS. – No Board member, officer, employee, or agent of, or person connected with, the Society or any other private individual shall receive at any time any of the net earnings or pecuniary profits from the operations of the Society. The Board may employ and pay any person reasonable compensation for services rendered to or for the Society in effecting any of its purposes, provided that such employment and pay are arranged in full compliance with Article XII of these bylaws.

SECTION 7. EXEMPT ACTIVITIES. – Notwithstanding any other provision of these Bylaws, no Board member, officer, employee, agent, or other representative of the Society shall take any action or carry on any activity by or on behalf of the Society not consistent with the exempt status of organizations described in Section 501(c)(3) of the United States Internal Revenue Code of 1954, as amended (or the corresponding provision of any future United States Internal Revenue law).

SECTION 8. FISCAL YEAR. – The fiscal (accounting) year of the Society shall be established by resolution of the Board, and shall initially run from January 1 to December 31.

ARTICLE VIII – LIABILITY

Society for Benefit-Cost Analysis

SECTION 1. INDEMNIFICATION. – The Society shall indemnify, to the full extent permitted by the laws of the District of Columbia, any Board member, officer, employee, or agent of the Society against expenses actually and necessarily incurred in connection with the defense of any action, suit or proceeding in which such individual is made a party by reason of being or having been such Board member, officer, employee, or agent, except that the Society shall not indemnify such individuals for willful misconduct. Such indemnification shall not be deemed exclusive of any other rights to which such Board member, officer, employee, or agent may be entitled under any agreement, vote of the Board, or otherwise.

SECTION 2. LIMITATION OF LIABILITY – No member or officer shall be individually liable for the debts, contracts, and other obligations of the Society, other than dues paid for membership. This provision shall appear in all contracts entered into by and on behalf of the Society.

SECTION 3. INSURANCE – The Society will purchase and maintain liability insurance to protect members of the Board as appropriate for this type of organization.

ARTICLE IX – MEETINGS

SECTION 1. MEMBERSHIP MEETINGS. – Meetings of the Society shall be held at such time and place as the Board of Directors may designate. Announcement of the time and place of the Society meetings must be mailed or emailed to members at least ninety (90) days in advance. A quorum shall consist of Voting Members equal to two times the number of voting Board members plus one.

SECTION 2. ANNUAL BUSINESS MEETINGS. – If a Membership Meeting is scheduled, an Annual Business Meeting of the Society shall be held during such Meeting. During the Annual Business Meeting, which shall be open to all Voting Members, a summary of the actions of the Board and the financial status of the Society shall be presented to the membership as part of the Secretary's and Treasurer's reports. Activity reports may be presented by the President, journal editors, and chairpersons of any active committees, at the discretion of the Board.

If no Membership Meeting is scheduled, an Annual Business Meeting of the Society shall be held at least once per year, using a written or verbal format, such as email or a conference call that allows for a report to members and an opportunity for full member input. Regardless of format, a quorum for a Business Meeting shall consist of Voting Members equal to two times the number of voting Board members plus one.

At the Annual Business Meeting, the Board of Directors may also choose to present matters of particular importance to the Society to the full membership for a vote. Any such question shall be presented during the Annual Business Meeting, with printed arguments pro and con certified by the Secretary to represent all sides of the issue fairly.

SECTION 3. BOARD MEETINGS – The President may call a meeting of the Board by directing the Secretary to give at least thirty (30) days' notice. If extraordinary circumstances require it, the President may, with the consent of all members of the Board, direct the Secretary to give at least ten (10) days' notice. A majority of Board members may call a meeting by presenting a

Society for Benefit-Cost Analysis

signed written request to the Secretary, who shall give at least thirty (30) days' notice. A quorum shall consist of a majority of all Board members.

ARTICLE X – CHANGES IN THE BYLAWS

Changes in the Bylaws shall be proposed either by action of the Board of Directors or by petition containing the names, signatures and contact information of ten percent (10%) of Voting Members, submitted to the Secretary. Changes shall be adopted upon affirmative vote of two-thirds of Society members voting, where the vote shall be taken at the Annual Business Meeting or by mail or electronic ballot at the time of the annual election, or in a special vote by mail or electronic ballot if requested by the Board of Directors or by ten percent (10%) of Voting Members. Ballots containing proposed Bylaws changes shall contain arguments pro and con certified by the Secretary to accurately represent such views.

ARTICLE XI – DISSOLUTION

Dissolution may be authorized by a majority vote of the Board. Upon dissolution, all creditors shall be properly notified, and any financial assets not obligated to pay the Society's debts shall be distributed for one or more exempt purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Distribution shall be in accordance with the laws and applicable regulations of the District of Columbia.

ARTICLE XII – CONFLICTS OF INTEREST

SECTION 1. PURPOSE. – The purpose of the Society's conflict of interest policy is to protect its organizational interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director, or might result in a possible excess benefit transaction. 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 officer, non-officer Board member, or member of a committee with Board-delegated powers, 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:

a. An ownership or investment interest in any entity with which the Society has a transaction or arrangement,

Society for Benefit-Cost Analysis

b. A compensation arrangement with the Society or with any entity or individual with which the Society 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 Society is negotiating a transaction or arrangement.

C. 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. As stated in subsection 3(B), a person who has a financial interest may have a conflict of interest only if the Board or appropriate committee determines that a conflict of interest exists.

SECTION 3. 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 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 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. –

a. An interested person may make a presentation at the 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 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 Board or committee shall determine whether the Society 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 Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Society'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. –

Society for Benefit-Cost Analysis

a. If the 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 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 PROCEEDINGS. – The minutes 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 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. –

A. A voting member of the Board who receives compensation, directly or indirectly, from the Society for services is precluded from voting on matters pertaining to that member's compensation.

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

C. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Society, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

SECTION 6. ANNUAL STATEMENTS. – Each director, officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms that 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 that the Society is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its taxexempt purposes.

Society for **Benefit-Cost Analysis**

SECTION 7. PERIODIC REVIEWS. – Periodic reviews shall be conducted to ensure that the Society operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. Such 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 Society'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 Society 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.

ARTICLE XIII. - ANTITRUST

SECTION 1. GENERAL PRINCIPLES. – The Society's purposes, stated in Art. I, are educational and scientific and thus do not normally have antitrust implications.

SECTION 2. POLICY AND PRACTICE. – It is the policy and practice of the Society to fully comply with Federal and state antitrust laws and regulations, to the extent they apply to organizations organized and operating under Section 501(c)(3) of the Internal Revenue Code. The Society will not conduct or sponsor any activity that could reasonably be inferred to have antitrust implications or might unreasonably restrain trade.

SECTION 3. COMPLIANCE. – The Secretary shall be responsible for ensuring compliance with Federal and state antitrust laws and regulations. This shall be accomplished by including in the minutes of each meeting of the Board of Directors a statement certifying whether antitrust sensitive topics were discussed.

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