

**Articles of Incorporation & BYLAWS of
Joseph Estabrook Elementary School PTO Inc.**

ARTICLE I – NAME, DESCRIPTION & PURPOSE

Section 1: NAME – The name of the organization shall be Joseph Estabrook Elementary School PTO Inc., of Lexington, Massachusetts. For convenience, the organization shall be referred to in these bylaws as Estabrook PTO. Estabrook PTO is located at 117 Grove Street, Lexington, MA 02420.

Section 2: DESCRIPTION – The Estabrook PTO is a non-profit organization that exists for charitable and educational purposes.

Section 3: PURPOSE – The purpose of the Estabrook PTO is to enhance and support the educational experience at Joseph Estabrook Elementary School, to develop a closer connection between school and home by encouraging parental involvement, and to improve the environment at Joseph Estabrook Elementary School through volunteer and financial support.

The organization is organized exclusively for charitable, religious, educational, or scientific purposes under section 501(c)(3) of the internal revenue code, or corresponding section of any future federal tax code.

ARTICLE II – BASIC POLICIES

Section 1: The following are basic policies of Estabrook PTO:

- a) The organization shall be non-commercial and non-sectarian.
- b) No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, directors, trustees, officers or other private individuals, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments to distributors in furtherance of the purposes set forth in Article 1 hereto. ^{[[L]]}_{SEP;}
- c) The organization, including its committees, shall operate within the allocated budget. If an expense is above the amount stated in the budget, it shall be presented to the treasurer and president for discussion and approval.
- d) Notwithstanding any other provision of these articles, the organization shall not carry on any other activities not permitted to be carried on (i) by an organization exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code or (ii) by an organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code. ^{[[L]]}_{SEP;}
- e) The Estabrook PTO will not enter into a transaction or arrangement that might benefit the private interest of an officer. ^{[[L]]}_{SEP;}

ARTICLE III – MEMBERSHIP

Section 1: Membership shall be granted to all parents and guardians of Joseph Estabrook Elementary School students & staff who have paid the agreed membership fee.

Section 2: The membership fee shall be set by the Executive Board at the beginning of the membership year. Membership scholarships may be arranged through the Joseph Estabrook Elementary School principal.

Section 3: Members can join at any time during the fiscal year.

ARTICLE IV – OFFICERS

Section 1: EXECUTIVE BOARD– The Executive Board shall consist of a president, one or more vice presidents, a recording secretary and a treasurer. An honorary teacher position without executive voting rights may be added.

Section 2: NOMINATIONS – The Estabrook PTO officers will be required to form a Nominating Committee. This committee will be chaired by the outgoing president or the next most senior officer should the outgoing president be unavailable. In addition, it will have a minimum of 2 more members, ideally from the wider PTO community. The Nominating Committee shall aim to select Estabrook PTO members for each officer position to be filled. If more than one person is interested in a role, the Executive Board will vote to determine which person will be added to the proposed slate of Executive Board members. Where appropriate, board roles can be shared between two people.

Section 3: QUALIFICATIONS – Any Estabrook PTO member in good standing may stand to become an officer of the Estabrook PTO. The office of President/Co-President may only be filled by an Executive Board Member who has served on the Executive Board for at least one academic year unless there isn't a qualified willing successor.

Section 4: ELECTION PROCEDURE – The Executive Board of the current school year will introduce the slate for the next year's Executive Board officers to the membership, as found by the Committee, at the last membership meeting of the year. Officers shall be elected by a majority voice vote. If no majority can be voted on, the Nominating Committee will begin a new search for candidates and another membership vote will be held of the new slate.

Section 5: TERM OF OFFICE – No officer may serve in their Executive Board position for more than two consecutive years unless there isn't a qualified willing successor.

Section 6: DUTIES –

President:

- Shall preside at General PTO meetings and Executive Board meetings,
- Shall serve as the official representatives of the Estabrook PTO
- Shall serve as ex-officio members of all committees
- Shall retain all official records of the Estabrook PTO

- Shall, in absence of the treasurer, disburse funds in accordance with the budget

Vice President(s):

- Shall oversee the committee programs of the Estabrook PTO
- Shall assist the president.

