

## The Patio Chic Foundation Bylaws

© 2020 The Patio Chic Foundation

### BY-LAWS OF THE PATIO CHIC FOUNDATION

#### Article 1. Definitions

Section 1.01 Name. The "Corporation" shall mean: [The Patio Chic Foundation], its successors and assigns.

Section 1.02 Board. The "Board" shall mean the Board of Directors of the Corporation.

#### Article 2.

#### Purposes, Objectives and Governing Instruments

(a) Charitable, Educational, and Scientific Purposes and Powers. The purposes of the Corporation, as set forth in the Articles of Incorporation, are exclusively charitable, educational, or religious, within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future Federal tax law ("Section 501(c)(3)"). In furtherance of such purposes, the Corporation shall have the same powers as an individual to do all things necessary or convenient to carry out the purposes, as set forth in the Articles of Incorporation and these Bylaws.

The specific objectives and purpose of this organization shall be:

a. to provide educational equipment, grants, opportunities, or scholarships to persons with needs, aligned to the corporations mission, vision, and core values;

b. to provide grants, equipment, or participants to engage in the promotion and participation of understanding, creating, building, or maintaining outdoor living spaces;

c. to provide opportunities for participants to engage in transforming outdoor living spaces of communities, neighborhoods, or homes;

d. to sponsor, host and/or participate in events and activities that combat the deterioration of outdoor living spaces.

Section 2.02 Governing Instruments. The Corporation shall be governed by its Articles of Incorporation and its Bylaws. Section 2.03 Nondiscrimination Policy. The Corporation will not practice or permit any unlawful discrimination on the basis of sex, age, race, color, national origin, religion, physical handicap or disability, or any other basis prohibited by law.

Section 2.04 Limitations on Activities. No part of the activities of the Corporation shall consist of participating in, or intervening in, any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activity not permitted to be carried on by a corporation Exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future federal tax law.

Article 3.

Membership

The membership of the corporation shall consist of the members of the Board of Directors.

Article 4.

## Directors

Section 4.01 General Powers and Duties. The Board is responsible for providing foresight, oversight, and insight. Board members serve as advocates for the corporation's mission, vision, and core values. As stewards of the corporation, the board shall be actively involved in fundraising. The Executive Director's input in board meeting deliberation is instrumental and invaluable for informed decision making. However, to avoid actual or perceived conflicts of interest, questions concerning accountability, or blurring the line between oversight and execution, the executive director of the corporation shall be a non-voting member of the board, unless not permitted by Texas State law. The Board of Directors shall be responsible for overseeing the affairs and approving the purchase of property for the use of the Corporation. The voting members of the board shall receive no compensation other than reimbursement of reasonable expenses.

Section 4.02 Annual Meeting. A meeting of the Board shall be held annually at such place, on such date and at such time as may be fixed by the Board, for the purpose of electing Directors, receiving annual reports of the Board and Officers, and for the transaction of such other business as may be brought before the meeting.

Section 4.03 Number. The number of Directors constituting the entire Board shall be fixed by the Board, but such number shall be at least 3 directors not related to each other by blood or marriage/domestic partnership. But shall not be more than 11 directors. Required offices include a president and a secretary. The president and secretary positions cannot be held by the same person. The executive director of the corporation shall be a non-voting member of the board, unless not permitted by Texas State law.

Section 4.04 Election. The initial Directors of the Corporation shall be those persons specified in the Certificate of Incorporation of the Corporation. Each Director shall hold office until the next annual meeting of the Board and until such Director's successor has been elected and qualified, or until his or her death, resignation or removal.

(a) As a self-perpetuating board, board members may nominate a replacement by completing The Patio Chic Foundation board of directors nomination form.

(b) The board election process may be spearheaded by a board development or governance committee that works on an ongoing basis to identify and address the knowledge and skills gaps on the board. Through that committee, the board ensures its composition and performance are aligned with organizational needs.

(c) An officer succession plan will be created by the board and executive director. This plan will create a process through which board members engage in ongoing education and create a culture of mentoring, so each officer and committee chair will be responsible for preparing others to step forward in future election processes.

(d) An optimal board election process is ongoing; it culminates with new board members, but never really finishes at all.

Section 4.05 Term of Office. All Board members shall serve three-year terms, but are eligible for re-election. The first Board will include members with two-year or three-year terms to begin staggered terms. However, no board member shall serve more than three, three-year terms whether consecutive or non-consecutive.

Section 4.06 Additional Meetings. Regular meetings of the Board may be held at such times as the Board may from time to time determine. Special meetings of the Board may also be called at any time by the President or by a majority of the Directors then in office.

