

# **Bylaws for Friends of Sauganash Elementary School**

## Article I – Name

Friends of Sauganash Elementary School

## Article II – Purpose

The Friends of Sauganash Elementary School is a Parent Teacher Organization (PTO) made up of parents, teachers and staff members at Sauganash Elementary School in Chicago, IL. The mission of the PTO is to provide financial support to our public school in order to enhance the educational experience of our students.

## Article III – Members.

Section 1. Any parent, guardian, or other adult standing in loco parentis for a student at the school may be a member and shall have voting rights. The principal and any teacher or staff member employed at the school may be a member and have voting rights.

Section 2. Dues, if any, will be established by the Executive Board. If dues are charged, a member must have paid his or her dues at least 14 calendar days before the meeting to be considered a member in good standing with voting rights.

## Article IV – Officers and Elections

Section 1. Officers. The organization shall have at least three officers and no more than 15 officers. The officers must fill the offices of president, secretary, and treasurer. No officer may hold more than one office except officers elect who may hold such office concurrently with another for up to one year.

a. President. The president shall preside over meetings of the organization and Executive Board, serve as the primary contact for the principal, represent the organization at meetings outside the organization, serve as an ex officio member of all committees except the nominating committee, and coordinate the work of all the officers and committees so that the purpose of the organization is served.

b. Secretary. The secretary shall keep all records of the organization, take and record minutes, prepare the agenda, handle correspondence, and send notices of meetings to the membership. The secretary also keeps a copy of the minute book, bylaws, rules, membership list, and any other necessary supplies, and brings them to meetings.

c. Treasurer. The treasurer shall receive all funds of the organization,

keep an accurate record of receipts and expenditures, and pay out funds in accordance with the approval of the Executive Board. He or she will present a financial statement at every meeting and at other times of the year when requested by the Executive Board, and make a full report at the end of the year.

d. Vice President. The Executive Board may establish one or more offices of vice president, such offices to be filled by election of the members. Each vice president shall have such powers and duties as may be assigned by the president or the Executive Board. If established and filled, the vice president will be a member of the Executive Board and one vice president shall be designated by the Executive Board to serve as president in the absence of the president.

e. Other Officers. The Executive Board may establish other offices, including assistant vice president and officer-elect positions for the offices of president and vice president, all such offices to be filled by election of the members. The President-Elect (if any) Immediate Past President or Vice-President(s) shall be a non-voting member of the Executive Board and shall assume the office of president upon the expiration of the current president's term. The Vice President-Elect (if any) shall be a non-voting member of the Executive Board and shall assume the office of vice president upon the expiration of the current vice-president's term.

Section 2. Nominations and Elections. Elections will be held at the last meeting of the school year. The nominating committee shall select a candidate for each office and present the slate at a meeting held one month prior to the election. At that meeting, nominations may also be made from the floor. Voting shall be by voice vote if a slate is presented. If more than one person is running for an office, a ballot vote shall be taken.

Section 3. Eligibility. Members are eligible for office if they are members in good standing at least 14 calendar days before the nominating committee presents its slate.

Section 4. Terms of Office. Officers are elected for two years and may serve no more than two (2) consecutive terms in the same office. Each person elected shall hold only one office at a time.

Section 5. Vacancies. If there is a vacancy in the office of president, the designated vice president (if any) will become the president for the remainder of the president's term. If there is no vice president serving at the time of the vacancy, then the treasurer shall fill the office of president for the remainder of the president's term. At the next regularly scheduled meeting, a new vice president or treasurer, as applicable, will be elected. If there is a vacancy in any other office, members will fill the vacancy through an election at the next regular meeting.

Section 6. Removal from Office. Officers can 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.

#### Article V – Meetings

Section 1. Regular Meetings. The regular meeting of the organization shall be monthly of each month during the school year at the school (at least 8 meetings). The Executive Board will announce meeting dates at least one month before each meeting. The annual meeting will be held at the June regular meeting. The annual meeting is for electing officers, and conducting other business that should arise. The secretary will notify the members of the meetings via school wide email notifications at least one week prior to the meeting. All regularly scheduled meetings will be posted on the school and PTO calendar.

Section 2. Special Meetings. The president, any two members of the Executive Board, or five general members submitting a written request to the secretary may call special meetings. Notice of the special meeting shall be sent to the members at least 10 days prior to the meeting. Notice of special meetings will be shared with the members via email notification.

Section 3. Quorum. The quorum of the members shall be at least 10 members of which 2 are current board officers.

