



## **BYLAWS**

### **ARTICLE I Name**

- Section 1. The name of the corporation shall be Arkansas Literacy Councils, Inc., (hereinafter referred to as "ALC" or "the Corporation").
- Section 2. The period of existence of the Corporation shall be perpetual.

### **ARTICLE II Mission**

- Section 1. The mission of ALC shall be to "Empower Arkansas Through Literacy".

### **ARTICLE III Purpose**

- Section 1. The Corporation is organized exclusively for religious, charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding sections of any future federal tax code.
- Section 2. Contributions may be made to ALC, Inc., for its exclusive use and benefit.

### **ARTICLE IV Object**

- Section 1. This Corporation shall provide the structure for all nonprofit community based literacy organizations (hereinafter referred as CBLOs) that utilize trained volunteers to tutor adult Arkansans who want to improve their basic literacy and/or English as a Second Language skills, enabling them to become fully participating and empowered citizens.
- Section 2. Activities of ALC shall include, but are not limited to:
- a. Developing plans to meet the identified needs of and provide resources to CBLOs.

- b. Conduct an annual meeting of the Members. The annual meeting of the Members shall be held May at the close of the fiscal year for the purpose of electing directors, Member Advisory Committee members, and for the transaction of such other business as may properly come before the meeting. The Board of Directors shall determine the time and place of each annual meeting. At the annual meeting the officers of the Corporation shall report on the activities and financial condition of the Corporation. Other regular meetings of the Members may be held at such dates, times and places as determined by the Board of Directors or the Executive Committee.
- c. Encouraging and promoting the development of new literacy councils and improvement of existing literacy councils through technical assistance with nonprofit organizations, development, and management; grantwriting, funds allocation, communication, coordination, training and staff development.
- d. Coordination and cooperation with the Adult Education Division of the Arkansas Department of Workforce Education and the Arkansas Adult Learning Resource Center in sharing information, training, state and federal funds allocation and other matters of mutual interest, concern and benefit.
- e. Affiliation with other state, regional, and national literacy organizations representing the objectives and goals of the membership as deemed appropriate by the Board of Directors and the Executive Director.

## **ARTICLE V Membership**

### Section 1. Voting Members of the Corporation

Voting members shall:

- (1) Be representatives from CBLOs incorporated with the State of Arkansas for the purpose of providing adult literacy services.
- (2) Adhere to the requirements set forth in these Bylaws.

### Section 2. Each voting member shall be entitled to three voting delegates and two alternate delegates selected by the local council. Delegates may attend in person or by written proxy. Delegates voting by written proxy may vote only on specific agenda items.

## **ARTICLE VI Board of Directors**

### Section 1. The control of ALC, its affairs and property shall be vested in the Board of Directors.

The Board of Directors shall be responsible for the administration and coordination of ALC programs by electing the necessary officers, securing and budgeting necessary funds and hiring and releasing such professional staff or assistance as might be needed.

### Section 2. The Board of Directors shall be composed of no less than eleven or no more than fifteen members who may serve for two terms of three years each.

- a. No person who is a current officer, director, employee, independent contractor or volunteer of an organization that is the recipient of any funds distributed by the Corporation shall be eligible to serve on the Board of Directors.
- b. No member of the Board of Directors will make, directly or indirectly, any effort to influence the disbursement of any funds to any specific literacy program or council. Accordingly, the membership of the Board of Directors shall, at all times, be constituted to prevent a conflict of interest.
- c. Three additional positions are reserved for a representative of the Arkansas Department of Workforce Education (DWE), the Chairman of the ALC Board of Directors' Member Advisory Committee, and the ALC Executive Director. The person filling the DWE position shall be the Director of the DWE or his/her designee. These positions will be the only non-elected and non-voting members of the board.
- d. Board member terms shall be staggered so that one-third expires each year.
- e. The Board of Directors shall be elected by the membership of ALC at the annual meeting of the year in which the terms expire, the only exception being the DWE Director, or his/her designee, the Chairman of the Membership Advisory Committee, and the ALC Executive Director.

