

# **Maryland Charter School Network**

## **Management Plan**

### **Module IV**

**Summer of 2004**



These resource materials were  
developed by

**Maryland Charter School Network**  
in part with funds provided by  
**Maryland State Department of  
Education**

The training series is funded by a grant  
from

**Maryland State Department of  
Education**



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Using documents originally published by:

- Foundation Center
- Illinois Charter School Resource Guide
- Maryland Public Charter Schools Model  
Policy and Resource Guide 8/2003
- The Massachusetts Charter School  
Handbook
- New Jersey Charter School Application
- Northwest Regional Educational  
Laboratories



# Module IV.

## Management Plan

### Topics

- A. Building Strong Governing Boards That Focus on Results
- B. Board Governance
- C. Leadership Training
- D. Policy Development – Waiver Requests
- E. Personnel – Teacher Recruitment and Securing Contracted Services
- F. Planning for Start-up
- G. Relationship to BOE and Department – Division of Responsibilities

The background of the slide is a green chalkboard. In the lower-left quadrant, two pink chalk sticks are positioned diagonally. The chalkboard has several faint, white chalk-like markings, including a large 'A' at the bottom, a 'V' in the middle, and some curved lines on the left side. The text is centered in the upper half of the image.

# **A. Building Strong Governing Boards That Focus on Results**



## **Roles and Responsibilities of the Board:**

- **Determine and uphold your school's mission and vision**
- **Select the executive or principal**
- **Support the executive and review his or her performance**
- **Ensure effective organizational planning**
- **Ensure adequate resources**
- **Manage resources effectively**
- **Determine and monitor the organization's programs and services**
- **Enhance the organization's public image**
- **Serve as a court of appeal**
- **Assess the Board's own performance and recruit new members**

# Legal responsibilities of Nonprofit Boards:

- **Duty of Care** – a Board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of an organization.
- **Duty of Loyalty** - a Board member must give undivided allegiance when making a decision affecting the organization,
- **Duty of Obedience** – requires Board members to be faithful to the organization’s mission.
- **Conflict of Interest** – exists when the personal or professional concerns of a Board member or a staff member affect his or her ability to put the welfare of the organization before personal benefit.

# Characteristics of a good Board member – should have at least 3 of the following:

- **Industry**—willingness to commit the time and energy to the work that needs to be done
- **Intellect**—intelligent people who understand education, including the “big picture” of education
- **Expertise**—individuals with experience in real estate, law, or other skilled practitioners
- **Affluence**—individuals or corporations can contribute funds as well as in-kind donations (this characteristic alone is no reason to include someone on your board)
- **Influence**—political, social, economic
- **Leadership**—proven skills in more than one setting
- **Time**—available time and willingness to commit that time to the board




# **Active and responsible behaviors of Board members:**

- **Comes to meetings well-prepared and informed (minutes have been distributed and read)**
- **Supports the school in a variety of ways— attends events, participates in activities**
- **Is able to respect confidentiality**
- **Understands long-range effects of decisions**
- **Requests information that is accurate**
- **Maintains up-to-date knowledge of activities**
- **Visits school up-close to see effects firsthand**

# **Active and responsible behaviors of board members: (cont'd)**

- **Understands that the chief administrator reports to the board as a whole and not to any one individual**
- **Knows the difference between what is good for his or her individual child and the children in the school as a whole**
- **Promotes the school within the community**



**The Center for School Change at the University of Minnesota has conducted a national review of charter school governance.**

**The sample consisted of 30 charter schools from nine states that were interviewed to uncover key elements of successful structures that were common among schools demonstrating improved achievement as measured by standardized tests and other forms of assessment.**



# These schools:


- Adopted a structure that reflects the school's mission, goals, and objectives
- Designed a structure that reflects the state charter law
- Used some form of shared decision-making
- Created at least one committee/council to address specific issues such as curriculum, finance, and staff development
- Produced a document that explains which decisions are made by whom (i.e., governing board, administrator, committee/council)
- Involved a variety of people in the governing board or in committees/councils

