

## **ARTICLE I – Name**

The name of this organization is NORTH BETHESDA MIDDLE SCHOOL PARENT TEACHER ORGANIZATION, INC., located at 8935 Bradmoor Drive, Bethesda, MD 20817.

It is a local PTO organized and incorporated as a tax-exempt non-stock corporation under the laws of the State of Maryland. This corporation shall hereinafter be referred to in these bylaws as NBMS PTO, Inc.

## **ARTICLE II – Purposes**

Section 1. The purposes for which NBMS PTO, Inc. is organized are as follows:

- a. To organize and operate a school and community-based youth organization and a comprehensive program of during-school and/or after-school activities;
- b. In general, to promote the welfare and support the education of children at North Bethesda Middle School by fostering relationships between the school, students, parents and teachers;
- c. To receive gifts, endowments, devices, and bequests, which shall be used to carry out the objectives and purposes of this corporation;
- d. To work cooperatively with other school-based parent organizations in order to further the objectives of NBMS PTO, Inc. while at the same time minimizing overlap of mission and/or purpose, duplication of programming, and competition for resources; and
- e. To carry on any business or other activity which may be lawfully conducted by a tax-exempt non-stock corporation organized under the laws of the State of Maryland and that are necessary to carry out the objectives and purposes of this corporation.

Section 2. The purposes, objectives, programs and activities of NBMS PTO, Inc. are governed by the basic policies set forth in Article III.

Section 3. Additionally, NBMS PTO, Inc. is organized and will be operated exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

## **ARTICLE III – Basic Policies**

The following are the basic policies of NBMS PTO, Inc.

- a. The organization shall be noncommercial, nonsectarian, and nonpartisan.
- b. The organization shall undertake programs to promote the education, health, and welfare of children and youth and shall seek to promote collaboration between parents, schools, and the community at large.
- c. No part of any net earnings of the organization shall inure to the benefit of, or be distributable to, its members, directors, trustees, officers, or other private persons except that the organization 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 Article II of these bylaws. Further, the conflict of interest policy set forth in the Addendum to these bylaws shall apply.
- 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 the corresponding section

of any future federal tax code; or (ii) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

- e. The organization or members in their official capacities shall not, directly or indirectly, participate or intervene in any way in any political campaign on behalf of, or in opposition to, any candidate for public office; or devote more than an insubstantial part of its activities to attempting to influence legislation through lobbying or otherwise.
- f. The organization shall be incorporated and shall have bonding (fraud and theft) and liability insurance. In addition, the organization shall not carry out any of its programs without adequate insurance coverage.
- g. Each officer or member of this organization shall be a member of the organization as described in Article IV, Section 1.
- h. Except as otherwise stipulated or limited in these bylaws, notices, announcements, and actions of the board of directors of the organization may be made or effected through electronic mail.
- i. A member of the organization shall not serve as a voting member of the organization's board of directors while serving as a paid employee of, or under contract to, this organization.
- j. Only members of the organization, as described in Article IV, Section 1, may participate in the business of the organization.

#### **ARTICLE IV – Membership and Dues**

Section 1. Members of NBMS PTO, Inc., who shall have voting rights, shall include:

- a. Any parent, guardian, or other adult standing in loco parentis of a student of North Bethesda Middle School who participates, has participated, or will participate in any program organized by NBMS PTO Inc. during a given school year;
- b. Any person employed at North Bethesda Middle School who participates, has participated, or will participate in any program organized by NBMS PTO, Inc. during a given school year;
- c. The principal of North Bethesda Middle School; and
- d. Any other person who resides within the North Bethesda Middle School Service Area (as defined by the Montgomery County Public School System) or who is an employee of North Bethesda Middle School and who pays annual membership dues as prescribed in Section 2 of this Article.

Section 2.

- a. Annual membership dues, if any, will be established by the board of directors.
- b. The board of directors may determine annually whether members described in Sections 1a, 1b, and 1c of this Article shall be required to pay annual membership dues.
- c. Members described in Section 1d of this Article shall pay annual dues in an amount to be determined annually by the board of directors.

