

**BYLAWS  
OF  
DISTRICT 105 PTO**

**Article 1 – Name and Address.**

- 1.01 The name of the organization is District 105 PTO (the “Corporation”).
- 1.02 The principal office of the Corporation is to be located at 701 S Seventh Avenue, La Grange, IL 60525.

**Article 2 – Purpose.**

- 2.01 The Corporation is organized to enhance and support the educational experience of students at all District 105 schools by providing financial and volunteer support to each District 105 schools’ parent-teacher organizations for the activities each such organization sponsors.
- 2.02 In order to achieve the purpose of the Corporation, the Corporation is further organized and will be operated exclusively for charitable and educational purposes within the meanings of 805 ILCS 105/103.05(a)(1) of the Illinois General Not for Profit Corporation Act and Section 501(c)(3) of the Internal Revenue Code (the “Code”), including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Code. (All references to sections of the Internal Revenue Code, in these Articles of Incorporation, refer to the Internal Revenue Code of 1986 as amended, or to comparable sections of subsequent internal revenue laws.)

**Article 3 – Members.**

- 3.01 The Corporation shall have no members who have any right to vote or title or interest to the Corporation, its properties and franchises.

**Article 4 – Board of Directors.**

- 4.01 The Corporation shall have a Board of Directors consisting of at least three and no more than eleven directors.
- 4.02 Directors shall be the Presidents, Co-Presidents or an individual appointed by a President, of each District 105 schools’ parent-teacher organization and the Superintendent of District 105.
- 4.03 The term of office for a director will correspond to that director’s term as President, Co-President or Presidential appointee of a District 105 school parent-teacher organization or as Superintendent of District 105. Any vacancy on the Board, regardless of the reason for it, will be filled by the corresponding successor for the President, Co-President or Presidential appointee of District 105 parent-teacher organization or for the Superintendent.
- 4.04 Except as otherwise provided in the Articles of Incorporation, or by law, the powers of the Corporation will be exercised, its properties controlled and its affairs conducted by the Board of Directors, which may, however, delegate performance of any duties or the exercise of any powers to offices and agents which the Board, by resolution, designates.

4.05 No member of the Board of Directors will receive any compensation from the Corporation.

#### **Article 5 – Meetings.**

5.01 Meetings will be held at the principal office of the Corporation or such other location as designated by a resolution of the Board of Directors.

5.02 There will be a minimum of four regular meetings during the school year. Notice of such meetings will be given at least one day notice via email and shall specify the place, day and hour of meeting. The purpose of the meeting need not be specified.

5.03 The annual meeting will be held at the first regular meeting of the school year. Officers will be elected at the annual meeting.

5.03 Special meetings may be called by any member of the Board by sending notice via email at least one day in advance of such meeting to the entire Board of Directors.

5.04 A majority of the Board of Directors will constitute a quorum for the transaction of business at any meeting. Except as otherwise provided in these Bylaws, or in the Articles of Incorporation, or by law, the act of a majority of the Directors at any meeting at which a quorum is present will be the act of the Board of Directors. If less than a majority of the Directors are present at any meeting, a majority of those present may adjourn the meeting without further notice.

5.05 No meeting need be held by the Board of Directors to take any action required or permitted to be taken by law, provided all members of the Board individually or collectively consent in writing to the action, and their written consent or consents are filed with the minutes of the proceedings of the Board. Action by written consent will have the same force and effect as action by unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken will state that the action was taken by unanimous written consent of the Board of Directors without a meeting, and that the bylaws authorize the Directors to so act. Such a statement will be prima facie evidence of that authority.

5.06 The Directors of the Corporation will not be personally liable for its debts, liabilities, or other obligations.

#### **Article 6 – Officers.**

6.01 *Designation of Officers.* The officers of the Corporation will be a president, one or more vice-presidents (as determined by the Board of Directors), a secretary, a treasurer and any other officers elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint other officers, including, but not limited to, one or more assistant secretaries, and one or more assistant treasurers, as it deems desirable, and these officers have the authority to perform the duties prescribed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

6.02 *Election and Term of Office.* The officers of the Corporation will be elected annually by the Board of Directors at the annual meeting. If the election of officers is not held at the annual meeting, the election must be held on the soonest convenient date. New offices may be created and filled at any meeting of the Board. Each officer will hold office until his or her successor has been duly elected and qualified.