Section 3. The following officers shall be elected annually by the Board of Directors from among its members: President, Vice-President, Secretary and Treasurer.

Section 4. The Board of Directors shall meet at least six times annually. At least four meetings will be in person and two meetings may be via conference call or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 5. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each Director, and included in the minutes filed with the corporate records reflecting the action taken. Any action taken under this Section 8 shall be effective when the last Director has signed the consent, unless the consent specifies a different effective date, which effective date shall control. A consent delivered by facsimile transmission shall constitute a valid signed consent. A consent signed under this Section 8 has the effect of a meeting vote and may be described as such in any document.

Section 6. Special board meetings may be called at the discretion of the President or upon written request to the President by a majority of the board members. Special board meetings shall require a three-day notice prior to the meeting. The three-day time period may be waived for emergency situations.

Section 7. Whenever any notice is required to be given to any director or other person under the provisions of these Bylaws, a waiver of notice in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 8. A simple majority (51%) of the members of the Board of Directors shall constitute a quorum in all cases and for all purposes, except as otherwise set out in these

bylaws. Once a quorum is present at a meeting, the quorum is deemed to be present for the duration of the meeting.

- Section 9. Directors shall be present in person to vote, provided that with reasonable notice to the Board President, a director may attend any meeting by electronic means. Proxy voting shall not be allowed.
- Section 10. If any director fails to attend any three meetings within one year, then the director shall be deemed to have submitted his or her resignation from the Board. The Board, for good cause shown, and upon verification, may refuse to accept the automatic resignation of any director.
- Section 11. Resignation, Removal and Vacancies:

Any director may resign at any time by giving notice to the President. Additionally, any director may be removed, for cause, at any regular or special meeting of the Board of Directors by the affirmative vote of the majority of such board, provided notice of the intention to act upon such matter shall have been given in the notice calling such meeting to all members of the Board of Directors, and specifically to the director proposed to be so removed.

If a vacancy occurs on the Board of Directors caused by death, resignation, retirement, disqualification or removal from office of any director or by reason of an increase in the number of directors, the remainder of the term shall be filled by a majority vote of the Board of Directors.

## **ARTICLE VII Duties of Officers**

- Section 1. The Officers of the Corporation shall be: President, Vice-President, Secretary, and Treasurer.
- Section 2. The President shall have general supervision of the affairs of the Corporation; shall preside at all meetings of the Board; shall have general authority to execute bonds, deeds and contracts in the name of the Corporation; shall sign all official documents on behalf of the Corporation; shall appoint all Committee Chairpersons unless otherwise designated by these Bylaws; shall appoint such other officers and agents as are necessary for the operation of the Corporation; shall serve as an ex-officio member of all committees of the Board of Directors; and in general, shall exercise all powers usually pertaining to the President of a corporation. All powers and duties of the President shall be subject to the provisions of the Articles of Incorporation and these Bylaws and to review and confirmation by the Board in such a manner as is from time to time determined by the Board.
- Section 3. The Vice-President shall, in the absence of the President; or in the event of the President's death, inability, or refusal to act; perform the duties of President of the Corporation, and shall have such other powers and duties as may from time to time be determined by the Executive Committee or the Board.
- Section 4. The Secretary shall keep and maintain all records of the Corporation unless otherwise specified in these Bylaws; shall ensure that proper notice is given for all meetings of the Board; shall keep, or cause to be kept, accurate and true records of all proceedings of meetings of the Board; shall ensure that minutes of the previous meeting(s) and all related documents are sent to directors at least five (5) days prior to the next meeting; and in general shall exercise all powers

usually pertaining to the Secretary of a corporation. All powers and duties of the Secretary shall be subject to the provisions of the Articles of Incorporation and these Bylaws, and to review and confirmation by the Board in such manner as is from time to time determined by the Board.

