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**Appalachian Osteopathic Postdoctoral Training Institute Consortium**

**Bylaws**

Revised August 2006

Revised April 2007

Revised March 2009

Revised August 2010

Revised April 2012

Revised September 2013

Revised September 2014

Revised December 2016

Revised October 2017

1 **BYLAWS OF A-OPTIC, INC.**

2 **A Kentucky Corporation**

3  
4 **ARTICLE ONE**

5 **NAME**

6 The name of this formally affiliated consortium will be A-OPTIC, Inc., which is  
7 representative of the APPALACHIAN-OSTEOPATHIC POSTGRADUATE TRAINING INSTITUTE  
8 CONSORTIUM. A-OPTIC, Inc. is an IRS designated 501(c) organization.

9  
10 **ARTICLE TWO**

11 **ADDRESS**

12 The principal business office of this entity will be at the University of Pikeville, 147  
13 Sycamore Street, Pikeville, Kentucky 41501.

14  
15 **ARTICLE THREE**

16 **MISSION AND GOALS**

17 The mission of A-OPTIC is to promote and enhance the quality and capacity of health  
18 professional education to meet the needs of Frontier, Rural, and other medically underserved  
19 areas of the United States, with an emphasis on graduate medical education to ensure an  
20 adequate supply of primary care physicians.

21  
22 The Goals of A-OPTIC are:

- 23 • To provide ACGME Sponsoring Institution services to Members;
- 24 • To facilitate the establishment and provide maintenance of graduate medical education  
25 programs to meet the needs of A-OPTIC Members;
- 26 • To provide Faculty Development programming to supplement local Member resources;
- 27 • To provide Curriculum programming to supplement local Member resources;
- 28 • To provide Research resources to supplement local Member resources;
- 29 • To establish and maintain a learning environment that values meaningful scholarly  
30 activity;
- 31 • To enhance health, improve healthcare, and improve affordability for the public at large.

32  
33 **ARTICLE FOUR**

34 **MEMBERSHIP**

35 Membership in the A-OPTIC shall be determined and approved by the A-OPTIC Board of  
36 Directors. Membership shall include three (3) categories: Sponsored, Non-Sponsored, and  
37 Academic. All member institutions must recognize and accept specialty certification through the  
38 certifying boards of the AOA and American Board of Medical Specialties (ABMS) on an equal

1 basis. All members have the right to free association with other educational consortia,  
2 institutions, or OPTIs. All member institutions shall also be actively involved in the training of  
3 medical students. All members shall be bound by the Bylaws of A-OPTIC as constituted at the  
4 time of acceptance and as the Board of Directors may amend during the term of membership  
5 and for any renewal thereof. The Board of Directors of A-OPTIC will determine the financial  
6 responsibility of each member.

7 Any member institution that makes any substantive changes in its organization shall  
8 notify the Board of Directors of such change. A-OPTIC shall notify the ACGME and/or  
9 appropriate AOA specialty college of any substantive changes made by partner institutions.

#### 10 11 **Section A. Categories of Membership**

- 12 1. Sponsored membership is defined as those affiliates that utilize A-OPTIC as their  
13 ACGME Sponsoring Institution. These sponsored members acknowledge that A-  
14 OPTIC assumes ACGME required oversight for financial and academic  
15 responsibilities of the Graduate Medical Education program.
- 16 2. Non-sponsored membership is defined as those affiliates that do not utilize A-  
17 OPTIC as their ACGME Sponsoring Institution, but do wish to utilize training and  
18 research programs produced by A-OPTIC.
- 19 3. Academic membership is defined as an LCME or COCA accredited College or  
20 School of Medicine; a College or School of Health Professions; or a College or  
21 School of Allied Health Professions. Branch campuses of Academic Member  
22 institutions will be classified as separate Academic Members, with all the rights  
23 and responsibilities thereto attached in these Bylaws.

#### 24 **Section B. New Members**

25 New Members may be admitted to A-OPTIC from time to time in accordance with the  
26 procedures set forth in this section. Organizations seeking membership shall present  
27 documentation regarding membership qualifications to the A-OPTIC Executive Director for  
28 review to ensure that the organization meets Membership eligibility criteria. The A-OPTIC  
29 Executive Director shall submit the documentation and a recommendation to the Board of  
30 Directors. Any organization that applies for Membership and meets the eligibility criteria and  
31 has an affirmative recommendation of the A-OPTIC Executive Director shall be admitted as a  
32 Member of A-OPTIC upon an affirmative vote of the Board of Directors.

#### 33 **Section C. Maintaining Membership**

34 The Board of Directors may, in its sole discretion, pursuant to a majority vote of the  
35 Board of Directors, discontinue an organization's Membership for: (a) nonparticipation; (b)  
36 failure to comply with OPTI Standards; (c) failure to comply with A-OPTIC Institutional Policies  
37 (d) failure to meet AOA or ACGME training program requirements; (e) violation of the AOA Code  
38 of Ethics; (f) failure to pay dues and fees properly assessed, or (g) demonstrated legal  
39 malfeasance.