#### **ARTICLE V – Officers and Elections**

Section 1. Each officer shall be a member of NBMS PTO, Inc. as described in Article IV, Section 1.

Section 2. Officers and their basic duties.

- a. The officers of NBMS PTO, Inc. shall be a president, a secretary, and a treasurer.
- b. President. The president shall prepare the agendas and preside over meetings of this organization and the board of directors; serve as the primary contact for the principal; represent this organization at meetings outside the organization; serve as ex-officio member of all

committees except the nominating committee; and, coordinate the work of all the officers and committees in order that the purposed of this organization be served.

- c. Secretary. The secretary shall record and keep the minutes of all meeting of this organization and the board of directors and maintain a current copy of the bylaws, rules, and policies of this organization and board of directors.
- d. Treasurer. The treasurer shall have custody of all funds of this organization; keep an accurate record of receipts and expenditures, and bank account information; make disbursements as authorized by the president or board of directors in accordance with the budget adopted by the board of directors; be prepared to present a written or oral financial report at every meeting of this organization or board of directors, or a written financial report at other times when requested by the board of directors; make a full report at the end of the fiscal year of this organization; and be responsible for preparing and filing all necessary tax forms.
- e. In addition to the foregoing, each officer shall perform such other duties as may be prescribed in these bylaws or assigned by this organization or by the board of directors.

### Section 3. Elections and terms of office.

- a. Officers shall be elected at the annual general membership meeting of NBMS PTO, Inc., to be held in May or June.
- b. Officers shall be elected by voice vote, unless more than one person is running for an office, in which case a ballot shall be taken. A majority shall be required for election.
- c. Officers shall assume their official duties the first day of the fiscal year and shall serve for a term of one (1) year or until their successors assume their official duties.
- d. A person shall not be limited as to the number of terms he or she may be elected to the same office, so long as the person is otherwise a member of NBMS PTO, Inc. as described in Article IV, Section 1.
- e. A person may hold more than one office at a time, but shall not simultaneously serve as both president and treasurer.

### Section 4. Nominations.

- a. A nominating committee consisting of one or more members shall be appointed by the board of directors at least two (2) months prior to the annual meeting to be held in May or June.
- b. The nominating committee shall nominate an eligible person for each office to be filled and notify the general membership of its nominations at least ten (10) days prior to the annual meeting.
- c. Additional nominations may be made from the floor at the annual meeting and prior to voting.
- d. Only those individuals who are current members of NBMS PTO, Inc. and who have signified their consent to serve if elected shall be nominated for, or elected to, such office.

### Section 5. Vacancies and removal from office.

- a. A vacancy in any office may be filled for the unexpired term by a person elected by a majority of the board of directors.
- b. If the board of directors in its judgment finds that the best interests of this organization will be served, it may remove any officer by a two-thirds (2/3) vote of directors present and voting at any meeting of the board of directors, assuming a quorum.
- c. Upon vacating his or her office due to resignation, expiration of term, or removal, each departing officer shall expeditiously turn over to his or her successor, or to the board of directors, all records, books and other materials pertaining to the office. In addition, the

departing treasurer shall facilitate the timely transfer of authority over any bank or financial accounts of this organization.

#### **ARTICLE VI – Board of Directors**

Section 1. Each director (board member) shall be a member of NBMS PTO, Inc.

Section 2. The board of directors of NBMS PTO, Inc. shall consist of the officers of this organization, the chairs of standing committees, and the principal of the school or his/her designee.

Section 3. A person shall be ineligible to serve as a voting member of the board of directors of NBMS PTO, Inc. while serving as a paid employee of, or under contract to, NBMS PTO, Inc.

Section 4. The duties of the board of directors shall be to transact all business necessary to facilitate and carry out the programs of NBMS PTO, Inc.; to create standing rules and policies; to create standing and special committees; to approve the plans of work of the standing committees; to report at the annual meeting of NBMS PTO, Inc.; to select an auditor or an auditing committee to review the treasurer's accounts; to develop, approve, and adopt an annual budget to facilitate and carry out the programs of NBMS PTO, Inc.; to approve routine bills within the limits of the adopted budget; and fill vacancies.

