

Newark-Millbrook PTO By-Laws

Article I: Name

The name of this organization shall be the "Newark-Millbrook PTO" (NGS-MJH PTO).

Newark-Millbrook PTO is located at Newark Grade School, 503 Chicago Road, Newark, IL 60541.

Article II: Description and Purpose

Section 1: Newark-Millbrook PTO is a non-profit organization that exists for charitable, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organization under section 501 (C) (3) of the Internal Revenue Code.

Section 2: The Newark-Millbrook PTO is organized for the purpose of supporting the education of children in the Newark and Millbrook Schools by fostering relationships among parents, teachers and community, and by providing financial support for programs funded outside of the annual school budget.

Article III: Membership and Dues

Section 1: Participation in the PTO is open to all parents and/or legal guardians of children enrolled in Newark Grade School and Millbrook Junior High schools.

Section 2: All administration, teaching faculty and staff employed within Newark Grade School and Millbrook Junior High schools are also automatically considered members of the PTO.

Section 3: PTO members in good standing shall possess honorable intentions towards the affairs of the PTO, uphold and support the PTO objectives and promote the efforts of the PTO in a positive manner.

Section 4: There will be no dues charged to be a member of the PTO.

Article IV: Officers

Section 1: Officers. The Officers shall consist of an elected President, Vice President, Secretary and Treasurer. The position of President may be a shared position between two individuals, thus acting equally as Co-Presidents.

Section 2: Eligibility. Only members in good standing and an active member of a committee from the previous year shall be eligible to serve in an Officer position; with the exception that no two individuals of close, legal relations (i.e. spouses, siblings, parent-child, cousins, or in-laws) shall serve as Officers during the same term.

Section 5: Budget. A tentative budget shall be drafted in the fall for each school year and approved by a majority vote of the members present. The members must approve any deviation from the budget in advance except in the case of an emergency request, which can be voted on and approved by three-fourths of the Executive Board at the current meeting. Any request for disbursement not allowed for in the annual budget must be presented as an agenda item. The vote on non-emergency items will be taken at the next general meeting.

Section 6: Fiscal Year. The fiscal year for Newark-Millbrook PTO begins July 1st and ends June 30th of the following year.

Section 7: Banking. All funds shall be kept in a checking account in the name of Newark-Millbrook PTO requiring two signatures of the Executive Board and held at the local office.

Section 8: Approval. The Executive Board shall approve all expenses of the organization.

Section 9: Reporting. All financial activity shall be recorded in a manual or computer-based accounting system. Copies of all receipts shall be given to the Treasurer. The Treasurer shall reconcile the account monthly and report all financial activity monthly. All deposits and disbursements must be made in a timely manner. The Treasurer will oversee the filing of the 990-N electronic e-card annually as required by the IRS as part of the tax exempt status requirement once tax exempt status is established.

Section 10: Contracts. Contract signing authority is limited to the President or the President's designee after approval of the Newark-Millbrook PTO members.

Article X: Article Amendments

Section 1: Any Newark-Millbrook PTO member may propose amendments to the Articles. Amendments presented at a meeting shall be considered for voting at a subsequent meeting. A majority approval of all members present and voting is required to adopt an amendment to the Articles.

Article XI: Rules of Order

Section 1: Rules contained in Robert's Rules of Order, Newly Revised, shall govern this organization in all cases in which they are applicable.

Article XII: Dissolution

Section 1: Dissolution. The PTO may be dissolved provided prior notice is given to the PTO membership, a vote is taken at the next scheduled regular PTO meeting and the request is approved by a majority vote of those present.

Section 2: Remaining Funds. Upon a vote to dissolve the PTO, the remaining PTO funds shall first be used to pay any outstanding PTO debt and then either;

1. A vote shall be taken by the PTO membership to spend remaining funds on an item or items that benefit the students.

2. The remaining funds are held in escrow by the Principal for use by a future school PTO. If a PTO is not formed within 24 months, the funds shall revert to the school and be used toward the benefit of the students under the discretion of the Principal.

Article XIII. 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 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 interest person.
- B. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 1. An ownership or investment interest in any entity with which the organization has a transaction or arrangement.
 2. A compensation arrangement with the organization has a transaction or arrangement.
 3. 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 or 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 appropriating 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 the 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 interest person, he/she shall leave the governing board or committee meeting while the determination of the conflict of interest is discussed and voted upon. The remaining board or committee member's shall decide whether a conflict of interest exists.
- C. **Procedures for Addressing the Conflict of Interest.**
 1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interests.

2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternative to the proposed transaction or arrangement.
3. 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.
4. If a more advantageous transaction or arrangement is not reasonable e possible under circumstances not producing A conflict of interest, the governing board or committer 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 Conflict of Interest Policy.

1. 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.
2. 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 correction actions.

Section 4: Records of Proceeding

- 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 boards or committees 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 from voting on matters pertaining to that member's compensation.
- C. No voting member of the governing board or any committee whose jurisdiction include 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 an statement, which affirms that such person: (1) Has received a copy of the conflict of interest policy (2) Has read and understood the policy (3) Has agreed to comply with the policy (4) Understands that the organization is charitable that accomplish on or more of its tax tax-emept status it must engage primarily in activities that 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 review shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, is 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 inurnment, impermissible private benefit, or an excess benefit transaction.

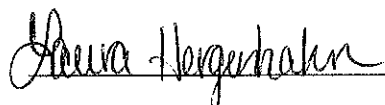
Section 8: Use of Outside Experts.

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.

Article I. Name, Article II. Description and Purpose, Article VI: Committees, Article IX. Funds, Article X Amendments and Article XIII. Conflict of interest were all revised effective October 20, 2014.

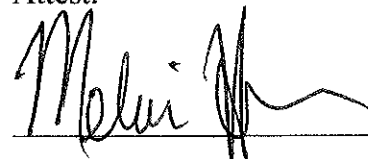
IN WITNESS WHEREOF, THE UNDERSIGNED HAVE EXECUTED THESE Bylaws on this

20th day of October, 2014



President

Attest:



Vice -President