

BYLAWS OF THE TEXAS DENTAL ASSOCIATION POLITICAL ACTION COMMITTEE

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Article I: NAME AND FORMATION

1.01 Name

The name of this committee shall be the Texas Dental Association Political Action Committee and shall be referred to as DENPAC. The name shall be registered and trademarked with the Texas Secretary of State.

1.02 Formation

DENPAC was formed in 1967 out of a need for dental advocacy in Texas.

Article II: PURPOSE

DENPAC is a general purpose political action committee which shall be organized in accordance with the Election Code of the State of Texas, as amended. DENPAC shall operate exclusively for the purpose of influencing or attempting to influence the nomination or election of state candidates to any elective public office in Texas. DENPAC shall raise funds for political action and from such funds make contributions to those candidates who, by their activities, conduct, and record of performance, demonstrate concern for the economic welfare of the State of Texas and its residents, for the preservation of dentistry as an independent profession, and for the dental health of the people of Texas.

Article III: GOVERNANCE

The governance of DENPAC shall be vested in the Board of Directors ("Board") which shall have full power to conduct all business of DENPAC as provided in these Bylaws.

3.01 Regulation

The regulation and the administration of DENPAC shall be determined by: (a) Texas Election Code and the rules of the Texas Ethics Commission ("TEC") and (b) these Bylaws which may be amended as provided herein, provided however, that said Bylaws shall at all times comply with the laws, rules, and regulations referenced herein.

3.02 Bylaws

The Bylaws shall act as the written rules that control the internal affairs of DENPAC and dictate how DENPAC will operate and be governed.

3.03 Amendments

The Bylaws may be amended by a majority vote of the members present and voting at the annual general membership meeting or by no less than ten (10) members of the Board at any meeting.

3.04 Voting

All voting shall be by aye and nay vote. Any Board member may request and obtain a secret ballot on any question. An abstaining vote shall be considered "present, not voting." Proxy voting shall not be

allowed. The Chair shall have full voting privilege and shall vote on all matters. In the case of a tie vote, the matter at hand shall fail.

3.05 Quorum

A majority of the total voting members or ten members (10) of the Board shall constitute a quorum. A quorum must be established in order for any business to be transacted.

3.06 Methodology

All matters shall be submitted to the Board in the form of a resolution, which shall be accompanied by an explanation of the emergent need for action and by sufficient information to permit an intelligent vote. Any action receiving a majority approval of the Board, provided a quorum is established, shall be binding.

Article IV: ADMINISTRATION

4.01 Connected Organization

The Texas Dental Association (“TDA”) in accordance with TEC rules shall finance the administration of DENPAC, as well as the costs of soliciting contributions. DENPAC shall be required to report such expenditures to the TEC as corporate contributions.

4.02 Office

The principal office of the DENPAC shall be located at the TDA central office at 1946 S IH35 Ste 400, Austin, TX, 78704.

4.03 Staff

The DENPAC Manager with direction from the Board shall be responsible for all administration of DENPAC. The DENPAC Manager shall be employed by the TDA and shall be named as the Assistant Secretary Treasurer on file with the TEC. The DENPAC Manager shall be a member of the Department of Legislative and Regulatory Affairs and shall report directly to the DENPAC Chair and the TDA Director of Public Affairs.

Article V: MEMBERSHIP AND POLITICAL CONTRIBUTIONS

5.01 Membership

Active and sustaining memberships shall be available to TDA member and non-member dentists, their spouses, members of their immediate family, and staff. Memberships shall also be extended to TDA staff, TDA component societies and their staff, TDA affiliates, TDA allied groups, and dental vendor employees. The Board is authorized to establish additional categories of membership.

5.02 Eligible Contributors

Contributors must fall within an eligible class as defined by the TEC. This eligible class shall include TDA members and non-members provided they are not corporations or labor unions. Membership at various levels shall be contingent upon an annual payment of the prescribed minimum contribution as set by DENPAC policy.

5.03 Political Contributions

A political contribution is any transfer of, or promise, to transfer money, goods, services, or other thing of value that is given to a political committee with the intent that it be used either: in connection with a campaign for elective office or a measure to be submitted to the voters; or to defray expenses in connection with an officeholder's duties or activities, provided that the expenditures are not reimbursable from public money

5.04 Contribution Year

DENPAC shall operate on a non-calendar contribution ("membership") year. The contribution year shall begin September 1 and end August 31.

5.05 Contribution Levels

The annual contribution ("membership") levels of DENPAC shall be set by the DENPAC Board. The Board is authorized to establish additional contribution levels if required.

- A. **Student Member (\$10):** A student membership of ten dollars (\$10) shall be extended to any dental student enrolled in an accredited Texas dental school.
- B. **Partner:** A partnership shall be extended to any non-dentist including family members, dental staff, TDA staff, TDA component societies and their staff, TDA affiliates, TDA allied groups, and dental vendor employees for half the amount of established membership levels.
- C. **Century Club Member (\$100):** The century club membership of one hundred dollars (\$100) shall be extended to TDA member and non-member dentists.
- D. **Gold Club Member (\$250):** The gold club membership of two hundred and fifty dollars (\$250) shall be extended to TDA member and non-member dentists.
- E. **Governor's Club Member (\$500):** The governor's club membership of five hundred dollars (\$500) shall be extended to TDA member and non-member dentists.
- F. **President's Club Member (\$850):** The president's club membership of eight hundred and fifty dollars (\$850) shall be extended to TDA member and non-member dentists.