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**Section D. Membership Withdrawal**

Sponsored and Non-Sponsored Members must notify the A-OPTIC in writing of their intent to withdraw from A-OPTIC no later than January 1 of each year, for the next academic year beginning July 1st.

Academic Members must notify the A-OPTIC in writing of their intent to withdraw from A-OPTIC no later than January 1 of each year. All Members under the sponsorship of that Academic Member must be given written notice of their Academic Sponsor withdrawal from A-OPTIC and be given a choice to remain with A-OPTIC. Copies of this correspondence must be sent to the A-OPTIC office.

**Section E. Powers of the Membership**

The Members shall have only those rights set forth in these bylaws. Such rights are:

- a) The amendment, restatement, or modification of the Articles of Incorporation or of the Bylaws of this Corporation;
- b) The approval of the sale or other disposition of all, or substantially all of the assets and property of the Corporation;
- c) The dissolution of the Corporation or its merger with or consolidation with another corporation;
- d) Any other matter which the majority of the Board of Directors voting on the matter votes to submit to the Membership.

**Section F. A-OPTIC Annual Educational Summit**

The A-OPTIC Annual Educational Summit shall be held at such place and time as shall be provided in the notice of the A-OPTIC Annual Educational Summit at least sixty (60) days prior to the Summit.

**Section G. Program Review**

A-OPTIC Members whose program accreditation is through the AOA must comply with AOA guidelines, policies, and procedures regarding an internal review at the midpoint between accreditation reviews. A-OPTIC Members whose program accreditation is through the ACGME must comply with ACGME guidelines, policies, and procedures regarding an internal review at the midpoint between accreditation reviews.

**Section H. Affiliation Agreements**

A-OPTIC Members will renew their affiliation with A-OPTIC every five years.

**Section I. Conflicts of Interest**

A-OPTIC Members shall declare conflicts of interest with respect to the affairs of A-OPTIC yearly in accord with the applicable accreditation standards of the AOA and/or ACGME.

**ARTICLE FIVE**

**BOARD OF DIRECTORS**

**Section A. Board of Directors Members**

1 The control and management of the affairs of A-OPTIC shall be vested in the Board of  
2 Directors. The Board of Directors shall be comprised of the following members:

- 3 • The Chief Financial Officer of the University of Pikeville;
- 4 • The Dean of each Academic Member, or their designee;
- 5 • The Chief Executive Officer, or designee, from each institution utilizing A-OPTIC  
6 as an ACGME Institutional Sponsor
- 7 • Two (2) at-large members from A-OPTIC Non-sponsored Programs
- 8 • The Executive Director of A-OPTIC, (*non-voting*)
- 9 • A-OPTIC Chief Academic Officer, (*non-voting*)
- 10 • A-OPTIC Designated Institutional Officer (DIO) (*non-voting*)

11 Each representative on the Board of Directors shall have one (1) vote. Only those  
12 members present may vote (in person or via audio or video conference). All Board of Directors  
13 members shall direct a written statement to the Board disclosing any conflict of interest or  
14 disclaiming the same. Each member shall have one (1) vote on all issues in both regular and  
15 special meetings. Members of the Board shall serve for a term of two years, and may succeed  
16 themselves in perpetuity.

17 **Section B. Quorum**

18 At any regular or special meeting of the Board, a quorum will exist when fifty percent  
19 (50%) or greater of the Board members are present. With a quorum established, the  
20 affirmative vote of a majority of those present will be necessary for the approval of any action.  
21 Only members present may vote. The agenda and order of business will be determined by a  
22 vote of the Directors present.

23 **Section C. Proxy**

24 A member of the A-OPTIC Board of Directors may appoint a Proxy for a single meeting  
25 or up to one year using the A-OPTIC Proxy form. The Proxy form shall be emailed to A-OPTIC  
26 prior to the BOD meeting.

27 **Section D. Call to Meeting**

28 The full Board shall meet twice annually, unless otherwise ordered by the Board of  
29 Directors. The Chairperson, or a simple majority of the members, may call special meetings.  
30 Members of the Board shall receive written notice and purpose of the called meeting at least  
31 five (5) business days prior to the meeting. All meetings shall be conducted according to the  
32 most recent edition of Robert's Rules of Order.