- 6.03 *Removal and Resignation.* The Board of Directors may remove any officer at any time, with or without cause. Any officer may resign at any time by giving written notice to the Corporation.
- 6.04 *Vacancies.* A vacancy in any office, whether due to death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.
- 6.05 *President.* The President will be the chief executive officer of the Corporation, and will exercise general supervision and control over all activities of the Corporation. The President will lead the Board of Directors in performing its duties and responsibilities, including, but not limited to: presiding at all meetings of the Board of Directors; coordinating the work of the officers so that the purpose of the Corporation is served; and performing all other duties generally incident to the office of President and any other duties prescribed by the Board of Directors.
- 6.06 *Vice-President.* In the absence of the President or in the event of the President's inability or refusal to act, the Vice President will perform the duties of the President, and when so acting, will have all the powers of, and be subject to all the restrictions upon, the President. Any Vice-President will perform additional duties assigned to him or her by the President or by the Board of Directors.
- 6.07 *Treasurer.* The Treasurer will: receive all funds of the Corporation; keep an accurate record of receipts and expenditures; pay out funds in accordance with approval of the Board of Directors; and perform all duties generally incident to the office of Treasurer and any other duties assigned to the Treasurer by the President or by the Board of Directors.
- 6.08 *Secretary.* The secretary will: keep the minutes of meetings of the Board of Directors; see that all notices are duly given in accordance with these Bylaws or as required by law; act as custodian of the corporate records; and maintain the records of the Corporation so they may be available for inspection if requested.
- 6.09 *Assistant Treasurers and Assistant Secretaries.* The assistant treasurers and assistant secretaries, in general, will perform any duties assigned to them by the Board of Directors, the President, the Treasurer, or the Secretary of the Corporation.
- 6.10 *Non-Director Officer.* The Board of Directors may designate additional officer positions of the Corporation and may appoint and assign duties to other non-director officers of the Corporation.

## **Article 7 – Committees.**

- 7.01 *Committees.* Committees not having and exercising the managerial authority of the Board of Directors, may be established by a resolution adopted by majority vote of the Board of Directors. Members of committees will be directors of the Corporation, and will be appointed by the President. Any member may be removed by the President, whenever in the judgment of the President the interests of the Corporation would be best served by removal.
- 7.02 *Term.* Each member of a committee will continue to serve on that committee until the next annual meeting of members of the Corporation and until his or her successor is appointed, unless the committee is sooner abolished, or unless the member is removed or ceases to qualify as a member of the committee.

- 7.03 *Chairperson.* One member of each committee will be appointed chairperson by the President.
- 7.04 *Vacancies.* Vacancies in the membership of any committee will be filled by appointments made by the President, and any member so elected will be elected for the unexpired term of his or her predecessor.
- 7.05 *Quorum.* Unless otherwise provided in a committee's establishing resolution, a majority of the whole committee will constitute a quorum. The act of a majority of members present at a meeting at which a quorum is present will be an act of the committee.
- 7.06 *Rules.* Each committee may adopt any rules and regulations for its meetings and the conduct of its activities which it may deem appropriate. However, any rules and regulations must be consistent with these bylaws, and regular minutes of all proceedings must be kept.

