**بسم الله الرحمن الرحيم**

**In the Name of *Allah*, Most Gracious, Most Merciful**

**BYLAWS**

**of**

**Islamic School of Portland**

**ARTICLE I**

Name

1. The name of the corporation is ISLAMIC SCHOOL OF PORTLAND

## Principal Office

1. The principal business office of Islamic School of Portland is located at 10200 SW Capital Highway, Portland, OR **97219-6809**.

##### Mailing Address

1. The mailing address of the School is: Islamic School of Portland, P. O. Box 19895, Portland, OR 97280-0895.

### ARTICLE II

# MISSIONS AND PURPOSES

1. The Islamic School of Portland (hereafter referred to as “ISP” or “School”) is organized exclusively for charitable nonprofit, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations under Section 501 (c) (3) of the Internal Revenue code (or the corresponding section of any further Federal tax code.)
2. The objective of the Islamic School of Portland is to carry out its activities in accordance with the Qur’an and Sunnah as represented by the Ahl as-Sunnah wa'l Jama'ah. Ahl Assunah wa’l Jama’ah are those who hold on to the *Sunnah* (traditions, statements, actions) of the prophet, the ones who unite themselves upon that and they are the Companions of the Messenger, the Scholars of Guidance, who follow the Companions and whoever travels upon their path in terms of belief, speech and action until the Day of Judgment, while remaining steadfast upon this adherence. They avoid innovating and innovations in whatever place or age/era they may be. They are the ones who will remain uppermost, aided (by Allah) until the Day of Judgment. **This article is not amendable.**
3. The Islamic School of Portland shall, through the teaching of Islamic and scholastic courses, prepare students to:

* Achieve excellence in education and a strong *Muslim* identity.
* Meet or exceed the goals of the state of Oregon Standard Course of Study.
* Exhibit high morals and exemplary citizenship.
* Excel in the Arabic Language through nurturing The Arabic Program.

4. In order to achieve these goals the school shall:

* Provide an Islamic and professional learning environment.
* Provide strong education curriculum.
* Foster brotherhood/sisterhood among its students.
* Maintain its status as a recognized an accredited private school as outlined within the General Statutes of the State of Oregon and national statues.

1. The corporation shall not be formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the corporation is distributable to, or ensures to the benefit of, its directors or officers.
2. In case of dissolution of the school, ALL assets of the school should be distributed to the Islamic Center of Portland-Masjed As-Saber.

### ARTICLE III

# Policies

The following are basic policies of the Corporation:

1. The corporation is a non‑commercial and non‑partisan.
2. The name of the corporation or the name of any officers or directors in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purposes not appropriately related to the promotion of the objectives of the corporation.
3. This corporation may cooperate with other organizations and agencies concerned with the purposes for which this corporation is formed.
4. Islamic School of Portland admits students of any race, color, and national or ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to its students and does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school administered programs.
5. The Islamic School of Portland promotes the doctrine and methodology of Ahl as-Sunnah wa'l Jama'ah; expects staff, board members, executives, and students to adhere to this doctrine while in school and not promote or practice any other doctrine while in school.

### ARTICLE IV

# Membership

The corporation will be a non‑membership corporation.

### ARTICLE V

# Governance

The Islamic School of Portland shall be governed by these Bylaws and its Board of Directors (known in this document as the “Board”).

### ARTICLE VI

# Members of Board of Directors

**VI.1 Powers**

a) Decision Making Process. The decision making process for the Islamic School of Portland is “consultative”, also known as “Shura”. Any action/decision which would, by operation of law or otherwise, requires a Shura (Consultation) with all members of the board, unless it is indicated otherwise in sections where the president is excused from making a decision. Decisions, which the president of Board cannot make (or if the president position is vacant at the time of the decision-making) can be made on operations with exclusion of bylaws amendments by a majority of board members “vote” until an acting or permanent president is selected.

1. Powers. The business and affairs of the School shall be managed and all powers shall be exercised by or under the direction of the Board. Without prejudice to these general powers, and subject to the same limitations, the Board shall have the power to:

(i)        Select and remove any board officers, agents, employees of the school, and representatives of (Parent Teacher Association) PTO.

