

## ARTICLE I - MEMBERS

**Section 1: Membership.** Any parent or guardian of a student enrolled at Roy Cloud School (“the school”) is a Member and shall have voting rights. Any administrator, teacher or staff person employed at the school is a Member and shall have voting rights.

**Section 2: Dues.** No fees shall be charged to Members in the corporation. There shall be no annual dues. Memberships shall be nonassessable.

**Section 3: Non Liability of Members.** A Member of this corporation is not personally liable for the debts, liabilities, or obligations of the corporation.

## ARTICLE II - OFFICERS

**Section 1: Officers.** The Officers of the corporation shall be: President, Vice President, Secretary, Treasurer, Parliamentarian, VP Communications, VP Programs and VP Fundraising. Each Officer position may be shared between two individuals, thus acting equally as Co-Officers.

**Section 2: Eligibility.** Any person who is also a Member may serve as an Officer of this corporation. In no event may parties serving as Officers or any other party authorized to sign checks, be related by marriage or blood or reside in the same household.

**Section 3: Duties of Officers.** The duties of Officers shall be provided in writing along with a copy of the bylaws at the time the Officer takes office. Such duties shall be amended from time to time by the Executive Board. The duties of each Officer shall, at a minimum, include all duties listed herein.

### President

The President shall supervise and control the affairs of the corporation and the activities of the Officers. He, she or they shall perform all duties incident to his, her, or their office and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be prescribed from time to time by the Executive Board. He, she or they shall preside at all meetings of the Executive Board. If applicable, the President shall preside at all meetings of the Members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Executive Board. He, she or they shall be responsible for ensuring that work is delegated, where appropriate, to other Officers and/or volunteers and shall follow up from time to time with said volunteers.

### Vice President

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the 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 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 Executive Board.

## **Secretary**

The Secretary shall perform the following duties and other such duties as may be required by these bylaws, or which may be assigned to him, her or them from time to time by the Executive Board.

- a. Certify and keep at the principal office of the corporation the original or a copy of these bylaws as amended or otherwise altered to date.
- b. Be the administrator and manager of the corporation's electronic shared files, which shall include but not be limited to, minutes of all meetings of the Executive Board, and, if applicable, meetings of committees and of Members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof, job descriptions of all Officers of this corporation.
- c. See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.
- d. Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or these bylaws.
- e. In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned to him, her or them from time to time by the Executive Board.

## **Treasurer**

Subject to the provisions of these bylaws relating to the "Execution of Instruments, Deposits, and Funds," the Treasurer shall:

- a. Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Executive Board;
- b. Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever;
- c. Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Executive Board, taking proper vouchers for such disbursements;
- d. Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- e. Exhibit at all reasonable times the books of account and financial records to any Director of the corporation, or to his or her agent or attorney, on request therefor.
- f. Render to the President and Officers, whenever requested, an account of any or all of his, her

- or their transactions as Treasurer and of the financial condition of the corporation; and
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him, her or them from time to time by the Executive Board.

### **Parliamentarian**

The Parliamentarian shall attend all meetings of the Executive Board and the Membership and give necessary advice in parliamentary procedure, shall chair the Nominating Committee and conduct the election of the Officers, or shall, subject to approval of the Executive Board, appoint an alternate to act in this capacity in the Parliamentarian's stead. The Parliamentarian shall review the Bylaws annually and recommend to the Executive Board any suggested amendments to the Bylaws, or that the Bylaws continue in force in unmodified form. If the Board approves suggested amendments, the Parliamentarian shall propose those amendments to the Membership for its approval. The Parliamentarian shall publish the job descriptions for all Officers and other positions prior to nominations, and shall provide all new Officers and committee chairs a copy of these bylaws and their job description upon taking office. The Parliamentarian shall in general perform all duties incident to the office of Parliamentarian, as well as such other duties as may be assigned by the President or the Executive Board.

### **VP Fundraising**

The VP Fundraising shall perform the following duties and other such duties as may be required by these bylaws, or which may be assigned to him or her from time to time by the Executive Board.

- a. Prepare, document and execute fundraising projects as approved by the Executive Board;
- b. Chair at least one of the fundraising committees (Direct Donations, Auction or other);
- c. Solicit volunteers to chair remaining fundraising committees;
- d. Research options, plans, and anticipated profits and expenses for any fundraising projects and present suggestions to the Executive Board;
- e. Report all fundraising activities, expenses, and profits at each monthly PTO meeting;
- f. Coordinate with the Treasurer to keep and maintain adequate and correct accounts of the corporation's fundraising transactions and activities; and
- g. Maintain records of all contributions.