# These schools:

- Employed Board training seminars, conferences, and/or retreats
- Selected Board Members who shared the school's mission
- Focused on generating a vision and plan for school improvement
- Had relatively simple organization, without multiple levels of bureaucracy
- Were flexible and able to adapt to changing situations
- Stayed true to the mission, vision, or purpose
- Considered the clients' (students') needs at all times

# **B. Board Governance**





**Maryland charter school  
law does not require a  
board or (501)(c)(3).**

# I. Three Dominant Models Of Charter School Board Governance

**Gary R. Gruber, Ph.D., a consultant with Carney Sandoe & Associates in Santa Fe and a moderator of the USCS governance discussion group [1], offers a description of the three dominant models of governance that prevail in the majority of charter schools in operation today.**

**According to Gruber, there are advantages and benefits in each as well as issues that can arise because of disagreements, lack of clear policies and procedures, faulty communication, inadequate planning and forecasting, different or unclear expectations, and lack of agreement regarding operations.**

**[1] [http://www.uscharterschools.org/cs/usdsp/forum/cs\\_disc/16](http://www.uscharterschools.org/cs/usdsp/forum/cs_disc/16)**



# **I. Three Dominant Models Of Charter School Board Governance**

**These models exist on a continuum and are not mutually exclusive. Some schools combine elements from each model.**

**The description of the following three models draws on Gary Gruber's writing on the subject as well as the governance model of Leadership High School in San Francisco.**



# 1. **School committee or council composed of parents, teachers, administrators and others.**

This model draws inspiration from school shared decision-making structures and site based management councils that have operated in various forms in traditional district public schools.

According to Gruber, this model may be among the most democratic and representative as it is inclusive, fully representational and delegates management and oversight to one or more of its members.



# **1. School committee or council composed of parents, teachers, administrators and others.**

Those in charge have a clear understanding of procedural matters and full inclusion in the decision-making process is essential for this model's effectiveness.

Shared leadership with a division of labor according to talent and expertise is seen as the best way to serve the needs of students, families and the community as a whole.



# **1. School committee or council composed of parents, teachers, administrators and others.**

The committee or council meetings are usually open to the community and anyone is welcome to attend.

This spirit of openness and inclusion are guiding principles in this form of governance and in many cases decisions are reached through consensus rather than taking a formal vote.



# **1. School committee or council composed of parents, teachers, administrators and others.**

Members may be elected and/or appointed by various groups (teachers, parents, administrators, school district officials, union representatives and others) and serve at the pleasure of those constituents.

They may have defined or rotating terms of service so that others may participate in the governing process.



# **1. School committee or council composed of parents, teachers, administrators and others.**

Among the criteria for membership is the desire to implement the mission of the school and the commitment to be actively involved in the decision making process that bears responsibility for the success of the program.



**2. A Board of Directors with a structure of officers, by-laws, and delegation of management to a principal, chief administrator/director or head of school.**

This model draws inspiration from the approach to board governance traditionally found in nonprofit organizations.

In this model, there is a clear distinction made between the governance work of the Board of Directors and the administrative/management work of the paid staff.

In this model, the charter school is a legally incorporated entity governed by state statutes and IRS regulations governing nonprofit, tax-exempt organizations.




**2. A Board of Directors with a structure of officers, by-laws, and delegation of management to a principal, chief administrator/director or head of school.**

The Board of Directors is responsible for governing the school. The Trustees each have a personal fiduciary duty to look out for the long-term well being of the school.



**2. A Board of Directors with a structure of officers, by-laws, and delegation of management to a principal, chief administrator/director or head of school.**


The Board is responsible for addressing major matters including: setting the school's general policies and overall curriculum policies; approving and monitoring the annual budget and financial procedures; fund-raising; hiring and evaluating the school's principal; approving personnel policies and monitoring their implementation by the principal; assuring that the charter school fulfills its charter contract; and, strategic planning.



**2. A Board of Directors with a structure of officers, by-laws, and delegation of management to a principal, chief administrator/director or head of school.**

The Board is composed of a broad cross-section of the school community and community-at-large and, in addition to professionals and community leaders. In some charter schools, the Board will also include the principal, representatives of teaching staff, students and parents leadership.