(ii) Empower the School Principal to act as the executive officer of daily operations in order to conduct the affairs and business of the School in line with these bylaws and board direction.

(iii) Empower the School principal and her delegates to make rules, regulations, policies, procedures and strategic plans to manage the affairs and business of the School therefore not inconsistent with law, and with these Bylaws.

c) Limitations. The powers of the Board are subject to the Articles of Incorporation and these Bylaws.

**VI.2 Number and Composition of Board Members**

The authorized number of Board members shall be not less than 5 and not more than 9 members with a preference of having an odd number. No reduction of the authorized number of Board members shall have the effect of removing any Board member prior to the expiration of said Board member's term of office, unless a Board member is affirmatively removed as hereinafter provided. The members of the Board shall consist of the following composition:

1. The Board members shall serve as:
   1. One member shall serve as the president of the board
   2. One member shall serve as the treasurer of the board
   3. One member shall be the secretary of the board
   4. One member shall be the PTO liaison
   5. One member shall serve as the Islamic Center of Portland - Masjed As-Saber Liaison
   6. Other members are assigned roles by the president

The current Principal of ISP and the President of the Parent-Teacher Organization (PTO) shall serve as ex-officio members of the Board.

**VI.3 NOMINATION OF BOARD MEMBERS**

Current Board members shall nominate a new board member if a vacancy surfaces up and agreed on unanimously by the board members.

**VI.4 SELECTION, APPOINTMENT, AND TERM OF OFFICE OF BOARD MEMBERS**

i) One person shall be nominated by the Islamic Center of Portland – Masjed As-Saber to be a liaison between the Center and the School. This person shall not serve as a permanent president of ISP Board.

1. The PTO (if in existence) shall seek nominations for one Board member from the parents. The PTO President, Vice-President, and Secretary shall facilitate all nomination procedures. The Board of Directors shall select one parent from the nominees of the PTO.
2. If PTO does not exist, this member shall be selected by members of the board.

1. A board vacancy shall be filled by a person agreed on by the serving board of directors. The nominee should have a unanimous vote by the board.

1. One member should be an educator. This role is also satisfied by the principal of ISP.

1. All board members shall serve for 2 years but may be re-selected to serve consecutive terms.
2. If the PTO or the Islamic Center of Portland-Masjed As-Saber fail to nominate a candidate as stated above, current board members shall fill these positions temporarily until candidates are nominated

**VI.5 VACANCIES**

1. Events causing vacancy: A vacancy or vacancies in the Board shall be deemed to exist upon the occurrence of any of the following:
2. Death or resignation of any Board member;
3. The declaration by resolution of the Board of a vacancy of the office of a Board member who has been declared of unsound mind by a final order of court or convicted of a felony;
4. An unanimous vote of the Board then in office to remove a Board member. A member of the board can be removed if he shows low interest in continuing to serve as a member, causes problems to the board or the school, speak ill of ISP, does not support decisions on a continuous basis, or does not respect privacy and secrecy of board decisions. Involuntary removal of a board member shall be through a unanimous vote from board members.
5. The failure to elect the number of Board members to be elected at a meeting at which any Board members are to be elected; or,
6. The absence of a Board member from three (3) board meetings without excuse or prior approval of the President.

b) Resignations. Except as provided in this paragraph, any Board member may resign and the resignation shall be effective on giving written notice to the President of the Board or the Secretary unless the notice specifies a later time for the resignation to become effective. If the resignation of a Board member is effective at a future time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No Board member may resign if the Board would then be left without a duly elected Board member in charge of its affairs.

c) Vacancies filled by Board Members. Vacancies in the Board may be filled by a unanimous vote of the remaining Board then in office. Each Board member elected to fill a vacancy shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