33 **Section E. Board Officers**

- 34 • The Chairperson shall be a Dean, or Dean's designee, of an Academic Member  
35 and elected every two years. The Chairperson shall preside at all meetings of the  
36 Board, and carry out such other actions as designated by the Board. The  
37 Chairperson will be an ex-officio member of all Board Committees.
- 38 • The Vice-Chairperson must be a representative of a Sponsored Member and  
39 elected every two years. The Vice-Chairperson shall perform the duties of the

1 Chairperson during the absence of the Chairperson.

- 2 • The Executive Director, or their designee, shall serve as the Secretary of the  
3 Board. The Secretary will be responsible for providing adequate notice,  
4 preparation and distribution of the agenda and other materials for all meetings.  
5 The Secretary will be responsible for receiving and maintaining all records of A-  
6 OPTIC.
- 7 • The Treasurer shall be the Chief Financial Officer of the University of Pikeville.  
8 The Treasurer shall render an account of all transactions and of the financial  
9 condition of A-OPTIC whenever the Board may so require.

10 **Section F. Board Responsibilities**

11 Notwithstanding anything in these Bylaws to the contrary, in addition to any other vote  
12 required for approval, the following matters shall require an affirmative vote by the Board of  
13 Directors at which a quorum is present:

- 14 (a) The hiring or termination of the Executive Director or other material change in  
15 the employment or compensation of the Executive Director;
- 16 (b) The adoption or making of any material modification to the Corporation's  
17 annual budget or business plan;
- 18 (c) the removal of any Member of A-OPTIC; or
- 19 (d) The binding of the Corporation to incur indebtedness, loans or guarantees by  
20 the Corporation or releases or compromises of claims of the Corporation, if any  
21 such item is not included in the approved annual budget.

22  
23 **ARTICLE SIX**  
24 **CORPORATE OFFICERS**

25 **Section A. Officers**

26 The officers of the Corporation will include the A-OPTIC Executive Director, A-OPTIC  
27 Chief Academic Officer, A-OPTIC Treasurer, and A-OPTIC Designated Institutional Official (DIO).

28 Such other officers, including but not limited to assistant officers or agents as may be  
29 deemed necessary may be appointed by the Chairman of the Board of Directors. Any two or  
30 more offices may be held by the same person. The officers need not be residents of the  
31 Commonwealth of Kentucky nor be members of the Corporation.

32 **Section B. Removal and Resignation**

33 Corporate Officers may be removed by the Board, with or without cause. The  
34 appointment of an officer shall not, in and of itself, create contract rights. Any officer of the  
35 Corporation may resign at any time by giving thirty (30) days written notice to the Corporation,  
36 and unless otherwise specified therein, the acceptance of such resignation shall not be  
37 necessary to make it effective.

38 **Section C. Vacancies**

39 A vacancy in any office because of death, resignation, removal, disqualification or

1 otherwise may be filled by appointment by the Chairman of the Board of Directors.

2 **Section D. Executive Director of A-OPTIC**

3 The Executive Director of A-OPTIC shall be appointed by the Board of Directors and  
4 serve as the chief executive officer of the Corporation. The Executive Director shall direct and  
5 manage the day to day operations of the Corporation, and, in concert with the Chief Academic  
6 Officer, carry out the policies and directives adopted or approved by the Board. The Executive  
7 Director may sign contracts or other instruments which the Board of Directors has authorized to  
8 be executed, except in cases where the signing and execution thereof shall be expressly  
9 delegated by the Board of Directors or by these Bylaws to some other officer or agent of the  
10 Corporation, or shall be required by law to be otherwise signed or executed. The Executive  
11 Director shall, in general, perform all duties incident to the office of Executive Director and such  
12 other duties as may be prescribed by the Board of Directors from time to time. Unless otherwise  
13 ordered by the Board of Directors, the Executive Director shall have full power and authority on  
14 behalf of the Corporation to attend, act during and vote at any meetings of members of any  
15 corporation in which the Corporation may hold stock, and at such meeting shall hold and may  
16 exercise all rights incident to membership which the Corporation, as holder, would have had and  
17 exercised if present. The Board of Directors may confer like powers on any other person or  
18 persons. The Executive Director shall act as the secretary of the Corporation and Board of  
19 Directors. The Executive Director, or their designee, will (a) keep the minutes of the Board of  
20 Directors' meetings; (b) duly prepare and deliver all notices of meetings and any other notices  
21 required herein, to the members and/or directors, in accordance with the provisions of these  
22 Bylaws or as required by law; (c) be custodian of the corporate records and of the seal, if any, of  
23 the Corporation; (d) keep a register of the mailing address of each member. The Executive  
24 Director is responsible for the continued accreditation of A-OPTIC.