The Board generally meets as a whole on a monthly basis. It operates through various committees, including an executive committee consisting of officers elected to manage the board and help monitor school policies.



**2. A Board of Directors with a structure of officers, by-laws, and delegation of management to a principal, chief administrator/director or head of school.**

The Board is not involved in handling the day-to-day details of running the school, dealing with specific personnel issues, or addressing individual student needs.

Consistent with the best practices of nonprofit corporation management, the board delegates the responsibility for running the charter school and implementing the Board's policies to a principal or charter school administrator.

Where appropriate, the charter school administrator will delegate some responsibility to other administrators, teachers, and students.



### **3. Owner/Operator, either non-profit foundation or for-profit, with or without a board or committee.**

In some cases, in this model, an advisory committee functions to provide information and support or a Board of Directors of the corporation or foundation serve in that capacity.

Often a larger holding group or company may operate several schools in different locations but still depend upon a local group for advice and guidance.



**3. Owner/Operator, either non-profit foundation or for-profit, with or without a board or committee.**

However, decisions rest with the Chief Executive Officer who is the one responsible for the operation of the school.

This individual is hired with a job description that outlines areas and lines of responsibility and accountability.



### **3. Owner/Operator, either non-profit foundation or for-profit, with or without a board or committee.**

This model follows a more structured chain of command that is akin to a business/corporate model of organization.

The flow of responsibility follows a chart in which responsibilities are assigned or delegated to specific departments.

The managers or directors of those divisions are accountable for what happens within their respective department or division.



## **II. Distinction Between Governance And Management**

**The approach to governance in many charter schools has been influenced by the previous experience of parents, teachers, students, administrators and others who "learned" governance in the traditional public school system.**

**Governance practices in some charter schools, as in other public schools, tend to mix the functions of board governance with parent and community involvement strategies, charter school management and administration, shared decision-making, and teacher empowerment.**



## **II. Distinction Between Governance And Management**

**A clear distinction must be made  
between  
"governance" and "management."**



## **II. Distinction Between Governance And Management**

**In an effective charter school, there will be strong links between governance and management.**

**At the same time, there are important differences between matters of governance such as:**

- making decisions on major policy making or setting overall direction of the school and matters of management**
- the effective allocation and deployment of the school's resources on a day-to-day and month-to-month basis in order to achieve the vision and major goals of the school.**



## **II. Distinction Between Governance And Management**

**The Board has a number of major decisions and actions to take.**

**Some of these occur annually, for example, approving the budget, reviewing the performance of the charter school administrator, and monitoring student achievement.**



## **II. Distinction Between Governance And Management**

**The Board has limited time in which to make them.**

**It is for this reason that it is so important for Boards to use their time well and for board structures and procedures to point them toward major decision-making and away from distractions and lesser matters.**



## II. Distinction Between Governance And Management

It is important to emphasize that Board meeting time is

a limited resource

and this resource should be

allocated to making major decisions and developing policies for the charter school.



## **II. Distinction Between Governance And Management**

**The charter school Board then, must focus its attention on major decisions:**

- monitoring school progress toward meeting the student achievement and other objectives agreed to in the charter contract,**
- budget approval,**
- school-wide policies,**
- strategic planning,**
- charter school administrator appraisal and support.**



## **II. Distinction Between Governance And Management**

**These broader decisions create the space or playing field for board committees, the charter school staff led by the administrator, and volunteers to plan and implement actions in their respective areas of responsibility.**

**Autonomy is granted within the boundaries created by board decision-making in the major areas noted above.**



## **II. Distinction Between Governance And Management**

**The charter school board should not micro-manage or meddle in decision-making that is best done by those responsible for the development and delivery of educational programs and support services on a daily basis.**

**Whenever possible, the board should effectively delegate implementation responsibility with clear instructions and/or suggestions to its committees or the charter school administrator, so that the board can continue to maintain a focus on the big picture.**

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation

## BYLAWS OF

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### ARTICLE 1 OFFICES

#### SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation is located in \_\_\_\_\_ County,  
State of \_\_\_\_\_ just \_\_\_\_\_.