**VI.6 DUTIES OF BOARD MEMBERS**

1. Board members must possess adequate levels of competence, credibility, and integrity, as well as commitment to enforce good corporate governance.
2. Board members are expected to be dedicated to the work of the organization and its vision for the future.
3. In addition to attending meetings, Board members lend their skills, expertise and talents to the organization through committees and special projects.
4. It is expected that each Board member regularly attends Board meetings and serves on one committee. Each committee should be chaired by a member of the Board.
5. Board members are expected to educate themselves about the school’s history, goals, current operations, fiduciary matters, policies, and concerns in order for casting an informed vote.
6. Each member of the Board should provide support to the growth of the organization.
7. It is expected that Board members would come to meetings prepared, having read the minutes of previous meetings and other pertinent materials, and would participate in the discussion of all matters before the Board.
8. Board members always respect confidentiality of Board discussions and shall not disclose discussions to friends, relatives, or anybody without authorization from the board.
9. A Board member should never seek to impose a personal agenda on the staff of the school or become involved in curricular issues individually. All actions requiring changes to be imposed on ISP staff or curriculum shall be discussed in a board meeting with all members.
10. Board members shall abide by the conflict of interest policy outlined by this document whether it business or personal related to avoid jeopardizing the effective functionality of the Board.
11. All Board members must sign a Code of Conduct.
12. All Board members must adhere to Ahl As-Sunah wa Aljamaa doctrine

**VI.7 PLACE OF MEETINGS**

Regular meetings of the Board may be held at any place within the State of Oregon that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings and special meetings shall be held at the School premises. Notwithstanding the above provisions of this Section, a regular or special meeting of the Board may be held at any place consented to in writing by all Board members. If consents are given, they shall be filed with the minutes of the meeting.

**VI.8 ANNUAL MEETING**

Annual meetings of the Board shall be held in the month of July/August for the purpose of goal assessment of the previous school year as well as planning for the coming year. Notice of this meeting shall be required. The term of new board members shall begin at the next board meeting after the annual meeting. The yearly schedule shall be approved and distributed to the Board members.

**VI.9 OTHER REGULAR MEETINGS**

Other regular meetings of the Board shall be held at least once a month. The Board secretary shall notify all Board members of the date, time and place of such meetings.

**VI.10 SPECIAL MEETINGS**

a) Authority to call: Special meetings of the Board for any purpose may be called at any time by the President of the Board or by any Board member to discuss an urgent issue.

  b) Notice:

(i) Manner of giving. Notice of the time and place of special meetings shall be given to each Board member by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the Board member or to a person at the Board member's home or office who would reasonably be expected to communicate such notice promptly to the Board member; or (d) by email. All such notices shall be given or sent to the Board member's address or telephone number as shown on the records of the School.

(ii) Time requirements. Notices sent by first-class mail shall be deposited into a United States mail box at least four (4) days before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least 48 hours before the time set for the meeting.

(iii) Notice contents. The notice shall state the purpose, time, and place for the meeting.

**VI.11 QUORUM**

A simple majority of Board members including the president shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 6.12 below. Every act or decision done or made by a majority of the Board present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Board members, if any action taken is approved by at least a majority of the required quorum for that meeting.

**VI.12 ADJOURNMENT**

A majority of the Board present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

**VI.13 NOTICE OF ADJOURNMENT**

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Board members who were not present at the time of the adjournment.

**VI.14 ACTION WITHOUT MEETING**

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

**VI.15 REMUNERATIONS AND COMPENSATION**

Directors as such shall not receive any remuneration for their services as Directors but nothing herein contained shall be construed to preclude any Director from serving the School in any other capacity and receiving compensation there from.

**VI.16 CONFLICT RESOLUTION**

All conflicts between board members shall be resolved by the president of the board. If the president is not capable of resolving the conflict or the conflict is between the president and members of the board and if the board is becoming dysfunctional as a result, it shall be arbitrated by the a 3rd party who is nonpartisan and is knowledgeable with Islamic and local Law. At this time, that person shall be Dr. Omar Shahin. If Dr. Shahin is not available, he can recommend others. If not possible, the board shall select another person with similar knowledge and non-partisanship.

## **VI.17 Parent-Teacher Association**

The Parent Teacher Association (PTO) is a body for parents and teachers to exchange ideas and lend helping hand to ISP to improve activities beyond the operations of the school. This body shall report and communicate to the ISP principal who will facilitate activities and study provided feedback.

The PTO mission is to, but not limited to the following:

1. Provide help to ISP by organizing celebration events, tutoring to students, fundraising through bake sales and similar events, and organizing sporting regular events
2. Exchange ideas to improve education and communicate such ideas to ISP staff, principal and board
3. Organize fundraising events to help ISP to acquire property, educational equipment, sport equipment and other needed equipment
4. Organize educational and fun trips.

