

# BYLAWS

## HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION EDUCATIONAL FOUNDATION

### ARTICLE I

The name of the corporation shall be HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION EDUCATIONAL FOUNDATION. For the purpose of identification and brevity the HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION EDUCATIONAL FOUNDATION hereinafter shall be referred to as the "Foundation".

### ARTICLE II PURPOSES

**SECTION 1. Not for Profit.** The Foundation is organized under and shall operate as an Illinois Not for Profit Corporation, and shall have such powers as are now or may hereafter be granted by the General Not for Profit Corporation Act of the State of Illinois.

**SECTION 2. Purposes.** The purposes of the Foundation are:

To receive and administer funds and property for educational purposes, including, without limitation, (a) the instruction or training of individuals and groups, utilizing discussion groups, forums, panels, lectures or similar programs, and through various courses of instruction for the purpose of improving or developing their capabilities in the field of healthcare financial management; (b) research into the field of healthcare financial management for the purpose of improving the scope and content of such instruction and training and the dissemination to the public generally of information and data obtained as the result of such research; and other general educational activities as permitted by the Illinois General Not for Profit Corporation Act.

**SECTION 3. Rules.** The following rules shall conclusively bind the Foundation and all persons acting for or on behalf of it:

- (a) No part of the net earnings of the Foundation shall inure to the benefit of any private individual.
- (b) No substantial part of the activities of the Foundation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the Foundation shall not

participate in or intervene in (including publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

(c) The following transactions shall be specifically prohibited by the Foundation:

- (1) the loan of any part of the Foundation's income or corpus, without the receipt of adequate security and a reasonable rate of interest, to --
- (2) the payment of any compensation, in excess of reasonable allowance for salary and other compensation for personal services actually rendered, to --
- (3) the making of any part of the Foundation's services available on a personal basis, to --
- (4) the making of any substantial purchase of securities or any other property for more than adequate consideration in money or money's worth, from --
- (5) the sale of any substantial part of the Foundation's securities or other property for less than adequate consideration in money or money's worth, to -- or
- (6) engaging in any other transaction which results in a substantial diversion of the Foundation's income or corpus, to --

any of the incorporators or directors of the Foundation, any person who shall have made a substantial contribution to the Foundation, a member of the family of any such incorporator director or person having made a substantial contribution, or a corporation controlled by any such incorporator, or director or any person having made a substantial contribution or any member of the family of any such incorporator, director, or person having made a substantial contribution.

(d) Notwithstanding any other provision of these bylaws, the Foundation shall not carry on any other activities not permitted to be carried on:

- (1) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or
- (2) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

- (e) In the event of the dissolution of the Foundation, the Board of Directors shall provide for satisfaction of all the Foundation's liabilities, after which the assets of the Foundation shall be dedicated or transferred only in accordance with the purposes of the Foundation, as stated in Section 2 above.
- (f) The Foundation shall not adopt any practice, policy or procedure which would result in discrimination on the basis of race, color, religion, sex, national origin, age, or disability.

### **ARTICLE III OFFICES**

**SECTION 1. Registered Office and Agent.** The Foundation shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with such registered office, and may have such other offices within or without the State of Illinois as the Board of Directors may from time to time determine.

### **ARTICLE IV MEMBERS**

The Foundation shall have no members.

### **ARTICLE V BOARD OF DIRECTORS**

**SECTION 1. General Powers.** The affairs of the Foundation shall be governed by its Board of Directors.

**SECTION 2. Number and Composition.** The Board of Directors of the Foundation shall consist of all directors and officers of the Healthcare Financial Management Association (the "Association").

**SECTION 3. Term of Office.** Each director shall hold office for the tenure of his or her term as an officer or director of the Association. Each director shall hold office until a successor has been elected and qualified, or until such director's earlier death, resignation, or removal. Any director ceasing to serve for any cause, including expiration of term, resignation or removal, as an officer or director of the Association shall thereupon cease to be a director of the Foundation.

