

EMINENCE EDUCATION FOUNDATION, INC.
BY-LAWS
ARTICLE 1
GOVERNANCE

Section (1) BY-LAWS

The foundation shall govern itself through its By-Laws.

(1A) Adoption

The articles of incorporation were adopted unanimously by the founding members who have pledged their support to the foundation.

(1B) Amendment

The Foundation By-Laws may be amended by creating new sections and/or articles, changing existing sections, or deleting portions of sections. All changes shall be presented to the Board of Directors and approved by a two-thirds vote of the entire Foundation Board.

Section (2) - BOARD OF DIRECTORS

The Board shall consist twelve directors.

(2A) Appointment

The Foundation Board of Directors shall be appointed by the following organizations:

Eminence Counsel of Churches	One Director
Eminence Chamber of Commerce	One Director
Eminence City Council	One Director
Eminence PTSO	One Director
Eminence Elementary Site Based Committee	One Director
Eminence Middle School Site Based Committee	One Director
Eminence High School Site Based Committee	One Director
Eminence Board of Education	One Director

The Site based appointees shall not be school principals.

Four appointments shall be made by the Foundation Chairperson. The Chairperson shall give primary consideration to business persons and/or professionals who have an interest in the Eminence Independent School District in making appointments. Each of the Chairperson's appointees shall be ratified by a majority of active members.

Notwithstanding the foregoing, if any site based committee has not yet been formed as of the date of appointment of a board of director, the Foundation Chairperson shall make an additional appointment to fill the position to be appointed by that site based committee and that appointee shall serve

only until such site based committee has been formed and has made such appointment.

(2B) Membership Term

The term of office for each director shall be for three years. Directors may serve for a maximum of two full terms of continuous service. Terms shall be staggered so four (4) new directors shall be elected each year.

(2C) Vacancies

A vacancy is created when a director (1) resigns, or (2) is absent for two consecutive meetings. A successor will be appointed to fill the unexpired term. The process of appointment shall be the same as that described in (2A).

(2D) The Duties of Each Director Shall be as Follows;

1. Uphold and support the purposes and philosophy of the foundation.
2. Participate in the management of the foundation endowment fund.
3. Participate in the allocation of available current funds each year.
4. Attend regular meetings of the Board of Directors.

(2E) Officers

The Board of Directors shall be directed by a chairperson who must serve as vice chairperson the year prior to assuming office. The vice chairperson shall be elected yearly by a majority vote of the Board of Directors. Should the vice chairperson be unable to serve as chairperson, the Board of Directors shall select a chairperson to serve for a one year term. A treasurer will be elected by a majority vote of the Board of Directors to serve a two year term. No officer shall be elected to serve beyond his or her term as a director.

(2E1) Elections

Elections shall be conducted at the fourth quarterly meeting in each fiscal year. Elected officers will assume office at the beginning of the fiscal year.

(2E2) Duties of officers

A. Chairperson - The Chairperson shall be the chief executive officer of the Foundation, shall preside at all meetings of the membership, shall have general and active management of the business of the Foundation, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

He shall appoint all committee chairpersons and each chairperson shall appoint his or her committee for all projects. The Chairperson shall serve as ex-officio member of all committees.

B. Vice Chairperson - The Vice Chairperson shall assist the Chairperson and if the Chairperson shall cease his office, the Vice Chairperson shall be elevated to the office of Chairperson for the remainder of the unexpired term.

In the absence of the Chairperson or in the event of his inability or refusal to act, the Vice Chairperson, shall perform the duties of the Chairperson and when so acting, shall have the powers of and be subject to all the restrictions upon the Chairperson. The Vice Chairperson shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

C. Treasurer - The treasurer shall have the custody of the Foundation funds and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Foundation. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Foundation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Foundation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairperson and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Foundation. All disbursements shall be signed by both the Treasurer and the Chairperson of the Board of Directors. The Treasurer shall be bonded in an amount to be determined by the Board of Directors each year.

D. Executive Secretary - The Executive Secretary shall attend all meetings of the Board of Directors and all meetings of the Foundation and record all proceedings of the meetings of the Foundation and the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the Foundation and special meetings of the Board of Directors; shall perform such duties as may be prescribed by the Board of Directors or Chairperson, shall have custody of the seal of the Foundation and he or she, shall have the authority to affix the same to any instrument requiring it

and when so affixed, it may be attested by his or her signature.

The Executive Secretary shall not be considered a member of the Board of Directors and hence shall not vote on any issue.

SECTION (3) - OPERATIONS

(3A) Fiscal Year

The fiscal year shall be July 1 - June 30.