Section 4.07 Notice of Meetings. No notice need be given of any annual or regular meeting of the Board. Notice of a special meeting of the Board shall be given by service upon each Director in person, by e-mail, or by mailing the same to him/her at his or her post office address as it appears upon the books of the Corporation at least two business days (Saturdays, Sundays and legal holidays not being considered business days for the purpose of these By-Laws) if given in person, or at least four business days, if given by mailing/e-mailing the same, before the date designated for such meeting specifying the place, date and hour of the meeting. Whenever all of the Directors shall have waived notice of any meeting either before or after such meeting, such meeting shall be valid for all purposes. A Director who shall be present at any meeting and who shall not have protested, prior to the meeting or at its commencement, the lack of notice to him/her, shall be deemed to have waived notice of such meeting. In any case, any acts or proceedings taken at a Directors' meeting not validly called or constituted may be made valid and fully effective by ratification at a subsequent Directors' meeting that is legally and validly called. Except as otherwise provided herein, notice of any Directors' meeting or any waiver thereof need not state the purpose of the meeting, and, at any Directors' meeting duly held as provided in these By-Laws, any business within the legal province and authority of the Board may be transacted.

Section 4.08 Quorum. At any meeting of the Board, a majority of the Directors then in office shall be necessary to constitute a quorum for the transaction of business. However, should a quorum not be present, a majority of the Directors present may adjourn the meeting from time to time to another time and place, without notice other than announcement at such meeting, until a quorum shall be present.

Section 4.09 Voting. At all meetings of the Board, each Director shall have one vote. In the event that there is a tie in any vote, the President of the board shall have an additional vote to be the tie-breaker.

Section 4.10 Action Without a Meeting. Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or any such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board or any such committee shall be filed with the minutes of the proceedings of the Board or such committee.

Section 4.11 Removal. Any member of the Board of Directors may be removed for cause by vote of the Board provided there is a quorum of not less than a majority present at the meeting at which such action is taken.

Section 4.12 Resignation. Any Director may resign from office at any time by delivering a resignation in writing to the Board of Directors, and the acceptance of the resignation, unless required by its terms, shall not be necessary to make the resignation effective.

Section 4.13 Vacancies. Any newly created directorships and any vacancy occurring on the Board arising at any time and from any cause may be filled by the vote of a majority of the Directors then in office at any Directors' meeting. A Director elected to fill a vacancy shall hold office for the unexpired term of his or her predecessor.

Section 4.14 Committee. The Board, by resolution adopted by a majority of the entire Board, may designate from among the Directors an executive committee and other standing committees, each consisting of three or more Directors, to serve at the pleasure of the Board, and each of which, to the extent provided in such resolution, shall have the authority of the Board. The Board may designate one or more Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

Section 4.15 Participation by Telephone or Video Communication Software/Apps. Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 4.16 Confidentiality

Directors shall not discuss or disclose information about the Corporation or its activities to any person or entity unless such information is already a matter of public knowledge, such person or entity has a need to know, or the disclosure of such information is in furtherance of the Corporations' purposes, or can reasonably be expected to benefit the Corporation. Directors shall use discretion and good business judgment in discussing the affairs of the Corporation with third parties. Without limiting the foregoing, Directors may discuss upcoming fundraisers and the purposes and functions of the Corporation, including but not limited to accounts on deposit in financial institutions.

Each Director shall execute a confidentiality agreement, non-disclosure, and non-compete consistent herewith upon being voted onto and accepting appointment to the Board of Directors.

Article 5.

#### Officers

Section 5.01 Election and Qualifications; Term of Office. The Officers of the Corporation shall immediately include a President and a Secretary. The president and secretary positions cannot be held by the same person nor may the persons be related to each other by blood or marriage/domestic partnership. The position of a Treasurer, and a Vice-President shall be added as the board grows. The Officers shall be elected by the Board at the annual meeting of the Board and each Officer shall hold office for a term of one year and until such Officer's successor has been elected or appointed and qualified, unless such Officer shall have resigned or shall have been removed as provided in Sections 8 and 9 of this Article V. The same person may hold more than one office, except that the same person may not be both President, Secretary, or Treasurer. The Board may appoint such other Officers as may be deemed desirable, including one or more Vice-Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers. Such Officers shall serve for such period as the Board may designate.

Section 5.02 Vacancies. Any vacancy occurring in any office, whether because of death, resignation or removal, with or without cause, or any other reason, shall be filled by the Board.

Section 5.03 Powers and Duties of the President. Convene regularly scheduled Board meetings, shall preside or arrange for other members of the board to preside at each meeting. The President shall have the following duties:

- Ensuring the organization's activities are compliant and in furtherance of its mission.
- Monitoring, and assessing the organization's programs (including their impact).
- Monitoring, and assessing sound and compliant financial management practices (including budgeting).
- Collaborating to Develop, implement, monitor, and assess sound and compliant fundraising practices.
- Working to cultivate and solicit major foundation grants and individual gifts
- Developing and maintaining beneficial relationships with donors, funders, supporters, collaborators, allies, vendors, and other stakeholders.
- Ensuring effective external communications about the organization and its mission, vision, core values, programs, and activities.
- Championing the organization and advocating its mission to internal and external stakeholders.
- Collaborating with the executive director regarding the organization's planning processes
- Ensuring legal compliance (including all required filings) and sound risk management practices
- The President shall have such other powers and shall perform such other duties as may from time to time be assigned to the Secretary by the Board.

Section 5.04 Powers and Duties of the Secretary. The secretary shall have the following duties:

- Format of minutes- the format used should be one that is user- and reader-friendly.
  - o Adopt and use a meeting "minute template;"
  - o Use a format that clearly indicates when a board action has been taken (e.g., "Resolved," "Action");
  - o Set apart important information such as "action items" (actions that directors have committed to doing).

- Record and keep the minutes of all meetings of the Board. Board minutes should include basic information such as:

- o Date and time of meeting;

- o Whether the meeting is a special or regular meeting;

- o Whether notice was given or a waiver of notice signed by all directors;

- o Names of directors in attendance and directors not in attendance;

- o Names of other guests in attendance (and their titles or associations, if relevant);

- o Whether a quorum was established;

- o Any departures and re-entries of attendees; and

- o Any board actions (e.g., approvals, delegations of authority, directives).

- o Include alternatives considered for important decisions to show diligence and reasonable care;

- o Attach and briefly summarize key points from any reports given to the board (so long as they may not be misconstrued to be prejudicial to the organization or to the board);

- o Know what vote is required by your bylaws for certain actions and clearly indicate if such a vote was reached;

- o Record recusals from discussions and abstentions from voting;

- o Include those votes that were against a motion;

- o Include action items, what people commit to do.

- Record retention- the IRS has indicated in its compliance guides that the board minutes of 501(c)(3) public charities, private foundations, and other tax-exempt organizations should be kept permanently by the organization. Other documents that the IRS directs to be kept permanently include an organization's determination letter, articles of incorporation and bylaws, again highlighting the importance of meeting minutes

- The Secretary shall have such other powers and shall perform such other duties as may from time to time be assigned to the Secretary by the Board.



Section 5.05 Powers and Duties of the Treasurer. Make a report at each board meeting. The secretary shall have the following duties:

- Oversee the management of the financial affairs of the organization (including such basic tasks as selecting a bank or reconciling bank statements).
- Be knowledgeable about who has access to the organization's funds and any outstanding bills or debts owed.
- Help create and maintain systems for ensuring the organization's ongoing solvency and oversee the development of the organization's financial policies, enforcing strong internal controls and financial management policies.
- Policies to consider include:
  - o check signing authority,
  - o expense reimbursement,
  - o credit card usage,
  - o petty cash
- Facilitating the preparation of an annual budget.
- Regularly monitoring and comparing the actual revenues and expenses incurred against such budget.
- Collaborating in the development of a budget that supports the organization's goals and drives decision-making.
- As the budget is reviewed and approved by the board, the treasurer should be prepared to explain and justify the document while it is being reviewed.
- The ability to translate financial concepts and information for board members who do not have financial backgrounds or substantial financial experience.
- Monitoring accurate and complete financial reporting and proper maintenance of financial records and information/tax returns.
- Keep a calendar of filing requirements and deadlines and have clear assignments (with backups) to help ensure they are all met in a timely manner.
- Have the organization's financials audited whenever required or advisable.

- Spend time learning the particulars of the organization's finances and the applicable laws, which may include laws related to earned income, the unrelated business income tax, appropriate expenditures, and prudent investments.
- Facilitating and encouraging the board's strategic thinking regarding the short and long term financial vitality of the organization in relation to its advancement of the organization's mission.
- Understand Form 990

Section 5.06 Powers and Duties of the Vice-Presidents.

- Acts as the president/chair in his or her absence; assists the president/chair as needed
- Special Responsibilities: Frequently assigned to a special area of responsibility, such as media.
- Some organizations choose to make the vice president, explicitly or implicitly, the president-elect.
- Each of the Vice-Presidents, if any, shall have such powers and shall perform such duties as may from time to time be assigned to such Vice President by the Board.

Section 5.07 Delegation. In case of the absence of any officer of the board of directors, or for any other reason that the Board may deem sufficient, the Board may at any time and from time to time delegate all or any part of the powers or duties of any officer to any other officer or to any officer of the board of director. However, the president and secretary positions/duties cannot be held by the same person nor may the persons be related to each other by blood or marriage/domestic partnership.

Section 5.08 Removal. Any Officer of the board of directors may be removed from office at any time, with cause, by a vote of a majority of the board of directors then in office at any meeting of the Board.

Section 5.09 Resignation. Any Officer of the board of directors may resign his or her office at any time, such resignation to be made in writing and to take effect immediately without acceptance by the Corporation.

Article 6.

## Bank Accounts, Checks, Contracts and Investments

Section 6.01 Bank Accounts, Checks and Notes. The Board is authorized to select the banks or depositories it deems proper for the funds of the Corporation. The Board shall determine who shall be authorized from time to time on the Corporation's behalf to sign checks, drafts or other orders for the payment of money, acceptances, notes or other evidences of indebtedness.

Section 6.02 Contracts. The Board may authorize any Officer or Officers, agent or agents, in addition to those specified in these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no Officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount.

Section 6.03 Investments. The funds of the Corporation may be retained in whole or in part in cash or be invested and reinvested from time to time in such property, real, personal or otherwise, or stocks, bonds or other securities, as the Board may deem desirable.