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The Texas Academy of Country Music shall be officially abbreviated and referenced as 'Texas ACM' or 'Texas Academy' in all internal and external documents and communications.

ARTICLE I – PURPOSE OF TEXAS ACADEMY OF COUNTRY MUSIC

The Organization shall not carry on any activities not permitted for organizations exempt from

federal income tax under Section 501(c)(3) of the Internal Revenue Code or the Texas Business

Organizations Code (BOC).

The Texas Academy of Country Music is organized exclusively for charitable and educational purposes within the meaning of **Section 501(c)(3) of the Internal Revenue Code**. The organization’s primary mission is to support, promote, and honor country music through industry recognition, educational programs, and community outreach. Activities include, but are not limited to:

- Maintaining a **weekly published chart** recognizing country music achievements.
- Hosting an **annual awards show** to honor musicians and industry professionals.
- Providing **financial aid, mentorship, and resources** to three key groups:
 1. **Musicians** seeking industry support and development.
 2. **Veterans** involved or aspiring to enter the music industry.
 3. **Youth** pursuing a future in country music.

The organization may engage in any other lawful activities in furtherance of its mission, provided such activities comply with **Section 501(c)(3) of the Internal Revenue Code**.

ARTICLE II – NO PRIVATE BENEFIT CLAUSE

Any director, officer, or key employee found to have violated the No Private Benefit Clause shall be

subject to disciplinary actions, up to and including removal from office. All transactions with insiders

shall require prior written approval by the Board and documentation in the Organization’s records.

1. Purpose of the No Private Benefit Clause

Any director, officer, or key employee found to have violated the No Private Benefit Clause shall be

subject to disciplinary actions, up to and including removal from office. All transactions with insiders

shall require prior written approval by the Board and documentation in the Organization's records.

The **No Private Benefit Clause** ensures that the **Texas Academy of Country Music** operates exclusively for **charitable, educational, and nonprofit purposes**, in compliance with **Section 501(c)(3) of the Internal Revenue Code**.

Any director, officer, or key employee found to have violated the No Private Benefit Clause shall be

subject to disciplinary actions, up to and including removal from office. All transactions with insiders

shall require prior written approval by the Board and documentation in the Organization's records.

This provision prevents the Organization from distributing **profits, earnings, or assets to private individuals**, board members, officers, donors, or any other person, except for **reasonable compensation for services rendered**.

The intent of this clause is to ensure that the Organization's **funds, property, and activities** are used solely to advance its **charitable mission** and not for private enrichment.

2. Prohibition of Private Inurement

Private inurement occurs when an individual **inside the Organization** (such as a board member, officer, or staff member) **personally benefits** beyond reasonable compensation.

The Organization shall strictly prohibit:

- Any **direct or indirect financial benefit** to board members, officers, employees, or other insiders that is excessive or unwarranted.
- **Distributions of net earnings** to private individuals or insiders.
- **Unjustified compensation**, bonuses, or benefits that exceed fair market value.
- **Preferential loans, gifts, or grants** to individuals associated with the Organization.
- The **use of the Organization's assets** (such as property, vehicles, or equipment) for personal gain.

The Board of Directors shall ensure that **all financial transactions are transparent, reasonable, and in furtherance of the Organization's exempt purpose**.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

3. Permitted Transactions & Reasonable Compensation

While private benefit is prohibited, the Organization **may** provide reasonable compensation for services that are necessary for the fulfillment of its mission.

Examples of **permitted transactions** include:

- **Fair compensation** for staff members, contractors, and consultants providing legitimate services.
- **Reimbursement** for board members, employees, and volunteers for **reasonable and documented expenses** incurred on behalf of the Organization.
- **Grants, scholarships, or assistance programs** that serve the Organization's **public mission** (provided they are awarded fairly and without bias).

To ensure compliance, the Organization shall:

- Follow **IRS fair compensation guidelines** when paying employees or contractors.
 - Use **independent benchmarks and salary studies** to determine fair pay.
 - Maintain **written agreements and documentation** for any compensation paid.
-

4. Prohibition of Excess Benefit Transactions

An **excess benefit transaction** occurs when an Organization insider **receives compensation, benefits, or payments that exceed fair market value**. Such transactions violate **IRS regulations** and can result in penalties, loss of tax-exempt status, and financial liabilities.

The Organization strictly prohibits:

- Overcompensation of **executives, directors, or key personnel**.
- Business arrangements that provide **disproportionate financial gain** to any individual or entity.
- The sale, rental, or use of **Organization assets at below-market rates** to insiders.

- Favorable **contracts, vendor agreements, or grant allocations** to board members or major donors.

If an **excess benefit transaction is identified**, the Board shall:

1. **Immediately review the transaction** to determine whether a violation occurred.
2. **Require repayment of any excess benefit** from the recipient.
3. **Report the violation** to the IRS if necessary.
4. **Implement corrective policies** to prevent future occurrences.

5. Distribution of Assets Upon Dissolution

Upon dissolution, the Board shall select a tax-exempt recipient that aligns with the mission of promoting country music, arts education, or veterans' programs. A two-thirds ($\frac{2}{3}$) majority vote is required for approval.

In the event of dissolution, the Organization's assets **must be distributed exclusively for tax-exempt purposes.**

- No board member, officer, donor, or individual **shall receive any portion of the Organization's assets.**
- Assets **must be transferred to another qualified 501(c)(3) nonprofit organization, government entity, or charitable trust.**

This ensures that the Organization's **resources remain dedicated to charitable and public benefit purposes.**

6. Board Oversight & Compliance

Board meetings may be conducted via telephone or video conference, provided all members can hear and participate fully.

To enforce this clause, the **Board of Directors** shall:

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive

terms unless

approved by a majority vote of the Board.

- Conduct **annual financial audits or reviews** to ensure compliance with nonprofit regulations.
- Require **all directors, officers, and key personnel** to sign an **annual conflict of interest statement**.
- Implement **strict financial oversight policies** to prevent unauthorized benefit.
- Maintain **detailed records of all financial transactions** to demonstrate transparency.

If a violation of this clause is suspected, the Board shall investigate immediately and take corrective action, including:

- **Disciplinary measures**, up to removal of responsible parties.
- **Restitution and corrective payments** to offset any improper benefits received.
- **Legal action**, if necessary, to protect the Organization's assets and tax-exempt status.

7. Enforcement & Legal Compliance

The **No Private Benefit Clause** is a **mandatory requirement** for maintaining **501(c)(3) status** under the **Internal Revenue Code**. Violations may result in:

Any director, officer, or key employee found to have violated the No Private Benefit Clause shall be

subject to disciplinary actions, up to and including removal from office. All transactions with insiders

shall require prior written approval by the Board and documentation in the Organization's records.