- G. **Platinum Club Member (\$1200):** The platinum club membership of twelve hundred dollars (\$1200) shall be extended to TDA member and non-member dentists.

5.06 Types of Political Contributions

Funds collected on behalf of DENPAC shall be separated into two (2) categories: hard and soft dollars. DENPAC must report any and all contributions made to DENPAC even if the contribution is not monetary.

- A. **Hard Dollars:** Hard dollars (“cash contributions”) are monetary contributions collected from eligible contributors through cash, check, or credit card payments. Cash contributions shall be used for political expenditures only.
- B. **Soft Dollars:** Soft dollars (“in-kind contributions”) are non-monetary contributions of goods or services from eligible contributors. In-kind contributions, in accordance with the TEC, shall be used for administrative purposes only.

5.07 Contribution Collection Methods

Funds collected on behalf of DENPAC shall be collected through several methods. All methods shall adhere to the rules and guidelines set by the TEC.

- A. **Dues Statement:** Funds collected through the TDA dues statement where a voluntary contribution amount is included with the member’s dues payment.
- B. **Direct Mail:** Funds collected through direct solicitations where contributions are mailed directly to the principal office.
- C. **Online:** Funds collected through the DENPAC website where contributions are processed by a third party provider.
- D. **Monthly Debit (“DENPAC EZ Pledge”):** Funds collected through a monthly bank or credit card draft continuing over a ten-month period with automatic renewal until formal cancellation by the member.
- E. **Fundraising Events:** Funds collected on site at a fundraising event by the DENPAC Manager or a designated representative.

5.08 Disclaimers

All solicitations for DENPAC contributions shall contain a notice to potential contributors. This disclaimer shall include all information required by state and federal law.

Article VI: BOARD OF DIRECTORS

6.01 Conflict of Interest

Members of the DENPAC Board must be a member in good standing, free from any conflict of interest with the Bylaws and policies of DENPAC. Board members may not serve on the board of any firm or organization endorsed by or doing business with DENPAC that would involve or imply a conflict of interest with DENPAC. No voting member of the Board member shall serve simultaneously on the TDA Board of Directors or the Texas State Board of Dental Examiners (“TSBDE”). In addition, an employee of local, state, or federal government shall not be eligible for election as an Officer or Director.

6.02 Indemnification

Each member of the DENPAC Board shall be entitled to indemnification against certain claims and liabilities as set by TDA policy. The TDA Errors and Omissions insurance policies for Officers, Directors, and other agents of the Association shall include each member of the DENPAC Board and each DENPAC Component Society Representative as an insured pursuant to terms of said policies.

6.03 Composition and Qualifications

The Board shall consist of at least twenty three (23) members, eighteen (18) voting Board Members and five (5) non-voting Board Liaisons, all of who at least shall be members of their respective Century Club. All Board members shall be members of the TDA except the Alliance Liaison, whose spouse shall be a member of the TDA, and the Student Liaison, who shall be currently enrolled in an accredited Texas dental school. These Board members shall include:

- A. **Six (6) Officers:** Chair, Vice Chair, Immediate Past Chair, Secretary Treasurer, Immediate Past Treasurer, and New Dentist.
- B. **Twelve (12) Directors:** Three (3) Directors (“Freshman, Junior, Senior”) representing each of the four (4) Divisions of Texas designed by the TDA.
- C. **Five (5) Non-Voting Board Liaisons:**
 - 1. One (1) Board Liaison who shall be a member of the TDA Board of Directors (“TDA Board Liaison”).
 - 2. One (1) Board Liaison who shall be the current chair of the TDA Council on Legislative and Regulatory Affairs (“CLRA Liaison”).
 - 3. One (1) Board Liaison who shall be a member of the American Dental Association Political Action Committee Board of Directors (“ADPAC Liaison”).
 - 4. One (1) Board Liaison who shall be a member of the Alliance of TDA (“Alliance Liaison”).

5. One (1) Board Liaison who shall be a dental student enrolled in an accredited Texas dental school (“Student Liaison”).

6.04 Duties

- A. **Chair:** The Chair shall be the Chief Executive Officer of DENPAC. He or she shall preside over all meetings of the Board unless the Chair designates another.
- B. **Vice Chair:** The Vice Chair shall assist the Chair as requested and, in the absence or disability of the Chair, or during a vacancy in the office of Chair, shall perform all duties of the Chair. If the Chair becomes permanently vacant, the Vice Chair shall succeed to the office of Chair.
- C. **Secretary Treasurer:** The Secretary Treasurer shall be the custodian of the funds of DENPAC. He or she shall oversee collection of all contributions and other funds of DENPAC and disburse all monies in accordance with the instructions of the Board. He or she shall keep full and accurate accounts, shall present financial statements, and shall prepare, sign, and file all reports to governmental authorities required by law or as directed by the Board. The Secretary Treasurer shall perform such duties as are customarily performed by the Secretary or as shall be prescribed by the Board. The Secretary Treasurer shall keep a record of the meetings of the Board and assist staff in the preparation of the minutes.

