

**BYLAWS
of
Health Literacy Texas
Adopted 1/15/2021**

Preamble

To the extent required by law, these Bylaws are subject to, and governed by the applicable provisions of titles 1 and 2 of the Texas Business Organizations Code and the Certificate of Formation issued by the Texas Secretary of State for Health Literacy Texas. In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the Texas Business Organizations Code or the Certificate of Formation, the Texas Business Organizations Code and the Certificate of Formation will be controlling.

ARTICLE I.

NAME/PURPOSE/POWERS

Section 1.01 Organizational Name/Directors. The organization shall hereafter be known as **Health Literacy Texas**. The names and addresses of the persons who are the initial Directors of Health Literacy Texas are as follows:

- Teresa Wagner, President
- Melanie Stone, Vice-President
- Jason McBride, Treasurer
- Anabel Rodriguez, Secretary
- Howaida Werfelli
- Debra Flores
- Christina Tuell
- Kate Martin
- Christine Yanas

Section 1.02 Purpose. Health Literacy Texas is organized for the following identified purpose(s):

- (a) Health Literacy Texas is organized and shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the

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Internal Revenue Code of 1986, as amended (the "Code") or the corresponding section of any future federal tax code. More specifically, Health Literacy is dedicated to:

- i. Undertaking those activities at the state and local level which support or otherwise expand the degree to which individuals have the ability to find, understand, and use information and services to inform health-related decisions and actions for themselves and others as well as the degree to which organizations equitably enable individuals to find, understand, and use information and services to inform health-related decisions and actions for themselves and others - more commonly known and referred to as health literacy - to include, but not be limited to, activities such as: advocacy, education, employment, empowerment, and policy recommendation and development.

This work seeks to improve the overall health of Texans through expanding the capacity of health literate delivery and thus, promoting a better understanding of health information by the community; and

- ii. Engaging in any and all lawful activities incidental to the foregoing purposes, except as otherwise restricted herein.

Section 1.03 Powers. Health Literacy Texas is a non-profit corporation and shall have all of the powers, duties, authorizations, and responsibilities as provided in the Texas Business Organizations Code; provided, however, Health Literacy Texas shall neither have nor exercise any power directly or indirectly or engage in any activity that would invalidate its status as a corporation that is or may become exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code nor shall Health Literacy exercise any power which may be expressly restricted herein or as follows:

- i. Health Literacy Texas is not organized for profit, and no part of the net earnings of this organization shall inure to the benefit of, or be distributable to, any member of the Board of Directors or any other private person, individual or organization except that this organization may make payments of reasonable compensation for services rendered, for reimbursements issued by the Secretary for approved purchases, and/or for direct organization functions including but not limited to conferences and meetings, which shall all be and are in furtherance of the authorized purposes set forth in Section 1.02 hereof.
- ii. The organization will be primarily engaged in activities or functions that are the basis for its exemption and will be primarily supported by membership dues and other income from activities substantially related to its exempt purpose.
- iii. No substantial part of the activities of Health Literacy Texas shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code,

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or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. In addition, Health Literacy Texas shall not operate a social club or carry on business with the general public in a manner similar to an organization operated for profit.

iv. Nondiscrimination Policy – Health Literacy Texas will not practice or permit any unlawful discrimination on the basis of sex, age, race, color, national origin, religion, physical handicap or disability, or any other basis prohibited by law.

1.04 Distribution Upon Dissolution. Upon the dissolution of the corporation, assets 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. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine is lawful, which are organized and operated exclusively for such public purposes.

ARTICLE II.

OFFICES AND REGISTERED AGENT

Section 2.01 Principal Place of Business: The principal place of business of the Organization is located in Fort Worth, Texas. The Organization may have such other offices, either within the State of Texas, as the Board may determine or as the affairs of the Organization may require from time to time.

Section 2.02 Registered Office and Registered Agent: The Organization shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is the Organization's registered office, as required by the Texas Business Organizations Code.

(a) *Acceptance of Appointment.* The Registered Agent shall provide written Consent to Serve as Registered Agent pursuant to Texas Business Organizations Code §5.201(b). The written consent shall be maintained in the records of the Organization.

