

## **ATTACHMENT 4: Carousel Family Services Bylaws**

### **ARTICLE I Organizational Name**

The name of the corporation shall be Carousel Family Services, Inc. d/b/a Veritas Academy hereinafter the "Corporation." The post office mailing address of the Corporation's registered office at the time of these By-laws is;

530 E. Ireland Rd.  
South Bend, IN 46614

The registered agent in charge of the registered office at the time of the adoption of these By-laws is Kathy Royer, President of the Board of Trustees.

The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in the next succeeding year.

### **ARTICLE II Purpose of Organization**

The purpose of this corporation shall be:

1. To create, develop, and operate a charter school(s) pursuant to Indiana Code 20-24 Indiana Charter School Act;
2. To improve the quality and quantity of educational programs offered to Veritas Academy families and others through innovative educational opportunities.
3. To establish a school-aged child care demonstration lab;
4. To serve as a resource for child care programs;
5. To establish a child care referral system, and

In furtherance of said purpose, to exercise any and all other acts such as permitted to a Corporation organized under the General Laws of the State of Indiana (or the corresponding provision of future laws) and to a Corporation organized exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the 1954 Internal Revenue Code (or the corresponding provisions of future laws).

### **ARTICLE III Membership**

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The following individuals are eligible to be members:

1. Parents or legal guardians of currently enrolled student(s).
2. All current employees of Carousel Family Services/Veritas Academy
3. All current Board of Trustee members

#### **ARTICLE IV Annual Meeting**

The Annual Meeting of the Corporation shall be held during the month of November on a day to be decided by the Trustees. The hour and place of the meeting shall be determined by the President of Board of Trustees. If an Annual Meeting is not held as herein provided, a special meeting of the Corporation may be held in place thereof with the same force and effect as the Annual Meeting and, in such case, all references in the By-Laws to the Annual Meeting of the members shall be deemed to refer to such special meeting.

At the Annual Meeting of the Corporation, the members shall elect for a term of three (3) years, the appropriate number of successor Trustees to the Board of Trustees to succeed those Trustees whose terms of office are expiring.

The terms of office of Trustees shall expire on the day of the Annual Meeting. The terms of the Trustees elected to succeed the outgoing Trustees shall begin on the second Wednesday of November or, in the event, that the Annual Meeting occurs subsequent to the second Wednesday in November, the expiring terms of Trustees shall expire on the date that the successor Trustees are elected and the terms of office of the successor Trustees shall begin immediately upon their election.

The Board of Trustees may fill any vacancy of the Board of Trustees by majority vote of the remaining Trustees. The individual selected to fill a vacancy shall begin to serve immediately and will serve until the expiration of the term of the Trustee whose position **he or she** filled.

The Director of Education and the Teacher Liaison shall automatically be non-voting members of the Board of Trustees by virtue of their positions.

No Trustee shall be eligible for re-election to a third consecutive term. After serving two (2) complete three (3) year terms, a Trustee must wait for a complete three (3) year term before seeking re-election to the Board of Trustees.

Any Trustee whose first term is expiring and who wishes to serve a second term shall notify the President at least sixty (60) days prior to the expiration of their term in writing. Upon receipt of the Trustee's written intent to seek a second term, the Trustee's name shall be placed on the roster of nominations for the next election.

A call for nominations shall be submitted to the **members** by the Board of Trustees. Procedural details of the call for nominations and the voting process shall be conducted at the discretion of the Board of Trustees.

The members of the Corporation shall elect the Board of Trustees at the Annual Meeting by a majority of votes cast.

These individuals must be present in person to cast their vote. There will be no voting by proxy or absentee ballot.

## **ARTICLE V Board of Trustees**

[NOTE: For the purposes of these By-Laws, the term “director” as used in the Articles of Incorporation and in the Indiana Nonprofit Corporation Act, Ind. Code 23-17-1 *et seq.*, shall be synonymous with the term “Trustee.”]

The government and direction of business of the Corporation shall be vested in the Board of Trustees, who shall have and may exercise all the powers of the Corporation except for those powers reserved to the members by law; the Articles of Incorporation; or these By-Laws.