Once elected, the Secretary Treasurer shall file an amended Appointment of Campaign Treasurer form with the TEC. At the end of term, the departing Secretary Treasurer must file a termination report with the TEC no later than ten (10) days after the change. The Secretary Treasurer may resign by notifying the Board and the filing authority. In the event that a Secretary Treasurer resigns, DENPAC, in accordance with the TEC, must appoint a new campaign treasurer before it may accept further political contributions or make further political expenditures.

- D. **Immediate Past Chair and Immediate Past Treasurer:** The Immediate Past Chair and Immediate Past Treasurer shall act as a resource of past operations and actions of DENPAC within their respective former position.
- E. **New Dentist:** The New Dentist shall represent the new dentist community and act as an advocate for DENPAC at all new dentist functions.
- F. **Directors:** Directors shall act as advocates for DENPAC and oversee the activities of the local DENPAC Representatives within his or her Division designated by the Chair.

G. Liaisons:

1. **TDA Board Liaison:** The TDA Board Liaison shall act as an intermediary between the TDA Board of Directors and the DENPAC Board. The TDA Board Liaison shall present a formal report on DENPAC activities at each official meeting of the TDA Board of Directors.
2. **CLRA Liaison:** The CLRA Liaison shall act as an intermediary between CLRA and the DENPAC Board. The CLRA Liaison shall present information to the DENPAC Board regarding CLRA's position on legislative policy, agendas, and upcoming sessions.
3. **ADPAC Liaison:** The ADPAC Liaison shall act as an intermediary between the ADPAC Board of Directors and the DENPAC Board. The ADPAC Liaison shall facilitate the collaboration of fundraising and grassroots efforts between ADPAC and DENPAC.
4. **Alliance Liaison:** The Alliance Liaison shall act as an intermediary between the Alliance and the DENPAC Board. The Alliance Liaison shall assist with fundraising for the DENPAC Partnership Program and present reports on DENPAC activities to the Alliance Board of Directors.
5. **Student Liaison:** The Student Liaison shall act as an intermediary between dental students and the DENPAC Board. The Student Liaison shall assist with the facilitation of PAC functions at each state dental school.

6.05 Election

The election of officers shall be held during the DENPAC general membership meeting at the Annual Session of the TDA. During the meeting, the Nominating Committee Chair shall submit a report of recommendations for elected officers to the members. All officers of the Board excluding Board Liaisons shall be elected by the majority vote of the members present and voting. New Board members shall take office at the conclusion of the meeting.

6.06 Terms

- A. The DENPAC **Chair** and **Vice Chair** shall be elected to one-year terms for up to four (4) consecutive years by the general membership at the DENPAC annual meeting. To be eligible for election to the position of Chair or Vice Chair, the member must have served at least two (2) years on the DENPAC Board during the previous ten (10) years.
- B. The DENPAC **Secretary Treasurer** shall be elected to unlimited one-year terms by the general membership at the DENPAC annual meeting. Vacancy in the office of Secretary Treasurer may be filled from the DENPAC membership at large, but must reside in the city of Austin due to duties of office.

- C. The DENPAC **Immediate Past Chair** and **Immediate Past Treasurer** shall be held by the outgoing Chair and the outgoing Secretary Treasurer until the currently residing officer steps down or completes his or her term.
- D. The DENPAC **New Dentist** shall be elected to one-year terms for up to two (2) consecutive years by the general membership at the DENPAC annual meeting. To be eligible for election to the position of New Dentist, the member must have been in practice for no more than ten (10) years.
- E. The DENPAC **Directors** from each of the four (4) Divisions shall be elected to two-year terms. Directors, if elected, may be eligible for three (3) consecutive two-year terms as Director—two (2) years as Freshman, two (2) years as Junior, and two (2) years as Senior. Directors who have served three (3) two-year terms shall be eligible for re-appointment after being off the Board at a minimum of one (1) year.
- F. The position of **TDA Board Liaison** shall be an annual appointment by the current TDA President.
- G. The position of the **CLRA Liaison** shall be held by the current CLRA Chair.
- H. The position of the **ADPAC Liaison** shall be held by the current ADA Fifteenth (15th) District ADPAC board member.
- I. The position of **Alliance Liaison** shall be an annual appointment by the current Alliance President.
- J. The **Student Liaison** shall be from one (1) of the three (3) accredited Texas dental schools on a rotation. The position shall be an annual appointment by the American Student Dental Association (“ASDA”) chapter president.

6.07 Removal

Any Officer or Director may be removed for cause by not less than three-fourths (3/4) vote of the members of the Board, or by two-thirds (2/3) vote of the members present at an official meeting of the general membership.

6.08 Vacancies

A vacancy in the office of Chair shall be filled by the current Vice Chair.

Vacancies on the Board shall be filled by the remaining members of the Board who shall appoint another Director from such Division where the vacancy has occurred. The Board shall designate the appropriate position in the progression of Division Directors if a vacancy creates an irregularity in the normal sequence of seniority. A Board member fulfilling an unexpired term of less than two (2) years may be reappointed for a new full term.