The PTO serves as a body to complement operations at ISP and the following describes not it its scope:

* 1. The PTO efforts shall not replace ISP work and cannot interfere with the normal daily operations or carry out events during school operation times without an agreement from the Principal
  2. The scope is to help ISP by exerting a positive effort. Feedback to ISP officials should be with the intention to help ISP get better and thus the PTO shall not entice any effort to disrupt ISP operations
  3. The PTO shall fall under the direction of ISP Principal and thus cannot move on with any activity without the principal approval.

The board reserves the right to dissolve the PTO if it concludes at any point that PTO efforts are counterproductive to ISP mission or growth.

# **ARTICLE VII**

Principal

A. Duties and responsibilities of the Principal:

* The principal serves as the instructional leader to promote a productive working and learning environment.
* The school principal interviews prospective faculty member. The principal supervises and evaluates staff performance. The principal makes the decision of hiring/firing teachers and staff under direction from the board and in accordance with these bylaws.
* The principal is responsible for communicating the school's mission, goals and policies to teachers, students, parents and the community. The principal has autonomy to make decisions at the school in accordance with these bylaws and local laws. The principal is responsible for creating and updating students’ and teachers’ handbooks.
* The principal is the school’s academic administrator. The principal must work with teachers to meet curriculum standards and set goals and objectives. ISP principal is responsible for academic achievement and improvement at a school. The principal must routinely observe classrooms to gather information for the evaluation of staff and the curriculum. The principal must also oversee the identification and placement of special education students.
* The ISP Principal is responsible for the day-to-day activities of the school. The principal must direct or delegate everyday school operations. This includes but not limited to teacher assignments, class schedule development and activities ranging from fundraiser events, science fairs and parents-teachers conferences. The principal is responsible for ordering books and supplies.
* The principal is the lead disciplinarian at the school. The principal must follow school policy when it comes to discipline. The disciplinary techniques must be tactful and based on Islamic values and beliefs. The ultimate goal must be to foster a positive environment. The principal is also responsible for student safety and attendance, two areas related to discipline and academic performance.
* The Principal must serve as a mediator between parents and teacher. It is the job of all three parties to find a workable solution to an issue.
* The ISP principal is responsible to communicate with all necessary state agencies in order to arrange all necessary students testing and to schedule professional workshops for ISP teachers/staff.
* Develop and evaluate teachers. The principal is to assess staff skills at the beginning of the year and develop a plan with active participation of staff members. Teachers’ files should include these development plans with clear goals, yearly progress, and completion dates. Each staff member should be evaluated based on their performance and completion of development goals.
* The principal shall report financial data, general issues with the school, issues with teachers, school plans, changes in curriculum, student issues, and all other issues to the board on a monthly basis or on a need to know basis.
* The principal is expected to apply all board decisions.

B. Events causing the replacement of the Principal: Replacement of the Principal shall be deemed necessary upon the occurrence of any of the following:

(i) The death or resignation of the Principal;

(ii) A declaration by resolution of the Board concerning the Principal who has been declared of unsound mind by a final order of court or convicted of a felony;

1. A unanimous vote of the Board to remove the Principal based on unusually high staff turnover, violations of bylaws or Islamic Law, deviation from school goals, and a substantial drop in student enrollment due to the performance of the school. The Board must evaluate the principal on annual basis and document the evaluation process.

C. Procedure for the replacement of the Principal: Upon the need to replace the Principal, the following procedures shall be implemented:

(i) The Board shall issue a resolution appointing an acting Principal. The acting Principal shall be appointed for 60 days and this can be extended for an additional 30 days;

(ii) The Board shall appoint a Search Committee consisting of two current Board members and 3 independent educators. The purpose of the Search Committee is to find candidates for Principal, evaluate their qualifications, and make a final recommendation to the Board of directors. The Board shall reward the job by a 2/3rd vote.

1. The Board shall accept or reject the Search Committee’s final recommendation by 2/3 of vote;
2. If the Board rejects the Search Committee’s recommendation, then the Search Committee must find a new candidate to recommend to the Board; and
3. The process of hiring the new Principal shall be completed within 90 days of the appointment of the acting Principal.