The Board of Trustees shall consist of not less than four (4) and not more than seventeen (17) members and at least one-half of the members of the Board of Trustees shall be residents of the Indiana counties where current students at the charter school reside.

The Board of Trustees shall have the power of appointment to fill any vacancy on the Board as detailed in Article IV or as otherwise provided for in these By-Laws.

A Trustee shall hold office for the term for which they are elected as detailed in Article IV or as otherwise provided for in these By-Laws.

The Board of Trustees shall actively pursue fundraising on an ongoing basis, with the objective of raising operating and capital funds through the solicitation of cash and in kind gifts and grants from parents, friends of the school, and from other potential donors and grantors, as well as through parent-sponsored and school-sponsored fundraising events.

The Board of Trustees may remove any Trustee for cause by a two-thirds (2/3) vote of the entire Board of Trustees. Cause shall include, but shall not be limited to:

- a) Violations of applicable law, including (but not limited to):
  - (i) Violation of the Indiana Charter School law; and
  - (ii) Actions that would jeopardize the tax –exempt status of the Corporation or would subject it to intermediate sanctions under the

- Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent federal tax laws (The “Code”)
- b) Breach of fiduciary duty, including (but not limited to) a violation of the applicable standard of care under the Articles, these Bylaws, or applicable law.
  - c) Breach of any governing document relating to the Corporation, including (but not limited to) the Articles, these Bylaws, and the Charter Agreement.
  - d) Inadequate attendance at meeting of the Board of Trustees, defined as absence from three (3) consecutive meetings or from at least fifty percent (50%) of such meetings within one (1) calendar year.

The Trustee being removed shall have reasonable notice and opportunity to be heard prior to their removal.

A Trustee may resign by delivering his or her resignation to the President, Vice President, Treasurer, Secretary to the Corporation, at a meeting of the Board of Trustees, or to the Corporation at its principle office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time and approved by a majority vote of the Trustees). Acceptance thereof shall not be necessary to make the resignation effective unless the resignation requests acceptance.

## **ARTICLE VI**

### **Officers of the Board of Trustees**

No Officer shall be entitled to receive any salary or compensation by reason of his office.

The Officers of the Board of Trustees shall consist of President, Vice President, Secretary, Treasurer and such other Officers as the Board of Trustees shall from time to time deem necessary and beneficial. An Officer shall be a member of the Board of Trustees.

All such Officers shall be elected annually by majority vote of the Board of Trustees at the November quarterly meeting of the Board of Trustees. If so elected, Officers may serve as Officers for successive terms.

The term of Officers elected shall commence on the date of their election and end on that date the following year.

Any officer may be removed by the board of Trustees at any time for cause as that term is defined herein in Article V.

In the event of death, resignation, removal, or inability of an Officer to serve, the Board of Trustees shall have the power to fill any Officer vacancy so caused thereby for the remainder of the unexpired term.

**Article VII**  
**Duties of the Officers of the Board of Trustees**

The Officers shall familiarize their elected replacement Officers with the duties of their respective offices during the month period between election and assumption of office.

**President**

The duties of the President are as follows:

1. The President or Vice President shall call meetings of the Board of Trustees. The President or Vice President shall preside at all meetings or, in their absence, a President Pro Tempore shall be elected. The President or Vice President shall have charge of the operation of the Corporation's affairs, subject to the direction of the Board of Trustees. The President shall be an Ex-Officio member of all committees of the Board of Trustees.
2. The President shall appoint all Committees of the Board of Trustees, whether temporary or permanent.
3. The President shall ascertain that all books, reports, and certificates required by law to be maintained are so properly maintained or filed.

**Vice President**

The duties of the Vice President are as follows:

1. The Vice President shall, in the absence of or at the discretion of the President, call meetings of the Board of Trustees. The Vice President shall, in the absence of or at the discretion of the President, preside at meetings. The Vice President, in conjunction with the President, shall have charge of the Corporation's affairs, subject to the direction of the Board of Trustees.
2. The Vice President shall, in the event of the absence or inability of the President to carry out his duties, become Acting President of the Corporation with all of the rights, privileges, and powers as though he had been the duly elected President.

