

Approved by the Founder of the Keystone  
Human Services International Moldova  
Association on September 30, 2003

Registered by the Ministry of Justice of the Republic  
of Moldova at the date of June 23, 2004  
# 002661

**CHARTER  
OF THE  
KEYSTONE HUMAN SERVICES INTERNATIONAL  
MOLDOVA ASSOCIATION**

**Chisinau 2003**

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## 1. GENERAL REGULATIONS

- 1.1. The Keystone Human Services International Moldova Association (hereinafter the KHSI-Moldova Association) is a non-for-profit, independent, non-political organization, which is created and carries out its activities in accordance with the Constitution of the Republic of Moldova, the Civil Code, the Law on Public Associations of the Republic of Moldova, other relevant Moldovan legislation and this Charter. The juridical and organizational form of the KHSI-Moldova Association is the public institution. The KHSI-Moldova Association works for the public's benefit.
- 1.2. The Founder of the KHSI-Moldova Association is:
  - a) The Keystone Human Services International, incorporated July, 1, 1996, Address: 310 North Second Street, Harrisburg, PA, represented by the Director (the signing person), who acts in accordance with the Charter
- 1.3. The KHSI-Moldova Association operates on the territory of the Republic of Moldova and has the right to establish branches, representations, information, education and scientific centers in the country and abroad. The functioning of the KHSI-Moldova Association shall not be time-limited.
- 1.4. The KHSI-Moldova Association is independent and establishes on its own the activity priorities, institutional, social, economical and technical development strategies. The interference in the activities of the KHSI-Moldova Association by third parties is prohibited.
- 1.5. The KHSI-Moldova Association carries out its activities in close cooperation with public institutions, international organizations, non-governmental organizations, and other institutions.
- 1.6. The KHSI-Moldova Association can be a founder or a member of different institutions as well as full partner in different national and international societies and associations.
- 1.7. The KHSI-Moldova Association has the right to freely distribute information about its activities by all legal means, including by using mass media, which belongs to the KHSI-Moldova Association
- 1.8. The KHSI-Moldova Association has the right to carry out economic and production activity, using the income exclusively in order to achieve its goals and objectives set up by the Charter.
- 1.9. The KHSI-Moldova Association obtains the status of a legal entity from the moment of the state registration. The KHSI-Moldova Association has the right to open and operate foreign and national currency bank accounts. It has its own logos, letterhead form and seal.
- 1.10. The legal address of the Association is Street 61, Cresescu, Chisinau, Moldova.

## 2. PURPOSES AND ACTIVITIES

2.1. The KHSI-Moldova Association is established for social, charitable, cultural, and educational, purposes, and aims, inter alia, to promote and develop opportunities that will be in the form of direct service, best-practice training, monetary and administrative supports to further the independence of people who are in need of service due to disabling conditions, situations of poverty, abandonment, institutionalization and other adverse societal conditions throughout Moldova.

2.2. For achievement of its goals, the KHSI-Moldova Association may carry out the following activities:

- Initiate, coordinate and fund national and international programs in the field of its activity;
- Obtain from the public authorities and other persons necessary information in order to carry out its activities;
- Found or possess mass media and will use appropriately the existent ones;
- Develop resource centers, such as libraries, databases, which will be opened to public access for free and / or for a fee;
- Organize congresses, conferences, forums, round tables, exhibitions, communication sessions with national and international participation;
- Create and develop new information centers;
- Produce and distribute TV and radio programs;
- Publish, distribute and / or sell newspapers, magazines, thematic literature and specialized bulletins;
- Participate as founder in non-profit organizations and profit societies in order to achieve the goals, provided for by the present Charter ;
- Carry out economic production activity and other entrepreneurial activity, which comes from the goals of the KHSI-Moldova Association and will contribute to the achievement of the Charter goals;
- Deliver services that will include but will not be limited to:
  - Provide support and services for children who are at risk or have special needs;
  - Provide assistance, as requested, to the government of the Republic of Moldova, municipalities, autonomous regions regarding human service delivery or development;
  - Provide services and supports to people with mental retardation and/or developmental disabilities;
  - Provide services and supports to people with mental health needs;
  - Provide services and supports to children and families to ameliorate the impact of alcoholism, drug addition, divorce, abuse, etc.
  - Provide funding and financial support through charitable, government and corporate sources
- Provide technical assistance, training and consultation regarding child development, family dynamics, therapeutic and treatment models and large scale human service systems.

- Operate an international intern program allowing students to live and learn in countries and cultures other than their own.
- Organize and support other activities in accordance with the aims and objectives of the Association and the national law.
- Other activities that are not prohibited by the law.

### **3. BENEFICIARIES**

3.1. The beneficiaries of the KHSI-Moldova Association can be any persons who are in need of service due to disabling conditions, situations of poverty, abandonment, institutionalization and other adverse societal conditions throughout Moldova.