(b) *Registered Office.* The registered office may, but need not, be identical to the principal office of the Organization in the State of Texas, and the address of the registered office may be changed from time to time by the Board in accordance with applicable law.

ARTICLE III.

AUTHORITY AND DUTIES OF DIRECTORS

Section 3.01 Authority of Directors: The Board of Directors (“the Board”) is the governing body and may exercise all the powers and authority granted to the Organization by law. The Board shall oversee the Organization’s operations as guided by the Certificate of Formation and Bylaws.

Section 3.02 Number of Directors: The Board shall consist of no more than nine (9) or fewer than five (5) Directors. The number of Directors may be increased or decreased by Board resolution or amendment to these bylaws; however, a change in the number of Directors shall not remove a Director from his or her position as a Director prior to the expiration of his or her term of office. At all times, the majority of the members of the Board of Directors shall be appointed by Resolution of the Board of Directors of the Organization. In the event that the number of Directors is zero, a nominating committee may appoint Directors to serve until the next meeting of the Board of Directors.

Section 3.03 Election and Term of Directors:

(a) The first Board of Directors of the Organization shall consist of those persons named in the Certificate of Formation. Such persons shall hold office until the first election of Directors. Thereafter, at each Annual Meeting of the Board of Directors, Directors shall be elected, each Director to hold office for a term of three years and until his or her successor has been elected and qualified; however, Directors shall be elected so that the terms of approximately one-half of the Directors shall expire in alternate years. Directors may serve consecutive terms, but for no more than 2 consecutive terms.

(b) The Board shall set the number of Directors to be elected at each Annual Meeting, so long as the total number of Directors does not exceed nine (9). The majority of the Directors of the Organization shall be appointed by Resolution of the Board of Directors of the Organization. The remaining members of the Board of the Organization may be appointed by the Board of the Organization. In making such appointments, the Organization may obtain the advice of the Organization's Board, its members, or the members of the Organization itself.

Section 3.04 Resignation and Removal: Resignations are effective upon receipt by the Secretary (or receipt by the President or other officer if the Secretary is resigning) of written notification or a later date if provided in the written notification. One or more Directors may be removed at a meeting called for that purpose, with or without cause, by a majority vote of the entire Board. If a Director fails to attend three consecutive meetings of the Board, depending on his or her reasons for not attending the meetings, as well as any other relevant factors, the Board of Directors may declare the position vacant by majority vote.

Section 3.05 Vacancies: Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of a term may be filled by the Board. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until his or her successor is elected and qualified.

Section 3.06 Meetings: The Board shall hold at least (1) regular in-person (or virtual) meeting annually, which shall be known as the Annual Meeting, monthly meetings, and any other regular meetings

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to be designated by the President in a notice to the Board. Special meetings may be called by any two (2) Directors with telephone or written notice, including notice by electronic mail. The notice of any meeting shall state the date, time, and place of such meeting.

Section 3.07 Notice and Waivers of Notice: Notice of each regular meeting of the board must be given at least two days prior to the date of the meeting. Whenever notice is required to be given to any Director under any provision of law, the Certificate of Formation, or these Bylaws, a written waiver signed by each Director entitled to such notice, whether before or after the time stated in the notice is equivalent to giving notice. The presence of any Director at a meeting, whether in person or by telephone conference who does not object to the lack of notice is considered to have waived notice of the meeting.

Section 3.08 Quorum and Voting: Unless a greater proportion is required by law, a quorum is a majority of the total number of Board members in office. All decisions will be by majority vote of those present at a meeting at which a quorum is present. In the event that a quorum is not present, voting may be conducted via online voting by Board members.

Section 3.09 Action Without a Meeting: Any action required or permitted to be taken at a meeting of the Board (including amendment of these Bylaws or the Certificate of Formation) or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be.

Section 3.10 Participation in Meeting by Conference Telephone: Any or all members of the Board may participate in a meeting by conference telephone, electronic presence (such as Zoom or Teams) or similar communications equipment, so long as members participating in such meeting can hear one another. Such participation shall constitute presence in person at the meeting.

Section 3.11 Compensation of Directors: Directors shall not be compensated for serving on the Board, but the Organization may reimburse Directors for documented reasonable expenses incurred in the performance of their duties to the Organization.

ARTICLE IV.