- Financial penalties, including **intermediate sanctions and excise taxes**.
- **Revocation of the Organization's tax-exempt status** by the IRS.
- Legal action by state or federal authorities.

All directors, officers, employees, and affiliates of the Organization must adhere to this clause. The Organization shall seek **legal or tax counsel** whenever necessary to ensure compliance.

8. Amendment & Review of Policy

This **No Private Benefit Clause** shall be:

Any director, officer, or key employee found to have violated the No Private Benefit Clause shall be

subject to disciplinary actions, up to and including removal from office. All transactions with insiders

shall require prior written approval by the Board and documentation in the Organization's records.

- **Reviewed every three (3) years** by the Board of Directors.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
- **Amended only by a two-thirds ($\frac{2}{3}$) majority vote** of the Board, ensuring compliance with nonprofit and tax-exempt laws.
- Incorporated into the Organization's **Bylaws, Financial Policies, and Governance Handbook.**

Any modifications shall not **jeopardize the Organization's tax-exempt status or conflict with applicable nonprofit laws.**

Lobbying & Political Activity Restrictions

The Organization shall track all lobbying expenditures and ensure they remain below IRS thresholds

for tax-exempt organizations. Employees and Board members shall report any concerns regarding

lobbying compliance under the Organization's Whistleblower Policy.

ARTICLE III - LOBBYING & POLITICAL ACTIVITY RESTRICTIONS

1. Purpose of Lobbying & Political Activity Restrictions

The Organization shall track all lobbying expenditures and ensure they remain below IRS thresholds

for tax-exempt organizations. Employees and Board members shall report any concerns regarding

lobbying compliance under the Organization's Whistleblower Policy.

The Texas Academy of Country Music (the "Organization") is organized as a **tax-exempt nonprofit under Section 501(c)(3) of the Internal Revenue Code**, meaning it must comply with strict limitations on **lobbying** and a complete **prohibition on political campaign activities**.

This clause ensures that the Organization:

- **Maintains compliance with federal and state laws** regarding political involvement.
- **Preserves its 501(c)(3) tax-exempt status** by avoiding excessive lobbying or political endorsements.
- **Focuses solely on its charitable and educational mission** rather than engaging in partisan activities.

2. Prohibition on Political Campaign Activity

The Organization **shall not participate in, intervene in, or endorse** any political campaign on behalf of or in opposition to **any candidate for public office** at the **local, state, or federal** level.

This prohibition includes, but is not limited to:

- **Endorsing, supporting, or opposing candidates** for any elected office.
- **Donating or contributing money, goods, or services** to any political campaign.
- **Hosting, co-hosting, or participating in political fundraisers** for candidates.
- **Publishing or distributing materials that support or oppose a candidate** (including social media, newsletters, or press releases).

- **Allowing political candidates to use the Organization’s resources, name, or facilities** for campaign purposes.
- **Engaging in any partisan communications** that attempt to influence elections.

If the Organization **violates this prohibition**, it risks:

- **Losing its tax-exempt status** under Section 501(c)(3).
- Facing **IRS-imposed penalties and fines**.
- Becoming ineligible for **grants and government funding**.

Board members, employees, and volunteers must be aware of these restrictions and ensure that **no political activity occurs under the Organization’s name or through its resources**.

3. Limited Lobbying Activities (*Permitted Under IRS Guidelines*)

While the Organization is **prohibited from engaging in political campaigns**, it **may** engage in limited **lobbying activities**, as defined by the IRS, provided that lobbying does not become a **“substantial part”** of its activities.

Definition of Lobbying:

Lobbying is the attempt to **influence legislation** by:

1. **Direct Lobbying** – Communicating with legislators or government officials to **support or oppose** specific bills or policies.
2. **Grassroots Lobbying** – Encouraging the public to **contact legislators** in support of or opposition to legislation.

The IRS applies a **“substantial part” test** to determine whether lobbying activities **jeopardize tax-exempt status**. If lobbying is deemed excessive, the Organization may face **fines, penalties, or loss of 501(c)(3) status**.

To avoid these risks, the Organization shall:

- Ensure that **lobbying efforts remain insubstantial** in relation to total activities and expenses.
- Maintain **detailed records of all lobbying expenditures**.
- **Refrain from using federal grant funds** for lobbying efforts.

If the Organization intends to engage in **more structured lobbying efforts**, it may elect to file **Form 5768 (IRS Expenditure Test)** to limit its exposure under the “substantial part” test.

4. Permitted Legislative & Advocacy Activities

While direct lobbying is limited, the Organization **may** engage in the following non-lobbying advocacy activities:

- **Educational Efforts & Public Awareness** – Providing factual, non-partisan information on legislation, industry policies, and public issues that impact musicians, veterans, and youth in the music industry.
 - **Research & Reports** – Conducting research on relevant legislative topics and publishing non-partisan reports that inform the public and policymakers without explicitly advocating for legislative action.
 - **Expert Testimony & Public Comments** – Providing expert opinions at legislative hearings **if invited** by a government body, without urging legislators to take a specific stance.
 - **Nonpartisan Voter Engagement** – Encouraging voter participation through voter registration drives, public forums, or neutral discussions on policy issues (without endorsing or opposing any candidate).
 - **Advocacy on Regulatory & Administrative Issues** – Communicating with government agencies about regulations **that affect the Organization’s mission**, as long as it does not involve urging the passage of specific legislation.
-

5. Board & Staff Responsibilities

To ensure compliance with lobbying and political activity laws:

- The **Board of Directors** shall review all potential lobbying or political activities to ensure compliance with IRS guidelines.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

- Staff and volunteers shall **not engage in lobbying or political activity** using the Organization's name, funds, or resources.
 - The Organization shall implement **internal policies** to track and report any allowable lobbying expenditures.
 - Employees and Board members participating in personal political activities **must do so on their own time and without using Organization resources.**
-

6. Consequences of Non-Compliance

Any violations of this clause may result in:

- **Disciplinary action** against responsible individuals, including termination of roles.
- **Legal penalties and financial sanctions** from the IRS or other regulatory bodies.
- **Loss of tax-exempt status**, making the Organization subject to corporate income tax and ineligible for charitable donations and grants.

If there is uncertainty regarding an activity's compliance, the Organization shall seek **legal counsel or IRS guidance** before proceeding.

7. Review & Amendment of This Policy

This **Lobbying & Political Activity Restrictions Clause** shall be:

The Organization shall track all lobbying expenditures and ensure they remain below IRS thresholds

for tax-exempt organizations. Employees and Board members shall report any concerns regarding

lobbying compliance under the Organization's Whistleblower Policy.