### **VP Communications**

The VP Communications shall perform the following duties and other such duties as may be required by these bylaws, or which may be assigned to him or her from time to time by the Executive Board.

- a. Work collaboratively with the Executive Board to communicate all PTO functions and messages to the Roy Cloud Community and promote Roy Cloud School in a positive light;
- b. Lead at least one of communications duties listed in part c below;
- c. Perform, coordinate, manage, and/or solicit volunteers for the following duties:
  1. PTO bulletin boards and display cases
  2. PTO Website ([www.roycloudpto.org](http://www.roycloudpto.org)) on a regular basis
  3. School Directory
  4. Thunderbolt Newsletter and other necessary school-wide emails
  5. Social Media
- d. Translation of PTO literature distributed to Roy Cloud families into Spanish, as needed; and
- e. Maintain records of all duties, strategies, and data to be passed down to the next VP Communications for permanent record keeping.

## **VP Programs**

The VP Programs shall perform the following duties and other such duties as may be required by these bylaws, or which may be assigned to him or her from time to time by the Executive Board.

- a. Work with the Principal and teachers to coordinate educational enrichment programs and events that enhance current curriculum for students in all grades;
- b. Lead at least one of the programs listed in part c below;
- c. Manage or solicit volunteers to manage with the following programs including, but not limited to:
  1. Art
  2. After School Enrichment
  3. Science
  4. Garden
  5. Music
  6. Physical Education
  7. Counseling

This shall include maintaining copies of all contracts with outside vendors and ensuring that contract requirements are met and addressing any concerns brought by staff or parents.

d. Notify the Communications Committee in advance of event dates for photo and press coverage; and

e. Maintain records of all program literature, strategies, and data to pass down to next VP Programs for permanent record keeping

**Section 4: Nominations and Elections.** The Nominating Committee shall solicit volunteers to be candidates and receive nominations for each Officer position. The Nominating Committee shall compile a proposed slate consisting of one or more nominees for each office and present the slate at a meeting at least fourteen (14) days prior to the last PTO meeting of the year. Since an Officer role can be a shared position, the Members sharing the position will run as a team and not individually. At this meeting additional nominations may also be made from the floor.

Elections will be held by the week of the last meeting of the school year but may occur the week of the second to last meeting of the school year if the Nominating Committee is able to present at a meeting held at least fourteen (14) days prior.

**Section 5: Term of Office.** Officers shall be elected for a term of one calendar year (beginning July 1st and ending on the following June 30th) by the general PTO Membership. Officers are limited to a maximum of two consecutive one-year terms in the same office, unless no other candidates are willing to run for that office after an extensive search by the nominating committee. In that case, the incumbent may seek an additional one-year term. A person may hold only one Officer's position at a time.

**Section 6: Vacancies.** Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any Officer shall be appointed by the Executive Board for the unexpired portion of the term. However, should a vacancy occur in the office of the President, a Vice President shall immediately assume the office. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Executive Board shall fill the vacancy. The Parliamentarian shall be responsible for recruiting volunteers to fill vacant positions as needed.

**Section 7: Compensation.** No Officers shall receive payment for serving as an Officer of this corporation.

**Section 8: Removal from Office.** An Officer may be removed from office with or without cause by a two-thirds vote of those present (assuming a quorum) at a regular meeting where previous notice has been given. Any Officer may resign at any time by giving written notice to the Executive Board or to the President or Secretary of the corporation. 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.

## **ARTICLE III - EXECUTIVE BOARD**

**Section 1: Executive Board.** Subject to the provisions of the Articles of Incorporation of the Corporation (the “Articles of Incorporation”), California Nonprofit Corporation Law and any other applicable laws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors (the “Executive Board”). The Directors of the corporation will be the eight (8) Officers or up to sixteen (16) if Co-Officers are in place. The Executive Board shall consist of the Officers, the Principal of Roy Cloud School (ex officio) and the Vice Principal of Roy Cloud School (ex officio). The Principal and Vice Principal shall be non voting Members of the Executive Board. If the role of an Officer on the Executive Board is shared between two people, then each person will have a vote. The number may be changed by amendment of this bylaw, or by repeal of this bylaw and adoption of a new bylaws, as provided in these bylaws.

**Section 2: Duties of Executive Board.** The Executive Board shall perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, or by these bylaws. The affairs, activities and operation of the organization shall be managed by the Executive Board, with the advice and consent of a majority (majority defined as more than half of the votes cast) of Members. The Executive Board shall transact necessary business during the intervals between the meetings of the Membership and such other business as may be referred to it by the Membership or these Bylaws. It may create Standing and Special Committees, approve the plans and work of Standing and Special committees, present reports and recommendations at the meetings of the Membership, prepare and submit a budget to the Membership for approval and monitor said budget, and, in general, conduct the business and activities of the organization. The Executive Board may appoint Committee Chairs and Leads. Committee Chairs and Leads shall be listed and attached to these Bylaws, and updated on an annual basis. Committee Chairs shall report directly to their managing Officer.