In the event of a Board Liaison vacancy the Chair shall request the appropriate board or committee appoint a person to fill such office for the remainder of the unexpired term.

6.09 Compensation

- A. **Stipends:** The DENPAC Chair and Secretary Treasurer shall each receive a monthly stipend during their term of office in the amount of one hundred fifty dollars (\$150) as an administrative expense of DENPAC.

- B. **Reimbursement:** DENPAC shall follow the policy set by the TDA with regard to reimbursement for travel and maintenance expense for all personnel carrying on official business for the Board on the basis of (a) funds available in the budget; (b) the completion of signed reimbursement requests approved by a proper authorizing official; (c) compliance with the following rules:
 - 1. **Basis of Reimbursement:** Reimbursement for day meetings for which overnight stays are not required shall be the current per diem set by TDA policy. Reimbursement for which an overnight stay is required shall be the equivalent of the actual room cost including all applicable taxes at the TDA designated hotel and at the negotiated rate plus the current per diem set by TDA policy. This is intended to defray out-of-pocket expenses for hotel rooms, gratuities, taxicabs, meals, etc. It is to be paid to members of the Board, councils, and committees for each day of official assignment. Members of the Central Office staff will be reimbursed for actual hotel room expenses plus the current per diem set by TDA policy.

 - 2. **Reimbursement for Air and Other Travel:** For air travel, DENPAC will reimburse the traveler or member of staff for coach or standard economy fare, surface transportation to and from the airport, and ground transportation and/or airport parking. Out-of-state and in-state automobile transportation and surface transportation reimbursement rate for mileage will be adjusted annually on January 1 to the business mileage rate of the Internal Revenue Service on that date.
 - a. DENPAC will reimburse an extra day's hotel stay excluding per diem if a savings in the airfare deemed exceeds the cost of that extra night stay.

 - b. Parties who are authorized DENPAC air travel expenses are urged to seek the lowest available coach airfare applicable to the dates such individuals are traveling on DENPAC business.

3. **Reimbursement for Auto Travel:** For travel by personal automobile, DENPAC will reimburse the traveler for the round-trip mileage from home-meeting place-home by the most direct route. The rate of reimbursement shall be per mile plus an allowance, the current rate set by TDA policy. Out-of-state and in-state automobile transportation and surface transportation reimbursement rate for mileage will be adjusted annually on January 1 to the business mileage rate of the Internal Revenue Service on that date. The amount reimbursed shall not exceed the amount of the coach or standard economy air-fare for the same route. DENPAC will reimburse the current rate per day set by TDA policy for out-of-state and instate daily automobile rental expenses.
4. **Insurance while on DENPAC Business:** All members, while in the active course of carrying out affairs of DENPAC, shall be covered by insurance at the current rate set by TDA policy, such amount to be deducted from the amount the member is reimbursed. Such insurance shall have both life and accident features with the necessary attendant medical payments.
5. **Reimbursement at Annual Session:** There shall be no reimbursement for DENPAC meetings during the regular dates of the Annual Session of the TDA unless authorized by the Board.
6. **Request for Reimbursement:** All requests for reimbursement from this committee shall be made promptly or as soon as practical (on a monthly basis) since no request for reimbursement will be honored after more than three (3) months from the date of the event or the occurrence of the expense for which reimbursement is requested. Also, of necessity, some requests for reimbursement will be carried over from one fiscal year to the next, however it is desired to make all reimbursements, whenever possible, in the fiscal year in which the event or the occurrence of expense takes place or is incurred.

Article VII: DISTRICT REPRESENTATIVES

7.01 Divisions

The State shall be separated into four (4) Divisions which conform to the four (4) Divisions of the TDA. Each Division shall be separated into Districts (“component societies”) which conform to the twenty six (26) Districts of the TDA. Each District shall appoint a local member as a DENPAC Representative.

7.02 Appointments

DENPAC Representatives shall be annually appointed by the current president of each component society.

7.03 Duties

The DENPAC Representative shall act as an intermediary between the component society and the DENPAC Board. Representatives shall be responsible for soliciting monies and support for DENPAC as well as encourage political involvement within his or her component society.

Article VIII: COMMITTEES

- A. **Executive Committee:** The Executive Committee shall be composed of the Chair, Vice Chair, Immediate Past Chair, Secretary Treasurer, and the Senior Director from each of the four Divisions. This committee shall have full authority to transact all business within the Board's jurisdiction between regular meetings of the Board.

- B. **Standing Committees:** All standing committee appointments shall be made by the Chair with the advice and consent of the Board, and the terms shall be for one year. Each standing committee, excluding Audit and Review, shall consist of a committee chair and not less than four members with each Division represented. There shall be the following standing committees and such other as the Board may direct:
 - 1. **Audit and Review:** This standing committee shall consist of the current Treasurer as committee chair and not less than four past treasurers. This committee shall examine the books and reports of DENPAC. It shall submit a written report concerning the financial stability and accomplishments of DENPAC at each annual general membership meeting. The report shall also contain any recommendations of the committee.