- Section 5. The Treasurer shall be the chief financial and accounting officer of the Corporation and exercise oversight of all accounts and finances of the Corporation in accordance with the financial control procedures duly adopted by the Board of Directors. The treasurer will also serve as chair of the ALC Board of Directors Finance Committee. The treasurer shall prepare or cause to be prepared accurate and understandable monthly financial reports of the finances of the Corporation; shall recommend depositories and financial institutions to the Board; shall ensure that all funds are deposited in such depositories as are selected by the Board; shall oversee the collection of all accounts payable to the Corporation; shall keep or cause to be kept full and accurate accounts of all expenditures and disbursements by the financial instruments payable to the Corporation; shall have the power to endorse all checks, drafts, notes or other proper receipts for all payments to the Corporation; and in general, shall exercise all powers usually pertaining to the treasurer of a corporation.

All powers and duties of the Treasurer shall be subject to the provisions of the Articles of Incorporation and these Bylaws, and to review and confirmation by the Board as determined from time to time by the Board.

- Section 6. If the office of Vice-President, Secretary or Treasurer becomes vacant, the President shall appoint a successor to serve until the next election for the remainder of the term.
- Section 7. If the office of President and Vice-President become vacant at the same time, the Executive Committee shall appoint a President to serve until the next election for the remainder of the term.

## **ARTICLE VIII Fiscal Year**

- Section 1. The fiscal year of the organization shall be July 1 through June 30.

## **ARTICLE IX Meetings**

- Section 1. ALC shall hold an Annual Meeting of the membership at a time and place to be determined by the Board of Directors. Notice shall be mailed to all members at least thirty days prior to the meeting.
- Section 2. Fifteen voting delegates must be present and shall constitute a quorum for any membership meeting.
- Section 3. Special meetings of the ALC membership may be called by the President or by the Executive Committee and shall be called upon written request of ten members of ALC. The purpose of the meeting shall be stated in the call. Except in cases of emergency, at least seven days' notice shall be given.

## **ARTICLE X**

### **Indemnification of Officers and Directors**

*Source: Arkansas Coalition for Excellence*

- Section 1. Mandatory Indemnification. In accordance with Ark. Code Ann. §§ 4-33-852 and 4-33-856, the Corporation shall indemnify any director or officer and his or her estate or personal representative who is wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director or officer is a party by virtue of his or her status as a director or officer of the Corporation.
- Section 2. Permissible Indemnification. Pursuant to A.C.A. § 4-33-851, and except as provided in Section 3 below, the Corporation may indemnify a director or officer made a party to a proceeding by virtue of his or her status as a director or officer, against liability incurred in the proceeding if the following conditions are met:
- a. the director or officer conducted himself or herself in good faith;
  - b. with respect to conduct in his or her official capacity, the director or officer had reason to believe that his or her conduct was in the best interests of the corporation;
  - c. in cases of conduct not in his or her official capacity, the director or officer had reason to believe that his or her conduct was at least not opposed to the best interests of the Corporation.
- Section 3. Prohibition of Indemnification in Certain Cases. The Corporation shall not indemnify a director or officer in connection with any proceeding by or in the right of the Corporation in which the director or officer was adjudged liable to the Corporation, or in connection with any other proceeding charging improper personal benefit to the director or officer, whether or not involving action in his or her official capacity, in which the director or officer was adjudged liable on the basis that personal benefit was improperly received by the director or officer.
- Section 4. Procedure for Authorizing Indemnification of Directors. Before the Corporation may indemnify any director pursuant to Section 2 above, a determination must be made that indemnification of a director is permissible because the director has met the standards of conduct set forth in Section 2 of this Article VII. The Board of Directors shall make that determination by a majority vote of a quorum consisting of directors who are not at the time parties to the proceeding; provided, however, that if such a quorum cannot be obtained, then the determination shall be made either by a committee designated by the Board of Directors or by special legal counsel in accordance with A.C.A. § 4-33-855(b)(2) and (3). Furthermore, the Corporation may not indemnify a director or officer until twenty (20) days after the effective date of the written notice of the proposed indemnification to the Attorney General of the State of Arkansas. The Corporation may pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of final disposition of the proceeding upon authorization made in accordance with A.C.A. § 4-33-855 and upon satisfaction of all the conditions prescribed in § 4-33-853.
- Section 5. Insurance. The Corporation may purchase and maintain insurance on behalf of its directors and officers to insure against liabilities asserted against or incurred by the Corporation's directors and officers in that capacity or arising from their status as directors and officers, whether or not the Corporation would have the power to indemnify them against the same liability under the preceding sections of this Article VII.