**Section 3: Majority Action as Board Action.** Every act or decision done or made by a majority of the voting Officers present at a meeting duly held at which a quorum is present is the act of the Executive Board, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) indemnification of Directors (Section 5238e), require a Member vote.

The following actions shall require a vote with a majority (50%+1) of support of the Membership:

- a. Approve new budget
- b. Make changes to existing approved budget
- c. Election or removal of Officers
- d. Bylaws updates
- e. Expenditures in excess of \$20,000 of approved allowance budget line items. An allowance is defined as a budget line item where the funds are not yet committed to a contract.

The Executive Board will determine, by a majority vote of the Executive Board, if the Member vote will

take place in a regular or special meeting or by electronic ballot.

**Section 4: Action by Unanimous Written Consent Without Meeting.** Any action required or permitted to be taken by the Executive Board under any provision of law may be taken without a meeting, if all Members of the board shall individually or collectively consent in writing or electronic mail to such action. For the purposes of this Section only, "all Members of the board" shall not include any "interested Director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written/electronic mail consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written/electronic mail consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written/electronic mail consent of the Board of Directors without a meeting and that the bylaws of this corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

**Section 5: Non Liability of Executive Board.** The Executive Board Members shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

**Section 6: Restriction regarding Interested Executive Board.** Notwithstanding any other provision of these bylaws, not more than forty-nine percent (49%) of the persons serving on the Executive Board may be interested persons. For purposes of this Section, "interested persons" means either: (a) Any person currently being compensated by the corporation 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 (b) Any brother, sister, ancestor, descendant, spouse, partner, brother-in-law, sister-in-law, son- in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, or nephew of any such person.

**Section 7: Indemnification by Corporation of Officers, Employees, and Other Agents.** To the extent that a person who is, or was, an Officer, employee, or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

**Section 8: Insurance for Corporate Agents.** The Executive Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Director, Officer, employee, or other agent of the corporation) against any liability other

than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE IV - MEETINGS**

**Section 1: Regular Meetings.** Shall be held monthly, except during June and July, at the School, on a date and time pre-established by the Executive Board. Dates and times of the monthly meetings shall be presented by the President at the first regular meeting of the school year. Meetings of Members shall be presided over by the President or in his or her absence by the Vice President. The Secretary of the corporation shall act as Secretary of all meetings of Members, provided that, in his, her or their absence, the presiding Officer shall appoint another person to act as Secretary of the meeting.

**Section 2: Executive Board Meetings.** Executive Board meetings shall be held monthly or more frequently as determined by the board. Meetings days and times may be subject to change. Any Member may attend a meeting of the Executive Board, but shall not be entitled to vote on matters before the body. Any Member wanting to attend an Executive Board meeting shall contact the President or Vice President to confirm the meeting place, day and time.

**Section 3: Special Meetings.** Special meetings of the Members shall be called by any Member of the Executive Board. In addition, special meetings of the Members may be called for any lawful purpose by ten or more of the Members.

**Section 4: Quorum.** A quorum must be met in order for any vote to take place.

- a. Regular Meetings and Electronic Ballots: At least ten (10) Members of the PTO Membership (not including Officers) shall constitute a quorum.
- b. Executive Board Meetings: Five (5) voting Members of the Executive Board shall constitute a quorum.

**Section 5: Action of Members.** Each Member is entitled to one vote on each matter submitted to a vote by the Members. Voting may take place by voice, written or electronic ballot. 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 law, the Articles of Incorporation, or these Bylaws require a greater number. In the event a Member has multiple children attending the school said Member's vote shall be counted one time only. No cumulative or duplicative voting shall be permitted.

**Section 6: Action by Electronic Ballot Without a Meeting.** Any action which may be taken at any regular or special meeting of Members may be taken without a meeting if the Executive Board distributes an electronic ballot to each Member entitled to vote on the matter. The ballot shall set forth



the proposed action, provide an opportunity to specify approval or disapproval of each proposal, provide that where the person solicited specifies a choice with respect to any such proposal the vote shall be cast in accordance therewith, and provide a reasonable time within which to return the ballot to the corporation. Ballots shall be delivered in the manner required for giving notice of meetings specified in Section 7 of this Article.