3.2. The beneficiaries of the KHSI-Moldova Association can be an individual or legal entities, who have solicited services or financial support according to the KHSI-Moldova Association's procedures.

### **4. ADMINISTRATION**

4.1 The KHSI-Moldova Association is governed by:

- a) The Founder
- b) The Board of Directors of the KHSI-Moldova Association, which is the supreme governing body
- c) The Executive Director, which is the executive body
- d) The Censor

#### **a) Founder**

4.2. The KHSI-Moldova Association Founder nominates three representatives to the Board of Directors. Two weeks before the expiration of the Board members' mandate the Founder shall decide on the candidates to be represented in the Board of Directors. If the Founder did not decide on the candidate, the mandate of the representative is prolonged automatically for another term.

4.3. The first Executive Director and the Censor are appointed by the Founder. During the first twelve months (12) months of the Association's operation, the Founder has the right to dismiss and appoint the Executive Director and the Censor. Upon the expiration of twelve (12) months from the date of state registration of the Association, the appointment and dismissal of the Executive Director and the Censor fall within the competence of the KHSI Moldova Association Board. The decision to appoint or dismiss the Executive Director and the Censor requires a special vote of the KHSI Moldova Association Board.

## **b) Board of Directors**

- 4.4. The Board of Directors is the supreme governing body of the KHSI-Moldova Association and consists of three persons, nominated by the Founder. The members of the Board of Directors are appointed for a term of four years.
- 4.5. The Board of Directors of the KHSI-Moldova Association shall meet routinely at least once every year or as many times as is needed. The members of the Board of Directors can be present at the meetings in person, by correspondence, or both. A quorum of 2/3 is needed for the Board meeting to be deliberative. In case the quorum is not met the President of the Board of Directors convokes another meeting not later than ten days after the first meeting, which will be deliberative if at least 1/2 of the members participate.
- 4.6. The Board of Directors extraordinary meetings are held upon the initiative of the Founder, the President of the Board, the Censor, or the Executive Director not later than within 7 days. If the Board of Directors refuses to convoke the meeting the interested persons shall inform the founder of the KHSI-Moldova Association.
- 4.7. The President of the Board, elected among and by the members of the Board, chairs and coordinates the Board meetings.
- 4.8. Each member of the Board has a vote. The Board decisions should be taken by consensus as far as possible. Otherwise the decisions of the Board are taken by 2/3 of the votes of the present members. In case of parity the vote of the President is decisive. All the Board decisions must be documented in the minutes, signed by the Board members and kept in accordance with the current Moldovan legislation.
- 4.9. The members of the Board are not remunerated for their activity. However, they may receive compensation for expenses incurred in connection with the performance of their activities within the KHSI-Moldova Association
- 4.10. A Director or Officer of the Association shall not be personally liable for monetary damages for any action taken, or for any failure to take any action as a Director, unless (1) the Director has breached or failed to perform the duties of his or her office under Moldovan law and (2) the breach or failure to perform constitutes self-dealing, willful misconduct; or recklessness. This bylaw shall not apply to the responsibility or liability of a Director or Officer pursuant to any criminal statute or to the liability of a Director or Officer for the payment of taxes pursuant to local, state, or federal law. No amendment to or repeal of this Bylaw shall have any effect on the personal liability for monetary damages of any Director or Officer of the Association for, or with respect to any act or omission of such Director or Officer occurring prior to such amendment or repeal.

Every person who is, or shall be, or shall have been a Director or Officer of the Association and his or her personal representatives, shall be indemnified by the Association against all cost and expenses reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit, or proceeding to which he or she may be made party by reason of his or her being or having been a Director or Officer of the Association or of any subsidiary or affiliate thereof, relation to such matters as to which he or she shall be adjudicated in such action, suit, or proceeding to have acted in bad faith and to have been liable by performance of his or her duty as Director or Officer. Costs and expenses of actions for which this Article provides indemnification shall include, among other things, attorney's fees, damages and reasonable amounts paid in settlement.