Recording Secretary:

- Shall record and distribute minutes of all Executive Board meetings and all General PTO meetings
- Shall prepare agendas for official PTO meetings
- Shall hold official records for the Estabrook PTO

Treasurer:

- Shall serve as custodian of the Estabrook PTO's finances
- Shall collect revenue and pay authorized expenses
- Shall create the yearly budget for the board approval
- Shall report financial activity every month to the Executive Board
- Shall prepare year-end financial report and facilitate an annual audit
- Shall file annually with the IRS where required
- Shall hold all financial records

Section 7: BOARD MEETINGS – The Executive Board shall meet monthly during the school year, or at the discretion of the president.

Section 8: REMOVAL – An officer can be removed from office for failure to fulfill his/her duties, after reasonable notice, by a majority vote of the Executive Board members attending the Executive Board meeting in which the vote is being held. The quorum for meetings where votes regarding removal take place shall be at least half of all Executive Board Officers.

Section 9: VACANCY – If a vacancy occurs on the Executive Board, a member of the Executive Board can step in to take on their responsibilities in addition to their own, or the president shall appoint a PTO member to fill the vacancy, for the remainder of the officer's term. If the vacancy is filled by a member not voted for during the membership meeting in June, the Executive board will approve the filling of the position by a majority vote.

ARTICLE V: COMMITTEE CHAIRS

Section 1: QUALIFICATIONS – Any Estabrook PTO member in good standing may become a chair of an Estabrook PTO committee.

Section 2: NOMINATIONS – The Estabrook PTO officers may form a nominating committee, chaired by the president or vice president(s), to nominate an Estabrook PTO member for each committee chair to be filled. A chair position can be shared between two chairs if required.

Section 3: TERM OF OFFICE – The term of each committee chair shall be one year or until the selection of a successor. Committee chairs shall assume their official duties following the close of the last day of school.

Section 4: DUTIES – Committee chairs are tasked with completing the duties assigned by the Executive Board, for example organizing a PTO event. Committees are required to stay within allocated budgets. If additional funds are necessary, it shall be presented to the treasurer and president for discussion and approval.

Section 5: GENERAL – Upon the expiration of the term of office/ resignation/ termination, each committee chair shall turn over to the Executive Board, without delay, all records, books and other material pertaining to the chair position, and shall return to the treasurer, without delay all funds belonging to the Estabrook PTO.

Section 6: REMOVAL – A committee chair may be removed from office for failure to fulfill his/her duties, after reasonable notice, by a majority vote of the Executive Board members attending the Executive Board meeting in which the vote is being held. The quorum for meetings where votes regarding removal take place shall be at least half of all Executive Board Officers.

ARTICLE VI – MEETINGS

Section 1: GENERAL PTO MEETINGS – General PTO meetings shall be held to conduct the business of the Estabrook PTO and shall meet quarterly or at the discretion of the Executive Board, but no less than once at the beginning of the school year and once at the end of the school year.

Section 2: NOTICE – Members shall be given 30 days notice before a General PTO meeting will be held.

Section 3: VOTING – Each member in attendance at a Estabrook PTO meeting is eligible to vote, one vote per household. Absentee or proxy votes are not allowed.

Section 4 – QUORUM - All members of the Estabrook PTO who have voting rights at a properly called meeting shall be designated as a quorum.

ARTICLE VII – FINANCIAL POLICIES

Section 1: FISCAL YEAR - The fiscal year of the Estabrook PTO begins July 1 and ends June 30 of the following year.

Section 2: BANKING - All funds shall be maintained in bank accounts in the name of Estabrook PTO. There shall be two people on the signature card for the Estabrook PTO checking account, one of whom shall be the treasurer. No two members of the same household and/or family may be on the signature card or have access to the Estabrook PTO's bank account(s).

Section 3: REPORTING - All financial activity shall be recorded in a manual or computer-based accounting system. The treasurer shall reconcile the account(s) monthly and report all financial activity monthly.

