

Bylaws of
California Family Child Care Network
A California Nonprofit Public Benefit Corporation
Version Date: 11/10/22

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**BYLAWS OF
CALIFORNIA FAMILY CHILD CARE NETWORK**

Article I: Name

Section 1.01 Corporate Name

The name of the Corporation is “California Family Child Care Network” referred to hereafter as the “Corporation” or “Organization.”

Article II: Offices

Section 2.01 Principal Office

The principal office for the transaction of the business of the Corporation may be established at any place or places within the State of California by resolution of the board.

Section 2.02 Additional Offices

The board may, at any time, establish branch or subordinate offices at any place or places within the state of California where the Corporation is qualified to transact business.

Article III: Purposes

Section 3.01 General Purposes

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

This corporation is organized and operated exclusively for the purposes set forth in this section hereof within the meaning of Internal Revenue Code section 501(c)(3).

Section 3.02 Specific Purposes

This organization has been formed to benefit children and the community by providing support, education and information related to quality child care.

Article IV: Nonpartisan Activities

Section 4.01 Prohibited Activities

This organization has been formed under the State of California Nonprofit Public Benefit Corporation Law for the charitable purposes described above, and it shall be nonprofit and nonpartisan.

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

In no event shall the Organization engage in activities which are not permitted to be conducted by a 501(c) (3) exempt corporation.

Article V: Dedication of Assets

Section 5.01 Prohibition Against Private Inurement

The property of this corporation is irrevocably dedicated to the purposes in Section 3.01 hereof and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

Section 5.02 Distribution of Assets

Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Internal Revenue Code section 501(c)(3).

Section 5.03 Private Foundation Requirements and Restrictions

In any taxable year in which this organization is a private foundation as described in Section 509(a) of the Internal Revenue Code, the Organization

1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code;

2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code;

3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code;

4) shall not make any investments in such manner as to subject the Organization to tax under Section 4944 of the Internal Revenue Code;

5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

Article VI: Members

Section 6.01 Determination and Rights of Members

The Organization is a membership-based organization and shall have four classes of members, defined below.

No member shall hold more than one membership in the Organization.

Except as expressly provided in or authorized by the Articles of Incorporation, the Bylaws of the Organization or provisions of law, all memberships shall have the same rights, privileges, restrictions and conditions.

Section 6.02 Classes and Qualifications of Members

The classes and qualifications for membership in the Organization are as follows:

a) *Regular membership: A regular member is one who currently holds or previously held a valid family child care license within the state of California. Regular members pay dues and have voting rights.*

b) *Employee membership: An employee member must be a regular employee of a licensed family child care provider. Employee members pay dues and have voting rights.*

c) *Honorary membership: An honorary membership is open to individuals who have made significant contribution to family child care. Honorary members pay no dues and have no voting rights.*

d) *Director membership: A director membership is open to persons who have been elected to the board of directors and who are currently serving a term on the board of directors. Director members shall have dues waived and have voting rights.*

Section 6.03 Admission of Members

Applicants shall be admitted to membership upon the submission of the applicable membership form and the payment of dues if any are required.

Section 6.04 Dues, Receipts and Membership Cards

The board of directors shall establish the amount and frequency of dues required for membership. The Organization shall issue receipts for dues paid and membership cards.

Section 6.05 Number of Members

There is no limit on the number of members the Organization may admit.

Section 6.06 Membership Records

The Organization shall keep a membership record containing the name and address of each member. Termination of the membership of any member shall be recorded together with the date of termination of such membership.

Such records shall be kept at the Organization's principal office.

Section 6.07 Non liability of Members

A member of the Organization is not, as such, personally liable for the debts, liabilities or obligations of the Organization.

Section 6.08 No Transferability of Memberships

No member may transfer a membership or any right arising there from.

Section 6.09 Termination of Membership (all classes)

The membership of a member shall terminate upon the occurrence of any of the following events:

- a) *Upon a member's written notice of such termination delivered to the president or secretary of the Organization personally or by mail, such membership to terminate upon the date of delivery of the notice or as of the date specified by such member.*
- b) *Upon a failure to renew his or her membership by paying any required dues by the due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed to such member by the secretary of the Organization. A member may avoid such termination by paying the amount of delinquent dues within a thirty (30) day period following the member's receipt of the written notification of delinquency.*
- c) *After providing the member with reasonable written notice and an opportunity to be heard either verbally or in writing, upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the Organization.*

All rights of a member in the Organization shall cease on termination of membership as herein provided.