#### **Article 8 – Contracts, Checks, Deposits and Funds.**

- 8.01 *Contracts.* All contracts or written instruments shall be executed on behalf of the Corporation by the President or Secretary. Notwithstanding the foregoing, the Board of Directors may authorize any, director, officer or officers, agent or agents of the Corporation, to execute and deliver any contract or other written instrument on behalf of the corporation, provided such authority is granted in a written resolution passed by the Board and such resolution specifically addresses whether the authority so granted is general, or confined to specific instances.
- 8.02 *Gifts and Contributions.* The Board of Directors may: (a) accept on behalf of the Corporation any contribution, gift, bequest, or devise of any type of property ("donations"), for the general and special charitable purposes of the Corporation, on terms approved by the Board that shall comply with the requirements of the Internal Revenue Service (IRS); (b) hold funds or property in the name of the Corporation; (c) collect and receive the income from funds or property; and (d) devote the principal or income from donations solely to the charitable purposes of the Corporation as allowed by the regulations of the IRS, as designated by the Board.
- 8.03 *Deposits.* All funds of the corporation must be deposited to the credit of the Corporation in banks, trust companies, or other depositories selected by the Board of Directors.
- 8.04 *Checks, Drafts, Orders for Payment.* All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation ("Disbursements") will be signed by the President, Treasurer or such other director, officer or officers, agent or agents of the Corporation duly authorized by the Board of Directors. Any Disbursement equal to or greater than \$500 requires the signature of both the President and Treasurer.

#### **Article 9 – Finances.**

- 9.01 A tentative budget shall be drafted in the fall for each school year and approved by a majority vote of the Board of Directors.
- 9.02 The Treasurer shall keep accurate records of any disbursements, income, and bank account information.
- 9.03 The Board of Directors shall approve all expenses and Disbursements of the Corporation.

- 9.04 The Treasurer shall prepare a financial statement at the end of the year, to be reviewed by a financial auditor.
- 9.05 Upon the dissolution of the Corporation, any remaining funds should be used to pay any outstanding bills and, any remaining funds divided equally among all District 105 schools for the benefit of those schools through their parent-teacher organizations.
- 9.06 The fiscal year shall coordinate with the school year.
- 9.07 The Corporation shall make its Internal Revenue forms 990, 990-T, 1023-EZ, 1023 and 5227 (as applicable), its Bylaws, Conflict of Interest Policy (included herein at Article 11) and financial statements available to the general public free of charge. These documents will be available on the Corporation's internet website: [www.d105.net](http://www.d105.net).

#### **Article 10 – Miscellaneous.**

- 10.01 *Books and Records.* The Corporation will prepare and maintain correct and complete books and records of account and of minutes of the meetings of its Board of Directors, and committees. All such records shall be kept at the principal office. All books and records of the Corporation may be inspected by any director or the agent or attorney of a director, or any proper person, at any reasonable time.
- 10.02 *Waiver of Notice.* Whenever any notice is required to be given under the provisions of the General Not-for-Profit Corporation Act of Illinois or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation, a written waiver of notice signed by the person or persons entitled to notice, whether before or after the time stated, will be deemed equivalent to the giving of notice.
- 10.03 *Amendment.* Subject to the limitations of the Articles of Incorporation, these Bylaws and the General Not-For-Profit Corporation Act of Illinois, the Bylaws of this Corporation may be amended, repealed, or added to, or new bylaws may be adopted, by a resolution of the Board of Directors.

#### **Article 11 – Conflict of Interest Policy.**

- 11.01 *Purpose.* The purpose of the conflict of interest policy is to protect the Corporation's interests when it contemplates entering into a transaction or other arrangement that might benefit the private interest of an officer or director of the Corporation 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.
- 11.02 *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 Corporation has entered into a transaction or other arrangement;

- ii. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has entered into a transaction or other arrangement; or
- iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is considering entering into a transaction or other 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 Board of Directors of the appropriate committee decides that a conflict of interest exists.

### 11.03 *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 Board of 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 Board of Directors 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 Board of Directors 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 President or the chairperson of the 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 Board of Directors 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.
  - iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors 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 Conflict of Interest Policy.
  - i. If the Board of Directors 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 Board of Directors 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.

11.04 *Records of Proceedings.* The minutes of the Board of Directors 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 Board of Director'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.

11.05 *Compensation.*

- a. No member of the Board of Directors or of any committee will receive any compensation from the Corporation.

11.06 *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 Corporation is charitable and that in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

11.07 *Periodic Reviews.* To ensure that 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, are 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 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 an excess benefit transaction.

11.08 Use of Outside Experts. When conducting the periodic reviews as provided for this Article, the Corporation may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.