25 **Section E. Treasurer**

26 The Treasurer shall be the Chief Financial Officer of the University of Pikeville. The  
27 Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of  
28 the Corporation; (b) receive and give receipts for monies due and payable to the Corporation  
29 from any source whatsoever, and deposit all such monies in the name of the Corporation in such  
30 banks, trust companies and other depositories as shall be selected in accordance with the  
31 provisions of these Articles; and, (c) in general, perform all the duties incident to the office of  
32 the Treasurer and such other duties as from time to time may be assigned to the Treasurer by  
33 the Chairperson of the Board. If required by the Board of Directors, the Treasurer shall provide a  
34 bond for the faithful discharge of his/ her duties in such sum and with such surety or sureties as  
35 the Board of Directors shall determine. An external audit shall be performed regularly to assure  
36 standard compliance with all tax codes and with the fiscal agent and the Board of Directors. The  
37 audit shall be reported directly to the Board of Directors.

38 **Section F. Assistant Treasurers and Assistant Secretaries**

- 39
- The Assistant Treasurer, if that office is created and filled, shall, if required by

1 the Board of Directors, give bond for the faithful discharge of his or her duty in  
2 such sum and with such surety as the Board of Directors shall determine.

- 3 • The Assistant Secretary, if that office is created and filled, and if authorized by  
4 the Board of Directors, may sign, with the Executive Director, certificates for  
5 membership of the Corporation.
- 6 • The Assistant Treasurers and Assistant Secretaries, in general, shall perform  
7 such additional duties as shall be assigned to them by the Treasurer or the  
8 Secretary, respectively, or by the Chairperson of the Board.

9 **Section G. Chief Academic Officer**

10 The Chief Academic Officer, in general, shall serve as the academic consultant to the  
11 Executive Director of A-OPTIC and the Membership in all matters related to research, trainees,  
12 curriculum, program evaluation, and faculty development.

13 **Section H. A-OPTIC Designated Institutional Official**

14 The A-OPTIC Designated Institutional Official (DIO) shall, in collaboration with the A-  
15 OPTIC Graduate Medical Education Committee (GMEC), have the authority and oversight  
16 responsibilities for all A-OPTIC Sponsored Members as outlined in ACGME institutional, common  
17 program, and specialty program requirements.

18  
19 **ARTICLE SEVEN**  
20 **COMMITTEES**

21 The A-OPTIC Board of Directors shall form the following standing Committees:

22  
23 **Section A. GMEC**

24 The Graduate Medical Education Committee (GMEC) shall consist of the following  
25 members:

- 26 • A-OPTIC Chief Academic Officer
- 27 • A-OPTIC DIO, who will be Chairperson
- 28 • Program Director, or Designee, from each Sponsored Member Program
- 29 • One Representative from each Non-Sponsored Members
- 30 • One Resident Representative from each Sponsored-Member

31 This committee shall meet at least four (4) times annually and shall review necessary  
32 curricular, faculty development, research, and trainee issues. Meetings of the GMEC and Sub-  
33 Committees may be conducted by in-person, video/teleconference, and with web-based  
34 asynchronous technologies.

35 **Section B. Subcommittees**

36 Subcommittees may be appointed as necessary. Persons other than members may be  
37 invited to serve on any subcommittee.

38 **Section C. Notice of Meetings**

1 Notice of all Committee or Subcommittee meetings shall be by email notification to all  
2 members at least seven days in advance, and shall include an agenda for the meeting.

3 **Section D. Quorum of Committees and Subcommittees**

4 Twenty-five percent (25%) of the Members present shall constitute a quorum at any  
5 meeting.

6 **Section E. Voting**

7 Each natural person appointed to any Committee or Subcommittee shall have one vote  
8 regarding any matter properly presented to the Committee for formal action.

9  
10 **ARTICLE EIGHT**

11 **CONTRACTS, CHECKS, DEPOSITS AND LOANS**

12 **Section A. Contracts**

13 The Board of Directors, by resolution, may authorize any officer or officers, agent or  
14 agents, to enter into any contract and execute and deliver any documents or instruments in the  
15 name of, and on behalf of, the Corporation. The authority may be general or restricted to  
16 specific instances.

17 **Section B. Checks, Drafts, Etc.**

18 All checks, drafts or other orders for the payment of money, notes or other evidences of  
19 indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or  
20 agent or agents, of the Corporation and in such manner as shall be determined by resolution of  
21 the Board of Directors.

22 **Section C. Deposits**

23 All funds of the Corporation not otherwise in use shall be deposited in the account of  
24 the Corporation in such banks, trust companies and other depositories as the Board of Directors  
25 may elect.

26 **Section D. Loans**

27 The Corporation may contract to borrow funds, however, no evidence of indebtedness  
28 shall be issued in its name unless authorized by resolution of the Board of Directors.

29 **Section E. Overages**

30 Any monies above expenses shall be returned to the general fund of A-OPTIC to be  
31 distributed or utilized at the discretion of the Board of Directors.

