

East Bde Maka Ska Neighborhood Association Member Hiring Policy

I. Purpose

This policy provides an overview of the East Bde Maka Ska Neighborhood Association (hereinafter referred to as “The Organization”) policies regarding hiring its voting members as employees or contractors.

The Board of Directors must execute the fiduciary duties (duty of care; the duty of loyalty; and, the duty of obedience) to the nonprofit corporation in all aspects of its governance. The Board has all the powers given by state law which are necessary and appropriate for governing the Corporation. This includes an affirmative duty to ensure the health of the Organization, compliance with employment laws and to take measures to avoid legal disputes that jeopardize the mission or fiscal health of the Organization

II. Policy

It is the general operating policy of the Organization not to hire its voting members as paid staff (defined here as either W2 employee or 1099 contractors).

The hiring of voting members (of any class or category) can create the appearance of a conflict of interest where one member may be personally enriched by the financial resources of the Organization. Moreover, hiring voting members creates the opportunity for legal disputes with our voting members (for example: contractual disputes or employment law claims). This type of dispute could preclude a member from board service due to their inability to fulfil the fiduciary duties to protect the Organization. Additionally, hiring voting members as staff (whether as an employee or contractor) creates difficulty in managing the performance, discipline and termination of these individuals and blurs the line between distinct voting member rights and employee or contract rights.

Finally, unlike other voting member organizations formed under Minn. Ch. 317A, the Organization is not permitted to terminate the membership of any eligible voting member. This is a condition of accepting grant funding from the City of Minneapolis. Therefore, preserving the relationship and minimizing opportunities for conflicts with our member is of utmost importance.

It is in the best interests of the Organization to avoid the appearance of impropriety; to limit the opportunity for disputes with our voting member community; and, to keep the option for board service open to all members. For these reasons, the Organization will not hire voting members as paid staff.

With respect to voting members who have previously served as paid staff to the Organization before this policy was adopted, the Organization will enforce a 3-year waiting period before the individual may run for election to a board seat. This waiting period allows the statute of limitations for most relevant legal claims to expire (i.e., libel, slander, discrimination, wage and

hour violations, etc.). The 3-year period will run from the date of the employee's discharge or the contractor's termination.

The Organization will create opportunities for members to meaningfully engage with the Organization in volunteer work as part of its Engagement Plan. The Organization may also share or otherwise promote or publish job openings or requests for proposal of nearby neighborhoods to promote any paid positions in the general vicinity to which members may be interested in applying.

This policy does not apply to business entities in the neighborhood that employ members or one in which a voting member may hold an ownership interest. Hiring entities as vendors or service providers is subject to the Organization's procurement and purchasing policies and procedures as well as the Organization's Conflict of Interest policy.

Approval & Adoption

Approved and adopted by a vote of the Board of Directors at a properly conducted meeting.

Approved by the Board of Directors on September 9, 2021