

# **BY-LAWS**

## CLARKE COUNTY EDUCATION FOUNDATION

### **ARTICLE I NAME**

**SECTION 1 - Name:** The name of the organization shall be Clarke County Education Foundation (hereinafter referred to as the “Foundation”)

### **ARTICLE II PURPOSE AND STATUS**

**SECTION 1 – Purpose:** The Foundation is an independent public charity dedicated to promoting, expanding, and augmenting the educational opportunities for students and staff in the Clarke County Public Schools by generating private support and involvement to enhance these publicly-maintained services.

**SECTION 2 – Offices:** The corporation shall maintain such offices and places of business within and without the State of Virginia as the Board of Directors shall determine.

**SECTION 3 – Tax Exemption:** The Foundation is organized exclusively for the charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, including for such purposes the making of distributions to organizations that qualify as exempt organizations under said Section or the corresponding provisions of any subsequent laws. The Foundation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from Federal Income Tax under Section 501 deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law).

**SECTION 4 – Funding Mechanisms:** The Foundation will secure resources from individuals, corporations, community organizations, and foundations to be distributed in accord with the mission and funding criteria established by the Foundation.

**SECTION 5 – Distribution of Funds:** No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to its directors, trustees, officers, or other private persons except that this organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth herein. No substantial part of the activities of the Foundation shall be directed toward an attempt to influence legislation

and the Foundation shall not participate in any political campaign on behalf of any candidate for public office.

**SECTION 6 – Dissolution of Foundation:** Upon the dissolution of the Foundation by sale, liquidation, or otherwise, all remaining assets shall, after payment or provision for payment of all liabilities of the Foundation, be distributed exclusively to the Clarke County Public Schools, or a qualified exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. However, if the named recipient is not then in existence or no longer a qualified distribute, or unwilling or unable to accept the distribution, then the assets of this Foundation shall be distributed in accordance with the direction of the last seated Board of Directors.

### **ARTICLE III MEMBERSHIP**

**SECTION 1 – No Members:** The Foundation shall have no members. All rights granted to members under law shall be vested in the members of the Board of Directors.

### **ARTICLE IV BOARD OF DIRECTORS**

**SECTION 1 – Powers and Duties:** All corporate powers of the Foundation shall be exercised by or under the authority of the Board of Directors.

**SECTION 2 – Number:**

**2.1 Directors:** The number of directors shall not be less than twelve (12) nor more than thirty (30).

**2.2 Ex-Officio Members:** The Board may in addition have ex-officio members, such as the Superintendent, Faculty Representative, Alumni Association representative, et al, as decided by the Board of Directors by corporate resolution.

**SECTION 3 – Manner of Selection and Term:** Each director, except the ex-officio directors, shall serve a term of three (3) years. At the end of the first year, and thereafter, one-third of the directors shall be elected each year at the annual meeting by a majority vote of the directors then in office. Nominations for directors may be submitted by the nominating committee or by individual directors. A Board Member may only serve three consecutive terms, but may be considered for membership again after a one-year absence from the Board.

**SECTION 4 – Resignation, Removal, and Vacancies:**

**4.1 Resignation:** A director may resign at any time by delivering written or email notice to the Chairman. A resignation is effective when the notice is delivered.

**4.2 Removal:** Any director or officer may be removed from office, with or without cause, by a majority action of the Board, whenever in the director's judgment the best interest of the Corporation would be served thereby. The notice of any meeting at which such an action is proposed will include this information.

**4.3 Vacancies:** Except as otherwise stated in these by-laws, any vacancy occurring among the members of the board of directors shall be filled by a majority vote of the directors then in office. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor.

**SECTION 5 – Quorum and Manner of Acting:** A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board. Directors may not vote by proxy. The act of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by statute or these by-laws.

**SECTION 6 – Compensation:** No director shall receive, directly or indirectly, any compensation for his/her services as director. No member of the Board of Directors shall be eligible for paid employment by the Corporation. The Board may provide for the reimbursement of actual travel, lodging, and reasonable organization-related, out-of-pocket expenses incurred in the performance of the duties of a director.