32  
33 **ARTICLE NINE**

34 **CERTIFICATES FOR MEMBERSHIP**

35 **Section A. Certificates for Members**

36 Certificates representing membership of the Corporation shall be in such form as  
37 determined by the Board of Directors and by the laws of the Commonwealth of Kentucky. The  
38 certificates shall be signed by the Executive Director and by the Chairperson of the Board of  
39 Directors, and if a seal has been adopted, shall be sealed with such seal or a facsimile thereof.

1 The signature of the officers upon the certificates may be facsimiles if the certificate is manually  
2 signed on behalf of a transfer agent or registrar for the Corporation. The name of the entity  
3 owning the certificate represented thereby and date of issue shall be entered on the books of  
4 the Corporation.

## 6 **ARTICLE TEN**

### 7 **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

#### 8 **Section A. Authority to Indemnify**

9 The Corporation will indemnify and hold harmless to the fullest extent of the law each  
10 of its directors and officers who is or was a party or is made or is threatened to be made a party  
11 to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal,  
12 administrative or investigative (other than an action by or in the right of the Corporation) by  
13 reason of the fact that s/he is or was a director or officer of the Corporation, or is or was serving  
14 at the request of the Corporation as a director, officer, partner, trustee, employee or agent of  
15 another corporation, partnership, joint venture, trust, other enterprise or employee benefit  
16 plan, against judgments, penalties, fines, settlements and reasonable expenses actually incurred  
17 by the person in connection with such action, suit or proceeding if (a) s/he conducted  
18 themselves in good faith, (b) s/he reasonably believed that, with regard to conduct in their  
19 official capacity with the Corporation, their conduct was in the Corporation's best interests, (c)  
20 in all other cases, that their conduct was at least not opposed to the Corporation's best  
21 interests, and (d) with respect to any criminal action or proceeding, that they had no reasonable  
22 cause to believe their conduct was unlawful. The termination of any proceeding by judgment,  
23 order, settlement or conviction will not, in and of itself, be determinative that the individual  
24 failed to meet the requisite standard set forth in this section.

#### 25 **Section B. Limitation on Indemnification**

26 Notwithstanding Section A., indemnification shall not be provided with respect to any  
27 proceeding, whether or not involving action in their official capacity, in which such director or  
28 officer shall have been adjudged to be liable to the Corporation, or to be liable to any party on  
29 the basis that personal benefit was improperly received by such officer or director.

#### 30 **Section C. Determination and Authorization of Indemnification**

31 Indemnification shall not be provided by the Corporation unless authorized in the  
32 specific case upon determination that indemnification of the director or officer is permissible  
33 under the circumstances because s/he has met the applicable standard of conduct set forth in  
34 Section A. Such determination shall be made: (a) by the Board of Directors by a majority vote of  
35 a quorum consisting of directors not at the time parties to such action, suit or proceeding or (b)  
36 by the majority vote of the Board of Directors.

#### 37 **Section D. Expenses**

38 Expenses (including attorney's fees) incurred in defending a civil or criminal action, suit,  
39 or proceeding may be paid by the Corporation in advance of the final disposition of such action,

1 suit or proceeding if (a) authorized by resolution by the Board of Directors and (b) upon receipt  
2 by the Corporation of (i) a written affirmation by the director or officer of their good faith belief  
3 that s/he has met the standard of conduct necessary for indemnification by the Corporation and  
4 (ii) a written undertaking by or on behalf of the director or officer to repay such amount if it  
5 shall ultimately be determined that s/he has not met such standard of conduct and (c) after a  
6 determination that the facts then known to those making the determination would not preclude  
7 indemnification. To the extent that a director or officer has been wholly successful on the merits  
8 or otherwise in defense of any action, suit or proceeding referred to above, s/he shall be  
9 indemnified by the Corporation against reasonable expenses (including attorney's fees) actually  
10 incurred by them in connection therewith.

## 11 12 **ARTICLE ELEVEN**

### 13 **AMENDMENTS OR ALTERATIONS, AND MISCELLANEOUS**

#### 14 **Section A. Amendments**

15 The Board of Directors shall have the power and authority to alter, amend or rescind the  
16 Bylaws of the Corporation at any regular or special meeting at which a quorum is present by a  
17 two-thirds vote of the members present; provided, notice of the proposed change has been  
18 given to each member of the Board in the call for the meeting at which the action is to be taken.

#### 19 **Section B. Fiscal Year**

20 The Board of Directors shall have the power to fix and change the fiscal year of the  
21 Corporation. As of the date of these Bylaws, the fiscal year begins on the first day of July of each  
22 year and ends on the following June 30.

#### 23 **Section C. Seal**

24 The Board of Directors may adopt a corporate seal, which shall be circular in form and  
25 shall have inscribed thereon the name of the Corporation, the state of incorporation, and the  
26 word "SEAL".