Section 6. Definitions. The following definitions apply to the indemnification provisions of this Article VII:

- a) Proceeding. "Proceeding" means any threatened, pending or completed civil action, suit or proceeding, whether judicial, administrative, or investigative, and whether formal or informal.
- b) Liability. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses actually incurred with respect to a proceeding.
- c) Expenses. Indemnification against expenses which is mandated or permitted under this Article VII is limited to reasonable expenses, including attorneys' fees, incurred in connection with a proceeding.
- d) Ark. Code Ann. All citations in these Bylaws to "Ark. Code Ann." or to "A.C.A." shall refer to the Arkansas Code of 1987 Annotated, as amended from time to time by the Arkansas Legislature.

## **ARTICLE XI Standing Committees**

Section 1. Executive Committee

- a. The Executive Committee shall be composed of officers mentioned in Article VI above; and such other members as the Board of Directors may designate from time to time. The Executive Director of ALC shall serve as an ex-officio member of the Executive Committee except when matters concerning the position of Executive Director are to be discussed.
- b. The Executive Committee shall meet as necessary on call of the President. The Executive Committee shall manage and control the affairs of the organization between regular meetings of the Board of Directors and shall report its action at regular and special meetings of the Board.
- c. Three-fourths of the members of the Executive Committee constitute a quorum for all actions within its authority.

Section 2. Finance Committee

- a. The Finance Committee shall be chaired by the Treasurer and have five members. The remaining four members are appointed by the President from the Board of Directors. The Executive Director of ALC shall serve as an ex-officio member of the Finance Committee. The Finance Committee shall review the Corporation's annual budgets and make recommendations to the Board of Directors on the adoption of annual budgets.
- b. Each quarter, the Finance Committee will review financial reports, audits, and budgets, and will present status reports to the Board of Directors to assist the Board in performing its financial oversight function. The committee shall draft financial policies for Board approval and from time to time shall review policies on the handling of cash deposits and other funds, investments, insurance programs, purchasing policies and procedures, and other financial matters. The committee also shall review all proposals from the Executive

Director regarding operational and capital expenditures that exceed established authorization limits and shall submit recommendations to the Board for action.

Section 3. Nominating Committee

- a. There shall be five members of the Nominating Committee. Three members are appointed by the President from the Board of Directors. Two members are elected by the membership of ALC during the Annual Meeting. One of the three board members shall be designated by the President as the chair of the Nominating Committee.
- b. The Nominating Committee shall nominate one candidate for each position available on the Board of Directors.
- c. Additional nominations from the floor at the Annual Meeting shall be permitted.
- d. The three members of the Nominating Committee appointed by the President shall serve as a Nominating Committee for officers of the ALC Board.

Section 4. Member Advisory Committee

- a. The Member Advisory Committee shall be composed of seven members who shall be from organizations that are voting members of ALC.

One member will represent each of the state's five regions – Northwest, Northeast, Southwest, Southeast, and Central. The other two members will be elected at large. Candidates will submit a completed nomination form provided by the ALC office to the secretary of the Member Advisory Committee five weeks in advance of the annual meeting. The secretary will prepare a ballot and background information to ALC so it can be included with the call for the Annual Meeting.

Each member may serve one two-year term. At least one year must elapse before a member can be re-elected to the Committee. No more than one person from any one member organization shall serve on the Member Advisory Committee at the same time. The Member Advisory Committee shall be elected by the membership of ALC at the annual meeting.