- **Reviewed annually** by the Board of Directors to ensure compliance with federal and state laws.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless

approved by a majority vote of the Board.

- **Amended only by a two-thirds ($\frac{2}{3}$) majority vote** of the Board of Directors.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
- Incorporated into the Organization’s **Bylaws and Governance Policies** to ensure clarity and accountability.

Any modifications shall not **jeopardize the Organization’s 501(c)(3) tax-exempt status** or conflict with applicable nonprofit regulations.

ARTICLE IV – CONFLICT OF INTEREST POLICY

Each Board member, officer, and key employee shall submit an annual written disclosure of potential conflicts of interest. Executive compensation shall be reviewed and approved by an independent third party or committee to ensure compliance with IRS fair compensation standards.

-Purpose

The purpose of this **Conflict of Interest Policy** is to ensure that the affairs of the **Texas Academy of Country Music** (the “Organization”) are conducted in a manner that promotes integrity, transparency, and accountability. This policy is intended to protect the Organization when it is considering entering into a **transaction or arrangement** that might **benefit the private interests of a director, officer, or key employee**, or that might **result in an excess benefit transaction** under applicable federal and state laws.

Each Board member, officer, and key employee shall submit an annual written disclosure of potential conflicts of interest. Executive compensation shall be reviewed and approved by an independent third party or committee to ensure compliance with IRS fair compensation standards.

– Definitions

1. Interested Person

An **interested person** includes any **director, officer, employee, or committee member** with governing board-delegated powers who has a direct or indirect **financial interest** in a transaction or arrangement involving the Organization.

2. Financial Interest

A **financial interest** exists if an individual has, directly or indirectly, through business, investment, or family:

- An **ownership or investment interest** in any entity with which the Organization has a transaction or arrangement.
- A **compensation arrangement** with the Organization or any entity or individual with which the Organization has a transaction or arrangement.
- 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 Board of Directors determines that a conflict exists** under Article III of this policy.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

– Procedures

1. Duty to Disclose

Any **interested person** must **disclose the existence and nature of their financial interest** to the Board of Directors or to an appropriate committee before the Organization considers entering into a transaction or arrangement.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

2. Determining Whether a Conflict of Interest Exists

After disclosure of a financial interest and all relevant facts, the **Board of Directors or committee** shall determine whether a conflict of interest exists. The interested person **may not participate in discussions or votes** related to the transaction.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless

approved by a majority vote of the Board.

3. Procedures for Addressing the Conflict of Interest

If the Board or committee determines that a conflict of interest exists:

1. The **interested person must leave** the meeting while the transaction or arrangement is discussed and voted on.
2. The remaining Board or committee members shall evaluate whether the Organization can obtain a comparable or more advantageous transaction from another source.
3. If the transaction is deemed fair and in the best interest of the Organization, the Board may approve it by a majority vote of the disinterested members.

4. Violations of the Conflict of Interest Policy

Each Board member, officer, and key employee shall submit an annual written disclosure of potential conflicts of interest. Executive compensation shall be reviewed and approved by an independent third party or committee to ensure compliance with IRS fair compensation standards.

If a Board member or officer **fails to disclose a known conflict**, the Board may take disciplinary action, including:

- **A formal warning**
- **Removal from the Board or committee**

– Records of Proceedings

The minutes of Board and committee meetings shall include:

1. The names of persons who disclosed or were found to have a financial interest.

2. The nature of the conflict and whether the Board determined a conflict existed.
3. The names of all persons present for discussions and votes related to the matter.
4. The outcome of the Board's decision.

– Compensation Committees

No member of the Board shall receive compensation for their role as a director. However, reasonable reimbursements for expenses incurred while fulfilling board duties are permitted.

A **voting member** of the Board of Directors who receives compensation from the Organization for services is **prohibited from voting on matters related to their own compensation**. Compensation committees shall follow independent, fair-market comparisons when determining salaries or fees.

No member of the Board shall receive compensation for their role as a director. However, reasonable reimbursements for expenses incurred while fulfilling board duties are permitted.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

Article VI – Annual Statements

Each director, officer, and committee member shall **annually sign a disclosure statement** affirming that they:

1. Have received a copy of this **Conflict of Interest Policy**.
Each Board member, officer, and key employee shall submit an annual written disclosure of potential conflicts of interest. Executive compensation shall be reviewed and approved by an independent third party or committee to ensure compliance with IRS fair compensation standards.
2. Have read and understand the policy.
3. Agree to comply with the policy.

4. Disclose any potential conflicts of interest.

– Periodic Reviews

To ensure the Organization does not engage in activities that may jeopardize its **tax-exempt status**, periodic reviews shall be conducted to evaluate:

- Compensation arrangements and benefits.
- Business transactions with related parties.
- Compliance with IRS **501(c)(3) requirements**.

– Use of Outside Experts

The Organization may use independent outside experts to review transactions when necessary to ensure compliance with ethical and legal standards.

5. Dissolution Clause (*Required for 501(c)(3) status*)

Upon dissolution, the Organization’s remaining assets shall be distributed to one or more tax-exempt organizations under Section 501(c)(3) that align with its mission. No funds or assets shall be distributed to private individuals or non-charitable entities.

ARTICLE V – DISSOLUTION CLAUSE

1. Purpose of Dissolution Clause

Upon dissolution, the Organization’s remaining assets shall be distributed to one or more tax-exempt organizations under Section 501(c)(3) that align with its mission. No funds or assets shall be distributed to private individuals or non-charitable entities.

This Dissolution Clause ensures that in the event the Texas Academy of Country Music (the "Organization") is **dissolved or ceases operations**, all remaining assets are distributed in a manner that complies with **Section 501(c)(3) of the Internal Revenue Code** and applicable **Texas nonprofit laws**.

Upon dissolution, the Organization’s remaining assets shall be distributed to one or more tax-exempt organizations under Section 501(c)(3) that align with its mission. No funds or assets

**shall be distributed
to private individuals or non-charitable entities.**

The intent of this provision is to protect the Organization's **charitable mission** and **prevent private benefit** from the distribution of assets.

2. Voluntary or Involuntary Dissolution

The Organization may be dissolved through **one of the following processes**:

- **Voluntary Dissolution** – Initiated by a vote of at least **two-thirds ($\frac{2}{3}$) of the Board of Directors**, in accordance with the Organization's Bylaws.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
- **Involuntary Dissolution** – May occur due to failure to meet legal requirements, loss of tax-exempt status, government action, or other circumstances beyond the Organization's control.

In either case, the dissolution process shall follow the guidelines set forth by the **Texas Secretary of State, IRS regulations**, and any other applicable laws.