All electronic ballots shall also indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of Officers, shall state the percentage of approvals necessary per the law, the Articles of Incorporation, or these Bylaws to pass the measure submitted. The ballots must specify the time by which they must be received by the corporation in order to be counted.

Every act or decision done or made by a majority (50%+1) of Member votes cast by electronic ballot within the time period specified at which a quorum is present is the act of the Members, unless the law, the Articles of Incorporation, or these Bylaws require a greater number.

Officers may be elected by electronic ballot. Such ballots for the election of Officers shall list the persons nominated at the time the ballots are delivered. An electronic ballot may not be revoked after its receipt by the corporation.

### **Section 7: Notice of Meetings.**

a. Time of Notice. Whenever Members are required to take action at a meeting, a written notice of the meeting shall be given by the Secretary of the Corporation not less than ten (10) nor more than ninety (90) days before the date of the meeting

b. Manner of Giving Notice. Notice shall be deemed to have been given upon distribution of notice in a written publication regularly issued or distributed to students of the School, such as in the Newsletter, PTO website, school's website, or the like. Notice shall be deemed to have been given upon the date of issuance or distribution of the publication.

c. Contents of Notice. Notice of a Membership meeting shall state the place, date, and time of the meeting and:

1. In the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or;
2. In the case of a regular meeting, those matters which the board, at the time notice is given, intends to present for action by the Members subject to any provision to the contrary contained in these bylaws.

d. Notice of Meetings Called by Members. If a special meeting is called by Members, as qualified by Article IV, Section 3 and as authorized by these Bylaws, the request for the meeting shall be submitted in writing, specifying the general nature of the business proposed to be transacted and shall be delivered personally or sent by mail to the President or Vice

President of the corporation. The Officer receiving the request shall promptly cause notice to be given to the Members, that a meeting will be held and stating the date, time and location of such meeting. The date for such meeting shall be fixed by the board and shall not be less than fourteen (14) nor more than ninety (90) days after the receipt of the request for the meeting by the Officer.

e. Notice of Executive Board Meetings. A written notice of Executive Board meeting dates shall be given by the Executive Board not less than four (4) and no more than ninety (90) days before the meeting.

f. Special Notice Rules for Approving Certain Proposals. If action is proposed to be taken or is taken with respect to the following proposals, such action shall be invalid unless the general nature of the proposal is stated in the notice of meeting:

1. Removal of Officers without cause;
2. Amending the Articles of Incorporation; and
3. An election to voluntarily dissolve the corporation.

A quorum for the purposes of this provision shall consist of 50 of the voting Members of the corporation. All Members of the organization shall be given the opportunity to vote via electronic or paper ballot.

## **ARTICLE V - COMMITTEES**

**Section 1: Standing Committees.** The following committees shall be held: Direct Donations, Communications, Auction and Nominating. Additional Special committees may be formed at any time either at the request of the Executive Board or by a majority vote of the PTO Membership.

**Section 2: Chairperson.** The Chairperson of each committee shall keep a written record of the activities of his/her committee in a manner that would allow these records to be passed along to future Chairs. These records should be turned over to the Secretary who will maintain a comprehensive file, and make them available to future Chairs. Chairpersons may solicit and appoint additional Members to serve on their respective committees as necessary.

## **ARTICLE VI - FISCAL YEAR**

The fiscal year of the corporation shall begin on the first (1st) of July and end on the thirtieth (30th) of June in each year.

## **ARTICLE VII - EXECUTION OF INSTRUMENTS DEPOSITS AND FUNDS**

**Section 1: Execution of Instruments.** The Executive Board, except as otherwise provided in these bylaws, may by resolution authorize any Officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, 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 corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

**Section 2: Checks and Notes.** Except as otherwise specifically determined by resolution of the Executive Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the President, Vice President or Treasurer and countersigned by one of the aforementioned Officers. An alternative signator may be appointed by resolution of the Executive Board in event that one is deemed necessary.

**Section 3: Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Executive Board may select. Such deposits may be made by a committee person appointed by the Executive Board to assist the Treasurer in that regard and said committee person shall report directly to the Treasurer.

**Section 4: Gifts.** The Executive Board may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

**Section 5: Retention of Funds-Reserves.** The Executive Board shall retain, at the close of each fiscal year, sufficient funds in the corporation's accounts so as to provide reasonable initial operating expenses for the succeeding fiscal year. In no event shall this amount be less than \$100,000, but may be amended, from time to time as deemed necessary by the Executive Board and approved by a majority of the Officers then serving.