#### 27 **Section D. Waiver of Notice**

28 Whenever any notice is required to be given under the provisions of these Bylaws, the  
29 Articles of Incorporation or the Kentucky Non-Profit Corporation Act, a waiver thereof in writing,  
30 signed by the person or persons entitled to such notice, whether before or after the time stated  
31 therein, shall be equivalent to the giving of such notice.

#### 32 **Section E. Construction**

33 Unless the context specifically requires otherwise, any reference in these Bylaws to any  
34 gender shall include all other genders; any reference to the singular shall include the plural; and  
35 any reference to the plural shall include the singular.

## 36 37 **ARTICLE TWELVE**

### 38 **GRANTS AND AWARDS**

39 A-OPTIC may, from time to time, apply for grants and awards with the following

1 understandings:

- 2 • A-OPTIC may apply for grants and awards on behalf of its collective Members. Such  
3 grants and awards shall be managed as A-OPTIC- directed projects and be subject to  
4 the A-OPTIC Federal Indirect Rate.
- 5 • Nothing shall prohibit Members from independently pursuing grants and awards;  
6 provided, however, that individual Members are encouraged to include A-OPTIC and  
7 its Members when applying for grants and awards and to share direct and indirect  
8 costs and funding; and, further provided that individual Members applying  
9 independently for grants and awards relation to A-OPTIC for OPTI compliance shall  
10 be obligated to report such application to the Executive Director.
- 11 • For grants related to Graduate Medical Education, A-OPTIC must be notified and  
12 kept apprised of the application and status throughout the duration of the grant.
- 13 • Any publication of results of shared activity of A-OPTIC and its Members shall  
14 include mention of the Corporation.
- 15 • Any intellectual property that generates awards, royalties and/or fees and that is a  
16 result of activities of A-OPTIC shall accrue to it, based on the percentage of the  
17 contribution of A-OPTIC to the creation of the property as determined by the direct  
18 cost and expenses.
- 19 • A-OPTIC shall establish a means by which net revenues resulting from grant and  
20 award activity may be accumulated within a Grant Account for supporting A-OPTIC  
21 initiatives.
- 22 • Cash Management:  
23 The Controller will draw funds once an invoice for services/incurred expenses  
24 in approved and presented by A-Optic and other necessary entities involved  
25 in the grant. The amount of the draw made does not exceed the amount of  
26 the invoice. The date of the invoice does not drive the action of the  
27 Controller, the date it received in the office and the approval of expenses will  
28 determine the process. Grant funds will not be used for future expenditures.
- 29 • Annual Audits:  
30 Each year, A-Optic, Inc. has a financial statement audit performed by Dean,  
31 Dorton, Allen, and Ford PLLC from Lexington, KY.  
32 In the event that the amount of federal expenditures exceeds \$750,000, the  
33 financial statement audit will include an A-133 audit as well. Given this has  
34 not been warranted, there has been no requirement to report the audit to  
35 the Federal Audit Clearinghouse.
- 36 • Accounting System:  
37 A-Optic has a set of general ledger account numbers that itemize revenues  
38 and expenses for operation of the entity. In addition, each federal grant is  
39 given a set of account numbers so that the revenue and expenses are tracked

1 separately for reporting purposes.

2  
3 All bank statements, receipts, and proof of payments are kept for future  
4 review if necessary. There is electronic record keeping on all of these items.  
5 The university uses an enterprise system that maintains accounting records  
6 from the time of implementation (2004) as well as information from prior  
7 periods that would serve as history (2004 and before). This system is backed  
8 up on servers maintained and serviced by the IT department.

9 • Bank Statements:

10 The bank statements are reconciled by the Assistant Controller but opened  
11 by the cashier or office assistant.

12 The individuals authorized to sign checks do not receive nor open the bank  
13 statements or reconcile the bank statements.

14 The bank reconciliation is prepared by the Controller and approved by the  
15 CFO.

16 The bank reconciliations are done by the 20<sup>th</sup> of the following month.

17 The executive director and educational coordinator have online access to  
18 view all transactions via webadvisor. This system is available twenty four  
19 hours a day and updates immediately.

20 The CFO for the university is the treasurer for the board of A-Optic.

21 • Disbursements/Procurement:

22 **All** check requests and invoices must be approved by two individuals with A-  
23 Optic. They approve both amount and relevance to the grant/project. The  
24 grant funded costs will be reasonable, allocable, and adequately  
25 documented. Grant funded costs are allocated to the extent that they  
26 benefit the program. The funded costs are adequately documented by  
27 documents such as purchase orders, vouchers, invoices, payroll allocation  
28 reports, payroll summaries, timesheets, etc. The documentation for all  
29 disbursements is kept by the Business Office.

