

COMMUNITY ACTION PROGRAM OF LANCASTER COUNTY

BYLAWS

1. AUTHORITY

1.01 The Community Action Program of Lancaster County (the "Corporation") is a non-profit organization incorporated under the laws of the Commonwealth of Pennsylvania.

2. PURPOSE

2.01 The purpose of the Corporation is to plan, guide, coordinate and administer the Community Action Program with and under the provisions of the Community Services Block Grant Act of 1981, as amended.

3. RESPONSIBILITIES

3.01 Responsibilities of the Corporation shall include, but not be limited to the following:

- a. Collect and analyze data to determine where there is the greatest concentration of poverty and identify the nature and incidence of related needs and special problems.
- b. Review and evaluate the relevant activities of existing community agencies (public and private) concerned with significant aspects of poverty.
- c. Operate a Community Action Program in conjunction with interested agencies and organizations.
- d. Survey local resources to finance the program.
- e. Develop all proposals with the residents and members of groups to be served to the maximum extent possible.
- f. Continually evaluate and coordinate programs and services.

- g. Provide new services under the direction of existing agencies or organizations; if this is not possible, new services may be provided directly by the Corporation.
- h. Account for and utilize all funds allocated to the Corporation in the performance of its responsibilities.
- i. Develop and adopt operating policies and procedures as necessary to accomplish the purposes of the Corporation.
- j. Appoint Board Committees and define their responsibilities as set forth in Section 7.

4. BOARD OF DIRECTORS

4.01 Non-Member Organization. The Corporation shall have no members. Any action which, by law or otherwise, would require approval by a majority of all members or approval by the members shall require only approval of the Board of Directors. All rights which by law or otherwise would vest in the members shall vest in the Board of Directors.

4.02 Number, Authority and Duties. The governing body of the Corporation shall be the Board of Directors. The Board of Directors shall consist of not less than fifteen nor more than fifty-one voting directors. The number of directors shall be such number as specified by resolution of the Board of Directors from time to time. All directors shall fully participate in the development, planning, implementation and evaluation of the programs offered by the Corporation in its service to low income communities. The Board of Directors shall have supervision, control, and direction of the affairs of the Corporation, shall actively promote and pursue the Corporation's objectives, shall identify the needs of the area served by the Corporation's programs, and shall supervise the disbursement of the Corporation's funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to one or more committees. The Board shall plan for and attend training on key issues, including but not limited to new director orientation, Results Oriented Management and Accountability (ROMA) and legal and fiduciary responsibilities.

4.03 Composition of Board.

- a. The Board of Directors shall be a tripartite board composed of the following three categories:
 - i. Public Official Directors. One-third of the directors shall be elected public officials, holding office on the date of selection, or their representatives. If there are not enough elected public officials available and willing to serve, then appointed public officials with

general government responsibilities or responsibilities that require them to deal with poverty-related issues may be counted in meeting such one-third requirement. If a public official is not willing to serve personally on the Board of Directors, he or she may appoint a representative who shall serve in his or her place.

ii. Low-Income Sector Directors. At least one-third of directors shall be representatives of the low income residents served by the Corporation. If a Low-Income Sector Director is a representative of a specific geographic area, then the director must reside in the geographic area which he or she represents. Efforts shall be made to ensure that Low-Income Sector Directors (A) have been selected on the basis of some form of democratic procedure; and (B) are representative of current residents of the geographic area to be served, including racial and ethnic composition.

iii. Community Representative Directors. The remaining directors shall be officials or members of business, industry, labor, religious, law enforcement, welfare, education, private or other groups or individuals with interests in the community served.

- b. As required of the governing body of a Head Start Agency, the Board of Directors shall include: (i) not less than one director with a background and expertise in fiscal management or accounting; (ii) not less than one director with a background and expertise in early childhood education and development; and (iii) not less than one director who is a licensed attorney familiar with issues that come before the Board of Directors. In addition, in order to facilitate overall agency coordination and communication with the Head Start program, at least one member of the Head Start Policy Council shall be a director. The Head Start Policy Council representative may, but is not required to be, the Chair of the Policy Council.
- c. The Chief Executive Officer of the Corporation shall serve, ex-officio without vote, as a director; however, the Chief Executive Officer shall not count as a director for purposes of the number of directors set forth in accordance with Section 4.02.

4.04 Term. Except for ex-officio directors, each director shall serve for a term of one (1) year or until their successors shall have been duly elected and qualified, unless they sooner resign or are removed from office as provided by these Bylaws. No director shall serve for more than ten (10) consecutive terms. After a director's tenth (10th) consecutive term, there shall be at least a one year absence from the board prior to that individual being appointed to serve up to ten (10) additional terms.

4.05 Nomination and Election. Directors shall be elected by the Board of Directors at the Annual Meeting of the Corporation, or elected at any meeting of the Board of Directors to fill vacancies as provided herein, from

those individuals nominated by the Nominating Committee. The Nominating Committee shall make nominations to the Board of Directors for directors for the Corporation in accordance with the requirements of these Bylaws and any policies or procedures adopted by the Board regarding qualification or manner of selection of nominees, and the Board shall confirm that the Board's composition meets the requirements of the federal Community Services Block Grant Act and any other applicable laws or regulations. Annual nominations will be presented to the Board of Directors at the meeting immediately preceding the Annual Meeting. Nominations to fill a vacancy will be presented to the Board of Directors at the meeting immediately preceding the meeting at which the vote on filling the vacancy will be held.

- 4.06 Petition for Board Representation. The Board of Directors shall establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the Board of Directors to petition for adequate representation.
- 4.07 Vacancies The Board of Directors may declare vacant the position of a director if the director (a) is declared of unsound mind by an order of court, (b) is convicted of a felony, (c) fails without reasonable excuse to attend at least sixty percent (60%) of the meetings of the Board in any one calendar year, or (d) has engaged in conduct detrimental to the welfare of the Corporation as determined by the Board in its sole discretion. In addition, a director shall be automatically removed for three (3) consecutive unexcused absences from meetings of the Board of Directors.
- 4.08 Conflicts of Interest. Because the Corporation's directors and officers may have, or may be involved with other organizations that may have, business dealings or affiliations with or seek grants from the Corporation, the following general principles have been established:
- a. Except as otherwise provided by applicable law, a public official sitting on the Board of Directors will not automatically be considered to be in conflict if the Corporation should contract with his/her jurisdiction to perform a component of the program.
 - b. Each director of the Corporation has a duty of loyalty to the Corporation. The duty of loyalty generally requires a director to prefer the interests of the Corporation over the director's own interests or the interests of others. Directors are required to immediately disclose, in writing, actual and apparent conflicts of interest as they arise. The Board of Directors shall adopt a policy that defines actual and apparent conflicts of interest and sets forth procedures by which the Board can take action to determine if a particular conflict of interest transaction is in the best interest of the Corporation.

5. OFFICERS

- 5.01 Officers. The officers shall consist of a President, a Vice President, a Secretary and a Treasurer, and such other officers and assistant officers as the Board of Directors may authorize from time to time, all of whom shall be elected by the Board of Directors at the annual meeting. Officers shall hold office for a period of one (1) year or until their successors shall have been duly elected and qualified, unless they sooner resign or are removed from office as provided by these Bylaws. The Nominating Committee shall nominate officers for election by the Board at its annual meeting. Officers need not be directors.
- 5.02 Vacancies. If an office or assistant office becomes vacant, a replacement shall be appointed by the President with the approval of the Board of Directors. If the office of the President shall become vacant, the Nominating Committee shall meet and propose a replacement to fill the office of the President. That person shall be voted on by the Board of Directors at the next regularly scheduled meeting. That person shall fill the office of President for the balance of the one-year term remaining.
- 5.03 Duties of Officers.
- a. President. The President shall be the chief volunteer officer of the Corporation and shall in general supervise all business and affairs of the Corporation pursuant to those Powers delegated by the Board of Directors. The President shall preside at all meetings of the Board of Directors. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
 - b. Vice President. In the absence of the President or in the event of the President's inability or refusal to act, one or more Vice Presidents, if elected, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. A Vice President shall also perform such other duties as from time to time may be assigned to the Vice President by the President or the Board of Directors.
 - c. Secretary. The Secretary shall insure that the following duties are carried out on behalf of the Corporation: (i) minutes of the meetings of the Board of Directors and Committees of the Board are kept in one or more books provided for that purpose; (ii) all notices are duly provided in accordance with these Bylaws or as required by law; (iii) an accurate record of all votes on motions is kept; (iv) there is on file at all times a copy of the Articles of Corporation and Bylaws which shall be open for inspection by directors; and (v) all corporate records, including financial records, are maintained at the principal office of the Corporation.

- d. Treasurer. The Treasurer shall insure that financial reports are provided to the Board from time to time or as directed by the Board.
- e. Delegation of Duties. An officer may delegate the specific duties set forth above to another individual or receive assistance from another individual in performing such duties, so long as the officer retains oversight and review of the records and documents prepared and distributed.

6. MEETINGS

- 6.01 Regular Meetings. The Board shall meet at least once every calendar year quarter in open public session unless there is no business to transact. The annual meeting of the Board of Directors shall be held in June to review operations during the immediately preceding year, elect directors and officers and transact such other business as may properly be brought before the meeting. The directors shall be provided with a written notice at least seven calendar days prior to the meeting. An agenda shall also be provided. The Board shall enter executive session only in limited circumstances in which confidentiality is essential, such as in the case of discussion of the following: personnel matters, acquisition of real property, or pending litigation. Executive sessions will not be open to the public.
- 6.02 Special Meetings. Special meetings may be called at the direction of the President on at least seven calendar days notice to each director with the exception of emergency meetings. The notice for a special meeting shall be effective only if it includes a description of the nature of the business to be transacted at the special meeting. Business transactions at special meetings and emergency meetings shall be confined to the objects stated in the notice and matters germane thereto. Special meetings may also be called by the President upon the written request of seven (7) or more directors and upon at least seven (7) calendar days written notice to directors. Emergency meetings may be called at the direction of the President and, by their very nature, with short notice to the attendees.
- 6.03 Quorum; Actions. At all meetings of the Board, a majority of the directors then in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors, except as may otherwise be specifically provided by statute, by the Articles of Incorporation, or by these Bylaws.
- 6.04 Voting. At all meetings of the Board of Directors, each director shall have one vote. Only directors as defined in these Bylaws shall be entitled to vote. Proxies are not permitted.
- 6.05 Minutes. The Board shall keep written minutes for each meeting and will include a record of votes on all motions. Minutes of all meetings shall be distributed to all directors before the next meeting and shall be available to the public.

The Board shall provide for translations of minutes when requested, if reasonably feasible.

6.06 Use of Conference Telephone and Similar Equipment. One or more persons may participate in a meeting of the Board of Directors, or any committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting, and shall count towards any quorum requirements.

6.07 Waiver of Notice. No notice need be given to any director who actually attends a board meeting, or who executes and files a written waiver of notice of such meeting, either before or after the meeting.

7. COMMITTEES

7.01 General. Committees of the Board of Directors shall be standing or special. Standing committees shall be such committees as the Board of Directors may from time to time authorize, but shall include the following::

Executive Committee
Personnel Committee
Finance Committee
Program Planning Committee
Nominating Committee
Resource Development Committee

7.02 Members. Committee members shall be appointed by the President subject to the confirmation of the Board of Directors. All committees, including standing committees, must fairly reflect the full board.

7.03 Quorum for Committee Meetings. Each committee, including the Executive Committee, shall have at least fifty percent of its members present in order to conduct business.

7.04 Executive Committee

a. The Executive Committee shall consist of all Officers (with the exception of any office held by an employee of the Corporation) and the chair of each standing committee.

b. Executive Committee Functions

i. The Executive Committee shall have the authority to transact business between the meetings of the full Board, except as set forth below, but must report on any actions to the full Board. Notwithstanding the foregoing, the Executive Committee shall not have the authority to take any of the following actions, each of

which must be taken by the full Board of Directors: (i) creation or filling of vacancies in the Board of Directors; (ii) adoption, amendment or repeal of the Bylaws; (iii) amendment or repeal of any resolution of the Board of Directors that by its terms may be amended or repealed only by the Board of Directors; and (iv) action on matters committed by the Bylaws or a resolution of the Board of Directors exclusively to another committee of the Board.

- ii. Perform at least annually a review of the performance of the Chief Executive Officer, and, in consultation with the full Board, direct the activities of the Chief Executive Officer.
- iii. Review and recommend changes to the Bylaws at least every two years.

7.05 Personnel Committee Functions

- a. As necessary, interview eligible applicants for the position of Chief Executive Officer and recommend candidates to the Board of Directors.
- c. Review, at least annually, the Employee Handbook of the Corporation, and make recommendations with regard to revisions or changes in the Handbook as suggested by the committee or by the Chief Executive Officer.
- c. Establish and carry out procedures for hearing grievances of any employee of the Corporation in accordance with the Employee Handbook.

7.06 Finance Committee Functions

- a. Review monthly financial reports of all programs prior to the regularly scheduled meeting of the Board of Directors.
- b. Review and recommend the approval of the annual budget to the Board of Directors.
- c. Select the external audit company.
- d. Review and present to the Board of Directors the annual external audit.

7.07 Program Planning Committee Functions

- a. To the extent possible, set priorities for writing programs for submission for funding.

- b. Review all completed proposals for initial funding.
- c. Explore Federal, State and Local private and public resources for needed local programs.

7.08 Nominating Committee Functions

- a. Nominate officers and directors meeting the criteria set forth in these Bylaws for election by the Board of Directors.
- b. Review requests from organizations or groups seeking representation on the Board.
- c. Maintain and review records of attendance of directors to assure compliance with these Bylaws.
- d. Evaluate effectiveness of directors.

7.09 Resource Development Committee Functions

Develop activities to include fund-raising projects, individual and corporate contributions, bequests, and all other community contributions both monetary and non-monetary.

- 7.10 Special Committees. Special committees may be appointed by the President for such special tasks as circumstances warrant. Such special committees shall limit their activities to the accomplishment of the task for which created and appointed and shall have no power to act except such as is specifically conferred by action of the Board of Directors. Upon completion of the task for which appointed, such special committees shall stand discharged. Members of special committees need not be directors.

8. EMPLOYEES

- 8.01 The Chief Executive Officer shall be appointed by and report to the Board of Directors and shall be given the authority to administer the Corporation's day to day operations in conformity with Board approved policies. The Chief Executive Officer shall also be given the management authority to develop and execute day to day procedures and practices that will enhance and expedite the implementation of Board approved policies, goals and strategic plans.
- 8.02 The Chief Executive Officer in conformity with the Board approved Employee Handbook shall be given the authority to employ and discharge all employees of the organization.
- 8.03 The Chief Executive Officer shall be the primary interface between Corporation employees and the Board except as otherwise herein

provided. Communication between employees and directors and between directors and employees shall be through the Chief Executive Officer. Directors will address issues and inquiries to the Chief Executive Officer, who may delegate action or response to individual employees of the Corporation. Employees should address all Board communication to the Chief Executive Officer, who will communicate same to the Board. However, if an employee has evidence of malfeasance on the part of the Chief Executive Officer, the employee may direct their communication to the President or an objective director, as the case may require.

Further, directors representing specific CAP components may engage in regular contact with those respective component directors on business matters related to those programs without case-by-case approval of the Chief Executive Officer.

9. FINANCES

9.01 The fiscal year shall run from July 1 to June 30.

9.02 All monies of the organization shall be deposited in its name in a banking institution designated by the Board of Directors.

9.03 Directors shall not receive compensation for their Board service. However, reimbursements for reasonable and substantiated out-of-pocket expenses may be granted to directors from the low income sector if reviewed and approved by the Finance Committee.

10. AMENDMENTS

10.01 These Bylaws may be altered, amended, supplemented or repealed by a majority vote of the Board of Directors at any regular or special meeting of the Board duly convened after notice to the directors for that purpose; or by unanimous written consent or consents of all directors without a meeting.

11. DISSOLUTION

11.01 In the event of the dissolution of the Corporation, the Board of Directors shall, after the payment of all liabilities, dispose of all assets of the Corporation exclusively for the purposes and in such a manner or to such an organization or organizations established and operated exclusively for charitable or educational purposes as shall at the time qualify for exemption under Sections 501(c)(3) of the Internal Revenue Code of 1954, as amended.

12. INDEMNIFICATION

12.01 General Rule. A director of the Corporation shall not be personally liable for monetary damages for any action taken or any failure to take any

action, except to the extent that exemption from liability for monetary damages is not permitted under the laws of the Commonwealth of Pennsylvania as now or hereafter in effect. The provisions of this Section 12.01 are intended to exempt the directors of the Corporation from liability for monetary damages to the maximum extent permitted under the Pennsylvania Nonprofit Corporation Law of 1988 (15 Pa. C.S.A. §5701 et seq.) and under the Pennsylvania Judicial Code (42 Pa. C.S.A. §8332.2) or under any other law now or hereinafter in effect. a Director of the Corporation shall not be personally liable for the monetary damages for any action taken or any failure to take any action, unless: (i) the director has breached or failed to perform the duties of his office under Section 5712 of the Pennsylvania Non-profit Corporation Law of 1988; and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of the preceding sentence shall not exempt a director from: (i) the responsibility or liability of a director pursuant to any criminal statute; or (ii) the liability of a director for the payment of taxes pursuant to local, state or federal law.

12.02 Indemnification. Subject to the provisions of 12.03, below, the Corporation shall, to the fullest extent permitted under the laws of the Commonwealth of Pennsylvania as now or hereafter in effect, indemnify any person (and that person's heirs, executors and administrators) who was or is a party, witness or other participant, or is threatened to be made a party, witness or other participant to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, actions by or in the right of the Corporation), by reason of the fact that the person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees, court costs, transcript costs, fees of experts and witnesses, travel expenses and all other similar expenses), judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by that person in connection with such action, suit or proceeding.

12.03 Standard of Conduct. Indemnification shall be provided under 12.02, above, only if it is determined in accordance with the procedure set forth in 12.04 below that: (i) the person seeking indemnification acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Corporation; (ii) the act or failure to act giving rise to the claim for indemnification does not constitute willful misconduct, violation of law, or recklessness; (iii) or with respect to any criminal proceeding, the individual had no reasonable cause to believe his or her conduct was unlawful. Notwithstanding the foregoing, no person shall be indemnified in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness; nor shall any person be indemnified in any case where indemnification under this section is impermissible by reason of federal law.

12.04 Procedure. Except as provided below, indemnification under 12.02, above (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the person seeking indemnification has met the applicable standard of conduct set forth in 12.03 above. All such determinations shall be made in accordance with the following procedure:

- (a) Method of determination: all determinations shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding in respect of which indemnification is sought; or (ii) in the event that such a quorum is not obtainable, or, even if obtainable, a majority of such quorum so directs, by independent counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the person seeking indemnification.
- (b) Selection and Payment of Independent Counsel: in the event that a determination is to be made by Independent Counsel, such Independent Counsel shall be selected by the Board of Directors and the law firm or person so selected shall be subject to the approval of the person seeking indemnification, which approval shall not be unreasonably withheld. The Corporation shall pay all reasonable fees and expenses of the Independent Counsel. For purposes of this article, "Independent Counsel" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and that has not in the immediately preceding five years been retained to represent the Corporation, the person seeking indemnification or any other party to the action, suit or proceeding giving rise to the claim for indemnification.

Approved: March 24, 1966

Amended:

February 28, 1967
April 13, 1967
January 11, 1968
October 24, 1968
October 22, 1970
June 24, 1976
August 25, 1977
April 24, 1978

April 18, 1980
September 23, 1981
March 24, 1982
November 28, 1984
March 27, 1985
March 23, 1988
March 22, 1989
October 27, 1993

May 27, 1998
November 7, 2007
July 23, 2008
October 22, 2008
February 24, 2010
March 23, 2011