Section 4: ANNUAL REVIEW - The Executive Board shall arrange a review of its financial records each year by a member committee of at least 2 people. The members of this committee:

- Will not be a family member of the president or treasurer
- Will not be a signatory on any of the Estabrook PTO bank accounts or checks

Section 5: CASH RESERVES - The Executive Board will determine the amount of cash reserves which should be left in the treasury during the budget process, at the beginning of each year. Money will be left in the treasury at the end of each year at a minimum to cover any unpaid bills and obligations for that year plus a reserve amount of at least \$2500 to begin the next school year. If it is likely that this will not be the case, a Executive Board meeting will be called to discuss how best to move forward.

Section 6: CONTRACTS - Contract signing authority is limited to the president or the designee.

Section 7: SPENDING – Officers and Committee Members will be able to spend the amount approved for their activity in the budget by reimbursement through the expense process. If one bill is larger than 50% of the approved budget for the activity, the officer or committee member will inform the Executive Board for discussion before the money is committed.

ARTICLE VIII – 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 or director 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 Conflicts 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 PROCEEDING - The minutes 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 -

- 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 which 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, 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 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.

Section 9: DONATIONS OF BRANDED AND/OR COMMERCIAL GOODS - The PTO will not accept branded and/or commercial goods for distribution to students through the school day. Some branded or commercial goods may be accepted for distribution to students at PTO events outside of school hours, through PTO members. Proposed goods must be submitted to the PTO Board for review and approval vote. The PTO Board reserves the right to refuse donations. If the Board votes to accept donations of branded and/or commercial goods for:

- a non-fundraising event, these accepted goods must be provided to every student currently enrolled in Estabrook at time of gifting and quantity must be available to be distributed to each student at an equal value. Goods donated in excess of what is distributed may be returned to the donor. Goods must be in keeping with or in support of PTO activities and areas of focus.
- a fundraising event, these accepted goods will not be returned to the donor.

Goods gifted to the Estabrook PTO for distribution to students must require no payment or favors in exchange for the receipt of the goods. The distribution of donated goods is not a product endorsement. All goods donations are tax deductible and a letter confirming receipt of donation will be provided upon request after the donation has been received by Estabrook PTO.

ARTICLE IX – PERSONAL LIABILITY

Section 1: The PTO shall indemnify every Executive Board member, their heirs, executors and administrators, against all loss, cost and expense, reasonably incurred by him/ her in connection with any action, suit or proceeding to which he may be made a party, by reason of his being or having been a Board member, including reasonable matters wherein he/she shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of negligence, except to the extent such liability, damage or injury is covered by any type of insurance; however, this indemnification shall not cover any acts of gross negligence, willful misconduct or with fraudulent or criminal intent. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Presidents, Officer or other Member of the Executive Board may be entitled.

ARTICLE X – BYLAW AMENDMENTS

Section 1: Amendments to the bylaws may be proposed by any PTO member to an Estabrook PTO officer so that they can bring this proposed amendment to the Executive Board for discussion. The Executive Board can vote for the bylaws to be changed by a majority vote. The PTO members will be notified in writing of any bylaw changes.

ARTICLE XI - DISSOLUTION

Section 1: This Estabrook PTO may dissolve and wind up its affairs in the following manner:

- a) The Executive Board shall adopt a resolution recommending the Estabrook PTO dissolve and request a special meeting of the membership to vote on the dissolution. At least thirty (30) days notice shall be given to the membership prior to the special meeting.
- b) Approval of dissolution of the Estabrook PTO shall require the affirmative vote of at least two-thirds of the members present and voting.
- c) The corporation will be dissolved in accordance with MGL 180.
- d) After paying or adequately providing for the debts and obligations of the association, the remaining assets shall be distributed to one or more nonprofit funds, foundations, organizations, or associations that have established their tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE XII - PARLIAMENTARY AUTHORITY

The authority for this organization shall be "Robert's Rules of Order Newly Revised."

These bylaws were first adopted on May 19th, 2016.

Amendments: Article IV on January 17th, 2017

Article XIII on September 14, 2018

Article XIII on October 12, 2018