3. Distribution of Assets Upon Dissolution

Upon dissolution, the Board shall select a tax-exempt recipient that aligns with the mission of promoting country music, arts education, or veterans' programs. A two-thirds ($\frac{2}{3}$) majority vote is required for approval.

Upon dissolution, **all remaining assets** of the Organization, after payment of all outstanding debts, liabilities, and expenses, shall be **distributed exclusively for one or more exempt purposes** within the meaning of **Section 501(c)(3) of the Internal Revenue Code**.

Permitted Recipients of Remaining Assets:

- **Another 501(c)(3) nonprofit organization** engaged in similar charitable, educational, or artistic activities.

- **Federal, state, or local government entities** for a public purpose.
- **A charitable trust or foundation** that aligns with the Organization’s mission.

The Board of Directors shall select the recipient organization(s) based on **alignment with the Texas Academy of Country Music’s mission and values.**

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless

approved by a majority vote of the Board.

Prohibited Distributions:

- **No private individual, director, officer, or member** shall receive any assets, profits, or surplus upon dissolution.
- Assets **cannot** be distributed to any organization that is **not tax-exempt** under **Section 501(c)(3).**
- Any remaining funds or assets **cannot revert to any donor, sponsor, or business entity.**

4. Legal & Financial Responsibilities

Before distributing assets, the Board of Directors shall:

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless

approved by a majority vote of the Board.

1. **Settle all debts and obligations** – Ensure that all outstanding liabilities, including loans, contracts, and operational costs, are fully paid.
2. **File final tax returns** – The Organization must file a final **Form 990** with the IRS, disclosing dissolution details.
3. **Notify the Texas Secretary of State** – Officially file Articles of Dissolution to formally close the nonprofit.
4. **Obtain approval from regulatory bodies** – If required, submit dissolution documents to the **Texas Attorney General** or other relevant agencies.

5. **Document all transactions** – Maintain thorough records of asset distribution, including receipts, board meeting minutes, and compliance reports.
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5. Handling of Restricted Funds & Endowments

If the Organization holds **restricted funds, grants, or endowments** earmarked for specific purposes, these funds must:

- **Be used as intended** before dissolution, if possible.
- **Be transferred to another qualifying 501(c)(3) organization** that will honor the original donor's intent.
- **Not be redirected** for any purpose outside of their original designation.

If legal concerns arise regarding **donor-restricted funds**, the Organization may seek guidance from the **Texas Attorney General** or legal counsel.

6. Final Approval & Execution

The dissolution process shall only be considered complete when:

- The **Board of Directors formally approves the final dissolution plan** by a majority vote.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
- All financial, legal, and administrative obligations are **satisfied and documented**.
- The IRS and the Texas Secretary of State acknowledge the Organization's **official closure**.

A final report summarizing the dissolution process shall be prepared and stored with the Organization's **permanent records**.

7. Amendments & Compliance

This Dissolution Clause **cannot be amended** in a way that **jeopardizes the Organization’s 501(c)(3) tax-exempt status**. Any modifications must be approved by the Board and comply with IRS and Texas nonprofit laws.

Upon dissolution, the Organization’s remaining assets shall be distributed to one or more tax-exempt organizations under Section 501(c)(3) that align with its mission. No funds or assets shall be distributed to private individuals or non-charitable entities.

6. Indemnification Clause

The Organization shall maintain **Directors and Officers (D&O) liability insurance to provide financial protection against claims arising from governance decisions. However, indemnification shall not apply in cases of fraud, willful misconduct, or gross negligence.**

ARTICLE VI – INDEMNIFICATION CLAUSE

Texas Academy of Country Music

1. Purpose of Indemnification

The Texas Academy of Country Music (hereinafter referred to as the “Organization”) shall indemnify, defend, and hold harmless its **directors, officers, employees, volunteers, and agents** from any and all **claims, liabilities, damages, losses, and expenses** (including reasonable attorneys’ fees, judgments, fines, penalties, and settlement costs) arising out of or related to their official duties performed on behalf of the Organization, to the fullest extent permitted by **Texas law and Section 501(c)(3) of the Internal Revenue Code**.

2. Scope of Indemnification

The Organization shall provide indemnification for **any person** (the “Indemnitee”) who is or was:

- A **director** or **officer** of the Organization.
- An **employee, committee member, or volunteer** acting on behalf of the Organization.
- Serving at the request of the Organization in any **fiduciary or advisory capacity** (including serving on committees, task forces, or as a representative of the Organization in external organizations).

Indemnification shall apply to **any civil, criminal, administrative, or investigative action, suit, or proceeding** (including alternative dispute resolution proceedings) in which the Indemnitee is involved **due to their official role** in the Organization.

3. Exceptions to Indemnification

Indemnification shall **not** be provided in cases where:

- The Indemnitee has engaged in **fraud, willful misconduct, gross negligence, or criminal acts.**
- The claim arises from the **Indemnitee's personal actions** outside the scope of their duties to the Organization.
- The Indemnitee is found liable for **self-dealing, personal gain, or unauthorized conflicts of interest.**
- The claim is covered under an **insurance policy** (in which case, indemnification shall only cover costs beyond insurance limits).

4. Advance of Legal Expenses

To minimize financial hardship, the Organization **may advance payment of legal expenses** (including attorney fees and court costs) incurred by an Indemnitee in defending a claim **before final disposition of the proceeding.** However, the Indemnitee must provide:

- A **written statement** confirming their belief that they acted in good faith and within the scope of their duties.
- A legally enforceable **repayment agreement** stating that they will reimburse the Organization if found liable for actions not covered under this Indemnification Clause.

The Organization shall maintain Directors and Officers (D&O) liability insurance to provide financial protection against claims arising from governance decisions. However, indemnification shall not apply in cases of fraud, willful misconduct, or gross negligence.

5. Insurance Coverage

The Organization **may maintain directors' and officers' liability insurance (D&O insurance) and other appropriate policies** to protect against claims covered under this Indemnification Clause. The existence of such insurance shall **not limit the Organization's obligation** to indemnify individuals under this clause.

The Organization shall maintain Directors and Officers (D&O) liability insurance to provide financial protection against claims arising from governance decisions. However, indemnification shall not apply in cases of fraud, willful misconduct, or gross negligence.

6. Limitations of Indemnification

- Indemnification shall be subject to **Texas nonprofit laws and federal tax-exempt regulations.**
- If a court determines that indemnification is not permitted under Texas law or IRS regulations, the Organization **shall not provide indemnification.**
- The Organization's indemnification obligations shall **not extend to punitive damages, civil penalties, or fines imposed by regulatory authorities.**

7. Indemnification Process

The following procedures shall apply when an Indemnitee seeks indemnification:

1. The Indemnitee must **submit a written request** for indemnification to the Board of Directors within **30 days** of becoming aware of a claim.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
2. The Board shall conduct a **good faith review** of the request and determine whether indemnification is warranted.
3. If the Board approves indemnification, it shall provide **written authorization** specifying the scope and amount of indemnification.
4. If indemnification is denied, the Board shall provide a **written explanation** stating the reasons for denial.