**ARTICLE VIII**

BUDGET

a) The Board shall have a special meeting in August of each year to set up the operating budget for the upcoming school year including the determination of the tuition fee. The itemized budget shall contain a schedule of income, fees, and expenses for the ensuing fiscal year.

b) The fiscal year for the School shall commence on September 1st and end on August 30th of each calendar year.

**ARTICLE IX**

OFFICERS

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**IX.1 RESPONSIBILITIES OF OFFICERS**

a) President. The President of the Board shall preside at meetings of the Board and exercise and perform such other powers and duties from time to time assigned to the President by the Board or prescribed by these Bylaws. In addition, the President shall appoint committee chairpersons, and coordinate the work of the officers and committees.

b) Vice-President. The Vice-President shall preside, in the absence of the President or if there be none, at all meetings of the Board. The Vice-President shall have such other powers and duties as may be prescribed by the Board or by these Bylaws.

c) Secretary. The Secretary shall attend to the following:

* 1. The Secretary shall take accurate minutes at all meetings and distribute these minutes to the Board members for approval at the next meeting.

(ii) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book of approved minutes of all meetings and actions of Board members and committees, with the time and place of the holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

(iii) The Secretary shall keep or cause to be kept the names, addresses, and telephone numbers of all Board members.

(iv) The Secretary shall have such other powers and duties as may be prescribed by the Board or by these Bylaws.

(v) The Secretary shall give notice of meetings whenever notice is required.

(vi) Secretary of the Board shall coordinate with the Board members and prepare the agenda of the meeting. The meeting agenda shall be supplemented with the draft minutes of the previous meeting, prior approved minutes, and supporting documents such as the monthly financial statements and common reports, etc. The agenda and its attachments shall be distributed to Board members at least one (1) week prior to the next scheduled regular meeting.

d) Treasurer. The Treasurer shall attend to the following:

1. Books and records of account. The accounting records shall be kept in accordance with generally accepted accounting and auditing practices set up by American Institute of Certified Public Accountants (AICPA). The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the School, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The accounting records shall be open for review by any Board member with prior written request approved by the Board.

(ii) Deposit and disbursement of money and valuables. The Treasurer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of Islamic School of Portland with such depositories as may be designated by the Board; shall disburse or cause to be disbursed the funds of Islamic School of Portland as may be ordered by the Board; shall render to the Board, whenever they request it, an account of all of the transactions of the Treasurer and of the financial condition of Islamic School of Portland; and shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws. The Treasurer is the principal authorized signature for all checks issued and expense recognized. The co-signer should be President or Vice-president.

(iii) The Treasurer shall oversee the School’s revenue and expenditure reports and shall prepare the monthly operating revenue and expense report in compliance with the monthly budget. This report has to include the year-to-date annual budget.

(iv) The Treasurer shall regularly review the financial management of the School and shall annually develop a draft-operating budget for the review of the Board for the forthcoming academic year.

 All officers shall:

a) Perform the duties prescribed in the parliamentary authority in addition to those outlined in these By­laws and those assigned from time to time; and

(b) Deliver to their successors all official material no later than ten days following the appointment of their successors.

**ARTICLE X**

RECORDS AND REPORTS

**X.1 MAINTENANCE OF RECORDS**

The Board shall keep among other things:

a) Adequate and correct books and records of account;

b) Minutes in written form of the proceedings of the Board and its committees.

c) A record of its Board members, giving their names, addresses and telephone numbers.

All such records shall be kept at the School’s principal office.

**X.2 CONTRACTS, ETC., HOW EXECUTED**

The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of Islamic School of Portland, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind Islamic School of Portland by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

**ARTICLE XI**

AMENDMENTS

Unless indicated otherwise, these Bylaws may be amended or repealed by a unanimous vote of the Board of Directors at any duly organized meeting. The proposed change shall be mailed to the last record address of each Board member at least ten days before the time of the meeting, which is to consider the change.

### ARTICLE XII

# Fiscal Year

The fiscal year of the Corporation shall begin on September 1st and end August 31st of each year.