**SECTION 4. Regular Meetings.** A regular annual meeting of the Board of Directors shall be held without other notice than these Bylaws. The Board of Directors may provide by resolution the time and place, either within or without the State of Illinois, for holding additional regular meetings of the board without other notice than such resolution.

**SECTION 5. Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the Chair of the Board, the Chair-Elect of the Board, the President or a majority of the directors. The person or persons authorized to call special meetings of the board may fix any place, either within or without the State of Illinois, as the place for holding any special meeting of the board called by them.

**SECTION 6. Notice.** Notice of any special meeting of the Board of Directors shall be given at least fifteen days prior thereto by written notice delivered personally or sent by mail or electronically, to each director at this address as shown by the records of the Foundation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid or if by electronic notification. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise provided in Article XIII, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**SECTION 7. Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board, provided, that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**SECTION 8. Manner of Acting.** The act of majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these bylaws.

**SECTION 9. Proxy Prohibited, Presumption of Assent.** No director may act by proxy on any matter. A director who is present at a meeting at which action on any corporate matter is taken by the Board of Directors, or by a committee thereof acting on its behalf, is conclusively presumed to have assented to the action taken unless such director's dissent or abstention is entered in the minutes of the meeting or unless such director files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment of such meeting or forwards such dissent or abstention by registered or certified

mail to the Secretary-Treasurer immediately after the adjournment of such meeting. Such right to dissent or abstain does not apply to a director who voted in favor of such action.

**SECTION 10. Attendance By Communication Equipment.** Directors or non-director committee members may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

**SECTION 11. Informal Action by Board.** Any action required to be taken at a meeting of the Board of Directors, or any action which may be taken at a meeting of the board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all directors entitled to vote with respect thereto.

**SECTION 12. Compensation.** No director shall receive compensation for their services as a director, but by resolution of the Board of Directors, reasonable expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board. Nothing herein contained shall be construed to preclude any director from serving the Foundation in any other capacity and receiving compensation therefore.

## **ARTICLE VI**

### **Officers**

**SECTION 1. Officers.** The officers of the Foundation shall be directors of the Foundation and shall include a Chair of the Board, a Chair-Elect of the Board, a President, a Secretary/Treasurer and such other officers as may be elected or appointed in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers, including one Assistant Secretary as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except that no individual may hold any two or more of the offices of Chair of the Board, Chair-Elect of the Board, President and Secretary/Treasurer.

**SECTION 2. Election and Term of Office.** The officers of the Foundation shall be elected annually by the Board of Directors. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

**SECTION 3. Resignation and Removal.** Any officer may resign by giving notice to the President or the Secretary/Treasurer. A resignation is effective when the notice is delivered unless the notice specifies a later date. Any officer or agent elected or appointed by the Board of Directors may be removed by a majority of the Board of Directors whenever in the judgment of such majority the best interests of the Foundation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**SECTION 4. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 5. Chair and Chair-Elect.** The Chair of the Board shall be the chief elected officer of the Foundation and shall preside at all meetings of the Board of Directors of the Foundation. In the absence of the Chair or in the event of his or her inability or refusal to act, the Chair-Elect of the Board shall perform his duties.

**SECTION 6. President.** The Board of Directors shall appoint a chief executive officer of the Foundation who shall have the title of President. The President may be the same individual who is also acting as President of the Healthcare Financial Management Association. The President shall in general supervise and control all of the business and affairs of the Foundation. The President may sign, with the Secretary/Treasurer or any other proper officer of the Foundation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the Foundation; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. In the absence of both the Chair and the Chair-Elect, or in the event of the inability or unwillingness of each of them to act, the President shall preside at meetings of the Board of Directors of the Foundation.