**SECTION 7 – Duties of Directors:**

**7.1 Fiduciary Duties:** Directors must act in accordance with their fiduciary duties as defined by Virginia law, primarily:

(a) The duty of Care: a director is required to discharge his duties in accordance with his good faith judgment of the best interests of the corporation, and to manage the Foundation's assets as a prudent investor, by exercising reasonable care, skill, and caution.

(b) The duty of Loyalty: a director is required to guard the interests of corporation and should exercise extreme caution with regard to transactions that may present a conflict of interest (defined as "any situation in which a director may acquire a personal advantage or make a profit in connection with a transaction involving the corporation").

Any possible conflict of interest on the part of a director shall be disclosed to the Board. Such director shall not vote or use personal influence on the matter, and shall not be counted in the quorum for a meeting at which Board action is to be taken on the interest.

(c) The duty of Obedience: a director of a non-profit organization (which are organized under state and federal law to accomplish a specific charitable mission, rather than a profit for stockholders) is required to be faithful to the charitable organization's purpose or mission, as set forth in the Articles of Incorporation and these By-Laws.

**7.2 Attendance:** Directors are expected to attend meetings regularly. If any Foundation board member shall neglect or refuse to attend three (3) successive regular meetings of the Board, unless detained by sickness or other reason accepted by the Board, the remaining board members may, by majority vote, declare the seat vacant and proceed to fill it in accordance with the by-laws.

## **ARTICLE V OFFICERS**

- SECTION 1 – Number and Qualifications:** The officers of the Foundation shall consist of a president, vice-president, a secretary, a treasurer, and such other officers as the Board of Directors may from time to time appoint.
- SECTION 2 – Election and Term of Office:** The Officers of the Foundation, shall be elected annually by the board of directors immediately following the election of directors, at the annual meeting. Vacancies may be filled at any meeting of the board of directors. Each officer shall hold office for one year and until a successor shall have been duly elected and qualified. Any officer may be removed, with or without cause, at any time by an affirmative vote of a majority of the Board at a meeting called for that purpose.
- SECTION 3 – President:** Subject to the control of the board of directors, the president shall have general supervision of the affairs of the Foundation, and of the principal paid staff member appointed by the Board. The president shall preside at all meetings of the board of directors, and shall have such other duties as may be prescribed by the board. The president shall serve as an ex-officio member of all committees, with the exception of the nominating committee.
- SECTION 4 – Vice-President:** In the absence of the president, the vice-president shall perform the duties of the president. The vice-president shall have such other powers and duties as may be assigned by the board.
- SECTION 5 – Secretary:** The secretary shall be responsible for the minutes of all meetings of the board of directors, to the giving and serving of all notices required to directors and others, and shall affix the seal of the corporation to documents as required, etc. The secretary shall perform such additional duties as shall be assigned by the board.
- SECTION 6 – Treasurer:** The treasurer shall be responsible for the accounting of all monies for the Foundation, including depositing and investing them in accordance with the policy adopted. The treasurer shall have such additional powers and duties as may be assigned by the board. The treasurer may be bonded, at the expense of the Foundation, at the discretion of the board of directors.

**SECTION 7 – Seal:** The directors shall provide a suitable corporate seal which shall be in charge of the Secretary, and shall be used as authorized by the directors.

**SECTION 8 – Depositories and Signature Authority:** The funds of the corporation shall be deposited in such banks or other depositories as determined by the directors, and checks drawn against such funds shall be signed by such officers, directors, or other agents as the Board shall establish from time to time by resolution.

## **ARTICLE VI COMMITTEES**

**SECTION 1 – Committees:** The president may appoint the members and designate the chair of standing and other committees as necessary, for an annual term lasting from one annual meeting to the next. A majority of the whole committee shall constitute a quorum, and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Committees shall serve at the pleasure of the board under such rules and regulations as the board may approve; committee members may include persons who are not members of the board, but the chairperson of any committee must be a member of the board. All action taken by committees shall be subject to ratification by the Board.