#### Article VI – Executive Board

Section 1. Membership. The Executive Board shall consist of the officers.

Section 2. Duties. The duties of the Executive Board shall be to transact business between meetings in preparation for the general meeting, create standing rules and policies, create standing and temporary committees, prepare and submit a budget to the membership, approve routine bills, and prepare reports and recommendations to the membership.

Section 3. Meetings. Regular meetings shall be held monthly during the school year. Special meetings may be called by any two members of the Executive Board upon 24 hours' notice.

Section 4. Quorum. Half the number of the Executive Board members plus one constitutes a quorum of the Executive Board.

#### Article VII – Committees

Section 1. Membership. Committees may consist of members and board members, with the president acting as an ex officio member of all committees.

Section 2. Standing Committees. The following standing committees may be

formed by the organization: Fundraising, Membership, Communications, Student and Family Events, Nominating, and Regulatory Compliance.

Section 3. Additional Committees. The board may appoint additional committees as needed.

#### Article VIII – Finances

Section 1. Budget. A proposed budget shall be drafted during the summer for each school year and approved by a majority vote of the members present at the first meeting.

Section 2. Disbursements. The treasurer shall keep accurate records of any disbursements, income, and bank account information.

Section 3. Expenses. The Executive Board shall approve all expenses of the organization.

Section 4. Banking and Contracts. The president and treasurer are authorized in the name of the organization to sign or endorse checks or drafts, certify resolutions, and to sign or countersign all other contracts and obligations. The Executive Board may authorize additional persons to sign checks or otherwise transact banking business on behalf of the organization. Only the president and treasurer may sign checks in excess of \$500 unless the Executive Board delegates such authority to an additional person.

Section 5. Financial Statements. The treasurer shall prepare a financial statement at the end of the year, to be reviewed by the Executive Board or the regulatory compliance committee, if established.

Section 6. Fiscal Year. The fiscal year shall coordinate with the school year and end on June 30. The PTO IRS Form 1023 and copies of the organization's annual information returns (IRS Form 990 or 990EZ) for the most recent three years will be available for public review when requested.

#### Article IX – Parliamentary Authority

The Executive Board shall implement rules of order to govern meetings, which shall apply to the extent they are not in conflict with the organization's bylaws.

#### Article X – Standing Rules

The Executive Board may approve standing rules, and the secretary shall keep a record of the standing rules for future reference.

#### Article XI – Dissolution

The organization may be dissolved with previous notice (14 calendar days) and a two-thirds vote of those present at the meeting. Upon the dissolution of the organization, the Executive Board shall implement a plan of dissolution that complies with the requirements of Illinois law governing the dissolution of non-profit corporations. Subject to the foregoing, in the event there are any surplus funds to be transferred to another 501c(3) organization, such organization shall use the funds to benefit Sauganash Elementary School or the Sauganash community, defined for purpose of this Article XI as the Sauganash Elementary School attendance area.

## Article XII – Amendments

These bylaws may be amended at any regular or special meeting, providing that previous notice was given at the prior meeting and then sent to all members of the organization by the secretary. Notice may be given by mail, e-mail, or fax. Amendments will be approved by a two-thirds vote of those present, assuming a quorum.

## Article XIII – Conflict of Interest Policy

Section 1. Purpose. The purpose of the 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 of the organization or might result in a possible excess benefit transaction. 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, or member of a committee with governing board-delegated powers 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:
  - i. An ownership or investment interest in any entity with which the organization has a transaction or arrangement;
  - ii. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement; or
  - iii. 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 3b, 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. 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 who are 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 whether a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest.**
  - i. 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.
  - ii. 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.
  - iii. 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.
  - iv. 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 Conflict of Interest Policy.**

i. 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.

ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines that 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 Proceedings. The minutes of the meetings of the Executive 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.

a. 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.

b. 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.

c. 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.

Section 6. Annual Statements. Each director, principal officer, and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

- Has received a copy of the conflict of interest policy;
- Has read and understood the policy;

- Has agreed to comply with the policy; and
- Understands that the organization is charitable and that in order to maintain its federal tax-exempt status it must engage primarily in activities that accomplish one or more of its tax- exempt purposes.

Section 7. Periodic Reviews. To ensure that 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, is based on competent survey information, and are 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 an excess benefit transaction.

Section 8. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7, the organization may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

Bylaws adopted as of January 10, 2018 change date to January 10, **2018**

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Sarah Datz, Corporate Secretary