8. Indemnification of Heirs and Successors

The indemnification provided under this clause shall **extend to heirs, executors, administrators, and personal representatives** of an Indemnitee in the event of their death, disability, or legal incapacity.

9. Amendments and Modifications

This Indemnification Clause **may be amended** by a majority vote of the Board of Directors, provided that any amendment does **not reduce or eliminate indemnification for acts committed prior to the amendment.**

The Organization shall maintain Directors and Officers (D&O) liability insurance to provide financial

protection against claims arising from governance decisions. However, indemnification shall not apply

in cases of fraud, willful misconduct, or gross negligence.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless

approved by a majority vote of the Board.

10. Severability

If any provision of this Indemnification Clause is found to be **invalid or unenforceable**, the remaining provisions shall remain in full force and effect.

The Organization shall maintain Directors and Officers (D&O) liability insurance to provide financial

protection against claims arising from governance decisions. However, indemnification shall not apply

in cases of fraud, willful misconduct, or gross negligence.

7. Membership Clause (If applicable)

Membership fees shall be treated as charitable contributions, provided they do not result in substantial

private benefits. The Organization reserves the right to revoke membership for misconduct, conflicts of

interest, or actions contrary to its mission.

ARTICLE VII – MEMBERSHIP CLAUSE

The Texas Academy of Country Music ("TACM") shall establish the following membership structure, ensuring engagement with artists, industry professionals, corporations, and fans while maintaining compliance with 501(c)(3) regulations.

1. Membership Classes and Eligibility (a) Regular Membership

- *Annual Fee: \$50 per year.*

- *Eligibility: Open to artists, singers, songwriters, sound engineers, producers, mixing engineers, mastering engineers, and other individuals involved in music creation.*
- *Voting Rights: One (1) vote per member on voting matters open to membership, weighted at 2x a non-member fan vote.*
- *Benefits: Monthly newsletter, discounted or free admission to TACM events, and limited database access to TACM's industry contacts.*

(b) Industry Professional Membership

- *Annual Fee: \$100 per year (up to 6 members in the same company).*
- *Eligibility: Open to promoters, media, managers, publicists, videographers, photographers, small record labels, venues, and other industry professionals.*
- *Voting Rights: One (1) vote per member, exclusively for awards voting, weighted at 3x a non-member fan vote.*
- *Benefits: Monthly newsletter, discounted or free event admission, and access to TACM's industry contact database.*

(c) Corporate Membership

- *Annual Fee: \$1,500 per year (for companies with more than six employees, large record labels, and media companies).*
- *Eligibility: Open to corporations, media companies, large record labels, and businesses with more than six employees.*
- *Voting Rights: Twenty (20) votes per corporate membership, exclusively for awards voting, weighted at 5x a non-member fan vote.*
- *Benefits: Monthly newsletter, discounted or free event admission, and access to TACM's industry contact database.*

(d) Fan Membership

- *Annual Fee: Free.*
- *Eligibility: Open to all individuals interested in supporting country music and TACM's mission.*
- *Voting Rights: One (1) vote per member exclusively for awards voting, weighted at 1x.*

- *Benefits: Early event access, special pricing for TACM events, and a monthly newsletter.*

2. Membership Benefits and Privileges *All paid members (Regular, Industry Professional, and Corporate Members) shall receive:*

- *A monthly newsletter detailing TACM activities, industry news, and exclusive opportunities.*
- *Discounted or free admission to TACM events.*
- *Access to TACM's industry contact database, subject to policies and restrictions determined by the Board.*

3. Voting Rights and Procedures *(a) Members shall only have voting rights in the annual TACM Awards, as follows:*

- *Fan Members: One (1) vote, weighted at 1x.*
- *Regular Members: One (1) vote, weighted at 2x.*
- *Industry Professional Members: One (1) vote per member, weighted at 3x.*
- *Corporate Members: Twenty (20) votes, weighted at 5x each.*

(b) The Board of Directors retains exclusive authority over governance, financial management, and operational decisions.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

4. Membership Terms and Renewals *(a) Membership terms shall be for one (1) year, beginning on the date of payment and renewed annually. (b) Membership fees are non-refundable and non-transferable. (c) TACM reserves the right to revoke membership for violations of the bylaws, unethical behavior, or actions that conflict with TACM's mission.*

5. Member-At-Large Designation *(a) TACM may appoint a limited number of Members-At-Large to represent the interests of members and provide feedback to the Board. (b) Members-At-Large shall be selected from Regular and Industry Professional Members and serve a one-year advisory role, without governance or operational authority.*

This amendment shall be incorporated into the bylaws of TACM and shall remain in effect unless modified by a two-thirds (2/3) majority vote of the Board of Directors.

3. Non-Voting Advisory Memberships (*Discretionary Appointments by the Board*)

While the Organization does not have official voting members, the **Board of Directors may establish non-voting advisory memberships** to support its mission.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless

approved by a majority vote of the Board.

These **advisory members** may include:

- **Industry professionals, musicians, and music educators** who provide strategic guidance.
- **Veterans and youth representatives** who align with the Organization's charitable programs.
- **Corporate sponsors, donors, or community leaders** who contribute to the Organization's impact.

Roles & Responsibilities of Advisory Members

- Advisory members **do not have voting rights** in Board decisions.
- They may provide **recommendations, expertise, and networking opportunities** to strengthen the Organization.
- They may be invited to **serve on committees, attend special events, and participate in fundraising efforts.**
- Their involvement shall be at the **discretion of the Board of Directors**, with terms and responsibilities outlined in separate **Board-approved policies.**

The Board may define additional roles and expectations for advisory members as needed.

4. Governance & Decision-Making Authority

- The **Board of Directors remains the sole governing body** of the Organization.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (5) years, with a limit of two (4) consecutive terms unless approved by a quorum vote 50/50 or majority of the Board.
 - All major decisions, including financial management, policy adoption, and operational oversight, shall be made by a **majority vote** of the Board.
 - Advisory members or potential future non-voting members **shall not** have any formal governance power unless explicitly authorized through a Bylaws amendment.
-

5. Amendment & Review of Membership Policy

- This Membership Clause shall be **reviewed every three (3) years** by the Board of Directors.
Membership fees shall be treated as charitable contributions, provided they do not result in substantial private benefits. The Organization reserves the right to revoke membership for misconduct, conflicts of interest, or actions contrary to its mission.
Any decision to create a **formal membership structure** shall require a **two-thirds (2/3) majority vote** of the Board.
- Amendments to this clause shall be documented and reflected in the Organization's **Bylaws and governance policies.**

MEMBERSHIP VOTING RESTRICTIONS

General Membership shall have voting rights exclusively regarding the selection of nominees and winners for the annual Texas ACM awards.