Section 6.10 Place of Meetings of Members

~~*Meetings of members shall be held at such place or places as may be designated by the board of directors.*~~

Section 6.10 Place of Meetings of Members (Amendment Approved by the members' votes counted 1/22/22)

Meetings of members shall be held at such place or places as may be designated by the board of directors or a meeting of the members may be conducted by electronic transmission or by electronic video screen communication.

Section 6.11 Regular Meetings of Members

A regular meeting of members shall be held annually in November for the purpose of electing directors and transacting other business.

The annual meeting of members for the purpose of electing directors shall be deemed a regular meeting.

Section 6.12 Special Meetings of Members

Special meetings of the members shall be called by the board of directors, or the president of the Organization or 20% of the members or by the persons specifically authorized under the laws of this state to call special meetings of the members.

Section 6.13 Notice of Meetings of Members

Unless otherwise provided by the Articles of Incorporation, the Bylaws or provisions of law, the following provisions apply:

- a) Written notice shall state the place, day and hour of the meeting.*
- b) In the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is called.*
- c) Notice shall be delivered not less than twenty (20) days and not more than sixty (60) days before the date of the meeting.*
- d) Notice shall be made either personally or by mail.*
- e) Notice shall be by or at the direction of the president, or the secretary, or persons authorized to call the meeting.*
- f) Notice shall be to each member entitled to vote at such meeting.*
- g) If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the Organization, with postage prepaid.*
- h) The notice of any meeting of members at which directors are to be elected shall also state the names of all those who are nominees or candidates for election to the board at the time notice is given.*
- i) Personal notification includes notification by telephone, facsimile or email*
- j) The Corporation shall not give notice by electronic transmission unless the transmission
 - (1) is to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to this code, and*
 - (2) is a transmission that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.**

- k) *A member's consent to notice by electronic transmission must be preceded by or include a clear written statement to the recipient as to*
- (1) any right of the recipient to have the record provided or made available on paper or in non-electronic form,*
 - (2) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and*
 - (3) the procedures the recipient must use to withdraw consent.*

Whenever any notice of a meeting is required to be given to any member of the Organization under provisions of the Articles of Incorporation, these Bylaws or the laws of this state, a waiver of notice in writing signed by the member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 6.14 Quorum for Meetings of Members

One-third of the voting power, represented in person, shall constitute a quorum at a meeting of members.

Except as otherwise provided under the Articles of Incorporation, these Bylaws or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the chairperson shall entertain at such meeting is a motion to adjourn.

Section 6.15 Majority Action as Membership Action

Every act or decision done or made by a majority of voting members present in person at a duly held meeting at which a quorum is present is the act of the members, unless the Articles of Incorporation, these Bylaws or provisions of law require a greater number.

Section 6.16 Voting Rights of Members

Each regular member and Director-member is entitled to one vote on each matter submitted to a vote by the members. Voting at duly held meetings shall be by written ballot vote.

Section 6.17 Conduct for Meetings of Members

Meetings of members shall be presided over by the president of the board or in his or her absence, the president-elect, or in his or her absence, the 1st vice president, or in his or her absence, the 2nd vice president of the Organization or, in the absence of all of these persons, by a board member present at the meeting.

The secretary of the Organization shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Section 6.18 Approval by Members

Approval by the members is required for the following:

- a) Election of directors*
- b) Removal of directors*
- c) Amending the Articles of Incorporation*
- d) Amending the Bylaws when required*
- e) Electing to wind up or dissolve the Organization*

- f) *Approving a plan of merger or consolidation*
- g) *Disposing of all or substantially all of the Organization's assets*

Article VII: Directors

Section 7.01 Number of Directors

The Organization shall have no less than 5 and no more than 9 directors and collectively they shall be known as the board of directors.

Section 7.02 Qualifications of Directors

- 1) *Directors shall be of the age of majority in this state.*
- 2) *Any regular member in good standing may be a candidate for director.*
- 3) *A director member who has experience as a licensed family child care provider may be a candidate for director.*
- 4) *Associate directors: No more than two individuals may be candidates for director, who have not had a family child care license but who support and care deeply about the purpose and objectives of the Organization.*

Section 7.03 Powers of Directors

Subject to the provisions of the law of this state and any limitations in the Articles of Incorporation and these Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this Organization, the activities and affairs of the Organization shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

Section 7.04 Specific Powers of Directors

Without prejudice to the general powers set forth in these Bylaws, but subject to the same limitations, the directors shall have the power to:

- a) *Appoint and remove, at the pleasure of the board, all the Organization's officers, agents and employees; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix the compensation of the Organization's agents and employees and require from them security for faithful performance of their duties;*
- b) *Change the principal office or the principal business office in California from one location to another; designate any place within the state of California for holding any meeting of members;*
- c) *Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates;*
- d) *Borrow money and incur indebtedness on behalf of the Organization and cause to be executed and delivered for the Organization's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.*
- e) *Amend the Bylaws, where law does not require amendment by the members.*

Section 7.05 Duties of Directors

It shall be the duty of the directors to:

- a) *Perform any and all duties imposed on them collectively or individually by Law, by the*

- Articles of Incorporation, or by these Bylaws;*
- b) *Supervise all officers, agents and employees of the Organization to assure that their duties are performed properly;*
 - c) *Meet at such times and places as required by these Bylaws;*
 - d) *Register their addresses with the secretary of the Organization, and notices of meeting mailed or hand-delivered to them at such addresses shall be valid notices thereof.*

Section 7.06 Compensation of Directors

The directors shall serve without compensation for their duties as board members but they may be compensated for a) other work required by contractual agreement for services or as employees of the Organization and b) reasonable compensation for loss of income or incurred expenses arising out of and in due course of their responsibilities as board directors as specified in Section 7.04 and Section 7.05 of this Article.

Directors may not be compensated for rendering services to the Organization in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Article XIV. Any payments to directors shall be approved in advance in accordance with this Organization's conflict of interest policy, as set forth in Article XIV of these Bylaws.

Section 7.07 Restriction Regarding Interested Directors

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

- (a) Any person currently being compensated by the Organization for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or*
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.*

Section 7.08 Election and Term of Office of the Board of Directors

Openings for directors shall be filled through elections by written ballots.

Ballots do not need to be counted during the annual meeting.

Written ballots may be submitted by mail or in-person.

When the annual meeting is an in-person meeting, ballots shall be counted at the location and date set for a regular annual meeting.

When the annual meeting is virtual or both in-person and virtual, ballots shall be counted no later than 15 days after the annual meeting.



The corporation shall distribute a written ballot to every member entitled to vote.

Ballots may be submitted by mail and ballots may be submitted in person at the location, date and time set for the annual meeting.

The ballot shall list the nominees and provide an opportunity to specify approval or disapproval of any nominee, and provide a reasonable time within which to return the ballot to the corporation.

Write-in candidates shall be allowed during elections for directors and designated space for write-in candidates shall be placed on the ballots.

Ballots shall indicate the number of responses needed to meet the quorum requirement. The solicitation must specify the time by which the ballot must be received in order to be counted.

Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting of the members.

The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Each voting member shall cast one vote, with voting being by ballot only.

Directors' terms shall be staggered and their terms shall be for one, two, three or four years and as otherwise provided under these Bylaws with respect to vacancies.

Directors may be reelected.

Each director shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her term is completed and until the election and qualification of a successor.

Section 7.091 Nomination of Directors by Nominating Committee

The president with the approval of the board of directors shall appoint a Nominating Committee of three regular members no less than sixty (60) days prior to the annual meeting.

- a) The members of said committee shall be eligible for nomination by it.*
- b) The Nominating Committee shall present to the Secretary, at least thirty (30) days before said Annual meeting the name of one or more nominees for directors.*
- c) Consent to serve must be obtained from each nominee.*

Section 7.092 Nomination of Directors at Annual Meetings

a) During the annual meeting, any member at the annual meeting may nominate any qualified member for a director position, including himself or herself.

b) Consent to serve must be obtained from each nominee.

Section 7.10 Place of Meetings of the Board of Directors; Meetings by Telephone

Meetings shall be held at locations designated by the board.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 7.11 Regular Meetings of the Board of Directors

There shall be at least eight regular meetings of the board per fiscal year and the meetings of directors shall be held at times as the board agrees upon.

Section 7.12 Notice of Meetings of the Board of Directors

Unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors:

- a) **Regular Meetings:** No notice needs to be given of any regular meetings of the board of directors*
- b) **Special Meetings:** Notice shall be given by the Secretary of the Organization to each director of each special meeting of the board.*

Such notice may be oral or written, may be given personally, by telephone, by facsimile machine, or email, and shall state the place, date and time of the meetings.

In the case of facsimile or email notification, the directors to be contacted shall have submitted consent to be given notice by facsimile or email notification.