COMMITTEES

Section 4.01 Composition: The Board may designate committees and appoint advisory committee members. Committees shall consist of at least seven (7) individuals but be limited to twenty-one (21).

Section 4.02 Procedures & Authority: The Board may make provisions for appointment of the Chair, establish procedures to govern their activities, and delegate authority as may be necessary or desirable for the efficient management of the property, affairs, business, and/or activities of the Organization.

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Section 4.03 Non-delegation of Fiduciary Duty: The designation and appointment of any such committee 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 or her by law.

ARTICLE V.

AUTHORITY AND DUTIES OF OFFICERS, AGENTS, AND EMPLOYEES

Section 5.01 Officers: The officers of the Organization shall be a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board may designate. An exception can be made for two (2) or more offices which may be held by the same person, as needed in an interim state except the offices of Secretary and President.

Section 5.02 Election of Officers; Terms of Office: The President, shall serve a 2-year term and the Vice President, the Secretary, and the Treasurer as well as any other officers, shall serve 2-year terms, and shall be elected by the Board at its Annual Meeting in each year. The terms of office shall expire at the next succeeding Annual Meeting and shall be filled by the Board, at a meeting or by action in writing pursuant to Section 2.09 for a term expiring at the next succeeding Annual Meeting. Officers shall be eligible for reelection, but they shall not exceed two (2) consecutive terms.

Section 5.03 Powers and Duties of Officers: Subject to the control of the Board of Directors, all officers shall have such authority and shall perform such duties as may be provided in these Bylaws or by resolution of the Board.

- (a) President: The President shall preside at all meetings of the Board of Directors, shall perform all duties customary to that office, and on behalf of the Board of Directors shall supervise - on behalf of the Board of Directors - all of the affairs of the Organization in accordance with the policies and directives approved by the Board of Directors. Upon completion of their tenure, President will serve as Immediate Past President for a period of 2 years.
- (b) Vice-President: In the absence of the President or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President and shall have all of the powers of and be subject to all restrictions upon the President. The Vice-President shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe by resolution or as the President may from time to time provide, subject to the powers and supervision of the Board of Directors. Upon completion of their tenure, the Vice-President becomes President.

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- (c) Immediate Past President: The office of Immediate Past President will be filled by the individual who served as the President the previous year, and in general shall perform all duties customary to the office of Immediate Past President.
- (d) Secretary: The Secretary shall be responsible for the keeping of an accurate record of the proceedings of all general meetings and meetings of the Board of Directors, shall give or cause to be given all notices in accordance with these Bylaws or as required by law, and in general shall perform all duties customary to the office of Secretary.
- (e) Treasurer: The Treasurer shall be responsible for all funds and securities of the Organization. He or she shall keep complete and accurate accounts of receipts and disbursements of the Organization and shall deposit money and other valuable property of the Organization in the name and to the credit of the Organization in banks or depositories designated by the Board of Directors. Whenever required by the Board of Directors, the Treasurer shall prepare and provide a statement of accounts. The Treasurer shall at all reasonable times exhibit the books and accounts to any officer or Director of the Organization and shall perform all other duties incident to the office of Treasurer, subject to the supervision of the Board. If required by the Board, the Treasurer shall give such bond or security for the faithful performance of his or her duties, for which the Treasurer shall be reimbursed.

Section 5.04 Resignation: Resignations are effective upon receipt by the Secretary (or receipt by the President or other officer if the Secretary is resigning) of written notification or a later date if provided in the written notification.

Section 5.05 Removal: One or more officers may be removed by the Board at a meeting called for that purpose, with or without cause. Refer to section 3.04

Section 5.06 Vacancies: Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of a term may be filled by the Board for the remainder of the unexpired term.

Section 5.07 Executive Director: The Board of Directors may hire an Executive Director of the Organization. The Executive Director shall be a nonvoting member of the Organization. The Executive Director shall have general and active management of the programs and affairs of the Organization and shall see that all orders and resolutions of the Board are carried into effect, subject to the supervision of the Board of Directors. The Executive Director shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe. Unless a contract, these bylaws, or a law provide otherwise, the Board may remove the hired Executive Director at any time with or without cause at a meeting called for that purpose. A resolution to remove the Executive Director requires the vote of three-quarters of the total membership of the Board of Directors

ARTICLE VI.