**Secretary**

The Secretary shall keep a record of minutes of all Board of Trustees meetings; shall attest to all documents of the Board of Trustees; and, shall be the custodian of the Corporation's seal and the record books, papers, and documents of the Corporation.

The Secretary shall provide copies of all Board of Trustees' minutes to each member of the Board of Trustees prior to the beginning of each Board of Trustees meeting. Whenever possible, the Board of Trustees' meeting agenda and minutes of the previous Board of Trustees meeting shall be given with the Board of Trustees meeting notification. The mailing of the Board of Trustees meeting notification may be delegated by the President of the Board of Trustees.

### **Treasurer**

The Treasurer shall oversee the full accounts of receipts and disbursements in books belonging to the Corporation and their agent (DE); shall deposit all monies in the name and to the credit of the Corporation in such depository as shall be authorized by the Board of Trustees.

The Treasurer shall serve as an Ex-Officio member of any Board of Trustees Finance Committee and shall keep records of all special funds and make a report of such funds to the Board of Trustees at each Board of Trustees meeting.

## **Article VIII Committees**

### **Executive Committee**

The Board of Trustees may, by resolution adopted by a majority of directors then in office designate two (2) or more directors of the Corporation to constitute an Executive Committee which, to the extent provided in such resolution and consistent with applicable law, shall have and exercise all of the authority of the Board of Trustees in the management of the Corporation's affairs during the intervals between the meetings of the Board of Trustees. The Executive Committee shall be subject to the authority and supervision of the Board of Trustees.

### **Other Committees**

The Board of Trustees may establish other committees, in addition to the Executive Committee, to accomplish the goals and execute the programs of the Corporation. Such committees shall have such responsibilities and powers as the Board of Trustees shall specify. Members of such committees may, but need not, be members of the Board of Trustees. A committee member appointed by the Board of Trustees may be removed by the Board of Trustees with or without cause.

## **Article IX Meetings of the Board of Trustees**

The Board of Trustees shall hold a minimum of ten (10) regular meetings a year. A meeting schedule will be set and published in June for the coming fiscal year. The Board of Trustees may hold special meetings for any lawful purpose, upon not less than two (2) days notice. A special meeting may be held in place thereof with the same force and effect as a regular meeting and, in such case, all references in these By-Laws (except in this section, Article VIII) to a regular meetings shall be deemed to refer to such special meeting.

Special meetings of the Board of Trustees may be called at any time by the President or shall be called as requested by three (3) Trustees who shall specify in their request the business for which they desire the meeting be called.

The time and location of every Board of Trustees meeting shall be announced at the previous meeting and notice thereof shall be provided to each Trustee who did not attend said previous meeting at least two (2) days prior to the meeting..

At any regular or special meeting of the Board of Trustees, a majority of Trustees shall constitute a quorum for the transaction of business. The vote of the majority of Trustees present at any meeting shall prevail except for transactions regarding amendments to the Articles of Incorporation and/or the By-Laws which shall require a two-thirds (2/3) vote of the Board of Trustees.

Any Trustee who fails to attend two (2) consecutive meetings of the Board of Trustee without excuse shall be notified by the Secretary of such failure. After receiving such notification, said Trustee shall present an acceptable excuse for absence at the next regular Board of Trustee meeting. If said excuse is deemed not to be acceptable, the Trustee shall be deemed to have resigned. The definition of acceptable excuse shall be determined by the Board of Trustees at their discretion. The Board of Trustees shall also have the power to excuse the absence of any Trustee.

Unless otherwise required by law, all motions, with the exception of amendments to the Articles of Incorporation or these By-Laws shall be passed by a majority vote of Board of Trustees.

There shall be no voting by proxy or absentee permitted at Board of Trustees meetings.

The Annual Meeting of the Board of Trustees shall be held directly following the annual meeting of the members.

All meetings of the Board of Trustees shall be held in compliance with the Indiana General Laws IC 5-14-1.5 commonly known as the Open Door Law, and any corresponding provision of any subsequent Indiana law in connection with all regular or special meetings of the Board of Trustees.