#### SECTION 2. CHANGE OF ADDRESS

The designation of the county or state of the corporation's principal office may be changed by amendment of these Bylaws. The Board of Directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these Bylaws:

_____	Dated: _____, 20__
_____	Dated: _____, 20__
_____	Dated: _____, 20__

#### SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## ARTICLE 2 NONPROFIT PURPOSES

### SECTION 1. IRC SECTION 501(c)(3) PURPOSES

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

### Section 2. SPECIFIC OBJECTIVES AND PURPOSES

The specific objectives and purposes of this corporation shall be:

\_\_\_\_\_.

## ARTICLE 3 DIRECTORS

### SECTION 1. NUMBER

The corporation shall have \_\_\_\_\_ directors and collectively they shall be known as the Board of Directors.

### SECTION 2. QUALIFICATIONS

Directors shall be of the age of majority in this state. Other qualifications for directors of this corporation shall be as follows: \_\_\_\_\_.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 3. POWERS

Subject to the provisions of the laws of this state and any limitations in the Articles of Incorporation and these Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

## SECTION 4. DUTIES

It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation;
- c. Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these Bylaws;
- e. Register their addresses with the Secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 5. TERM OF OFFICE

Each director shall hold office for a period of \_\_\_\_\_ and until his or her successor is elected and qualifies.

## SECTION 6. COMPENSATION

Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties.

## SECTION 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the Board of Directors.

## SECTION 8. REGULAR MEETINGS

Regular meetings of Directors shall be held on \_\_\_\_\_ at \_\_\_\_\_  
\_M, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day.

## Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

If this corporation makes no provision for members, then, at the regular meeting of directors held on \_\_\_\_\_, directors shall be elected by the Board of Directors. Voting for the election of directors shall be by written ballot. Each director shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected to serve on the board.

### SECTION 9. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairperson of the Board, the President, the Vice-President, the Secretary, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the person or persons calling the special meeting.

### SECTION 10. NOTICE OF MEETINGS

Unless otherwise provided by the Articles of Incorporation, these Bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors:

(a) Regular Meetings. No notice need be given of any regular meeting of the board of directors.

(b)

## Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

- (b) Special Meetings. At least one week prior notice shall be given by the Secretary of the corporation to each director of each special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, or by facsimile machine, and shall state the place, date and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of facsimile notification, the director to be contacted shall acknowledge personal receipt of the facsimile notice by a return message or telephone call within twenty four hours of the first facsimile transmission.
- (c) Waiver of Notice. Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the Articles of Incorporation, these Bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

### **SECTION 11. QUORUM FOR MEETINGS**

A quorum shall consist of \_\_\_\_\_ of the members of the Board of Directors.

Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

## Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

### **SECTION 12. MAJORITY ACTION AS BOARD ACTION**

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

### **SECTION 13. CONDUCT OF MEETINGS**

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the President of the corporation or, in his or her absence, by the Vice President of the corporation or, in the absence of each of these persons, by a Chairperson chosen by a majority of the directors present at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by \_\_\_\_\_, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with provisions of law.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 14. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the Board of Directors or until his or her death, resignation or removal from office.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 15. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

## SECTION 16. INDEMNIFICATION BY CORPORATION OF DIRECTORS AND OFFICERS

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

## SECTION 17. INSURANCE FOR CORPORATE AGENTS

Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provisions of law.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## ARTICLE 4 OFFICERS

### SECTION 1. DESIGNATION OF OFFICERS

The officers of the corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The corporation may also have a Chairperson of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other such officers with such titles as may be determined from time to time by the Board of Directors.

### SECTION 2. QUALIFICATIONS

Any person may serve as officer of this corporation.

### SECTION 3. ELECTION AND TERM OF OFFICE

Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

# **Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)**

## **SECTION 4. REMOVAL AND RESIGNATION**

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

## **SECTION 5. VACANCIES**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

## **SECTION 6. DUTIES OF PRESIDENT**

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers.