- b. Any member of the Member Advisory Committee who is unable to attend a committee meeting shall contact the Chairman, or Secretary, by telephone, fax, in writing, e-mail, or in person stating the reason for his or her absence and shall send a representative in his or her place.

If a Committee member is absent from any meeting during the year for an unexplained reason, he or she will be contacted to determine his or her interest in continuing as an Advisory Committee member. If there is no interest, or response, the member shall be deemed to have submitted his or her resignation from the Committee.

If a vacancy occurs on the Committee caused by death, resignation, retirement, disqualification or removal from office of any member, or by reason of an increase in the number of members, the remainder of the term shall be filled by a majority vote of the Committee. If the vacancy occurs in one of regional positions, the Committee must select a person from that region.

The Committee, for good cause shown, and upon verification, may refuse to accept the automatic resignation of any Advisory Committee member.

- c. Any voting delegate may nominate a person to serve on this committee. The Membership Advisory Committee shall be elected annually by the membership from the persons nominated at the ALC Annual Meeting.
- d. The Member Advisory Committee shall select its own Chairman, who shall be the spokesman for the Membership Advisory Committee and shall serve as a non-voting member of the ALC Board of Directors.
- e. The Member Advisory Committee shall provide advice to the ALC Board of Directors on program issues and any related program activity concerning the organization.
- f. The Member Advisory Committee shall address issues including but not limited to, training, certification, and any other educational issues that are of importance to the students, tutors, trainers, and councils.
- g. The Member Advisory Committee shall meet up to six (6) times per year on the call of the Chairman, and may conduct its meetings in person, or by electronic means in which all persons participating in the meeting can hear each other simultaneously. The Corporation shall bear the expense of up to three (3) meetings per year, which expense shall be limited to those persons who are members of the Committee. Such meetings shall be subject to reasonable policies and procedures adopted by the ALC Board of Directors.

- Section 5. The ALC Board of Directors shall have the option of creating other committees as necessary to conduct the business of the organization.
- Section 6. The ALC President shall appoint the chairman and members of each standing committee.
- Section 7. The ALC President shall serve as an ex-officio member of all Board committees.

## **ARTICLE XII Miscellaneous Provisions**

- Section 1. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of this document, the Corporation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the federal Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of

the Internal Revenue Code, or corresponding section of any future federal tax code.

Section 2. No loans shall be made by the Corporation to any officer or director for any reason at any time.

Section 3. Signed Conflict of Interest Statements affirming compliance with the provisions stated in Sections 1 and 2 will be mandated annually for all members of the ALC Board of Directors.

### **ARTICLE XIII Parliamentary Authority**

Section 1. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* are applicable unless they are inconsistent with these bylaws or with any special rules of order that ALC might adopt.

### **ARTICLE XIV Dissolution**

Section 1. The Corporation may be dissolved by resolution approved by a majority of the directors in office, even though less than a quorum or by a sole remaining director.

After providing for the payment of all debts, the satisfaction of all liabilities, and the expenses of dissolving the Corporation, any assets remaining upon dissolution of the Corporation shall be disposed of by the remaining directors in accordance with the provisions of the Articles of Incorporation and the exempt purpose described in section 501(c)(3) of the federal Internal Revenue Code or corresponding section of any future federal tax code. Preference should be given to organizations furthering the cause of adult literacy.

Section 2. No part of the cash or assets of the Corporation shall inure to the benefit of any current or former director or officer, or current or former staff member.

### **ARTICLE XV Amendment of Bylaws**

Section 1. These bylaws may be amended by a two-thirds vote at any annual or special meeting of the membership of ALC. Proposed amendments must be presented in writing to the membership of ALC thirty days prior to the meeting at which such vote is to be taken.

*What are Bylaws? A corporation's bylaws specify the rules and regulations that govern the corporation's management. Bylaws are required when forming a corporation. They are considered a form of agreement or contract between the corporation and its owners to conduct itself in a certain way. While for a commercial business the owners are its shareholders, the ownership of a nonprofit corporation belongs to the public as represented by the nonprofit organization's Board of Directors and staff.*