In this regard Indiana law does not permit any Trustee to attend a regular or special meeting(s) via electronic or telephonic means; while a Trustee may listen to a meeting via

electronic or telephonic means for the purpose of staying apprised of Corporation business, a member may not take official action (as that term is defined by the Indiana Open Door Law), or be counted towards a quorum if the Trustee is observing a meeting via electronic or telephonic means.

Any action required or permitted to be taken at any meeting of the Board of Trustees or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by each director or committee member and if such written consent is included in the minutes or filed with the Corporation's records reflecting the action taken. Action taken by written consent shall be effective when the last director or committee member signs the consent and the Board of Trustees ratifies the action taken in a subsequent meeting held pursuant to the Indiana Open Door Law, unless the consent specifies a prior or subsequent effective date. A consent signed as described in this paragraph shall have the effect of approval at a meeting and may be described as such in any document.

Should the Board of Trustees elect to engage an EMO to manage the School's operations, no member of the corporation's Board of Trustees may have any pecuniary interest in or be employed by such EMO. An employee of the Corporation or the charter school may not be a member of the Board of Trustees other than in a *non-voting ex officio* capacity who cannot count towards a quorum at any Regular or Special Meeting. An employee of the EMO may not be a member of the Board of Trustees.

## **ARTICLE X**

### **Conflict of Interest**

#### **General Policy**

It is the policy of the Corporation and the Trustees, that the Corporation's Trustees, officers and employees carry out their respective duties in a way that avoids actual, potential or perceived conflicts of interest. The corporation's Trustees, officers and employees will have the continuing affirmative duty to report any personal interest, ownership or other relationship that might affect their duty to exercise impartial, ethical and business-based judgments in fulfilling their responsibilities to the corporation. This policy shall be further subject to the following principles:

- a) Directors, officers, and employees of the Corporation shall conduct their duties with respect to potential and actual grantees, contractors, suppliers, agencies, and other persons transacting or seeking to transact business with the Corporation in a completely impartial manner, without favor or preference based upon any consideration other than the best interests of the Corporation.
- b) Directors, officers, and employees of the Corporation shall not seek or accept for themselves or any of their relatives from any person or business entity that transacts or seeks to transact business with the Corporation, any gifts, entertainment, or other favors relating to their position with the Corporation that



exceed common courtesies consistent with ethical and accepted business practices.

- c) The Board of Trustees shall develop and implement an appropriate conflict of interest policy which complies with the Authorizer's Policy Regarding Conflict of Interest. This Board of Trustees' Conflict of interest policy shall be binding on the Corporation's Trustees, officers, and employees.
- d) The Board of Trustees may require the Corporation's directors, officers, or employees to complete annually (or as otherwise scheduled by the Board) a disclosure statement regarding any actual or potential conflict of interest described in these By-laws. The disclosure statement shall be in such form as may be prescribed by the Board and may include information regarding a person's participation as a director, trustee, officer or employee of any other nonprofit organization. The Board of Trustees shall be responsible for oversight of all disclosures or failures to disclose and for taking appropriate action in the case of any actual or potential conflict of interest transaction.

### **Effect of Conflict Provisions**

The failure of the Corporation, its Board of Trustees, or any or all of its directors, officers, or employees to comply with the conflict of interest provisions of these By-laws shall not invalidate, cancel, void, or make voidable any contract, relationship, action, transaction, debt, commitment, or obligation of the Corporation that otherwise is valid and enforceable under the applicable law.

## **ARTICLE XI Indemnification**

To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a trustee, officer, employee, or agent of the Corporation shall be indemnified by the Corporation against all liability and reasonable expense that may be incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding (a) if such person is wholly successful with respect to thereto or (b) if not wholly successful, then if such person is determined (as provided in Section 3 of this Article XI) to have acted in good faith, in what he or she reasonably believed to be the best interests of the Corporation (or in any case not involving the person's official capacity with the Corporation, in what a reasonable person would believe to be not opposed to the best interests of the Corporation), and, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that his or her conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The termination of any claim, action, suit, or proceeding by judgment, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere or its equivalent, shall not create a presumption that a person did not meet the standards of conduct set forth in this Article XI.