 - 2. **Bylaws:** This standing committee shall continually review these documents and accept, study, and make recommendations on all suggested amendments. Before becoming operable, all amendments must be reviewed and approved by the committee and then submitted to the general membership at the annual meeting or to the DENPAC Board for final approval.

 - 3. **Membership:** This standing committee shall hear, determine, and make recommendations to the Board on all questions concerning members and rights incident thereto and shall strive to improve the number and participation of those eligible for membership.

 - 4. **Nominating:** This standing committee shall accept nominations for DENPAC Officers and Directors and submit a report of recommendations at the annual general membership meeting.

Article IX: MEETINGS

9.01 Meeting Type

- A. **Annual Meetings:** The annual general membership meeting and election of officers shall be held during the Annual Session of the TDA.
- B. **Board Meetings:** The annual Board meeting shall be held during the Annual Session of the TDA immediately following the meeting of the general membership. A Board meeting may be called by the Chair or upon request of five (5) members of the Board, providing that due notice is given to each Board member.
- C. **Special Meetings:** Special meetings may be called by the Chair on his or her own initiative or upon the request of five (5) members of the Board by official notice in the *Texas Dental Journal*.
- D. **Media Conference:** The Chair may conduct meetings of the Board via teleconference or video conference.
- E. **Ballots:** The Chair may request the Board vote on one or more matters without a meeting by means of a mail/fax/electronic ballot. All matters may be voted on by the Board with a mail/fax/electronic ballot. Issues will be submitted to the Board in the form of a mail/fax/electronic or formal resolution, which shall be accompanied by an explanation of the emergent need for action and by sufficient information to permit an intelligent vote. A majority vote of the Board, shall be necessary for approval of the issue. An unreturned ballot shall be considered a yes vote if not received by the mail/fax/electronic ballot deadline.

9.02 Meeting Procedures

Each meeting of the Board shall have an agenda and shall follow the most recent revision of the *American Institute of Parliamentarians Standard Code of Parliamentary Procedure*, in all cases in which they are not inconsistent with these bylaws and any statutes applicable to this Board. The Board shall prepare written minutes of all meetings including media conferences of the Board, and such minutes shall serve as a formal record of Board business.

- A. **Minutes:** The requirements of the minutes shall be as follows: (a) meeting type; (b) meeting hour, date, and place; (c) all participating persons with proper name and title including staff; (d) whether a quorum was present; (e) whether the minutes of the previous meeting were approved; and (f) all main motions including call to order, points of order, resolutions, and adjournment.

Minutes shall be taken and prepared by the DENPAC Manager within two (2) weeks of a Board meeting. Minutes for formal meetings of the Board shall be approved by Board members present at the following Board meeting. Minutes for meetings of the Board conducted via media conference shall be approved by the Chair.

- B. **Reports:** DENPAC shall file a formal report with the Secretary of the TDA prior to all TDA Board meetings stating all current activities of the DENPAC Board. The report shall be presented by the DENPAC Board Liaison. A like report shall be submitted to CLRA. The report shall be presented by the DENPAC Chair at each CLRA meeting. In addition, DENPAC shall have the opportunity to submit a written informational report to be included in the TDA House of Delegates workbook at each Annual Session of the TDA.

All reports shall be prepared by the DENPAC Manager and submitted to both the designated staff liaison and presenter two (2) weeks prior to the meeting. Each report shall include but shall not be limited to: (a) a year-to-date comparison of the previous year; (b) upcoming fundraiser or event information; (c) any approved campaign expenditures; (d) calls to action; and (e) general Committee business.

- C. **Records:** All historical records of the Board shall be retained by the DENPAC Manager at the TDA central office. The Board shall follow the corporate records retention policy set by the TDA.

Article X: AWARDS AND RECOGNITION

- A. **Board Service Award:** The DENPAC Board Service Award shall be given to any outgoing DENPAC Board member as an acknowledgement of his or her dedicated service to the Board. Board members must only complete one (1) full year on the Board to be eligible. This award shall be presented by the Chair at the annual general membership meeting.
- A. **Gold Standard Award:** The DENPAC Gold Standard Award shall be given to any member who has demonstrated outstanding efforts on behalf of the DENPAC Board. This award shall be decided upon and presented by the Chair at the annual general membership meeting.
- B. **Membership Recognition:** DENPAC shall present all members with a membership recognition lapel pin. Each DENPAC contribution level shall have its own distinctive pin. Membership pins shall be distributed by the DENPAC Manager at state dental conferences or by DENPAC Representatives at component society meeting. DENPAC shall also recognize its members with an identifiable symbol next to each member's name as it appears in the annual directory issue of the *Texas Dental Journal*.

Article XI: ADVOCACY

DENPAC shall encourage member dentists to establish relationships with legislators and act as an advocate for the TDA at the grassroots level. A dentist with personal or political ties to an elected official who is in good standing with the TDA shall be appointed as a Key Contact Dentist. Key Contact Dentists shall be individuals who are committed to the advancement of TDA issues and who serve as liaisons to one (1) or more elected or appointed state officials. The duties of a Key Contact Dentist shall include but are not limited to: (a) delivering campaign contributions; (b) attending campaign fundraisers; (c) holding private campaign fundraisers; (d) volunteering for campaign initiatives; and (e) responding to calls to action. Key Contact Dentists not in good standing with DENPAC shall be prohibited from delivering campaign contributions but shall be permitted to carry out all other duties.