## **Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)**

### **SECTION 6. DUTIES OF PRESIDENT (cont'd)**

He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairperson of the Board of Directors, the President shall preside at all meetings of the Board of Directors and, if this corporation has members, at all meetings of the members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

### **SECTION 7. DUTIES OF VICE PRESIDENT**

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 8. DUTIES OF SECRETARY

The Secretary shall:

- Certify and keep at the principal office of the corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.
- Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the corporation.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 8. DUTIES OF SECRETARY (cont'd)

- Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
- Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.
- In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 9. DUTIES OF TREASURER

The Treasurer shall:

- Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.
- Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
- Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.
- Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.
- Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 10. COMPENSATION


The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation.

## ARTICLE 5 COMMITTEES

### SECTION 1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of its members, designate an Executive Committee consisting of \_\_\_\_\_ board members and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted, and except as may otherwise be provided, by provisions of law.

By a majority vote of its members, the board may at any time revoke or modify any or all of the Executive Committee authority so delegated, increase or decrease but not below two (2) the number of the members of the Executive Committee, and fill vacancies on the Executive Committee from the members of the board. The Executive Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.



## **Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)**

### **SECTION 2. OTHER COMMITTEES**

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

### **SECTION 3. MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## ARTICLE 6

### EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

#### SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

#### SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

#### SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## SECTION 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

## ARTICLE 7

### CORPORATE RECORDS, REPORTS AND SEAL

#### SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office:

- (a) Minutes of all meetings of directors, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- (c) A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- (d) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## **SECTION 2. CORPORATE SEAL**

The Board of Directors may adopt, use, and at will alter, a corporate seal.

Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## **SECTION 3. DIRECTORS' INSPECTION RIGHTS**

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and shall have such other rights to inspect the books, records and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

## Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

### SECTION 4. MEMBERS' INSPECTION RIGHTS

If this corporation has any members, then each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- (a) To inspect and copy the record of all members' names, addresses and voting rights, at reasonable times, upon written demand on the Secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested.
- (b) To obtain from the Secretary of the corporation, upon written demand on, and payment of a reasonable charge to, the Secretary of the corporation, a list of the names, addresses and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made within a reasonable time after the demand is received by the Secretary of the corporation or after the date specified therein as of which the list is to be compiled.
- (c) To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the Secretary of the corporation by the member, for a purpose reasonably related to such person's interests as a member.

## **Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)**

Members shall have such other rights to inspect the books, records and properties of this corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws, and provisions of law.

### **SECTION 5. RIGHT TO COPY AND MAKE EXTRACTS**

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

### **SECTION 6. PERIODIC REPORT**


The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

## **ARTICLE 8**

### **IRC 501(c)(3) TAX EXEMPTION PROVISIONS**

#### **S SECTION 1. LIMITATIONS ON ACTIVITIES**

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation [except as otherwise provided by Section 501(h) of the Internal Revenue Code], and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.



## **Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)**


Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any 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, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

### **SECTION 2. PROHIBITION AGAINST PRIVATE INUREMENT**

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

### **SECTION 3. DISTRIBUTION OF ASSETS**

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed for one or more exempt purposes within the meaning of Section 510(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.



## **Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)**

### **SECTION 4. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS**

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation

- 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code;
- 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code;
- 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code;
- 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and
- 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

### **ARTICLE 9 AMENDMENT OF BYLAWS**

#### **SECTION 1. AMENDMENT**

Subject to the power of the members, if any, of this corporation to adopt, amend or repeal the Bylaws of this corporation and except as may otherwise be specified under provisions of law, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Board of Directors.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## ARTICLE 10 CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, Articles of Organization, Certificate of Incorporation, Organizational Charter, Corporate Charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

# Sample Bylaws for a (501)(c)(3) Nonprofit Corporation (cont'd)

## ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of \_\_\_\_\_ preceding pages, as the Bylaws of this corporation.

Dated: \_\_\_\_\_

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[If you have chosen to adopt a membership structure for your corporation, you must attach Membership Bylaw Provisions (MEMBER.RTF) before the "ADOPTION OF BYLAWS" clause at the end of this document. If you have decided to form a non-membership corporation (as most nonprofits will), you should not include Membership Bylaw Provisions in your bylaws.]