- 4.11. The membership in the Board of Directors is personal and cannot be transmitted to other persons. If a member of the Board cannot exercise his functions, the Founder shall appoint another representative not later than within 7 days.
- 4.12. Only the Founder can recall the Board member. If the Board member's actions caused damage or prejudice to the image of the KHSI-Moldova Association, the President of the Board shall inform the Founder not later than within 7 days.
- 4.13. The Board has the following exclusive prerogatives:
- Approval of modifications and amendments to the Charter ;
  - Defining the general guiding principles and the strategy of the KHSI-Moldova Association within its aims and objectives, the number and contents of the Association's programs;
  - Approval of the KHSI-Moldova Association activity plan;
  - Approval of the KHSI-Moldova Association annual budgets;
  - Appointing and recalling the President of the Board, the Executive Director and the Censor, taking into consideration the art. 4.3.
  - Decision on funding projects which correspond to the goals provided for in the present Charter;
  - Decision on opening representations, branches, economic societies and/or participation in the activity of economic societies, approval of their Charter ;
  - Examination of financial and activity reports of the Board President and the Executive Director;
  - Decision to liquidate the KHSI-Moldova Association in accordance with the Charter and the national law;
  - Any other decision, which is outside of exclusive competence of other KHSI-Moldova Association's bodies, meaning that the Board can take any other decisions that are not mentioned above and are not in the competence of the Founder, Executive Director, President, or the Censor (other KHSI-Moldova Association's bodies).

4.14. The President of the KHSI-Moldova Association Board

The President of the KHSI-Moldova Association' Board is elected among and by the Board members for a three years term. The same person can serve as President of the Board only for two terms. The competence of the President of the KHSI-Moldova Association Board:

- Ensures the link between the Association and the Founder;
- Supervises the preparation of the Board meetings;
- Chairs and coordinates the Board meetings;
- Supervises the conflict of interests occurred within different bodies of the KHSI-Moldova Association
- Mediates the conflicts between the members of different Association bodies;
- Ensures effective communication between the Board and the Management.

4.15. The President of the Board can be dismissed upon a proposal of one of the Board members by a simple majority of votes, excluding the vote of the President.

**c) Executive Director**

4.16. The Executive Director of the KHSI-Moldova Association is appointed on a competitive basis by the Board of Directors for a period of two years, taking into consideration the art. 4.3. and has the following duties:

- Represents the Association in dealing with the state, national and international institutions and organizations, other physical or legal entities;
- Coordinates the Association activity in accordance with the general guidelines and strategies adopted by the Board;
- Takes action on behalf of the KHSI-Moldova Association without a special mandate and represents the interests of the Association in dealing with public authorities, judicial, financial institutions or other public or private institutions;
- Ensures the development of KHSI-Moldova Association programs within the strategy adopted by the Board;
- Manages the property of the KHSI-Moldova Association in compliance with the Charter and the current Moldovan legislation;
- Ensures the strict implementation of the decisions of the Board and other KHSI-Moldova Association bodies;
- Elaborates policies and strategies and presents them for approval to the Board;
- Develops the annual activity plan of the KHSI-Moldova Association and presents it to the Board for approval. The activity plan is presented together with the activity report for in the period of December 15 – January 15 of each year;

- Elaborates the annual budget and financial report and presents them to the Board for approval;
- Adopts orders, regulations, instructions, signs contracts, cooperation agreements, mandates, other documents necessary for the current activity of the KHSI-Moldova Association
- Hires, promotes, sanctions and dismisses the KHSI-Moldova Association staff, fixes their remuneration, compensations and supplements.

#### **d) Censor**

- 4.17. The Censor is the monitoring body of the Association's financial activities. The Censor is nominated by the Board of Directors for a period of two years.
- 4.18. The Censor monitors the financial activity of the Association, the expenditures, the correctness of bookkeeping, assets' records, the conformity of the Association activities with its Charter and the implementation of the Association's governing bodies' decisions. Censor monitoring activities and any related reports should be performed in a timely manner and not be unreasonably delayed as determined by general business practices.
- 4.19. The Censor has unrestricted access to all the Association's documentation. They can demand any document from the governing and executive bodies, which shall offer it within a reasonable period of time.
- 4.20. Based on the accomplished controls the Censor delivers a report on the Association's activities by the end of the financial year. The Report shall be presented to the Founder, and the Board of Directors.
- 4.21. The Censor shall be remunerated according to the time spent on performing his/her duties.
- 4.22. If any transgressions occurred within the Association's activity the Censor has the right to convoke the Board of Directors and to ask the elimination of the discovered transgressions.

### **5. CONFLICT OF INTERESTS. CONFLICT RESOLUTION**

- 5.1. A conflict of interest is considered such a situation when a person, member of any of the decision making body, could have a material interest that does not go along with the Association's interests.
- 5.2. The person, that could have an interest in taking such a decision, could be:
- Member of any Association's bodies;
  - Parent, child or relative up to third degree of any member of the Association's bodies.

- 5.3. The Association shall not admit any conflict of interests in its activity. The person that has any interest in taking a particular decision is obliged to declare such situation in written to the Board of Directors before such a decision is taken.
- 5.4. A transaction with conflict of interest shall be concluded by the Association only based on the Board decision adopted earlier by a 2/3 majority of the members that do not have such interests. If more than 1/2 of the Board members have such interests, the transaction shall be concluded only upon the written agreement of the Founder. The interested persons shall not take part at voting procedure and shall not attend the meeting when such a decision is adopted.
- 5.5. The transaction concluded in a situation of conflict of interests without following the procedure described in p. 5.4 shall be void. The person, which did not declare about a situation of conflict of interests shall repair the entire damage caused to the Association.
- 5.6. The governing and executive bodies of the Association shall be created in the manner to avoid maximum possible situations of conflict of interests.
- 5.7. The members of the governing and executive bodies could not be at the same time members of any other body of the Association.