Article XII: CANDIDATES FOR PUBLIC OFFICE

12.01 Friendly Incumbent Rule

The “Friendly Incumbent” Rule shall call for giving to an incumbent who shares DENPAC’s basic philosophy and has proven him or herself to be a “friend” of dentistry. DENPAC shall follow this rule except in the event of extenuating circumstances at which time the Board may vote to overturn the rule.

12.02 Dentist Running for Office

DENPAC shall recognize the importance and shall encourage Texas dentists to seek elective office. For this reason, if a dentist has announced his or her intention to run for a legislative office, the DENPAC Board shall consult with the component society president(s) and DENPAC Representative(s) from the legislative district in which the election is to be held.

No contributions shall be distributed until a good faith effort has been made to consult with the component society. If a contribution has already been delivered, no additional contributions shall be approved until the good faith effort to consult has occurred.

A “good faith effort” shall signify written notice to the component society president(s) and DENPAC Representative(s) of the affected societies.

12.03 Endorsement Policy

DENPAC shall not endorse any candidate for public office in the name of DENPAC nor the Texas Dental Association. However, this shall not prevent the personal endorsement of a political candidate by an individual who is also an official of DENPAC.

Notwithstanding the forgoing, a candidate shall publicly denote the “support” of DENPAC and/or the Texas Dental Association with the permission of the DENPAC Board.

DENPAC may demonstrate support for a political candidate by disseminating a call to action to the entire TDA membership or to TDA members of said legislative district. All content included in the call to action must be approved by the Chair and the TDA Director of Public Affairs.

12.04 Mailing Lists and Contact Information

DENPAC shall follow policy set by the TDA with regard to the distribution of mailing lists and contact information.

- A. **Authorized Users:** Mailing lists are to be used only by members of the TDA, affiliated agencies, and the ADA unless approved by the TDA Board.
- B. **General Purpose:** The mailing must be in the interest of organized dentistry.
- C. **Distribution Policy:** The mailing must be in keeping with the policies of the TDA.
- D. **Expense:** The mailing must be of no expense to DENPAC.
- E. **Political Purposes:** Mailing lists may only be distributed to candidates running for political office upon a recommendation from the TDA legislative consultants and upon approval from the DENPAC Chair.
- F. **Format Type:** Mailing lists must be distributed in electronic format only.
- G. **Additional Contact Information:** All other member information may only be utilized by TDA staff and/or Board members for official DENPAC business.

Article XIII: POLITICAL EXPENDITURES

DENPAC shall make political expenditures (“campaign contributions”) under the rules and guidelines set by the TEC. The TEC defines a political expenditure as a payment or an agreement to make a payment in connection with: a campaign for an elective office or an election on a measure; or an officeholder’s duties or activities, provided that the expenditures are not reimbursable with public money.

13.01 Types of Political Expenditures

DENPAC shall make two (2) types of political expenditures; monetary and non-monetary.

- A. **Monetary expenditures** shall be monies collected by DENPAC from eligible contributors which shall then be contributed in the form of cash to a candidate running for an elective office.

- B. **Non-monetary expenditures** (“in-kind”) shall be contributions other than cash contributed to a candidate running for elective office. An in-kind contribution is any good, service, or property offered to a campaign free, or at less than the usual cost, or payment of a candidate’s obligations for such goods, services, or property.

13.02 Campaign Contribution Schedule

DENPAC shall operate on two (2) campaign contributions schedules: a session schedule and an election schedule.

- A. **Session Schedule:** During a legislative session year, DENPAC shall approve campaign contribution funds only once; which shall be referred to as Post-session.
- B. **Election Schedule:** During an election cycle, DENPAC shall approve campaign contribution funds four times a year; which shall be referred to as Primary, Primary Runoff, General, and Post-general.
- C. **Special Requests:** Members shall be permitted to submit special requests for campaign contribution funds. These requests shall be reviewed by the legislative consultants, approved by the TDA Director of Public Affairs, and then presented to the DENPAC Board for final approval.

13.03 Restrictions on Campaign Contributions

During the period beginning on the 30th day before the date a regular legislative session convenes, and continuing through the 20th day after the date of final adjournment, DENPAC may not knowingly make a political contribution to: (a) a statewide officeholder; (b) a member of the legislature; or (c) a specific-purpose committee for supporting, opposing, or assisting a statewide officeholder or member of the legislature.

13.04 Recommendations, Approvals, and Reallocations

All political expenditures shall follow a specified approval process.

- A. **Recommendations:** All political expenditures shall begin as recommendations from the TDA legislative consultants (“lobby team”). These recommendations shall be based on information collected from the legislative session, community leaders, and member constitutes under the direction of the TDA Director of Public Affairs. These recommendations shall then be submitted to the DENPAC Board for discussion and approval.

- B. **Approvals:** The DENPAC Chair and Secretary Treasurer shall make independent decisions on political expenditures up to one thousand dollars (\$1,000) per candidate. The Executive Committee shall make decisions on political expenditures up to five thousand dollars (\$5,000) per candidate. Any expenditure more than five thousand dollars (\$5,000+) shall require approval of the Board.