30 The check stock is blank, perforated paper. The name, address, and account  
31 number is not on the check until printed in the Business Office. There is only  
32 one printer that can perform this and only two people have access to that  
33 printer. The person who creates a vendor (Procurement Manager), the  
34 person who prepares the voucher (Accounts Payable Coordinator), the  
35 person who prints the check (Assistant Controller), and the person who  
36 reviews the payments are all different individuals (Controller/CFO).

37 The individuals over A-Optic, the CFO of the University of Pikeville, and the  
38 Dean of the Kentucky College of Osteopathic Medicine will have signature  
39 authority. If the amount is over \$25,000, two signatures will be required.

40 • Matching or Cost Sharing:

41 If matching or cost sharing is a requirement of a Federal award, the

1 organization will ensure it will not be included as contributions for any other  
2 federally assisted project or program. If matching or cost sharing is a  
3 requirement of a Federal award, the organization will ensure the matching or  
4 cost sharing contribution is necessary and reasonable for proper and efficient  
5 accomplishment of the project or program objectives.

6 The grant writer and controller are responsible for reporting and will include  
7 members of A-Optic when necessary to verify all information is consistent  
8 and accurate.

9 They will also ensure that the expenses are covered by the grant and  
10 included in the prepared budget.

11 • Consultants and Contractors:

12 Prior to hiring consultants and contractors to accomplish goals set out by the  
13 grant, A-Optic will exhaust all in house resources. In the event that there are  
14 no in house resources available, or the grant requires outside consulting, A-  
15 Optic will go through the bid process to select the best option. 5c Also prior  
16 to selection of a consultant or contractor, A-Optic will check the excluded  
17 parties list system.

18 A request for proposal will be drafted and submitted to local  
19 newspapers/advertised. Once the bids are received, the lowest bid that  
20 meets all of the requirements of the service/item will be selected.

21 Prior to selecting a new consultant, the organization will review the excluded  
22 parties list system with SAM to ensure the individual or recipient is not  
23 prohibited from receiving federal funds.

24 A-Optic will also have input from multiple individuals to determine the costs  
25 and fees are reasonable.

26 There are currently no services being outsourced.

27 • Expenditure Analysis:

28 The software used tracks budget and actual expenses by the fiscal year.

29 Users can see the funds available. The budget will be uploaded once the total  
30 amounts awarded are determined.

31 Based on the controls in place for expenses and disbursements, there should  
32 not be any items that go over budget unless the awarded amount changes. In  
33 that case, the budget will be adjusted accordingly.

34 The budget is reviewed on a monthly basis. Any variations from expected  
35 expenditures (based on the time of the year, purchasing cycle, etc) will be  
36 discussed with members of the university and A-Optic.

37 • Indirect Costs:

38 A-Optic now has a negotiated indirect rate. When applying for grants  
39 currently and into the future, this will be given for the awarding entities. The  
40 rate used is the predetermined rate.

41 During both the application process and the awarding of funds, various

1 groups will meet to determine that we are able to utilize the funds efficiently  
2 and effectively. We will also be cautious in whether the grant funds are  
3 meant to fund new objectives or current prior to any actual expenditures.  
4 The rate proposal will be prepared and submitted again at the expiration of  
5 the current one. The Controller and members of A-Optic will work together  
6 to accomplish this goal.  
7

8 • Credit Cards:

9 The Executive Director has a credit card with their name on it, the  
10 Educational Coordinator will use the card with A-Optic on it. The Dean from  
11 KYCOM overseeing A-Optic will approve charges, trips, and other expenses  
12 prior to and then upon review of the credit card statements. The receipts for  
13 each transaction are reviewed and compared to the monthly credit card  
14 statement.

15 The Business Office receives copies of the credit card statement signed by  
16 both the individual responsible and the supervisor. Receipts and general  
17 ledger account numbers are requested each month by the Business Office.  
18 The credit card is to be used for business purposes (travel, materials, fees)  
19 that are approved and within the budget for that year. The credit card limits  
20 are set by the board of A-Optic and the individuals with credit cards are not  
21 able to adjust those limits.

22 • Timekeeping:

23 All positions are associated with a set of general ledger account numbers to  
24 match their department. In the event that salary and wages are to be paid, in  
25 part or full, by grant funds, an additional position would be created for the  
26 employee to enter the correct amount of hours spent on that position versus  
27 others. Then the allocation would be done by hours worked per pay period  
28 by position.

29 Once hours are submitted into the system, an email is generated to the  
30 supervisor to approve those hours. If the supervisor does not approve the  
31 hours, the Controller or Assistant Controller will contact both the supervisor  
32 and employee for verification of hours worked.