(3B) Standing Committees

(3B1) Executive Committee- The Chairperson, Vice Chairperson, Treasurer, Executive Secretary, and other individuals as may from time to time be designated by the Board of Directors, shall constitute an Executive Committee. The Executive Committee shall have the authority to act on behalf of the Foundation to the extent that such actions may not encompass those acts designated to other standing committees. The Executive Committee is primarily a planning body and shall not be authorized to amend the by-laws of the Foundation and may be limited by resolution of the Board of Directors.

(3B2) Fund Raising Committee - It shall be the task of the Fund raising Committee to recommend to the Board of Directors a plan for conducting a yearly fund raising drive. The primary mission of the Fund raising Committee is to increase the Foundation's endowment fund. The Fund raising goal shall be established each year by the Board of Directors. The Fund Raising Committee shall also be responsible for raising current funds.

(3B3) Allocations Committee - It shall be the task of the Allocations Committee to recommend to the Board of Directors a list of projects to fund with current funds of the Foundation. The Committee shall:

1. Prepare and distribute requests for proposals;
2. Establish funding priorities;
3. Rank order of all awards; and
4. Secure evaluation reports from previously funded projects.

(3C) Other Committees

The Board of Directors may, by resolution adopted by a Majority, designate from among its members such other committees as from time to time it may consider necessary or appropriate to conduct the affairs of the Foundation.

(3D) Meetings

The Board of Directors shall meet quarterly for the purpose of conducting the business of the Foundation. All contributors to the Foundation are encouraged to attend any meeting of the Board of Directors, but the meeting of the first quarter ending on September 30, shall be designated as the annual meeting.

(3D1) Special Meetings- Special called meetings may be called by the Chairperson or by a majority of the Board of Directors.

(3D2) Notice - (1) Members of the Board of Directors shall receive written notice of all regular meetings at least seven days prior to the meeting. Notice of such meetings shall be advertised in the local newspaper. (2) Notice for special meetings or changes in the regular meeting may be given by telephone, provided such notice is given 24 hours in advance of the special meeting or change in the regularly scheduled meeting.

(3D3) Quorum - Seven directors shall constitute a quorum at a regular or special called meeting of the Board of Directors. Whenever a quorum is not present, directors may vote by proxy provided a majority of directors are polled.

(3D4) Robert's Rule of Order - Each meeting of the Board of Directors shall be conducted according to Robert's Rules of Order. The Executive Secretary shall serve as Parliamentarian.

(3E) Annual Report

In September of each year, the Foundation shall publish an annual report highlighting the activities of the Foundation during the prior fiscal Year. The report shall include but not be limited to the following:

- (1) A list of all members of the Board of Directors.
- (2) A summary of all contributions;
- (3) A list and description of all Foundation awards;
- (4) A summary of all fund balances as of July 1; and
- (5) An auditor's statement.

(3F) Audits

At the end of each fiscal year the receipts and disbursements of both the Foundation endowment fund and current fund checking account shall be audited by an internal committee of at least two directors to be appointed by the Chairperson. When the endowment fund reaches \$100,000.00 all accounts shall be audited by a Certified Public Accountant.

**ARTICLE II
FUNDING**

SECTION (1) - CONTRIBUTIONS

All contributions to the Foundation shall be classified as either endowment funds or current funds. The founders believe that the success of the Foundation will be determined by the growth in endowment funds. Therefore, the thrust of all fund raising shall be to secure endowment funds.

(1A) Endowment Funds

All funds placed into the Foundation Endowment Fund (FEF) shall remain in the fund in perpetuity as long as the Foundation exists. (In the event of dissolution the procedures outlined in the Articles of Incorporation shall be followed).

(1A1) Protection of the FEF- At all times Endowment funds must be backed by deposits of the Federal Government, thus guaranteeing the fund in the event of any bank default.

(1A2) Depository of the FEF - Specifications shall be prepared for FEF and proposals shall be solicited from local financial institutions. The Board of Directors shall select one or more depositories for not less than two years, and shall review the terms of the depository agreement every two years henceforth.

(1A3) Required designation of all Contributor- A minimum of 10% of all contributions to the Foundations shall be deposited in the FEF. This requirement shall also be applicable to all investment income earned by the FEF. The Board of Directors by majority vote may increase the minimum percentage of all contributions to the FEF.

(1A4) Optional Designation of Contributions - Contributions shall have the option of designating all contributions to the FEF. Contributors will in fact be encouraged to select this option.

(1B) Current Funds

Current funds are those funds above ten percent (or higher) of all contributions that are not designated for the FEF plus ninety percent (or less) of the investment income earned from the FEF.

(1B1) Protection of Current Funds - Current funds shall be placed in one or more checking accounts insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) and if possible shall be placed in an interest paying checking

account.

(1B2) Depository for Current Funds - The checking account for current funds shall be in a local financial institution. The services for this account shall be included as part of the proposal for the selection of the FEF and shall be reviewed every two years along with the FEF review.