- C. **Reallocations:** A previous political expenditure which has been authorized but not delivered shall be reconsidered and/or reallocated by two-thirds (2/3) vote of Board members present at any meeting.

13.05 Notice to Candidates or Officeholders

In accordance with TEC rules and guidelines, DENPAC must give written notice of contributions or expenditures to a candidate or officeholder by the end of the reporting period in which the contributions are accepted or the expenditures are made. The notice must include the name and address of the Committee and the campaign treasurer and state that the Committee is a general-purpose committee. The candidate must report the receipt of such a notice.

13.06 Distribution of Campaign Contributions

All campaign contributions shall be delivered by Key Contact Dentists. If the contact dentist is unavailable, a dentist in good standing with DENPAC and the TDA shall deliver the contribution. If under time constraints, the contribution may be delivered by a TDA staff member, a legislative consultant, or mailed to the candidate's campaign office. In accordance with TEC rules and guidelines, DENPAC shall not be permitted to deliver political contributions in the Texas Capitol or Capitol Extension or to a candidate's legislative district office.

Article XIV: REPORTING REQUIREMENTS

14.01 Internal Review Service

DENPAC as a political organization shall be subject to Internal Revenue Code ("IRC") section 527 and shall be required to file a Form 1120 – POL and a Form 990.

- A. **Form 1120 – POL:** Form 1120-POL, *U.S. Income Tax Return for Certain Political Organizations*, is the annual income tax return for political organizations. Form 1120-POL is due on the 15th day of the 3rd month following the end of the organization's taxable year. An organization may request an automatic six-month extension of the time to file Form 1120-POL. To request an extension, Form 7004, *Application for Automatic Extension of Time to File Corporate Income Tax Return*, must be filed by the due date of Form 1120-POL.

- B. **Form 990:** Form 990, *Return of Organization Exempt from Income Tax*, is the annual information return for tax-exempt organizations, including political organizations. Form 990 is due on the 15th day of the 5th month following the end of the organization's taxable year. Political organizations that receive contributions of \$5,000 or more from any one contributor are required to include Form 990 Schedule B with their return. Qualified state political organizations, such as DENPAC, are only required to file Form 990 if they have gross receipts of \$100,000 or more for taxable years beginning after June 30, 2000.

14.02 Texas Comptroller of Public Accounts

DENPAC as an incorporated political committee shall be subject to Texas Tax Code (“TTC”) section 171.0002 and shall be required to file an annual franchise tax report of either a Form 05-163 or a Form 05-169 along with a Form 05-167.

- A. **Form 05-163:** Form 05-163, *Texas Franchise Tax No Tax Due Information Report*, must be filed if an entity that has total annualized revenue less than or equal to the no tax due threshold; an entity that has zero Texas gross receipts; or an entity that is a Real Estate Investment Trust (REIT) meeting the qualifications specified in Texas Tax Code Section 171.0002(c)(4). Form 05-163 is due annually on May 15. To request an extension, Form 05-164, *Texas Franchise Tax Extension Request*, must be filed on or before the due date of Form 05-163.
- A. **Form 05-169:** Form 05-169, *Texas Franchise Tax EZ Computation Report*, must be filed if an entity, including a combined group, has annualized total revenue of \$10 million or less. Form 05-163 is due annually on May 15. To request an extension, file Form 05-164, *Texas Franchise Tax Extension Request*, on or before the due date of Form 05-169.
- B. **Form 05-167:** Form 05-167, *Texas Franchise Tax Ownership Information Report (“ORI”)*, must be filed for each taxable entity other than a legally formed corporation, limited liability company, or financial institution. This includes professional associations, partnership and trusts. The OIR is due annually on May 15 along with the franchise tax report and must be completed and signed by a partner, member, owner, or other authorized person of the taxable entity. Even if the franchise tax report is filed and all taxes paid, the entity’s right to transact business may be forfeited for failure to file the completed, signed OIR.

14.03 Texas Ethics Commission

DENPAC as a general-purpose political committee (“GPAC”) shall file monthly reports with the TEC. DENPAC as a monthly filer shall not be required to file semiannual reports, pre-election reports, or runoff reports. DENPAC, however, shall be required to file special pre-election reports and a termination report, if necessary.