MEMBERS

Section 6.01 No Membership Classes: The corporation shall have no members who have any right to vote or title interest in or to the corporation, its properties and franchises.

Section 6.02 Non-Voting Affiliates: The officers may approve classes of non-voting affiliates with rights, privileges, and obligations established by the board. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the corporation. The board, a designated committee of the board, or any duly elected officer in accordance with board policy, shall have authority to admit any individual or organization as an affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates' rights, privileges, and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the board of directors, affiliates may be given endorsement, recognition and media coverage at fundraising activities, or other events, or at the corporation website. Affiliates have no voting rights, and are not members of the corporation.

Section 6.03 Member Dues: Any dues for affiliates shall be determined by the Board of Directors.

ARTICLE VII.

INDEMNIFICATION

Section 7.01 Definitions:

“Matter” shall mean any actual or threatened civil, criminal, or administrative action, arbitration proceeding, claim, suit, proceeding, or appeals therefrom, or any criminal, administrative, or congressional (or other body’s) investigation, hearing, or other proceeding.

“Eligible Person” shall mean any person who at any time was or is a Director, a member of any committee or subcommittee, an officer, an agent, an employee, or a volunteer of the Organization.

Section 7.02 Right to Indemnification: Any Eligible Person made a party to or respondent to a Matter by reason of his or her position with or service to the Organization shall, to the fullest extent permitted by law, be indemnified by the Organization against all liabilities and all expenses reasonably incurred by him or her arising out of or in connection with such Matter, except in relation to Matters as to which (i) the Eligible Person failed to act in good faith and for a purpose which he or she reasonably believed to be in the best interests of the Organization, (ii) in the case of a criminal Matter, the person had reasonable cause to believe that his or her conduct was unlawful, or (iii) the person shall be adjudged to be liable for misconduct or negligence in the performance of a duty.

Section 7.03 Limitation on Right of Indemnification: Except where an Eligible Person has been successful on the merits with respect to such Matter, any indemnification hereunder shall be made only after (i) the Board (acting by a quorum consisting of Directors who were not involved in such Matter) determines that the Eligible Person met the applicable indemnification standard set forth in Section 7.02 above; or (ii) in the absence of a quorum, a finding is rendered in a written opinion by independent legal

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counsel that the person or persons met the applicable indemnification standard set forth in paragraph Section 6.02 above.

Section 7.04 Other Rights: The right of indemnification provided hereunder shall not be deemed exclusive of any other right to which any person may be entitled in addition to the indemnification provided hereunder. This indemnification shall in the case of the death of the person entitled to indemnification inure to the benefit of his or her heirs, executors or other lawful representative.

Section 7.05 Interim Indemnification: The Organization shall, with respect to a Matter described in Section 6.02, advance attorney's fees as interim indemnification to any Eligible Person if the following conditions are satisfied: (i)(a) the Board (acting by a quorum consisting of Directors who are not involved in such litigation) determines that the Eligible Person is likely to meet the applicable indemnification standard set forth in Section 6.02 above, or (b) in the absence of such a quorum, a finding is rendered in a written opinion by independent legal counsel that the Eligible Person is likely to meet the applicable indemnification standard set forth in Section 6.02 above; and (ii) the Eligible Person (a) requests interim indemnification, (b) agrees to repay the interim indemnification promptly upon a determination unfavorable to him or her under Section 6.03, and (c) deposits a bond or equivalent security.

Section 7.06 Insurance: The Board may authorize the purchase of and maintain insurance on behalf of any Eligible Person against any liability asserted against or incurred by him/her which arises out of such person's status in such capacity or out of acts taken in such capacity, whether or not the Organization would have the power to indemnify the person against that liability under law.

ARTICLE VIII.

CONFLICT OF INTEREST POLICY

Section 8.01 Purpose: The purpose of the conflict of interest policy is to protect the Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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 8.02 Definitions:

"Interested Person": Any Director, principal officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

"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 Organization has a transaction or arrangement;

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(b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or

(c) Is considering an ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

“Compensation”: Direct and indirect remuneration, including gifts or favors that are not insubstantial.