Section 5. The board of directors shall meet as necessary throughout the year to facilitate and carry out the programs of NBMS PTO, Inc. Meetings may be called by the president or by any two members of the board of directors, one (1) day's notice have been given. Meetings may be held at any place mutually agreeable to the board of directors or by means of telephone conference call. A majority of the entire board of directors shall constitute a quorum.

Section 6. The board of directors, by a two-thirds (2/3) vote of the members present and voting, may remove from his/her position any officer or other board member who: fails to perform designated duties as outlined in these bylaws or the current standing rules; fails to attend two consecutive meetings of the board of directors without being excused; or, violates the policies or misrepresents the positions of NBMS PTO, Inc. or otherwise acts in any way to the detriment of the purposes and objectives of NBMS PTO, Inc. When removal is contemplated, the officer or board member shall be advised –and such advisement being confirmed – at least seven (7) days prior to the meeting determination of his/her right to appear before the board of directors at that meeting. Such removal constitutes a vacancy.

#### **ARTICLE VII –Committees**

Section 1. The board of directors may create and appoint members of such standing or special committees as it may deem necessary to facilitate and carry out the programs of NBMS PTO, Inc.

Section 2. The nominating committee shall consist of members of NBMS PTO, Inc. Other committees may consist of members, as well as non-members, as deemed appropriate by the board of directors. The president is an ex-officio member of all committees, except the nominating committee.

Section 3. Each standing or special committee shall select its own chair, who shall be a member of NBMS PTO, Inc. Officers and directors of NBMS PTO, Inc. may chair committees.

Section 4. The chair of each standing or special committee shall present a plan of work to the board of directors for approval. No committee work shall be undertaken without the consent of the board of directors.

#### **ARTICLE VIII – Finances**

Section 1. The board of directors shall develop, approve, and adopt, by majority vote, a budget to facilitate and carry out the programs of NBMS PTO, Inc. for the current school year as soon as practicable after the start of the fiscal year.

Section 2. The treasurer shall keep accurate records of any disbursements, income, and bank account information, and shall produce any and all such information upon request of a member of the board of directors.

Section 3. All disbursements of NBMS PTO, Inc. shall be in accordance with the adopted budget, or otherwise approved by the board of directors, and shall be paid by check, each check to be signed by the treasurer and the president. Exception: Transactions that require online payment may be paid by debit card.

Section 4. The treasurer shall have custody and signature authority over the account(s) of NBMS PTO, Inc. The treasurer shall immediately notify the board of directors following all disbursements. It is recommended that a criminal background check be performed for each new treasurer, to be paid for out of funds of NBMS PTO, Inc.

Section 5. The treasurer shall prepare a financial statement at the end of the year to be reviewed by the board of directors and by the auditor or audit committee.

Section 6. The fiscal year of NBMS PTO, Inc. shall begin on July 1<sup>st</sup> and end on the following June 30<sup>th</sup>.

#### **ARTICLE IX – Meetings**

Section 1. There shall be one (1) annual general membership meeting of NBMS PTO, Inc. to be held in May or June. The date, time, and place of the annual general membership meeting shall be determined by the board of directors and announced at least seven (7) days prior to the meeting. Business to be conducted at the annual general membership meeting shall include election of officers and other such matters as determined by the board of directors.

Section 2. Special general membership meetings of NBMS PTO, Inc. may be called by the president or by a majority of the board of directors, seven (7) days' notice having been given.

Section 3. Five (5) members shall constitute a quorum for the transaction of business in any general membership meeting of NBMS PTO, Inc.

Section 4. Only members of NBMS PTO, Inc. as described in Article IV, Section 1 may participate in the business of NBMS PTO, Inc.

Section 5. Announcement or notification of the annual general membership meeting or any special meeting of NBMS PTO, Inc. shall, as a minimum requirement, be made by electronic mail (listserv).