## **6. PROPERTY. CONSTITUTION AND DISPOSAL OF THE PROPERTY**

- 6.1. The property of the KHSI-Moldova Association consists of:
- The initial contribution of the Founder in amount of (\$1,000.00) US dollars, transferred to the Association in the process of registration as provided by the Decision of Establishment;
  - The annual contributions of the Founder in the amount of ( \$1,000.00) US dollars as provided by the Decision of Establishment;
  - Charity and donations offered by the Founder, other associations, institutions, physical and legal entities both from the Republic of Moldova and abroad;
  - Resources obtained from the national public budget and extra budgetary funds;
  - Means acquired as a result of resources' investment;
  - Benefits resulting from economic and production activity of the KHSI-Moldova Association and of enterprises lawfully established by the Association ;
  - Benefits from publishing activities;
  - Other benefits obtained legally.
- 6.2. The donations and legacies from third parties can be in the shape of money, both national and foreign currency, goods, assets, copyright, property rights, shares and claims, etc.

6.3. The property of the Association can be used only in accordance with the Association 's goals. This property can not be used for the benefit of the Founder, the members of the decision-making bodies and staff. The Association will not support the activities of political parties, electoral coalitions or any candidates to a position within public authorities, and will not use its benefits and property to finance these entities.

6.4. The property assigned by the Founder to the Association in its ownership can not be sued for the Founder' obligations.

## **7. BRANCHES**

7.1. The KHSI-Moldova Association has the right to establish branches on the territory of the Republic of Moldova and abroad.

7.2. The Association 's branches carry out their activities in accordance with the Moldovan legislation, the Association 's Charter and the Regulation of the Branch.

7.3. The decision on establishing a branch shall be taken by the Board of Directors. The Board adopts the Regulations of the Branch that shall be registered in accordance with the law.

7.4. The branches established on the territory of the Republic of Moldova are not independent legal persons.

7.5. The property of the Branch consists of goods consigned in operational administration by the Association. The Branch exercise the right to possess, to use and dispose within the limits set up by the Regulation adopted by the Association.

7.6. The Branch is managed by the Branch Director appointed by the Association 's Board of Directors on a competitive basis. The competence, rights and obligations of the Branch Director are set up by the Branch Regulation and by the individual contract.

7.7. The Branch Director is responsible for the property, financial and material resources consigned to the Branch.

## **8. REPORTING PRINCIPLES AND TRANSPERENCY**

8.1. The KHSI-Moldova Association will ensure the transparency of all of its activities before the public authorities, donors, partners and beneficiaries.

8.2. The KHSI-Moldova Association shall present financial reports to the competent state bodies in accordance with the current legislation of the Republic of Moldova.

- 8.3. The Censor shall present the accountability results to the Board of Directors within 180 days from the close of the financial year.
- 8.4. The Executive Director shall present the activity report to the Board in terms, indicated in p. 8.3 of the present Charter.
- 8.5. An auditing company should verify the activity of the KHSI-Moldova Association.
- 8.6. The final activity report of the KHSI-Moldova Association and the auditing report must be published.

## **9. MODIFICATION OF THE CHARTER**

- 9.1. The present Charter can be modified exclusively by the KHSI-Moldova Association Board by at least 2/3 of the votes. The proposals on the Charter modification may come from the members of different KHSI-Moldova Association bodies or from the staff. The proposals are submitted to the Board in writing. The Board shall decide upon the proposed modifications at a routine or extraordinary meeting.

## **10. CESSATION OF ACTIVITY**

- 10.1. The decision on the KHSI-Moldova Association liquidation is taken by the Board by 2/3 of the votes in accordance with these Charter and the national law.
- 10.2. The KHSI-Moldova Association liquidation process shall be operated by the liquidation commission. The liquidation commission consists of at least three members designated by the Board along with the decision on liquidation.
- 10.3. The liquidation commission takes over the administration of the current activities of the Association from the moment it is set up.
- 10.4. Following the fulfillment of the obligations to the public budget and creditors, the distribution and the allocation of the remaining assets shall be donated to an Association /s or other non-governmental organizations, which pursue similar goals, based on the decision of the liquidation commission. The remaining property after fulfillment of the obligations to the creditors cannot be distributed to the Founders, the members of different bodies of KHSI-Moldova Association or staff.

Approved by the KHS International Board of Directors

On September 30, 2003