“Conflict of Interest”: A conflict between the personal or financial interests and the official or professional responsibilities of a person in a position of trust. A “Conflict of interest” includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract. A financial interest is not necessarily a conflict of interest. Under Section 8.03 (b), a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

Section 8.03 Procedures:

(a) *Duty to Disclose*: If an actual or possible conflict of interest arises, 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 considering the proposed transaction or arrangement.

(b) *Determining Whether a Conflict of Interest Exists*: After disclosure of the financial interest, whether direct or indirect, disclosure of all material facts, and after any discussion with the interested person, he or 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*:

- (i) An interested person may make a presentation at the Board or committee meeting, but after the presentation he or she shall leave the meeting during the discussion of and the vote on the transaction or arrangement involving the possible conflict of interest.
- (ii) The Chair or President of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (iii) After exercising due diligence, the 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.

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- (iv) 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 or committee members 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.

(d) *Violations of the Conflicts of Interest Policy:*

- (i) 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.
- (ii) 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 8.04 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.
- (c) Records will be provided electronically, via e-mail to BOD members.

ARTICLE IX.

FINANCIAL ADMINISTRATION

Section 9.01 Fiscal Year: The fiscal year of the Organization shall be January 1 to December 31 but may be changed by resolution of the Board.

Section 9.02 Loans to Management: The Organization will make no loans to any of its Directors or Officers.

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Section 9.03 Checks, Drafts, and Contracts: The Board of Directors shall determine who shall be authorized to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other instruments of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments on the Organization's behalf.

(a) *Checks*: All checks drawn on the funds of the Organization must have two signatories, at least one of which must be a member of the Board of Directors.

(b) *Approval of Contracts*: The Board of Directors shall approve any contract that creates a financial obligation on behalf of the Organization in advance of acceptance of the contract.

Section 9.04 Reimbursement: Requests for reimbursement by any member of the Board of Directors, officer or agent must be submitted within 6 months of the date the expense is incurred. The request for reimbursement must be accompanied by receipts and any other supporting documents matching the amount requested for reimbursement.

Section 9.05 Annual Financial Statements: Complete financial statements prepared in conformity with generally accepted accounting principles (GAAP), accompanied by an audit report of an independent certified public accountant, may be presented to and reviewed by the Board after the close of each fiscal year. Financial statements should include: (i) significant categories of contributions and other income; (ii) expenses reported in categories corresponding to the description of major programs and activities contained in the Organization's annual report, solicitations and other informational materials; (iii) a detailed schedule of expenses by natural classification (e.g., salaries, employee benefits, occupancy, postage, etc.), representing the natural expenses incurred for each major program and supporting activity; (iv) accurate presentation of all fundraising and administrative costs; and (v) total costs and the basis for allocating any fund-raising or other expenses associated with multi-purpose activities (e.g., fund raising combined with social advocacy or public education campaigns).

Section 9.06 Audit: The Board of Directors may authorize an audit of the Organization.

Section 9.07 Procurement Policy: The policies and procedures below will be followed when equipment, materials, supplies, property, or services are purchased for the benefit of the organization and/or its members.

(a) *Conflict of Interest*: All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the Conflict of Interest Policy set forth in Article VIII of these Bylaws. No director, employee, or agent will participate in the selection or acceptance of a contract involving a conflict of interest without the approval of the board.

(b) *Purchase of Items for Personal Use*: Directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services shall not use such items for personal use.

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- (c) *Receipt of Gratuities:* Directors, employees, or agents of Health Literacy Texas shall not solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with the nonprofit.
- (d) *Purchase of Items Not Approved in the Budget:* Directors, employees, or agents shall not solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the board.
- (e) *Cost Analysis:* The nonprofit shall conduct a cost analysis and document the analysis in the procurement files in conjunction with every purchase. The procurement file should include a justification for the lack of competition if competitive bids or offers are not obtained.
- (f) *Contract with Winning Bidder:* If a contract is competitively bid, Health Literacy Texas will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms.
- (g) *Acquisition Procedure:* Health Literacy Texas will conduct all procurement transaction in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. Health Literacy Texas reserves the right to reject any bids or offers if deemed to be in its best interest.
- (h) *Purchases:* The Board of Directors must approve all purchases made on behalf of the nonprofit. Two approved signatories are required for all checks.
- (i) *Property and Inventory Policy:* When purchasing property (both real estate and equipment), the title must be in the name of Health Literacy Texas. A list of all property owned by the nonprofit shall be kept showing the type of property, identification number, original cost, and depreciated value.
- (j) *Grant Proposals:* The Board of Directors must approve all grant proposals made on behalf of the nonprofit prior to submission. This includes the entire proposal, budget, narrative and work plan.
- (k) *Whistleblower Policy:* Health Literacy Texas will not retaliate against an individual who discloses or threatens to disclose to a supervisor, board member or a public body, any activity, policy, or practice of Health Literacy Texas that the employee reasonably believes is in violation of a law, or a rule or regulation mandated pursuant to law, or is in violation of a clear mandate or public policy concerning the health, safety, welfare, or protection of the environment.