- A. **Report Parameters:** The DENPAC Secretary Treasurer shall be responsible for filing DENPAC's monthly report of contributions, and expenditures with the TEC. A monthly report shall cover a period beginning the 26th day of one month and ending on the 25th day of the next month. The report for that period shall be due by the 5th day of the month after the month in which the reporting period ends.
- B. **Report Contents:**
1. **Political Contributions:** DENPAC shall be required to report (a) the amount of each contribution received and/or the value and nature of any in-kind contribution, (b) the name and address of the individual or political committee making the contribution, and (c) the date of the contribution. In addition, DENPAC shall be required to report the principal occupation of individuals whom contribute more than ten dollars (\$10) in total contributions in a reporting period.
 2. **Corporate Expenditures:** DENPAC shall be required to report all corporate expenditures associated with the administration of the Committee.
 3. **Political Expenditures:** DENPAC must report the amount of any expenditure from political contributions (regardless of whether the expenditure is a political expenditure), the date of the expenditure, the name and address of the person to whom the expenditure is made, and the purpose of the expenditure.
 4. **Returned Contributions:** DENPAC shall be required to report any political contributions made by DENPAC that are returned to DENPAC. The report must include the name of the person or political campaign to which the contribution was originally made and the date the contribution was returned. Political contributions that have been deposited by the person or political campaign to which the contribution was originally made and then reissued by the person or political campaign must be reported as a contribution to DENPAC.
 5. **Interest Earned, other Credits/Gains/Refunds, and Purchases of Investments:** DENPAC must report a) any credit, interests, rebate, refund, reimbursement, or return of a deposit fee resulting from the use of political contribution or an assets purchased with a political contribution, the amount of which exceeds one hundred dollars (\$100); b) any proceeds of the sale of an asset purchased with a political contribution, the amount of which exceeds one hundred dollars (\$100); c) any other gains from a political contribution, the amount of which exceeds one hundred dollars (\$100); and d) any investment purchased with a political contribution, the amount of which exceeds one hundred dollars (\$100).
 6. **Money on Hand:** DENPAC must report the total amount of contributions and interest or income earned from contributions as of the last day of the reporting period.

Article XV: FINANCIAL POLICY, BOOKKEEPING, AND FINANCIAL RECORDS

15.01 Fiscal Year

The fiscal year of DENPAC shall be a calendar year.

15.02 Financial Policy

As the administrative body of DENPAC, the Board shall have general supervision over the funds of DENPAC. The following funds are specifically established and the Secretary Treasurer with approval of the Board shall have the authority to establish other funds if deemed necessary.

- A. **Contribution Fund:** The contribution fund shall consist of all monies received from eligible contributors specifically allocated for political expenditures. All funds collected from eligible contributors shall only be dispersed as political expenditures to candidates running for state political office or standing elected officials. These funds shall not be used for administrative purposes.

- B. **Administrative Fund:** The administrative fund shall consist of all monies received from ineligible contributors that may only be used by DENPAC for administrative purposes in accordance with the TEC rules and guidelines. Interest earned on monies from the contribution fund shall be deposited in the administrative fund.

15.03 Investment Policy

It is the policy of the DENPAC Board to develop and maintain an investment program. The program's major objective shall be the provision of funds for 1) the adequate conduct of DENPAC business and 2) the maintenance of adequate reserves. The program shall be maintained primarily by the Secretary Treasurer with an annual review by the DENPAC Board.

15.04 Financial Reporting

All books of account shall be reconciled monthly by the TDA Department of Finance. The finance department shall submit monthly reports for review to the DENPAC Manager and Secretary Treasurer. At fiscal year-end an external certified public accountant named by the DENPAC Chair shall prepare a financial report for the Board.

15.05 Operating Budget

DENPAC shall receive an annual operating budget from the TDA to fund DENPAC's administrative expenses. A proposed budget shall be submitted by the DENPAC Manager to the TDA Board which is then reviewed, modified, and approved. If DENPAC's annual operating expenditures should exceed the annual operating budget, overages shall be subsidized by the DENPAC administrative fund.

15.06 Bookkeeping and Financial Records

The Secretary Treasurer shall keep correct and complete books and records of accounts. All historical financial records shall be stored at the TDA central office and must be retained for seven (7) years. DENPAC's books of account shall be audited at least once a year. The auditor shall be named by the DENPAC Chair with the approval of the Executive Committee.

15.07 Banking

The Secretary Treasurer and Immediate Past Treasurer shall be the duly authorized signatories for all of DENPAC's financial instruments. The Executive Director of the TDA shall also be an authorized signatory only under special circumstances and only on expenditure amounts of five hundred dollars (\$500) or less. The DENPAC Manager shall be listed as an administrator ("sub-user") on all DENPAC financial accounts.

15.08 Deposits

Funds of DENPAC shall be deposited to the credit of DENPAC in such banks or other depositories as the Secretary Treasurer may select, with the subsequent approval of the Board.

15.09 Outstanding Expenditures

DENPAC shall follow policy set by the TDA Department of Finance in compliance with general accounting principles concerning outstanding expenditures ("undeposited checks").

Article XVI: FUNDRAISERS AND EVENTS

All fundraisers and events held on behalf of the DENPAC must be approved by the Chair with consultation with the Board. In addition, all event details shall be coordinated by the DENPAC Manager and must be facilitated onsite by the DENPAC Manager or a designated representative.

Article XVII: COMMUNICATION, GRAPHIC STANDARDS, AND BRANDING

All electronic and print communication pertaining to DENPAC including but not limited to news articles, publications, solicitations, and advertising must be approved by the Chair before publication. In addition, any use of the DENPAC brand must adhere to TDA graphic standards. This includes all communication within the component societies, the Texas Dental Association, and the American Dental Association.

Article XVIII: AMENDMENTS

These Bylaws may be amended by a majority vote of the members present and voting at the annual general membership meeting or by no less than ten (10) members of the Board at any meeting thereof.