**SECTION 2 – Executive Committee:** There shall be an Executive Committee composed of the officers and Committee Chairs of the Board. The Executive Committee shall act with the full authority of the Board in-between regular Board meetings, but its decisions may be reviewed by and changed or nullified by the full Board. The Executive Committee is responsible for the planning function, annual and long-term, of the Board, bringing recommendations on this subject to the full Board.

**SECTION 3 – Standing Committees:** Standing committees shall include at least the following: *Program/Allocations, Finance/Investment, Fund Development, Communications, and Governance/Nominating*

**SECTION 4 – Other Committees:** The Board may create additional committees as needed, and shall periodically review the functions of its committees.

## **ARTICLE VII MEETINGS**

**SECTION 1 – Annual Meeting of the Corporation:** The annual meeting of the Corporation shall be held at such time, date, and place as the board of directors shall determine. In general this shall be held in conjunction with the last regular meeting of the Board in the last quarter prior to the beginning of the fiscal and operational year, the term year for members.

**SECTION 2 – Regular Meetings of the Board of Directors:** Regular meetings will be held up to four times per year, generally one per calendar quarter, at such time, date, and place, as the board of directors shall determine.

**SECTION 3 – Executive Committee Meetings:** The Executive Committee will meet on a schedule as determined by the Committee, generally monthly in those months in which the full Board does not meet, to conduct the affairs of the Foundation between meetings of the board.. The Executive Committee may also hold special meetings at the call of the president or any two officers.

**SECTION 4 – Committee Meetings:** Committee meetings will be held as necessary at the determination of the chair of the committee.

**SECTION 5 – Notice of Meetings:**

- a) **Notice of the Annual Meeting:** This shall be given to the directors not more than thirty (30) days, nor less than ten (10) days before the meeting.
- b) **Notice of Regular Meetings:** This shall be given to all the directors a minimum of seven (7) days prior to the meeting. A schedule of regular meetings adopted by the Board and communicated to all Board members shall constitute adequate notice of all meetings so listed.
- c) **Waiver of Notice:** The notice requirements contained in these by-laws may be waived in writing by any director, either before or after the meeting. All waivers shall be made part of the minutes of the meeting. Attendance of a director at a meeting constitutes a waiver of notice of such meeting and waiver of any and all objections to the place, time, manner of calling or convening, except when a director states any objection promptly at the beginning of the meeting.
- d) **Action in Lieu of a Meeting:** Any board action required or permitted to be taken by the board may be taken without a meeting, if two-thirds (2/3) of all members of the board shall consent to such action in writing. Such written consent shall be made a part of the minutes of the proceedings. Such action by written consent shall have the same force and effect as the same vote of the directors at a duly convened meeting.

**SECTION 6 – Special Meetings:** Special meetings of the Board of Directors will be held at the request of the president or any two directors whenever there is business that must be acted upon before the next regularly scheduled meeting. Notice of special meetings shall be given to the board of directors no less than three (3) days before the meeting. All other requirements of regular meetings shall be in effect for special meetings. No business may be transacted at a special meeting that was not contained in the notice of such meeting.

**SECTION 7 - Presumption of Assent:** A director of the Corporation who is present at a meeting of the Board of Directors when corporate action is taken is presumed to have assented to the action unless such director votes against it or expressly abstains from voting on the action taken, or objects at the beginning of the meeting to the holding of the meeting or transacting specific business at the meeting.

**SECTION 8 - Meetings Held in Whole or Part Through Telecommunications:** Any one or more directors or members of a committee may participate in a meeting of the Board or committee by means of a conference telephone or other telecommunications device which allows all persons participating in the meeting to hear each other or to see in written form the words of the others, and such participation in a meeting shall be deemed presence in person at such meeting.