33 • Travel:

34 Travel for grant funded events/conferences/etc. will be pre-approved by the  
35 Executive Director or the Dean of KYCOM. Prior to reimbursement, receipts,  
36 expenditure reports, and check requests will be required by the Business  
37 Office. Also, two individuals must approve each expense prior to processing.  
38 All travel will be the most economic. Airfare will be the coach and all rental  
39 cars will be mid-size unless larger vehicles are required for multiple people  
40 attending the same event. Food, lodging, etc. will be modest and approved  
41 prior to departure. The amount of mileage, meals, and incidentals and

1 lodging amounts will be limited to the rates published in the Federal Travel  
2 Regulations, unless otherwise justified.

3 • Property Control:

4 Assets purchased with government funds will be tagged with IT information  
5 to track the grant/program/etc. The fixed asset module in our software will  
6 report on cost, date of acquisition, type of property, location of property,  
7 condition, and on which time period the property is being depreciated. An  
8 inventory and review of this list is done quarterly. The record for property  
9 includes the following: description (type of property), cost, purchase date,  
10 source of funding, location, and condition of each property item.

11 The assets will be housed in offices or spaces that have access limited to  
12 those authorized in those areas.

13 • Conflict of Interest:

14 A-Optic will avoid any contracting, consulting, or other business related  
15 activities with those who are friends, family, and other personal ties. Prior to  
16 hiring or doing business with any entity, those involved will ensure that this is  
17 not the case with the potential consultant or vendor.

18 In the event that someone in these categories is the only consultant or  
19 vendor that can, or will, provide the service needed, all individuals, as well as  
20 individuals with the University, will meet to discuss the necessity of the  
21 service or product.

22 This will be a last resort and avoided if at all possible.

23 In the event that a member of the board of directors intentionally violates  
24 this policy, or if an employee does, then that event will be communicated to  
25 Human Resources, the President of the University, and the full board of  
26 directors to discuss the penalty. This could range from written counseling to  
27 termination depending on the specific situation.

28 • Mandatory Disclosures:

29 In the event that A-Optic, its employees, its board members, or other related  
30 parties are found in violation of federal criminal law, involving fraud, bribery,  
31 and gratuity violations potentially affecting the award, a written document  
32 will be sent to HHS as soon as the university or A-Optic are informed of the  
33 violation.

34 Any other criminal offenses or legal involvements with A-Optic, its  
35 employees, its board members, or other related parties will be treated the  
36 same and notification will be sent.

37 To serve persons most in need and to comply with Federal law, services must  
38 be widely accessible. Services must not discriminate on the basis of age,  
39 disability, sex, race, color, national origin or religion. The HHS Office for Civil  
40 Rights provides guidance to grant and cooperative agreement recipients on  
41 complying with civil rights laws that prohibit discrimination on these bases.

1 Please see <http://www.hhs.gov/civil-rights/for-individuals/index.html>. HHS  
2 also provides specific guidance for recipients on meeting their legal  
3 obligation under Title VI of the Civil Rights Act of 1964, which prohibits  
4 discrimination on the basis of race, color or national origin in programs and  
5 activities that receive Federal financial assistance (P. L. 88-352, as amended  
6 and 45 CFR Part 75). In some instances a recipient’s failure to provide  
7 language assistance services may have the effect of discriminating against  
8 persons on the basis of  
9 their national origin. Please see [http://www.hhs.gov/civil-rights/for-  
10 individuals/special-topics/limited-english-proficiency/index.html](http://www.hhs.gov/civil-rights/for-individuals/special-topics/limited-english-proficiency/index.html) to learn  
11 more about the Title VI requirement for grant and cooperative agreement  
12 recipients to take reasonable steps to provide meaningful access to their  
13 programs and activities by persons with limited English proficiency.

14 • **Allowability of Costs:**

15 Prior to any expenditure approvals, A-Optic officials will consider the  
16 necessity and application to the grant. These expenditures will be reasonable  
17 in cost and will not exceed what a prudent person would incur under similar  
18 circumstances.

19 • **Program Income:**

20 Program income, in relation to projects financed with federal funds, the use  
21 will be limited to furthering eligible project or program objectives, financing  
22 the non-federal share or match, and deducting it from the total federal share  
23 of the project or program allowable costs.

24 The program income will be calculated by the amount of money received in  
25 relation to grant awards or produced due to the grant funded project. This  
26 program income will only be used to achieve goals set forth by the grant.  
27  
28

29 **ARTICLE THIRTEEN**

30 A-OPTIC shall comply with all requirements of the Program to Accredit Osteopathic  
31 Postdoctoral Training Institutions of the American Osteopathic Association.  
32

33 **ARTICLE FOURTEEN**

34 The invalidity or unenforceability of any provisions of this Agreement shall not affect the  
35 validity or enforceability of any other provision of this Agreement, which shall remain in full  
36 force and effect.  
37

38 The above Bylaws of this  
39 Corporation were amended by  
40 the Board of Directors on the

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2  
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5<sup>th</sup> day of December, 2016.

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Kara S. Walters  
Secretary