ARTICLE X.

RECORDS

Section 10.01 Recordkeeping: The Secretary or his or her designee shall keep or cause to be kept adequate minutes of all Board or committee reflecting at a minimum the names of those in attendance, any resolutions passed and the outcomes of any votes taken.

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Section 10.02 Public Disclosure: After receiving IRS recognition of its 501(c)(3) status, Health Literacy Texas shall keep available for public inspection at its principal place of business and any branch office copies of the Form 1023 (exemption application) as filed and any Form 990 (information tax return) filed within the past three years. Names and identifying information of contributors shall be redacted from publicly available copies. In addition, as required by the tax code and regulations, Health Literacy Texas shall either (i) make such materials widely available to the public, such as by posting on the Internet, or (ii) provide copies of the materials to any member of the public making a request in person during normal business hours or in writing. This public disclosure obligation shall be no broader than required by law and shall not apply, for example, if the Organization is the target of a campaign of harassment.

Section 10.03 Record Retention and Destruction Policy:

(a) *Scope*: All employees, directors and officers of Health Literacy Texas must comply with the document retention requirements within this record retention policy.

(b) *Purpose*: Corporate records include essentially all records produced by Health Literacy Texas and its directors, officers and agents, whether paper or electronic. Records include but are not limited to items such as memoranda, emails, contracts, computerized desk calendars and appointment books and expense records. This policy is meant to establish the requirements for document destruction and end the accidental or innocent destruction of necessary documents.

(c) *Inspection of Books and Records*: All books and records of Health Literacy Texas may be inspected by any Director for any purpose at any reasonable time on written demand.

(d). *Policy*: Specific documents, identified below, are subject to a retention schedule and should not be destroyed until the expiration of the schedule.

i. Financial Records

Financial records, including bank statements, invoices and payroll records, expense reports, proof of deductions, and other documents should be maintained for at least 7 years from the date of filing the applicable tax return. Year-end financial statements, audit reports and 990 forms should be maintained permanently and should be available for public inspection upon request.

ii. Corporate Records

Inorganization documents, including certificate of formation, bylaws, and related documents should kept permanently in the corporate records. Meeting minutes and related documents should also be retained in perpetuity in the corporate record book. Tax-exemption documents, including application for tax exemption (IRS Form 1023), IRS determination letter, and any related documents should be kept permanently in the corporate record book and should be available for public inspection upon request.

iii. Legal Files

Legal documents should generally be maintained for a period of 7 years.

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iv. Legal Agreements & Contracts

Final, executed copies of legal agreements and contracts, such as mortgages and leases, should be maintained for three years after their expiration. Publicly filed contracts should be maintained longer.

v. Electronic Mail

E-mail that needs to be saved should be either:

- a. Printed in hard copy and kept in the appropriate file; or
- b. Downloaded to a computer file and kept electronically or on disk as a separate file.

ARTICLE XI.

AMENDMENTS

Section 11.01 Amendments: The Bylaws may be amended at any time by a vote of the two-thirds of the Board of Directors at a meeting where a quorum is present. The Board of Directors may adopt amendments to the Certificate of Formation by a vote of two-thirds of Directors present at a meeting where a quorum is present.

CERTIFICATION

I hereby certify that these bylaws were adopted by the Board of Directors of *Health Literacy Texas* at its meeting held on this

__15th__ day of __January_____, 2021__



Anabel Rodriguez

Secretary

Teresa Wagner

Teresa

President

Wagner