### **Definitions**

- 1) As used in **this** Article XI, the phrase “claim, action, suit, or proceeding” shall include any threatened, pending, or completed claim, civil, criminal, administrative, or investigative action, suit, or proceeding and all appears thereof (whether brought by or on behalf of the Corporation, any other corporation, or otherwise), whether formal or informal, in which a person (or his or her heirs or personal representatives) may become involved as a party or otherwise:
  - i) By reason of his or her being or having been a trustee, officer, employee, or agent of the Corporation or of any corporation where he or she served as such at the request of the Corporation, or
  - ii) By reason of his or her acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust, or other organization or entity where he or she served as such at the request of the Corporation, or
  - iii) By reason of any action taken or not taken by him or her in any such capacity at the time such liability or expense shall have been incurred.
- 2) As used in this Article X, the terms “liability” and “expense” shall include, but shall not be limited to, counsel fees and disbursements and amount of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.
- 3) As used in this Article X, the term “wholly successful” shall mean:
  - i) Termination of any action , suit, or proceeding against the person in question without any finding of liability or guilt against him or her,
  - ii) Approval by a court, with knowledge of the indemnity provided in this Article X, of a settlement of any action, suit, or proceeding or,
  - iii) The expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

### **Entitlement to Indemnification**

Every person claiming indemnification under this Article XI (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification if

- a) Special independent legal counsel, which may be regular counsel of the Corporation or any other disinterested person or persons, in either case selected by the Board of Trustees, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the “referee,” shall deliver to the Corporation a written finding that such person has met the standards of conduct set forth in Section 1 of this Article XI and
- b) The Board of Trustees acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions that the referee deems relevant to the referee’s findings that are within the possession or control of the Corporation.

### **Relationship to Other Rights**

The right of indemnification provided in this Article XI shall be in addition to any rights to which any person may otherwise be entitled.

### **Extent of Indemnification**

Irrespective of the provisions of this Article XI, the Board of Trustees may, at any time and from time to time, approve indemnification of directors, officers, employees, agents, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions.

### **Advancement of Expenses**

Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Corporation (by action of the Board of Trustees, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he or she is entitled to indemnification.

### **Purchase of Insurance**

The Board of Trustees is authorized and empowered to purchase insurance covering the Corporation's Liabilities and obligations under this Article XI and insurance protecting the Corporation's Trustees, officers, employees, agents, or other persons. The insurance purchased and maintained by the Corporation shall be consistent with what is required by the Authorizer in the Charter.

## **Article XII Contracts, Checks, Loans, Deposits, and Gifts**

### **Contracts**

The Board of Trustees may authorize one (1) or more officers, agents, or employees of the Corporation to enter into any contract or execute any instrument on its behalf. Such authorization may be general or confined to specific instances. Unless so specifically authorized the Board of Trustees, no officer, agent or employee shall have any power to bind the Corporation or to render it liable for any purpose or amount.

### **Checks**

All checks, drafts, or other orders for payment of money by the Corporation shall be signed by two persons as the Board of Trustees may from time to time designate by resolution. Such designation may be general or confined to specific instances.

### **Loans**

Unless authorized by the Board of Trustees, no loan shall be made by, or contracted for, on behalf of the Corporation and no evidence of indebtedness shall be issued in its name. Such authorization may be general or confined to specific instances.

### **Deposits**

All funds of the Corporation shall be deposited to its credit in such bank, banks, or depositories as the Board of Trustees may designate. Such designation may be general or confined to specific instances.

### **Gifts**

The Board of Trustees may accept on behalf of the Corporation any gift, grant, bequest, devise, or other contribution for the purposes of the Corporation such terms and conditions as the Board of Trustees shall determine.

## **Article XIII Amendments**

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Trustees of the Corporation; provided, however, that any proposed substantive alteration, amendment, or the repeal of these Bylaws be submitted in writing to the Authorizer prior to the board of Trustees of the Corporation taking any action thereon.