## **Article VIII Annual Reporting**

**SECTION 1 – Annual Report to Directors and Public:** The President shall annually present a report to the directors and the public on the Foundation’s activities and finances for the previous fiscal year

**SECTION 2 – Financial Report:** Within one hundred twenty (120) days of the close of the fiscal year of this corporation, the Treasurer shall present annually to the Board of Directors of the corporation a report, verified by the Finance committee, showing in appropriate detail the following, which shall then be filed with the minutes of the meeting of the Board:

- a. The assets and liabilities, including the trust funds of the corporation as of the end of the fiscal year immediately preceding the date of the report.
- b. The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.
- c. The revenue or receipts of the corporation, both unrestricted and restricted, to particular purposes of the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.
- d. The expenses or disbursements of the corporation , for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

**SECTION 2 – Fiscal Year:** The fiscal year shall be set by resolution of the Board of Directors.

## **ARTICLE IX CONTRIBUTIONS, INVESTMENT, AND ALLOCATIONS**

**SECTION 1 – Contributions:** The Foundation shall accept contributions from donors in accordance with policies to be established by the Foundation. Any designated gift, if accepted by the Foundation, shall be used only for the purposes for which it has been designated. The Board is empowered to reject any gifts which it deems inappropriate. The Foundation shall have the power, from time to time, to designate various funding divisions of contributions for the purpose of separately identifying and safeguarding the assets contributed by various donors to such divisions in order to insure the application of such assets and/or the income therefrom for the purposes for which such divisions are created and for which contributions are made.

**SECTION 2 – Investment of Assets:** The Foundation shall invest contributions received from donors in accordance with policies to be established by the Foundation. The Foundation shall have the power to invest assets of the various funding divisions separately or in the aggregate, or in various combinations thereof, so long as the assets from each separate funding division and the income generated therefrom can be separately identified and segregated for allocation purposes.

**SECTION 3 – Allocations:** The Foundation shall make distributions at least as frequently as annually in support of its educational programs, in accordance with policies it has established for this purpose. In making distributions, the Foundation shall take into account the desires and goals, if expressed, by donors in making contributions to the Foundation; the desires and goals of the School Division as expressed by its chief officer; and the recommendations of the Program/Allocations committee of the Foundation, all within the context of the Foundation's strategic plan.

## **ARTICLE X INDEMNIFICATION**

**SECTION 1 – General Scope:** Every person now and hereafter a director or officer of the Corporation (and his heirs, executors and administrators) shall be indemnified by the Corporation against all costs and expenses, including all attorneys' fees, imposed upon or reasonably incurred by him in connection with or resulting from any action, suit, proceeding or claim to which he is or may be made a party by reason of his being or having been a director or officer of the Corporation (whether or not a director or

officer at the time such costs expenses are incurred by or imposed upon him, *except* :

(a) where such indemnification is prohibited by law, or

(b) where he shall have finally been adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director or officer.

**SECTION 2 - Exclusivity:** Such right of indemnification shall not be deemed exclusive of any right to which the officer or director may be entitled under any other by-law, agreement, vote of the Board, or otherwise.

## **ARTICLE XI MISCELLANEOUS**

**SECTION 1 – Rules:** Robert’s Rules of Order (in its most recent edition at the date of its use) shall be the parliamentary authority for all matters of procedure not specifically covered by these by-laws or by other specific rules of procedure adopted by the directors of the Foundation.

**SECTION 2 – Amendments:** These by-laws may be amended by the affirmative vote of two-thirds (2/3) of the directors of the Foundation. No action shall be taken to amend any by-laws unless written notice of the proposed amendment(s) shall have been given at least ten (10) days prior to the meeting. Any amendment is subject to ratification by a two-thirds (2/3) majority vote of the directors of the Foundation.

**SECTION 3 – Dissolution:** The Foundation may be dissolved at any time by a two-thirds (2/3) majority vote of the directors of the Foundation in accordance with such procedures as they shall from time to time adopt.

**SECTION 4 - Advisory Board:** The Corporation may define and establish one or more Advisory Boards, without governing power or authority, to serve as a resource at the direction and pleasure of the Board of Directors by providing advice, assistance, expertise, communication to other networks of people, and support to the Board for the advancement and promotion of the mission of the Corporation. The Directors shall appoint the members and may appoint a chair, who may be authorized to serve as an ex officio, non-voting member of the Board of Directors.