**SECTION 7. Secretary/Treasurer.**  
The Secretary/Treasurer shall:

1. be custodian of or shall supervise the custodianship of the corporate records
2. review with the President reports to be presented to the Board of Directors and its committees regarding financial plans and results of operations.
3. review any recommendations of the auditor regarding procedural changes necessary to safeguard assets and to report the results of operations accurately;
4. discharge the duties specifically imposed on the Secretary or Treasurer by the Illinois General Not For Profit Corporation Act, and Articles of Incorporation of HFMA, its

- Constitution, or these bylaws;
5. in general perform all duties incident to the office of Secretary/Treasurer except to the extent such duties may be otherwise expressly provided for in these Bylaws; and
  6. perform such other duties as may be assigned from time to time by the Board of Directors

**SECTION 8. Assistant Secretary.** The Assistant Secretary, in general, shall attend all meetings of the membership and the Board of Directors for the purpose of recording the proceedings and shall perform other such duties as shall be assigned by the Board of Directors or Chair. The Assistant Secretary may be reappointed for succeeding terms as the board shall think fit.

## **ARTICLE VII COMMITTEES**

**SECTION 1. Committees of Directors.** The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, each of which shall consist of two or more directors, which committees, to the extent permitted by law and provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Foundation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law.

**SECTION 2. Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the Foundation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be directors, and the Chair of the Board of the Foundation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Foundation shall be served by such removal.

**SECTION 3. Term of Office.** Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the Foundation and until his successor is appointed and shall have qualified, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

**SECTION 4. Chair.** One member of each committee shall be appointed Chair.

**SECTION 5. Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**SECTION 6. Quorum and Action.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Committees shall act in the manner provided in these Bylaws for action by directors.

**SECTION 7. Rules.** Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

## **ARTICLE VIII CHAPTERS**

**SECTION 1. Establishment.** Chapters of the Foundation may be established by charter wherever the Board of Directors may approve, subject to the provisions of the bylaws and regulations prescribed by the Board of Directors.

**SECTION 2. Revocation of Charters.** Charters for the operation of chapters may be revoked at any time in such manner and after such investigation as the Board of Directors may deem necessary. Upon the revocation of a chapter charter, all funds in the chapter treasury and all chapter records shall be turned over to the President of the Foundation as the property of the Foundation.

**SECTION 3. Requirements.** The Foundation's various chapters shall be subject to the terms and conditions set forth in their original charters, as granted by the Foundation and as may be amended by the Foundation from time to time. Additionally, in recognition of the relationship between the Foundation and its various chapters, all actions and activities of chapters shall be in accordance with the Constitution, bylaws, policies, procedures, and regulations of the Foundation (including those relating to Federal, state, and local income tax law requirements, if any, antitrust compliance, disciplinary procedures, and use of trademarks and other intellectual property in which the Foundation owns or claims rights). Chapters shall not obligate or otherwise make the Foundation liable for any expenditures or commitments or the advancement of such positions shall first have been approved in writing on behalf of the Foundation by an authorized officer thereof.



**ARTICLE IX**  
**CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

**SECTION 1. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Foundation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation and such authority may be general or confined to specific instances.

**SECTION 2. Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation, shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**SECTION 3. Deposits.** All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies or other depositories as may be selected from time to time.

**SECTION 4. Gifts.** The Board of Directors may accept on behalf of the Foundation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Foundation.

**ARTICLE X**  
**BOOKS AND RECORDS**

The Foundation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

**ARTICLE XI**  
**FISCAL YEAR**

The fiscal year of the Foundation shall begin on the first day of June and end on the last day of May in each year.

**ARTICLE XII  
WAIVER OF NOTICE**

Whenever any notice whatever is required to be given under the provision of the General Not for Profit Corporation Act of Illinois or under the provisions of the articles of incorporation or the bylaws of the Foundation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XIII  
AMENDMENTS TO BYLAWS**

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the directors present at any regular meeting or at any special meeting of the Board of Directors, provided that at least fifteen days written notice is given of intention to alter, amend or repeal to adopt new bylaws at such meeting.

**ARTICLE XIV  
INDEMNIFICATION**

The Foundation shall indemnify all officers and directors of the Foundation to the full extent permitted by the General Not for Profit Corporation Act of the State of Illinois, and shall be entitled to purchase insurance for such indemnification of officers and directors to the full extent as determined from time to time by the Board of Directors of the Foundation.

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