# C. Leadership Training



# Leadership Training

Successful boards make board member development a priority. Ideas for making board member development a priority in your school include:

- Hold retreats or one-day, in-house sessions that focus on team building every year or two.
- Revisit the mission and vision often.
- Clarify roles and responsibilities of the board early; create job descriptions for board members.
- Plan for member development and leadership training.
- Keep members informed, and hold effective board meetings.
- Promote a positive relationship with the school through clear policies and procedures.
- Conduct new board member orientations and training.
- Offer continuous board development opportunities.
- Evaluate your board and board members on a continuous basis. The design of your evaluation will vary depending on the governance structure of your school. A third party is often needed to provide an unbiased view of your board.

## **D. Policy Development – Waiver Requests**



# Governance policies:

- Relationships in the organization should be clearly stated and understood.
- Policies need to be clearly stated:
  - State who is responsible for what tasks or duties.
  - State who is to be held accountable and/or evaluated.
  - State the specific organizational structure.
  - Plan for transition. If you are a conversion school, your board may need to address how to go from an advisory role to more of a decision-making role. Plan for how to adapt when members leave, including founders.
  - Dangers of micro management.

## When requesting a waiver, always:

- Include the policy that will replace the waived policy
- OR a detailed process of how and by when the new policy will be written

# **E. Personnel - Teacher Recruitment and Securing Contracted Services**



# Assumptions:

- The school must cooperate with the districts Human Resources department
- All personnel must meet district hiring standards
- All personnel are subject to terms of the district union contract, unless otherwise negotiated.

# Planning:

- Assesses school's needs and develops a staffing plan aligned with those needs. (Include arrangements for special education services and staff)
- Provides committee members with training and information on laws and requirements related to hiring.
- Develops an organizational chart outlining the school's overall staff structure and responsibilities.
- Allocates funding for recruitment costs such as advertising, candidate travel costs, and search consulting services.

# Proposal:

- Works with budget and educational program committees to determine staffing needs and allocate resources accordingly.
- Develops job descriptions, interview questions, and evaluation procedures.
- Establishes hiring and personal policies and procedures.
- Develops a recruitment, orientation and training plan aligned with the charter mission.
- Develops a staff handbook

# F. Planning for Start-up



# Questions To Consider

- You will need to plan for the transition from the planning stage to the operational stage of development that begins when staff are hired and planning members take on new roles as staff, teachers, and/or board members.
- Should a founder be on the governing board or on the staff?
- What is the relationship between founders, the board, and day-to-day operators?
- Do all the founders want to remain involved in the school, or on the board?

# Questions To Consider

- How will new board members be recruited as the founders leave the governing board?
- What skills and areas of expertise are needed in different stages of development?
- Will the board be able to maintain the workload of a committee of the whole or do you need to establish standing committees as your school grows?
- How will you transition from managerial tasks to policy and strategic planning?

The background is a green chalkboard. In the lower-left quadrant, two pieces of pink chalk are lying on the surface. Scattered across the board are several white chalk markings, including a large 'A' at the bottom, a 'V' shape in the middle, and some curved lines and dots in the upper and middle sections.

# **G. Relationship to BOE and Department**

Division of  
Responsibilities

# Assumptions:

- Maryland charter schools are part of the district school system
- Oversight is the responsibility of the BOE
- Schools are responsible for fulfilling the terms of the contract (charter)
- Charter Schools have same responsibilities as other district schools, unless a waiver has been requested and granted.

<b><u>Stage of Organizational Development</u></b>	<b><u>Stage of Charter School Operation</u></b>	<b><u>Type of Board</u></b>	<b><u>Board Functions</u></b>
Emerging Stage	Pre-charter application; design of the charter school	Informal group of founders and other community volunteers	Works directly with staff that carries out the daily work of operating the school.
Growth/Consolidation Stage	Charter granted; school opens	More formal advisory board or small board of directors	Oversees development of the charter school's mission, policies, and operations.
Sustainable/Mature Stage	Ongoing operation; charter contract compliance; renewal of contract	More formal board of directors with established sub-committees	Shapes mission and policies, raises money, and oversees the charter school's financial and educational performance.

# End Module IV