General Membership shall not have any voting rights related to governance, Board of Directors elections, operational decisions, or policy amendments.

BOARD OF DIRECTORS INVITATION PROCESS

Expansion of the Board of Directors is by direct invitation only from an existing Board member.

The Board member issuing the invitation must abstain from voting on the proposed new member.

The invited candidate must be approved by a minimum affirmative vote of 80% of the existing Board members present at a duly convened meeting.

The inviting Board member's abstention must be recorded in the meeting minutes.

ARTICLE VII – FISCAL YEAR AND REPORTING

The Organization shall conduct an independent financial review or audit annually if gross revenue exceeds IRS or Texas nonprofit audit thresholds. Any concerns regarding financial misconduct shall be reported under the Whistleblower Policy.

Fiscal Year & Governing Law Clause

The Organization shall conduct an independent financial review or audit annually if gross revenue exceeds IRS or Texas nonprofit audit thresholds. Any concerns regarding financial misconduct shall be reported under the Whistleblower Policy.

Texas Academy of Country Music

1. Fiscal Year

The fiscal year of the **Texas Academy of Country Music** shall begin on **January 1** and end on **December 31** of each year, unless otherwise determined by a **majority vote** of the Board of Directors.

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

- This fiscal year structure aligns with:
IRS 501(c)(3) reporting requirements, ensuring compliance with annual tax filings (e.g., IRS Form 990).
- **Grant and funding cycles**, which typically follow the calendar year.

- **Standard accounting and financial reporting practices** to maintain clear and consistent records.
-

2. Financial Reporting & Compliance

To ensure **transparency, accountability, and financial integrity**, the Organization shall:

- Prepare **annual financial statements** in accordance with Generally Accepted Accounting Principles (**GAAP**).
- Submit required **IRS filings** (such as Form 990) on time to maintain tax-exempt status.
- Conduct **internal financial reviews** or **external audits**, as necessary, to ensure compliance with nonprofit best practices.
- Maintain **accurate records** of all financial transactions, including revenue, donations, sponsorships, grants, and expenditures.
- Follow **Texas nonprofit financial reporting laws** as outlined by the Texas Business Organizations Code (**BOC**).

If the Board determines that a **different fiscal year** would better serve the Organization's financial operations, it may approve a change through a **formal amendment to the Bylaws**.

3. Governing Law & Legal Compliance

The Texas Academy of Country Music does not discriminate based on race, ethnicity, religion, gender, age, disability, sexual orientation, or any other protected characteristic.

The **Texas Academy of Country Music** is incorporated and operates under the **laws of the State of Texas**.

As such, the Organization shall:

- Comply with the **Texas Business Organizations Code (BOC)** governing nonprofit corporations.
- Adhere to **IRS regulations** applicable to **501(c)(3) tax-exempt organizations**.
- Follow state and federal laws related to **employment, contracts, fundraising, and governance**.

- Maintain all necessary **state registrations, business licenses, and permits** required for nonprofit operations in Texas.
-

4. Legal Jurisdiction & Dispute Resolution

- Any **legal disputes** involving the Organization shall be resolved in accordance with **Texas law**.
 - The **venue for any legal action** shall be in a **court of competent jurisdiction within the State of Texas**.
 - The Organization may **seek alternative dispute resolution (mediation or arbitration)** before engaging in litigation, as determined by the Board of Directors.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
-

5. Board Authority to Amend Fiscal Year & Legal Compliance Policies

The **Board of Directors** retains the right to:

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.

- Adjust the **fiscal year**, if necessary, through a formal vote.
 - Update legal compliance policies to reflect changes in **Texas law or federal nonprofit regulations**.
 - Seek **legal or financial counsel** when making determinations related to governance, compliance, or financial reporting.
-

6. Amendment & Review of This Clause

- This **Fiscal Year & Governing Law Clause** shall be **reviewed every three (3) years** by the Board of Directors.
The Organization shall conduct an independent financial review or audit annually if gross revenue exceeds IRS or Texas nonprofit audit thresholds. Any concerns regarding financial misconduct shall be reported under the Whistleblower Policy.
The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.
Each director shall serve a term of three (3) years, with a limit of two (2) consecutive terms unless approved by a majority vote of the Board.
 - Any amendments to the fiscal year or legal compliance policies shall require a **two-thirds (2/3) majority vote** of the Board.
 - Changes shall be documented in the Organization's **official records and Bylaws**.
-

9. Amendment Clause

Amendments shall not alter the Organization's 501(c)(3) status or permit activities inconsistent with its tax-exempt purpose. Proposed amendments must be distributed to Board members at least 30 days before a vote.

ARTICLE VIII - AMENDMENT CLAUSE

1. Authority to Amend

The Board of Directors shall have the authority to propose, review, and adopt amendments to the **Certificate of Formation (Articles of Incorporation)** and **Bylaws** of the Texas Academy of Country Music. Any amendments must be consistent with the **mission, purpose, and tax-exempt status** of the Organization under **Section 501(c)(3) of the Internal Revenue Code**.

2. Proposal of Amendments

Amendments may be proposed by:

- Any **voting member** of the Board of Directors.

- A **committee** established for governance and policy review.
- A **majority petition** signed by at least **two-thirds (2/3) of the Board of Directors**.

3. Review and Approval Process

To ensure fairness, transparency, and compliance, the following process shall be followed for all proposed amendments:

1. **Submission in Writing** – Proposed amendments must be submitted in writing to the Board Secretary at least **30 days before** a scheduled Board meeting.
2. **Review and Discussion** – The proposed amendment shall be reviewed by the Board of Directors or a designated **governance committee** for legal and operational impact.
Notice to Board Members – A written notice detailing the proposed amendment(s) shall be distributed to all Board members at least **15 days prior** to the meeting where a vote will be taken.
3. **Board Approval** – The amendment must be approved by a **two-thirds (2/3) majority vote** of the Board of Directors at a properly convened meeting.
Recording and Implementation – If approved, the amendment shall be recorded in the official minutes and immediately incorporated into the governing documents.

4. Restrictions on Amendments

Amendments shall **not** be permitted if they:

- **Alter the Organization’s purpose** in a manner inconsistent with its **charitable and educational mission** as defined under **501(c)(3)**.
- **Allow for private benefit or profit-sharing** among directors, officers, or members.
- **Jeopardize the Organization’s tax-exempt status** under the IRS code.