Notices given personally, by telephone, voice messaging system or other system or technology designed to record and communicate messages, facsimile, e-mail or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.

- c) **Waiver of Notice:** Whenever any notice of a meeting is required to be given to any director of this Organization under provisions of the Articles of Incorporation, these Bylaws or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.*

Section 7.13 Quorum for Meetings of the Board of Directors

A quorum shall consist of 50% plus 1 the members then in office to serve on the board of directors.

Except as otherwise provided under the Articles of Incorporation, these Bylaws or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chairperson shall entertain at such meeting is a motion to adjourn.

Section 7.14 Consensus as Board Action

Every act or decision done or made by a majority vote or consensus of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the Articles of Incorporation, these Bylaws or provisions of law require a different percentage or different voting rules for approval of a matter by the board.

Section 7.15 Conduct for Meetings of the Board of Directors

Meetings of the board of directors shall be presided over by the president of the Organization, or in his/her absence by the president-elect, or in his/her absence, the 1st vice president, by the 2nd vice president, or in his or her absence by a director chosen by a majority of the directors present.

The secretary of the Organization shall act as secretary of the board of directors. In case the secretary is absent from any meeting of directors, the presiding officer may appoint any person to act as secretary for the meeting.

Meetings shall be governed by rules of procedure or by the consensus method, as may be determined by the board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation.

Section 7.16 Vacancies on the Board of Directors

Vacancies on the board of directors shall exist (1) on the death, resignation or removal of any director, or (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the President of the Board, the secretary or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation.

A director may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws or provisions of law, vacancies on the board may be filled by approval of the board of directors.

If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by the sole remaining director.

A person designated by the board to fill a vacancy on the Board shall hold that director position until the next election of directors by the membership or until his or her death, resignation or removal from office.

Section 7.17 Non Liability of Directors

The directors shall not be personally liable for debts, liabilities or other obligations of the Organization if they are sued while acting in accordance with their duties and in good faith and acting as authorized by the Board.

Section 7.18 Indemnification by Organization of Directors and Officers

The directors and officers of the Organization shall be indemnified by the Organization to the fullest extent permissible under the laws of this state.

Section 7.19 Insurance for Directors, Officers, and Agents

Except as may be otherwise provided under provision of law, the board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Organization (including a director, officer, employee or other agent of the Organization) against liabilities asserted against or incurred by the agent in such capacity or arising out the agent's status as such, whether or not the Organization would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provisions of law.

Section 7.20 Removal and Resignation of Directors

Any director may be removed, either with or without cause, by the membership at a duly called and noticed membership meeting.

Any director may resign at any time by giving written notice to the full board of directors or to the president or secretary of the Organization. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.21 Vacancy Due to Absence:

When a director has missed three consecutive board meetings without just cause or excused absence, the rest of the Board may declare that director's position to be vacant.

Article VIII: Officers

Section 8.01 Designation of Officers

The officers of the Organization shall be designated by the board of directors and shall include a president, secretary, and treasurer.

The board may designate additional officers, and these additional officers may be, but shall not be limited to, a president-elect, 1st vice President, 2nd vice president, assistant secretary, membership director, parliamentarian, historian, policy-director, professional development director and past president.

Section 8.02 Qualifications of Officers

Any regular member or former provider member of the Organization who is elected to the board of directors is qualified to be an officer of the Organization.

Section 8.03 Terms of Office of Officers

Officers shall be designated by the board of directors, as needed and immediately after the regular annual meeting, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be designated and qualified, whichever occurs first.

The terms of service for officers shall be for two years, except as otherwise provided under these Bylaws with respect to vacancies and except for the president-elect.

The president-elect shall serve for one year as president-elect and immediately after that year, become president for two years.

An individual may hold more than one officer position at the same time, except that no person shall be president and treasurer at the same time.

The officer's terms may be staggered, so that approximately half of the officers are designated each year.

Section 8.04 Removal and Resignation

Any officer may be removed, either with or without cause, by the board of directors at a duly called

and noticed board of directors meeting.

Any officer may resign at any time by giving written notice to the full board of directors or to the president or secretary of the Organization. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.05 Vacancies

Any vacancy caused by the death, resignation, removal, disqualification or otherwise, of any officer, may be filled, in the interim, by the board of directors. Such interim officer shall hold office until his or her death, resignation or removal from office.