## **ARTICLE VIII - CORPORATE RECORDS, REPORTS, AND SEAL**

**Section 1: Maintenance of Corporate Records.** The corporation shall keep at its principal office in the State of California or electronically:

- a. Minutes of all meetings of Officers, committees of the board and, if this corporation has Members, of all meetings of Members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- 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, if any, indicating their names and addresses
- d. A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the Members, if any, of the corporation at all reasonable times during office hours.

**Section 2: Corporate Seal.** The Executive Board may adopt, use, and at will alter, a corporate seal. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument. Such seal shall be retained by the Secretary.

**Section 3: Members Inspection Rights.** Every Member shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

**Section 5: Right to Copy and Make Extracts.** Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

**Section 6: Annual Report.** The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days or four (4) calendar months after the close of the corporation's fiscal year to all Officers of the corporation and to any Member who requests it in writing, which report shall contain the following information in appropriate detail:

- a. The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- d. The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- e. Any information required by Section 7 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized Member of the corporation that such statements were prepared using an internal audit from the books and records of the corporation and no outside audit was prepared.

If this corporation has Members, then, if this corporation receives Fifty Thousand Dollars (\$50,000), or more, in gross revenues or receipts during the fiscal year, this corporation shall automatically send the above annual report to all Members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate Officer, as specified by the above provisions of this Section relating to the annual report. Such transmission may be made by regular or electronic mail, providing photocopies to the children of the Membership via the school's regular methods of transmitting such information, or by posting in a conspicuous site used solely by this corporation and for which notice of such posting has been made

to the regular Membership. Notice of its posting may be made by any of the aforementioned methods of transmission.

**Section 7: Annual Statement of Specific Transaction to Members.** This corporation shall mail by regular or electronic mail or deliver to all Officers and any and all Members a statement not later than one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which any Officer of the corporation had a direct or indirect material financial interest.

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000) or which was one of a number of transactions with the same persons or entity involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the previous fiscal year to any Officer, except that no such statement need be made if such indemnification was approved by the Members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction, and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If this corporation provides all Members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required by this Section.

## **ARTICLE IX - CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES**

**Section 1: Purpose of Conflict of Interest Policy.** The purpose of this conflict of interest policy is to protect this tax-exempt corporation'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 corporation 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 2: 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 corporation has a transaction or arrangement,
2. a compensation arrangement with the corporation or with any entity or individual with which the corporation 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 corporation 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 3, 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 3: 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 Officers 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. A conflict of interest may also be deemed to exist where a party serving on the Executive Board also serves on the school's site council committee and has an interest in matters before both boards. In such a circumstance, he/she shall disclose the conflict and must abstain from any vote pertaining to both boards.

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 corporation 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 Officers whether the transaction or arrangement is in the corporation'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 4: Records of Board and Board Committee Proceedings.** The minutes of meetings of the governing board and all committees with board delegated powers 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 5: Compensation Approval Policies.** A voting Member of the governing board who receives compensation, directly or indirectly, from the corporation 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 corporation 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 corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for Officers, Officers and 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
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 6: Periodic Reviews.** To ensure the corporation 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 corporation'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 7: Use of Outside Experts.** When conducting the periodic reviews as provided for in Section 7, the corporation 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

## **ARTICLE X - PARLIAMENTARY AUTHORITY**

Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with any provision of law.

## **ARTICLE XI - DISSOLUTION**

This corporation may be dissolved only upon written resolution by a two-thirds (2/3) majority of its Members. Upon approval of a resolution of dissolution as provided herein, the Executive Board shall promptly liquidate all assets of the corporation and pay all proceeds of such liquidation, and all funds then deposited in any bank account of the corporation or otherwise held by the corporation or any Officer or Member thereof shall be promptly transferred as provided in the Articles of Incorporation and pursuant to the law.

## **ARTICLE XII - BYLAWS AMENDMENTS**

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted as follows by approval of the Members of this corporation.

**WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS**

We, the undersigned, are all of the persons named as the Directors of Roy Cloud School Parents Club, a California nonprofit corporation, and, pursuant to the authority granted to the Directors by these bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing bylaws, to be effective as of July 1, 2020, consisting of eighteen (18) pages, as the bylaws of this corporation.

Dated:

\_\_\_\_\_ Yvonne Sarles, Director

\_\_\_\_\_ James Balestieri, Director

\_\_\_\_\_ Amy Truesdale, Director

**CERTIFICATE**

This is to certify that the foregoing is a true and correct copy of the bylaws of the corporation named in the title thereto and that such bylaws were duly adopted by the Board of Directors of said corporation on the date set forth below.

Dated:

\_\_\_\_\_ Alexandra Dendy, Parliamentarian