5. Amendments Requiring External Approval (*If Applicable*)

Bylaw amendments may be proposed by any board member or by a petition signed by at least 10% of advisory members, if applicable.

If an amendment affects the Organization’s **501(c)(3) status**, it may require approval from the **Internal Revenue Service (IRS)** and/or the **Texas Secretary of State**. The Board of Directors shall ensure all necessary filings are completed within the required timeframe.

In cases where an urgent amendment is required for **legal compliance, financial security, or operational continuity**, the Board may **temporarily adopt an emergency amendment** by a **three-fourths (¾) majority vote**. Any emergency amendment must be **ratified at the next official Board meeting**.

7. Periodic Review of Governing Documents

To ensure ongoing compliance with nonprofit laws and best practices, the Board of Directors shall conduct a **review of the Bylaws and Certificate of Formation every three (3) years**. This review shall be documented, and recommendations for amendments shall be considered as needed.

ARTICLE IX- INITIAL BOARD OF DIRECTORS

Initial Board of Directors

The Board of Directors shall consist of no fewer than five (5) and no more than fifteen (15) members.

Each director shall serve a term of three (5) years, with a limit of two (4) consecutive terms unless approved by a simple majority vote of present members of the Board.

The organization shall be governed by a **Board of Directors** consisting of five members. The initial board members are:

- 1. Brian Sprague**
- 2. April Archuleta Sprague**
- 3. Johnathan Nelson**
- 4. Leo Alejandro Garcia**
- 5. Dustin Moats**
- 6. Chance Lewis**

The Board shall have full authority over governance, policies, and decision-making in accordance with the organization's **Bylaws**.

BYLAWS OF THE TEXAS ACADEMY OF COUNTRY MUSIC
A Texas Nonprofit Corporation



Brian Sprague

April Archuleta- Sprague

Jack Nelson

Chance Lewis

Leo Alejandro Garcia

Dusty Moats

Adopted: 3/13/2025

Compliance: This clause explicitly complies with the Texas Business Organizations Code (TBOC) regulations regarding nonprofit dissolution.

IRS Compliance: Lobbying expenditures shall be tracked rigorously to ensure they remain within IRS-defined thresholds. If substantial lobbying is anticipated, the Organization will file IRS Form 5768 to elect the 501(h) expenditure test.

Executive compensation shall be explicitly reviewed and approved by an independent committee or third-party to ensure transparency and compliance with IRS fair compensation guidelines.

The organization shall comply with all federal and Texas state employment laws, including wage, hour, and non-discrimination statutes.

The organization may, but is not required to, advance legal expenses. Conditions of any advance shall strictly comply with Texas nonprofit law requirements.

Cross-Referenced Supplemental Policies

The organization explicitly recognizes and adheres to detailed supplemental policies:

- Document Retention and Record Keeping Policy: Outlines specific timelines and procedures for maintaining records in compliance with IRS and Texas state guidelines.
- Social Media and Public Relations Policy: Establishes guidelines for official communications and crisis response management.

Supplemental Policies

Table of Contents

- 1. Amendment of Policies**
- 2. Conflict of Interest Policy**
- 3. Document Retention & Record Keeping**
- 4. Financial Policies and Provisions**
- 5. Fundraising and Sponsorship Policies**
- 6. Human Resources and Volunteer Policies**
- 7. Membership Policies**
- 8. Social Media and Public Relations Policy**

Policy Summaries

1. Amendment of Policies

- Policies reviewed every three years.
- Amendments require two-thirds ($\frac{2}{3}$) Board approval.
- Documented amendments communicated clearly to all stakeholders.

2. Conflict of Interest Policy

- Annual disclosure forms required from all board members, officers, and key employees.
- Conflicts reviewed by the Board, with affected members recusing from discussions and decisions.

3. Document Retention & Record Keeping

- Financial records retained minimum 7 years.
- Board minutes retained permanently.
- Membership records retained 5 years post-membership termination.
- Secure, compliant storage and regular backups.

4. Financial Policies and Provisions

- Annual budget preparation and mid-year financial reviews.
- Expenditures over \$1,000 require dual authorization.
- Annual audits or reviews, GAAP compliance.
- Fundraising and grant compliance with proper reporting.

5. Fundraising and Sponsorship Policies

- Donations accepted include cash, stocks, real estate, or in-kind.
- Restricted gifts require Board approval.
- Sponsors must align with the mission and cannot influence governance.

6. Human Resources and Volunteer Policies

- Mandatory high ethical standards.
- Strict non-discrimination and harassment policies.
- Whistleblower protection with anonymous reporting options.
- Regular compliance training for all involved personnel.

7. Membership Policies

- Clear membership classes with specific fees and weighted voting rights.
- Administrative processes for application, dues, renewal, and revocation clearly defined.
- Members may appeal revocations; fees potentially tax-deductible.

8. Social Media and Public Relations Policy

- Only authorized personnel manage official postings.
- Communications must reflect organizational values.
- Crisis responses handled by designated spokesperson or President, coordinated with the Board.

Detailed Supplemental Policies

Amendment of Policies

Policies reviewed every three years.

Amendments require two-thirds ($\frac{2}{3}$) Board approval.

Documented amendments communicated clearly to all stakeholders.

Conflict of Interest Policy

A. Annual Disclosure

Annual disclosure forms are required from all board members, officers, and key employees.

B. Review Process

Conflicts are reviewed by the Board.

Board members with conflicts must recuse from discussions and decisions.

Document Retention and Record Keeping

A. Retention Schedule

Financial records retained minimum 7 years.

Board minutes retained permanently.

Membership records retained 5 years post-membership termination.

B. Secure Storage

Secure, access-controlled storage for sensitive records.

Regular backups for digital records.

Compliant with Texas laws and IRS retention guidelines.

Financial Policies and Provisions

A. Budgeting and Financial Planning

The Treasurer, in collaboration with the Finance Committee, prepares an annual budget for board approval before the fiscal year begins.

Budgets must align with the organization's mission and IRS 501(c)(3) compliance requirements.

A mid-year financial review ensures compliance with the budget.

B. Financial Controls

Expenditures over \$1,000 require dual authorization from the Treasurer and President.

Monthly financial statements are reviewed by the Board.

Annual financial audits or independent reviews occur if revenue surpasses IRS or Texas nonprofit thresholds.

Financial statements comply with Generally Accepted Accounting Principles (GAAP).

C. Fundraising & Grant Compliance

Fundraising activities align with the mission and IRS regulations.

Donor funds must be used according to agreements.

Grant management requires proper reporting and record-keeping.