Section 8.06 Duties of President

The president shall be the chief executive officer of the Organization and shall, subject to the control of the board of directors, supervise and control the affairs of the Organization and the activities of the officers. He or she shall perform all duties incidental to his or her office and such other duties as may be required by law, by the Articles of Incorporation or by these Bylaws or which may be prescribed from time to time by the board of directors.

When the president is present, the president shall preside at all meetings of the board of directors and at all meetings of the members.

The president is an ex-officio member of all committees of the Organization, except the Nominating Committee.

Except as otherwise expressly provided by law, by the Articles of Incorporation or by these Bylaws, the president shall, in the name of the Organization, execute such deeds, mortgage, bonds, contracts, checks or other instruments which may from time to time be authorized by the board of directors.

The president, with board approval, may designate the president's programmatic duties as defined by the directors, to personnel or volunteers.

Section 8.07 Duties of 1st Vice President

When the board of directors designates a 1st vice president, the 1st vice president shall perform the duties of the president in the absence of that officer. In the absence of the president, or in the event of his or her inability or refusal to act, the 1st vice president shall perform all duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The 1st vice president shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation or by these Bylaws or as may be prescribed by the board of directors.

Section 8.08 Duties of 2nd Vice President

When the board designates a 2nd vice president, the 2nd vice president shall act as aide to the president in the absence of the 1st vice president.

Section 8.09 Duties of the Secretary

- a) *The secretary shall perform, or cause to be performed; all duties usual and incidental to the office of secretary and such other duties as may be required by law, by the Article of*

Incorporation or by these Bylaws or which may be assigned to him or her by the board of directors.

Section 8.10 Treasurer's Duties

The Treasurer shall:

- a) Have charge and custody of, and be responsible for, all funds and securities of the Organization, and deposit, or cause to be deposited, all such funds in the name of the Organization in such banks, trust companies or other depositories as shall be selected by the board of directors.*
- b) Have charge of, and be responsible for, receipts of monies due and payable to the Organization and to disburse, or cause to be disbursed, funds of the Organization as may be directed by the board of directors.*
- c) Keep and maintain, or cause to keep and maintain, adequate and correct accounts of the Organization's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.*

Section 8.11 Compensation of Officers

The officers shall serve without compensation for their duties as officers but they may be compensated for a) other work required by contractual agreement for services and b) reasonable compensation for loss of income or incurred expenses arising out of and in due course of their responsibilities as officers.

Officers may not be compensated for rendering services to the Organization in any capacity unless such other compensation is reasonable and is allowable under the provisions of Article XIV.

Any payments to directors shall be approved in advance in accordance with this Organization's conflict of interest and compensation approval policies, as set forth in Article XIV of these Bylaws.

Article IX: Committees

Section 9.01 Standing Committees

The board of directors will determine the appropriate standing committees of the Organization.

Standing committees may consist of persons who are not also members of the board.

The chairpersons of the standing committees shall:

- a) Be appointed by the president with the approval of the board;*
- b) Select their own committee members and of such numbers as they deem advisable;*
- c) Call committee meetings, keep minutes of each meeting and inform the president of the board of directors of the committee's progress and activities;*
- d) Furnish the president with a written report of their committee's progress prior to each board meeting and annual meeting.*
- e) Each chairperson and member of a standing committee shall serve until a different chairperson the next annual election of directors and until his/her successor is appointed.*
- f) The chairperson or any member of a Standing committee may be removed from the committee by the president with the approval of the board of directors whenever in his/her or their judgment the best interest of the Organization will be served by such removal.*

Section 9.02 Ad Hoc Committees

The Organization shall have such other ad hoc committees as may be designated by resolution of the board of directors and these committees shall act in an advisory capacity to the board.

Ad hoc committees may consist of persons who are not also members of the board.

The chairpersons of the ad hoc committees shall:

- a) Be appointed by the president with the approval of the board in such number as they may deem advisable, unless otherwise provided by the board in its resolution designating such committee.*
- b) The chairperson or any member of an ad hoc committee may be removed from the committee by the president with the approval of the board of directors whenever in his/her or their judgment the best interest of the Organization will be served by such removal.*
- c) Each chairperson and member of an ad hoc committee shall serve as such for the life of the committee and/or until its purpose shall terminate.*

Article X: Execution of Instruments, Deposits and Funds

Section 10.01 Execution of Instruments

The board of directors, except as otherwise provided in these Bylaws, may by resolution, authorize the president or treasurer to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Organization, and such authority may be general or confined to specific instances.

Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Organization by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 10.02 Checks and Notes

Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, the Organization's checks, drafts, promissory notes, orders for the payment of money and other evidence of indebtedness of the Organization shall be signed by the treasurer and one of the following: president, president-elect, 1st Vice President or a board authorized staff person.

Section 10.03 Deposits

All funds of the Organization shall be deposited to the credit of the Organization in such banks, trust companies or other depositories as the board of directors may select.

Section 10.04 Gifts

The board of directors may accept on behalf of the Organization any contribution, gift, bequest or devise for the nonprofit purpose of this Organization.

Article XI: Corporate Records, Reports and Seal

11.01 Maintenance of Corporate Records

The Organization shall keep at its principal office:

- a) Minutes, agendas and attendance records of all meetings of directors, committees and general membership, indicating the time and place of such meetings and whether regular or special;*
- b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;*
- c) A record of its members indicating their names and addresses and, if applicable, the class of membership held by each member and the inception and termination dates of any membership;*
- d) A copy of the Organization's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members of the Organization at all reasonable times during office hours.*

Section 11.02 Corporate Seal

The board of directors may adopt, use and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Organization.

Section 11.03 Directors' Inspection Rights

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents and to inspect the physical properties of the Organization. Any inspection under the provisions of this Article may be made in person or by agent or attorney.

Section 11.04 Members' Inspection Rights

Any regular member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- a) To inspect the record of all members' names, addresses and voting rights, at reasonable times, upon written demand on the secretary of the Organization, which demand shall state the purpose for which the inspection is requested.*
- b) To obtain from the secretary of the Organization, upon written demand, and payment of a reasonable charge to, the secretary of the Organization, a list of the names, addresses and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date, subsequent to the date of demand, specified by the member.*

The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the Organization or after the date specified therein as of which the list is to be compiled.

- c) To inspect at any reasonable time the books, records or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the secretary of the Organization by the member, for a purpose reasonably related to such person's interests as a member.*
- d) Any inspection under the provisions of this article may be made in person or by agent or attorney.*

- e) *The Organization may, within ten (10) business days after receiving a demand under this section, make a written offer of an alternate method of reasonable and timely achievement of the proper purpose specified in the demand. Any rejection of this offer must be in writing and must state the reasons that the proposal does not meet the proper purpose of the demand.*

Section 11.05 Annual Reports

The board shall cause an annual report required under law to be prepared and delivered to an office of this state and made available to the regular members of this Organization, to be so prepared and delivered within the time limits set by law.

Article XII: Amendment of Bylaws

Section 12.01 Amendment

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws or provisions of law these Bylaws may be altered, amended or repealed and new Bylaws adopted by the board of directors.

Article XIII: Construction and Terms

Section 13.01 The Terms

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this Organization, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, Articles of Corporation, Certificate of Incorporation, Organizational Charter, Corporate Charter or other founding document of this Organization filed with an office of this state and used to establish the legal existence of this Organization.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Article XIV: Conflict of Interest and Compensation Approval Policies

Section 14.01 Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations.

This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 14.02 Definitions

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) an ownership or investment interest in any entity with which the Organization has a transaction or arrangement,*
- (2) a compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or*
- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.*

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 14.03, paragraph b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 14.03. Conflict of Interest Avoidance Procedures

(a) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 14.04 Records of Board Meeting Proceedings

The minutes of meetings of the governing board shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 14.05 Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

(a) The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

(b) All members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):

- 1. is not the person who is the subject of compensation arrangement, or a family member of such person;*
- 2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement*
- 3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement*
- 4. has no material financial interest affected by the compensation arrangement; and*
- 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.*

(c) The board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

- 1. Compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources*
- 2. The availability of similar services in the geographic area of this organization*
- 3. Current compensation surveys compiled by independent firms*
- 4. Actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.*

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

(d) The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

- 1. The terms of the compensation arrangement and the date it was approved*
- 2. The members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member*
- 3. The comparability data obtained and relied upon and how the data was obtained.*
- 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of*

- comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.*
- 5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.*
 - 6. Any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement).*
 - 7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.*

Section 14.06 Annual Statements

Each director and principal officer shall annually sign a statement which affirms such person

- (a) has received a copy of the conflicts of interest policy,*
- (b) has read and understands the policy,*
- (c) has agreed to comply with the policy, and*
- (d) understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.*

Section 14.07 Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.*
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.*

Section 14.08 Use of Outside Experts

When conducting the periodic reviews as provided for in Section 16.07, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