SECTION 2 - CATEGORIES OF CONTRIBUTION

Contributions may be received from any source. In an attempt to recognize contributions and analyze the sources of Foundation revenue, the following contribution categories shall be used:

- (A) Individual - Any private citizen;
- (B) Alumni - Any graduate of Eminence High School;
- (C) Service - Any organization or club that provides volunteer service to the public;
- (D) Professional - Any individual or organization that provides professional services to the public;
- (E) Business - Any business organization; and
- (F) Corporate - Any corporate organization.

ARTICLE III ALLOCATIONS

SECTION (1) - - OPERATING FUNDS

The foundation shall incur certain incidental expenses such as the cost of paper, postage, and publishing. Each year the Chairperson shall submit a budget at the first quarter meeting which shall provide an estimate of all operating costs. Once approved by the Board of Directors, this budget shall be administered by the Chairperson, Treasurer, and Executive Secretary. Any expenditure during the year that exceeds the budget allocation by ten percent must be approved by the Board of Directors.

SECTION (2) - FUNDING PROVISIONS

All distributions of current funds, other than those to pay operating costs, shall be made only to those individuals or groups who have submitted a proposal which was approved for funding by a majority vote of the Board of Directors. Any student attending school in the Eminence School System, any teacher or administrator employed by the Eminence School System, or any other interested individual or group, may submit a proposal to be considered for funding by the Foundation.

(2A) Guidelines for the Allocation of Foundation funds

The decision to award funds to any proposal will be based upon the following principals:

1. There shall exist an equitable distribution

of funds among the various school levels;
i.e. Elementary, Middle, and High School
levels;

2. There shall exist an equitable distribution among school programs and areas of study.
3. Funding shall be consistent with the expression of community educational goals and needs.
4. Foundation funds may supplement, not supplant, other sources of school funds.
5. Foundation funds shall not be used to pay the salary of any school system employee.

(2B) Distribution of Available Funds

(2B1) Categories of Funding

Proposals shall be funded in three broad categories:

1. District Wide Needs - District wide needs would be established by the school and community working together to identify funding needs that affect all schools within the district.

2. Critical Needs of Particular Schools or Programs - Critical needs would be developed by school personnel to address the special needs of a particular school or program.

3. Innovative or Creative Ideas - The Foundation wishes to encourage the development of innovative, creative methods of enhancing educational programs. Grants may be awarded to school personnel, parents, students, or citizens.

(2B2) Yearly Allocation by Category

The Board of Directors shall prorate available Foundation funds annually in the manner best suited to meet the principals of allocation outlined in ARTICLE III Section (2). The Allocations Committee shall recommend proposals for funding considerations. If the Allocations Committee recommends funding of proposals in each of the three categories described above in Section (2B1), then the Board of Directors must allocate some percentage of available funds to projects in each category.

SECTION (3) REQUEST FOR PROPOSALS (RFP)

The Allocations Committee shall prepare a Foundation RFP for approval and distribution at the second quarterly meeting of the Foundation each year. The RFP shall provide the following information.

(A) Guidelines - This section shall include the funding principles and the categories of funding.

(B) Timelines - The date completed applications must be received and the date of award notice shall be listed.

(C) Format - The application outline to be

followed (e.g., the needs, objectives, activities, impact and evaluation method selected).

(D) Criteria for Ranking Proposals - The evaluation guidelines or points assigned to each section of the proposed application shall be described.

SECTION (4) AWARDS

(4A) Proposal Review

The Allocations Committee shall review and score each application according to the criteria for the ranking of projects described in the RFP. Once completed, the Allocations Committee shall submit their recommendation for funding to the Board of Directors.

(4B) Partial awards

When available funds are less than that desired to meet all acceptable proposals, the Allocation Committee and/or the Board of Directors may consider partial awards of various proposals.

(4C) Notice of awards

The Board of Directors shall notify recipients of their awards and the amounts of said awards not later than March 30 and funds shall be made available not later than July 1.

(4D) Notification of Acceptance

Recipients of Foundation awards must notify the Foundation in writing of their acceptance of the award ten days after notification of selection. At that time grantees must sign an agreement (1) to complete the activities described in the proposal and (2) to maintain accurate records of all expenditures and to complete and submit an evaluation report at the completion of the project.

(4E) Failure to Perform

The recipient agreement shall specify the consequences of failing to complete the activities described in the project proposal. Such consequences may include, but not be limited to, immediate suspension of the project and/or repayment of the award in full or part.

(4F) Record Keeping

The recipient agreement shall specify the consequences of failing to provide accurate records described in the project proposal. Such consequences may include but not be limited to, immediate suspension of the project and/or repayment of the award in full or in part.

(4G) Unused Funds

If following the completion of a project there remains any unused funds, the excess funds shall be returned to the endowment fund.