Fundraising and Sponsorship Policies

A. Gift Acceptance Policy

Acceptable donations include cash, stocks, real estate, or in-kind.

Restricted gifts require Board approval.

B. Corporate Sponsorships

Must align with mission and ethical standards.

Sponsors cannot influence governance or program operations.

Human Resources and Volunteer Policies

A. Employee & Volunteer Code of Conduct

High ethical standards, professionalism, and integrity are mandatory.

Violations lead to disciplinary actions up to termination.

B. Non-Discrimination & Harassment Policy

Discrimination and harassment are strictly prohibited.

Immediate investigation of claims.

C. Whistleblower Policy

Protection from retaliation for reporting misconduct.
Reports may be anonymous; all are investigated promptly.
Periodic compliance training for Board, staff, and volunteers ensures adherence to laws.

Membership Policies

A. Membership Administration

Applications reviewed within 30 days.
Membership records securely maintained.

B. Membership Dues & Renewals

Annual dues payable by January 31.
Members failing to renew placed in inactive status.

C. Membership Revocation

Membership may be revoked for unethical conduct or mission violations.
Revocation requires majority Board approval and written notification.
Members have 30 days to appeal revocation decisions.

Membership Classes and Voting Rights:

1. Regular Membership: \$50/year, 2x voting weight.
2. Industry Professional Membership: \$100/year, 3x voting weight.
3. Corporate Membership: \$1,500/year, 5x voting weight per corporate.
4. Fan Membership: Free, 1x voting weight.

Social Media and Public Relations Policy

A. Official Representation

Only authorized personnel post officially.
All communications reflect organizational values.

B. Crisis Communication Plan

Crisis responses managed exclusively by the President or designated spokesperson.
Strategy developed with Board consultation.

AMENDMENT TO ARTICLE VII – MEMBERSHIP CLAUSE

Adopted by the Board of Directors on 3/23/2025

Pursuant to Article VIII of the Texas Academy of Country Music Bylaws, this amendment hereby replaces and supersedes all prior language under Article VII – Membership Clause.

SECTION 1. PURPOSE AND PRINCIPLE

Membership in the Texas Academy of Country Music ("Texas ACM") is established as a key engagement and fundraising mechanism to support the Organization's mission. 100% of net proceeds from memberships are reinvested directly into programs that benefit musicians, veterans, youth, and live music venues across Texas.

Membership dues shall be considered charitable contributions unless otherwise designated and shall not convey governance authority except as outlined herein.

SECTION 2. MEMBERSHIP CLASSES

(a) FAN MEMBERSHIP

Fee: \$25 annually

Eligibility: Open to all individuals who support Texas country music and the mission of the Texas ACM.

Voting Rights: One (1) vote in Texas ACM Awards voting, weighted at 1.5x

Benefits:

- Early access to ticket sales
- Free admission to select member-only events
- 50% discount on food at all public Texas ACM events
- Merchandise discounts
- Digital subscription to the Texas ACM monthly newsletter

(b) MUSICIAN MEMBERSHIP

Fee: \$50 annually

Eligibility: Artists, musicians, songwriters, producers, engineers, and creatives involved in music.

Voting Rights: One (1) vote in Texas ACM Awards voting, weighted at 2x

Benefits:

- Complimentary entry and food at all public events
- Free access to the annual Texas ACM Awards show
- Booking consideration for Texas ACM programming
- Access to industry networking opportunities
- Monthly newsletter with performance and career opportunities

(c) BUSINESS MEMBERSHIP

Fee: \$100 annually (*for up to 6 employees*)

Eligibility: Promoters, venues, managers, media, and service providers in the music industry.

Voting Rights: One (1) vote per registered member (up to 6), weighted at 3x

Benefits:

- Access to the Texas ACM professional contact database
- Promotional and sponsorship discounts
- Complimentary access and food for up to 4 guests at all public events
- Two (2) complimentary tickets to the Texas ACM Awards show
- Monthly business spotlight features

(d) CORPORATE MEMBERSHIP

Fee: \$1,500 annually | \$450 quarterly | \$150 monthly

Eligibility: Large organizations, media companies, labels, and corporations with interest in the Texas music industry

Voting Rights: 20 weighted votes in Texas ACM Awards, each weighted at 5x

Benefits:

- Six (6) VIP tickets to the Texas ACM Awards show
- Ten (10) complimentary passes to all public Texas ACM events
- Complimentary food and drinks at all events
- First-access and discounted ad rates across all platforms
- Priority access to private networking with decision-makers

- Elevated brand visibility in the Texas music industry
-

SECTION 3. TERMS, RENEWALS, AND REVOCATION

- All memberships shall be valid for one (1) calendar year from date of purchase unless otherwise stated.
 - Renewal notices shall be issued 30 days prior to expiration.
 - Memberships are non-transferable and non-refundable.
 - The Board reserves the right to revoke membership for conduct deemed unethical or contrary to the mission of Texas ACM.
 - Appeals may be submitted in writing within 30 days of revocation notice.
-

SECTION 4. LIMITATION OF MEMBER RIGHTS

Membership does not confer any rights to organizational governance, financial decisions, or Board elections, except for the specified Texas ACM Awards voting privileges. Governance decisions remain solely with the Board of Directors.

SECTION 5. AMENDMENT CLAUSE

This amendment may be modified or updated by a two-thirds ($\frac{2}{3}$) majority vote of the Board of Directors. All modifications shall comply with the Organization's 501(c)(3) status and applicable nonprofit laws.

AMENDMENT BOARD MEMBER TERM

Adopted by the Board of Directors on 3/23/2025

SECTION 1. BOARD MEMBER TERM AMENDMENT

The Texas Academy of Country Music hereby amends all references to board member terms throughout its Bylaws. All such references shall now read as follows:

“Each director shall serve a term of five (5) years, with a limit of four (4) consecutive terms, unless otherwise approved by a majority vote of the Board of Directors.”

This amendment supersedes all previous references indicating different term lengths or term limits.

AMENDMENT TO BANKING PRACTICES

Adopted by the Board of Directors on 3/23/2025

SECTION 1. STRIPE MEMBERSHIP BILLING POLICY

Memberships shall be billed annually via Stripe, beginning on the date of signup. The Organization shall notify members at least fifteen (15) days prior to renewal, and members may cancel their enrollment at any time through their Stripe customer portal or by written request. Memberships are non-transferable and non-refundable.

SECTION 2. SQUARE DONATION POLICY

Donations collected via Square are recorded, receipted, and deposited in accordance with IRS 501(c)(3) standards. Donors receive automatic email receipts for each transaction, and donation records are retained for a minimum of seven (7) years. All donations are final and non-refundable unless otherwise required by law.