### ARTICLE XIII

# **XIII.1 Disposition of Assets**

a) No part of the net revenue over/under expense of Islamic School of Portland shall inure to the benefit of, or be distributable to its members, trustees, directors, officers or other private persons, except that Islamic School of Portland shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501 (c) (3) purposes. No substantial part of the activities of Islamic School of Portland shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and Islamic School of Portland shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf, or in opposition to, any candidate for public office.

b) Notwithstanding any other provision of these articles, Islamic School of Portland shall not carry on any other activities not permitted to be carried on (i) by a corporation/organization exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code (or corresponding section of any future Federal tax code) or (ii) by a corporation/organization, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code (or corresponding section of any future Federal tax code.)

c) Upon the dissolution of Islamic School of Portland , the net assets shall be distributed to another Islamic 501 (c) (3) nonprofit corporation to be determined by the Board of Trustees and the Board of Directors to be used exclusively for educational or other charitable purposes.

### ARTICLE XIV

**XIV.1 Indemnification**

The corporation shall indemnify any current or former or Director or any other person who may have to serve at the Board of Directors' request as a Director or officer of another corporation, against all liabilities, losses, fines, costs and expenses (including legal and attorney fees and amounts reasonably paid otherwise then to the corporation in the settlement or to secure the termination of litigation) reasonably incurred by or imposed upon such person in connection with or resulting from any action, suit or proceeding, civil or criminal, in which such person is made a party by reason of having been a Director or officer, except in relation to matters to which such person shall finally be adjudged, without right of further appeal in such action, suit or proceedings, to have been liable for willful misconduct in the performance of their duty as a Director or officer.

Such indemnification shall extend to the respective heirs, executers and administrators of each person so indemnified. The foregoing right of indemnification shall not be exclusive of other rights to which such Directors or officers may be entitled as a matter of law, by the articles, regulations, agreements, insurance, vote of members or otherwise. Expenses of each person indemnified hereunder may be paid by the Corporation in advance of the final disposition of any action, suit or proceeding if authorized by the Board of Directors whether a disinterested quorum exists or not, upon receipt of a letter agreement from the person to be indemnified to repay such expenses unless it shall ultimately be determined that the person is entitled to be indemnified by the Corporation.

#### ARTICLE XV

CONFLICT OF INTEREST POLICY

All board members and ISP staff shall not put themselves in a conflict of interest position and shall report any potential conflict of interest situation to the board of directors. A conflict of interest is any action or situation leading to make or perceived to make a decision leading to personal or financial gain to the member.

**XV.1 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 or otherwise interest, as defined below.
2. **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 Organization has a transaction or arrangement.
   2. A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization 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. 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.

**XV.2 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*
   1. An interested person may make a presentation at the governing board or committeemeeting, but after the presentation, he/she shall leave the meeting during the discussionof, and the vote on, the transaction or arrangement involving the possible conflict ofinterest.
   2. 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.
   3. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
   4. 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 Organization’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*
   1. If the governing board or committee has reasonable cause to believe a member hasfailed to disclose actual or possible conflicts of interest, it shall inform the member of thebasis for such belief and afford the member an opportunity to explain the alleged failureto disclose. b. If, after hearing the member’s response and after making further investigation aswarranted by the circumstances, the governing board or committee determines themember has failed to disclose an actual or possible conflict of interest, it shall takeappropriate disciplinary and corrective action.

**XV.3 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 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.

**XV.4 Compensation**

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization 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 Organization 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 jurisdictionincludes compensation matters and who receives compensation, directly or indirectly,from the Organization, either individually or collectively, is prohibited from providinginformation to any committee regarding compensation.

**XV.5 Annual Statements**

Each director, principal officer and member of a committee with governing boarddelegated 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 Organization is charitable and in order to maintain its federal taxexemption it must engage primarily in activities which accomplish one or more of its tax-exempt

**XV.6 Periodic Reviews**

To ensure the Organization 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 the result of arm’s length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization’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.

**XV.7 Use of Outside Experts**

When conducting the periodic reviews as provided for in previously, the Organization 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 areconducted.

## LIMITATIONS OF THESE BYLAWS

The Bylaws of Islamic School of Portland are subject to the Articles of Incorporation.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of the Board of Directors of Islamic School of Portland and the above Bylaws, consisting of \_\_\_\_ pages, are the Bylaws of Islamic School of Portland as originally adopted at a meeting of the Board held on \_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary