

# BYLAWS OF THE PERU EDUCATION FOUNDATION

## ARTICLE I NAME, MISSION, PURPOSE, REGISTERED OFFICE

**Section 1.01 Name.** The name of the corporation is the Peru Education Foundation, hereinafter referred to as the "Foundation."

**Section 1.02 Mission.** The mission of the Foundation shall read as follows: "It is the mission of the Peru Education Foundation to provide financial support to complement, enhance and enrich the educational programs and opportunities of all students in Peru Elementary School District 124."

**Section 1.03. Purpose.** The Foundation is organized and shall be operated exclusively to promote educational purposes of which may include the assistance in developing and augmenting the facilities and carrying out the educational functions of Peru Elementary School District 124, County of LaSalle, and State of Illinois, heretofore referred to as the "District". The Foundation is organized solely for educational purposes with the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Code).

The Foundation is a non-profit Illinois Corporation, organized under the General Not-for-Profit Corporation Act of the State of Illinois, and has such powers now or hereinafter granted by such Act.

As stated above, the Foundation is organized and shall be operated exclusively to promote educational purposes to the end that there may be provided in the District broader educational opportunities for and service to the students and alumni of such District and the citizens of this State and Nation; to acquire by any lawful means properties of any character and, subject to such restrictions as may be imposed by the donor or transferor, to manage, administer, and dispose of the same for any and all such purposes provided; however, the

disposition of all properties identified to the District shall be subject to the acceptance by said Board of Education of the District. In aid of such purposes, to provide funds by solicitation or other appropriate means and to encourage the making of loans, gifts, grants, devises, or bequests of money or property for research and instruction, the establishment of endowments and scholarships, and for buildings, equipment, and all other facilities of said District including gifts or loans of property, works of art, historical papers, and documents and museum specimens having educational, artistic, historical, literary, or cultural value; to act in a fiduciary capacity in order to carry out any of the foregoing purposes; and to exercise any and all powers now or hereafter granted by the General Not-For-Profit Corporation Act of the State of Illinois which may be necessary or appropriate effectuate any and all of the foregoing purposes and to aid and assist in general the cause of education of said District.

Notwithstanding heretofore provisions, no part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for the services rendered and to make payments and distributions in furtherance of the purposes set forth heretofore. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislations, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. However, the Foundation may elect to expend funds in support of referendum to benefit the Foundation. Notwithstanding any other provision of these Articles, the Foundation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Revenue Law; (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future Federal Tax Code).

Upon the dissolution of the Foundation, the Board of Directors of the Foundation shall, after paying or making provision for the payment of all the liabilities of the Foundation, dispose of all of the assets of the Foundation to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future Federal Tax Code), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**Section 1.04 Registered Office.** The registered office of the Foundation shall be at the Peru Education Foundation, 1800 Church Street, Peru, Illinois 61354. The primary contact phone number shall be (815) 223-0486. This shall also be set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State of Illinois changing the registered office. The Foundation may have such other offices as the Directors shall from time to time determine necessary for the purpose of the Foundation.

**Section 1.05 Corporate Seal.** The Foundation may have a corporate seal, a design and form to be determined by the Directors.

## **ARTICLE II BOARD OF DIRECTORS**

**Section 2.01 Members.** The Foundation shall have no members. All corporate actions shall be approved as stated in the Bylaws by the Board of Directors, hereinafter referred to as either the "Directors" or the "Board". All rights which would otherwise rest with the members shall rest with the Directors.

**Section 2.02 General Powers.** The property, affairs and business of the Foundation shall be managed by the Board.

**Section 2.03 Property.** No Directors shall have any right to, title to or interest in the property of the Foundation.

**Section 2.04 Founding Meeting and the Initial Board.** For the purpose of establishing the Foundation, the founding meeting and the initial Board of Directors shall result from the actions taken by the Peru Education Foundation Planning Committee. An initial five-member Board will be established at the founding meeting. The tasks of the initial five-member Board will be the establishment of bylaws of the Foundation, organization and election of initial Foundation officers, appointment of the four remaining Directors and the determination of future fundraising activities. After this founding meeting of the initial Board, all future meetings and activities of the Directors, its officers and their terms of office will be as established in Section 2.05, and throughout Articles III and IV.

**Section 2.05 Number, Term of Office and Qualifications of the Board.** After the initial founding meeting as described in Section 2.04, the total number of Directors shall be nine (9). Any change in the number of Directors shall require the approval, by resolution, of the Board before it becomes effective. All Directors shall be elected by a majority vote of the existing qualified Directors. Each Director shall serve until the annual meeting three (3) years following his or her election, or until his or her death, resignation, or removal from term in the manner hereinafter provided. Directors may be re-elected as long as they are willing to serve for a three year term. The first nine-member Board shall be the initial five-member Board selected by the Peru Education Foundation Planning Committee and four individuals appointed by the initial five-member Board, with three Directors serving an initial term of one (1) year, three Directors serving an initial term of two (2) years, and three Directors serving an initial term of three (3) years so that from that point forward, three members will be up for re-election each year. Persons who would be described in Sections 4946(a)(1)(A) or 4946(a)(1)(C) through (G) of the Internal Revenue Code of 1986 as now enacted or as hereafter amended, shall never constitute more than one-third of the Directors of this Foundation; and such

persons, together with representatives of banks or trust companies who serve as Directors, investment advisors, custodians, or agents for or with respect to funds of or held for the benefit of this Foundation shall never constitute more than one-half of the Board of this Foundation.

**Section 2.06 Ex-Officio Directors.** The Superintendent of Schools or his or her designee who will also act as recording secretary, no more than two members of the teaching faculty and no more than two members of the Board of Education shall serve as ex-officio Directors of the Foundation. None shall be able to vote or hold office. Ex-Officio Directors may, however, serve on committees as determined by the Directors. Ex-Officio members will be appointed, removed or replaced in a manner determined by their respective constituencies or as provided for in Section 2.08.

**Section 2.07 Resignation.** Any Director of the Foundation may resign at any time by giving written notice to the Chairperson or Secretary/Treasurer of the Foundation. The resignation of any Director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 2.08 Vacancies.** Any vacancy on the Board due to resignation, disqualification, removal or any other cause shall be filled by a majority vote of the remaining Directors and the successor shall serve the remaining term of that Director or until his or her successor shall be duly elected by the remaining Directors.

**Section 2.09 Removal of Directors.** Any Director may be removed with or without cause at any time. Removal shall be by a vote of not less than two-thirds of the Directors present at a meeting called for that purpose and subject to a quorum as described in Section 3.05. Proper notice of intent to remove must be stated as an action item on the Notice of Meeting or Waiver of Notice of Meeting five (5) or more days prior to such a meeting and the vacancy on the Board caused by any such removal shall be filled in the manner specified in Section 2.08.

**Section 2.10 Proxies.** Proxies shall not be allowed.

## **ARTICLE III MEETINGS**

**Section 3.01 Place of Meetings.** The Board may hold its meetings at such place or places as it may choose. Generally, these meetings will be held at one of the District schools.

**Section 3.02 Annual Meeting.** The annual meeting of the Foundation shall be the first meeting of the new fiscal year (July 1 – June 30) for the purpose of election of officers, establishment of regular meeting dates, times and locations for the year and any other business or transactions as shall come before the Foundation. Notice of the annual meeting shall be provided to the Directors in writing and posted at the registered office not less than five (5) days prior to said meeting date. The meeting will be held within the first 90 days of the fiscal year.

**Section 3.03 Regular Meetings.** Regular meetings of the Board, generally planned to be held four times per year, shall be held as the Board may determine and as approved by a majority of the Board. Notice of regular meetings shall be provided to the Directors in writing, via e-mail or at the home address of record, not less than five (5) days prior to the meeting.

**Section 3.04 Special Meetings.** Special meetings of the Board shall be held whenever called by the Chairperson of the Foundation or by three or more of the Directors. Notice of each such special meeting shall be provided to the Directors in writing, via e-mail or at the home address of record, not less than five (5) days prior to the meeting. Each special meeting notice shall state the time, place and purpose of the meeting. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all the Directors of the Foundation then in office shall be present or waive such notice before, at, or after such meeting.

**Section 3.05 Quorum and Manner of Acting.** Except as otherwise provided by statute or by these Bylaws, a majority of the members of the duly qualified Board shall constitute a quorum for the transaction of business at any meeting and, except as may be

otherwise required, action by a majority of the Directors in attendance at a meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the Directors present may adjourn any meeting until such time that a quorum can be present. Meeting notice procedures must be followed for the newly scheduled meeting as outlined in Section 3.03. Any Board vacancy, as defined in Section 2.08 shall not diminish or alter the definition of "quorum" as indicated in this Section.

#### **ARTICLE IV OFFICERS**

**Section 4.01 Number.** The officers of the Foundation shall be a Chairperson, a Vice-Chairperson, and a Secretary/Treasurer.

**Section 4.02 Election, Term of Office and Qualifications.** All officers shall be elected annually by the Board, except in the case of officers appointed in accordance with the provisions of Section 4.09. Each shall hold office for a period of one (1) year and until his or her successor shall have been duly elected and qualified or until he or she shall have been removed in the manner hereinafter provided. Officers shall be Directors of the Foundation.

**Section 4.03 Resignations.** Any officer may resign at any time by giving written notice of his or her resignation to the Board as a whole, Chairperson, Vice Chairperson or Secretary/Treasurer of the Foundation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 4.04 Removal.** Any officer may be removed with or without cause at any time. Removal shall be by a vote of not less than two-thirds of the Directors present at a meeting called for that purpose and subject to a quorum as described in Section 3.05. Proper notice of intent to remove must be stated as an action item on the Notice of Meeting or Waiver of Notice of Meeting five (5) or more days prior to such a meeting.

**Section 4.05 Vacancies.** A vacancy in any office because of resignation, removal or any other cause shall be filled for the unexpired portion of the term by a vote of a majority of Directors present at the next meeting of the Board.

**Section 4.06 Chairperson of the Board of Directors.** The Chairperson of the Board shall assume all duties normally associated with that office. The Chairperson shall conduct the meetings of the Foundation. The Chairperson shall conduct general active management duties of the Foundation as may be required from time to time on behalf of the Board. The Chairperson shall see that all orders, actions and resolutions of the Board are carried into effect. The Chairperson, with the proper signature of one other officer and with the approval of the Board, may execute and deliver in the name of the Foundation any contracts, agreements, deeds, mortgages, bonds or other instruments necessary or appropriate to enable the Foundation to donate income or principal of the Foundation consistent with Section 1.03. The Chairperson shall have such other duties as may from time to time be prescribed by the Board.

**Section 4.07 Vice-Chairperson.** The Vice-Chairperson shall act in accordance with Section 4.06 in the absence or incapacitation of the Chairperson, and shall perform such duties as specified in the Bylaws or prescribed by the Board.

**Section 4.08 Secretary/Treasurer.** The Secretary/Treasurer shall, when directed to do so, notify the Directors of all meetings, and perform such other duties as may from time to time be prescribed by the Directors or by the Chairperson of the Board and, in general, shall perform all duties associated with the office of Secretary/Treasurer. The Secretary/Treasurer shall keep accurate accounts of all monies of the Foundation received or disbursed. The Secretary/Treasurer shall deposit all monies, drafts and checks in the name of, and to the credit of, the Foundation in such banks and depositories as a majority of the Directors shall, by action, from time to time designate. The Secretary/Treasurer shall have power to endorse for deposit all notes, checks and drafts received by the Foundation. The Secretary/Treasurer shall see that



the proceedings of the meetings of the Board are kept. The Secretary/Treasurer shall cause to be rendered to the Directors, whenever required, an account of all transactions as Secretary/Treasurer and of the financial condition of the Foundation and shall perform such other duties as may from time to time be prescribed by the Board, and in general, shall perform all duties associated with the office of the Secretary/Treasurer.

**Section 4.09 Other Officers.** The Foundation may have such other officers and agents as may be deemed necessary by the Board, who shall be elected in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board.

**Section 4.10 Election Procedure.** At or before the annual meeting, the Directors shall develop and consider a slate of officers prior to voting for each office. A vote of a majority of Directors at the annual meeting shall be required to elect officers, unless filling a vacancy as described in Section 4.05.

## **ARTICLE V COMMITTEES**

**Section 5.01 Nominating Committees.** The Directors shall comprise, along with any other individuals named by the Directors, the Nominating Committee. The Nominating Committee shall produce a list of Directors willing to serve as officers and a list of candidates for the vacant Director position. The list of officers and Director candidates shall be presented to all duly qualified Directors at least thirty (30) days prior to the next annual meeting. Officers and Directors shall be elected at the annual meeting as prescribed by these bylaws. The Committee shall maintain a standing list of potential members to fill vacancies caused by death, resignation, etc. In the event of any unfilled vacancies, the Nominating Committee shall reconvene or a new committee shall be formed and new nominations shall be sought.

**Section 5.02 Scholarship Committee.** The Directors shall comprise, along with any other individuals named by the Directors, the Scholarship Committee. The purpose of the Scholarship Committee shall be to manage, administer and disburse any scholarship funds.

**Section 5.03 Advisors.** The Directors may establish a body of Advisors to assist in the development and operation of the Foundation. The Advisors may be appointed by the Board in any number deemed necessary. The Advisors shall have no vote in Foundation matters and no authority to effect Foundation policy.

**Section 5.04 Ad Hoc Committees.** The Board may act by and through ad hoc committees as may be approved by the Board. Each committee shall have such duties and responsibilities as directed by the Board. Each committee shall serve at the pleasure of the Board. Any expenditure of Foundation funds by such a committee shall require prior approval of the Board and through normal expenditure procedures. Each committee may, subject to the approval of the Board, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters related to its procedure.

## **ARTICLE VI FISCAL AGENTS**

**Section 6.01 Fiscal Agents.** This Foundation may designate such fiscal agents, investment advisors and custodians as the Board may select. The Board may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

## **ARTICLE VII FIDUCIARY RESPONSIBILITY**

**Section 7.01 Fiduciary Responsibility.** It shall be the policy of this Foundation that the Board shall assume and discharge fiduciary responsibility with respect to all funds held or administered by this Foundation.

**ARTICLE VIII  
POLICIES WITH RESPECT TO DISTRIBUTION  
OF PRINCIPAL AND INCOME AND RELATED MATTERS**

**Section 8.01 Distributions.** It shall be the policy of this Foundation to make at least annual distributions for one or more of the educational purposes for which it is organized, including administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposes, in an amount deemed appropriate by the Board. In any such distribution of funds, no discrimination shall be made on account of the race, color, national origin, religion, sex, age, disability, or any basis prohibited by law or regulation, of the individuals or programs to be benefited thereby. Distributions shall be made in accordance with guidelines and policy established by the Board for this purpose. Any restricted gifts to the Foundation require approval of the Board and will be administered by the Board and shall be in conformity with the Foundation's policy regarding non-discrimination.

**Section 8.02 No Self-Dealing.** It shall be the policy of this Foundation not to engage in any act which would constitute "self-dealing" as defined in Section 4941(d) of the Internal Revenue Code of 1986.

**Section 8.03 No Jeopardy Investments.** It shall be the policy of this Corporation to assure that no funds, whether title thereto is vested in this Corporation or is vested in a trust for the benefit of this Foundation, are invested or reinvested in such a manner as to jeopardize the carrying out of any educational purposes for which this Foundation is organized.

**Section 8.04 Expenditure Responsibility.** It shall be the policy of this Foundation that, through its Board, will exercise "expenditure responsibility" as defined in Section 4945(h)(1) and (2) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended, with respect to all grants and distributions.

**Section 8.05 Reasonable Return.** The Board shall take steps to assure that each Director, agent, or custodian with respect to the aggregate of the unrestricted trusts or funds that are a component part of this Foundation administer such funds in accordance with the

accepted standards of fiduciary conduct to produce a reasonable (as determined by the Board of Directors) return of net income, in furtherance of this Foundation's educational purposes.

## **ARTICLE IX BOOKS OF RECORDS, AUDIT, FISCAL YEAR, BOND**

**Section 9.01 Books and Records.** The Board of this Foundation shall cause to be kept: records of all proceedings of Directors and committees; all financial statements of this Foundation; Articles of Incorporation and Bylaws of this Foundation and all amendments thereto and restatements thereof; and such other records and books of account as shall be necessary and appropriate to the conduct of the Foundation business.

**Section 9.02 Audit and Publication.** The Board shall cause the records and books of accounts of the Foundation to be audited for any fiscal year that is required by law in the Illinois Solicitation for Charity Act, deemed necessary by the Board, or mandated by any other law or regulatory authority. The Board shall also make such inquiry as deemed necessary or advisable into the condition of all trusts and funds held by any Director, agent, or custodian for the benefit of the Foundation. The Board shall retain a person or firm for an audit as it may deem appropriate. Not later than three months after the close of each fiscal year of this Foundation, the Secretary/Treasurer shall furnish to the Board of this Foundation, as well as the District Board of Education, copies of the financial statements for its immediately preceding fiscal year. If determined necessary or appropriate by the Board, such financial statements may be published in one or more local newspapers having general circulation and distribution.

**Section 9.03 Fiscal Year.** The fiscal year of the Foundation shall begin July 1 and end on June 30 each year.

**Section 9.04 Bond.** The Foundation shall obtain bond on the Secretary/Treasurer and may obtain bond on such other persons and in such amounts as may from time to time be deemed necessary by the Board.

## **ARTICLE X WAIVER OF NOTICE**

**Section 10.01 Waiver of Notice.** Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Illinois such notice may be waived in writing and signed by the person or persons entitled to said notice, whether before, at, or after the time stated therein, or before, at, or after the meeting.

## **ARTICLE XI INDEMNIFICATION**

**Section 11.01 Indemnification.** The Foundation may indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent as determined by the Board.

## **ARTICLE XII AMENDMENTS**

**Section 12.01 Effective Date.** These Bylaws shall become effective immediately upon their adoption. Amendments shall become effective immediately upon their adoption unless the Board, in adopting amendments as provided in Section 12.02, provides in its vote that the amendments are to become effective at a later specified effective date.

**Section 12.02 Amendments.** The Board may amend this Foundation's Articles of Incorporation, as heretofore or hereafter from time to time amended or restated, to include or omit any provision which could be lawfully included or omitted. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, either may be submitted at one meeting and voted upon at the following regularly scheduled meeting of the Board or be adopted at such meeting a quorum being present, upon receiving the affirmative vote of not less than two-thirds of the whole number of Directors. No amendment of Article II of the Articles of Incorporation may be amended without the unanimous approval and resolution of all qualified Directors.

**Section 12.03 Certification and Inspection.** The original, or a copy of, the Bylaws as amended or otherwise altered to date, certified, by the Secretary/Treasurer of the Foundation, and any other official documents shall be recorded and kept in the Registered Office of the Foundation, and shall be open to inspection by the Directors at all reasonable time during office hours.

### **ARTICLE XIII PARLIAMENTARY PROCEDURE**

**Section 13.01 Parliamentary Procedure.** All questions of parliamentary procedure at any of the meetings of the Board or committees shall be governed by the latest edition of *Robert's Rule of Order*.

### **ARTICLE XIV GOVERNING LAW**

**Section 14.01 Governing Law.** The Law of the State of Illinois and, specifically, the Illinois General Not-for-Profit Corporation Act of 1986 as now enacted or as hereafter amended, shall govern this Foundation.

### **ARTICLE XV CONFLICT OF INTEREST POLICY**

**Section 15.01 Purpose.** The purpose of the conflict of interest policy is to protect this Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director or Officer of the Foundation 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 15.02 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.

**Section 15.03 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.

**Section 15.04 Procedures for Addressing the Conflict of Interest.** 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. 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. 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. 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.

**Section 15.05 Violations of the Conflicts of Interest Policy.** 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. 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.

**Section 15.06 Compensation.** 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. 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. 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.

**APPROVED AND ADOPTED BY RESOLUTION** by the Board of Directors this 13<sup>th</sup> day of February, 2013.

*John F. McCormick, III*

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Chairperson, Board of Directors

**ATTEST**

*Eric Heagy*

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Secretary/Treasurer, Board of Directors