**ARTICLE X – Parliamentary Authority**

The rules contained in the current edition of Robert’s Rules of Order Newly Revised shall govern NBMS PTO, Inc. in all cases in which they are applicable and in which they are not conflict with these bylaws.

**ARTICLE XI – Dissolution**

Section 1. In the event NBMS PTO, Inc. votes to dissolve and terminate its affairs, it shall be done as follows:

- a. The board of directors shall adopt a resolution recommending that NBMS PTO, Inc. be dissolved and directing that the question of such dissolution be submitted to a vote at a special meeting of members having voting rights. Written or printed notice stating that the purpose of such meeting is to consider the advisability of dissolving NBMS PTO, Inc. shall be given to each member entitled to vote at such meeting at least thirty (30) days prior to the date of such meeting.
- b. Only those persons who were members in good standing of NBMS PTO, Inc. on the date of adoption of the resolution and who continue to be members in good standing of NBMS PTO, Inc. on the date of the special meeting shall be entitled to vote on the question of dissolution. Approval of dissolution of NBMS PTO, Inc. shall require the affirmative vote of at least two-thirds (2/3) of the members present and entitled to vote at the special meeting, a quorum being present.

Section 2. Upon the dissolution of NBMS PTO, Inc., after first paying or satisfying any outstanding bills or obligations, any remaining assets shall, with the prior approval of the general membership, be distributed to North Bethesda Middle School, or one or more organizations that have established their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

**ARTICLE XII – Amendments**

These bylaws may be amended at any general membership meeting (annual or special) of NBMS PTO, Inc. by a two-thirds (2/3) vote of those members present and voting, assuming a quorum, provided notice of the proposed amendment, which has been approved by the board of directors, has been given to the general membership at least seven (7) days prior to the meeting at which the amendment is to be voted upon. Such notice shall, as a minimum requirement, be made by electronic mail (listserv).

These bylaws were submitted, approved and adopted by the incorporators and founding directors of this organization, as named in the Articles of Incorporation of North Bethesda Middle School Parent Teacher Organization, Inc. on May 31, 2011.

JAMES PARKER \_\_\_\_\_

PETER NICKOLOFF \_\_\_\_\_

KATHY JAN \_\_\_\_\_

## ADDENDUM

The following conflict of interest policy is incorporated by addendum in the approved bylaws of North Bethesda Middle School Parent Teacher Organization, Inc.

### **CONFLICT OF INTEREST POLICY OF NORTH BETHESDA MIDDLE SCHOOL PARENT TEACHER ORGANIZATION, INC.**

#### **Article I – 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.

#### **Article II – Definitions**

##### **1. 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.

##### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. 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 and may include gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, 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.

#### **Article III – Procedures**

##### **1. 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 considering the proposed transaction or arrangement.

## **2. 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 if a conflict of interest exists.

## **3. Procedures for Addressing the Conflict of Interest**

- a. 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.
- b. 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.
- c. 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.
- d. 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.

## **4. Violations of the Conflicts of Interest Policy**

- a. 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.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article IV – Records of Proceedings**

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.

### **Article V – 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.

### **Article VI – Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Article VII – Periodic Reviews**

To ensure 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, based on competent survey information, and 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 in an excess benefit transaction.

### **Article VIII – Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**NORTH BETHESDA MIDDLE SCHOOL PARENT TEACHER ORGANIZATION, INC.**

**ANNUAL CONFLICT OF INTEREST STATEMENT**

In accordance with Article VI of the Conflict Of Interest Policy of North Bethesda Middle School Parent Teacher Organization, Inc. (NBMS PTO, Inc.), I, the undersigned director, officer and/or committee member of a NBMS PTO, Inc. committee with governing board delegated powers hereby affirm that I:

- a. Have received a copy of the conflicts of interest policy,
- b. Have read and understand the policy,
- c. Have agreed to comply with the policy, and
- d. Understand the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Name: \_\_\_\_\_

Position/Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_