



**BY-LAWS  
of  
SAN LEANDRO EDUCATION FOUNDATION**

A California Nonprofit Public Benefit Corporation

**ARTICLE I**

**NAME AND OFFICES**

**Section 1.1 Name**

This corporation shall be known as the San Leandro Education Foundation (the "Foundation").

**Section 1.2 Principal Office**

The principal office of the Foundation shall be initially located in the County of Alameda, State of California. The Board of Directors is granted full power and authority to change said principal office from one location to another both within and without said county.

**Section 1.3 Other Offices**

Branch or subordinate offices may at any time be established by the Board of Directors at any place or places.

**ARTICLE II**

**GOALS, OBJECTIVES, AND PURPOSES**

Without in any way limiting the generality of the general purposes and powers of the Foundation set forth in the Articles of Incorporation of the Foundation (the "Articles"), the primary goals and specific objectives and purposes of the Foundation are to solicit, manage and disburse voluntary contributions to provide general financial support for the public schools of the San Leandro Unified School District, in order to provide and maintain consistently high quality educational opportunities for the children of the community served by said schools.

**ARTICLE III**

**STATUTORY MEMBERS**

### Section 3.1 Members

The Foundation shall have no statutory members.

### Section 3.2 Associated Persons

Nothing in this Article III shall be construed as limiting the right of the Foundation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 5056 of the Nonprofit Corporation Law of the State of California, as amended (the "Nonprofit Corporation Law"). The Foundation may confer by amendment of the Articles or these By-Laws some or all of the rights of a member, as set forth in the Nonprofit Corporation Law, upon any person or persons; provided, however, that no such person or persons shall be a member within the meaning of said section 5056 unless such person(s) is given the right, pursuant to a specific provision of the Articles and/or By-Laws, to vote for the election of a Director or Directors, to vote on a disposition of all or substantially all of the assets of the Foundation, to vote on a merger or dissolution of the Foundation, and/or to vote on changes to the Articles and/or By-Laws.

### Section 3.3 Actions by Members

Any action which would otherwise require a vote of members shall require only a vote of the Directors, and no meeting of members shall be required, any provision of the Articles or By-Laws to the contrary notwithstanding. All rights which would otherwise vest in the members shall vest in the Directors.

## ARTICLE IV

### BOARD OF DIRECTORS

#### Section 4.1 Powers

Subject to any limitations stated in the Articles, these By-Laws, and the Nonprofit Corporation Law, and subject to the duties of Directors as prescribed by the Nonprofit Corporation Law, all corporate powers shall be exercised by, or under the direction of, and the business and affairs of the Foundation shall be managed by, the Board of Directors. The individual Directors shall act only as members of the Board of Directors, and the individual Directors shall have no power as such.

#### Section 4.2 Number of Directors

The authorized number of Directors of the Foundation shall be not less than five nor more than fifteen, the exact number to be fixed by the Board of Directors from time to time.

#### Section 4.3 Elections, Term of Office, and Qualifications

(a) The initial Directors shall be elected by the incorporator(s) of the Foundation. Thereafter, Directors shall be elected at least annually, and at the annual meeting of the Board of Directors provided for in Section 4.10 of these By-Laws or as otherwise determined by the Board of Directors.

(b) Prior to duly electing and seating the then maximum authorized number of Directors Directors, Directors shall serve three-year terms commencing the respective date of their election and expiring no less than thirty-six (36) months thereafter; however, in no event shall their term expire earlier than June 30<sup>th</sup> following the 36<sup>th</sup> month. Once the then maximum authorized number of Directors has been duly elected and seated on the Board of Directors, all Directors shall thereafter be elected to serve three-year terms commencing on July 1<sup>st</sup> and expiring thirty six (36) months thereafter on June 30<sup>th</sup> of the third year.

#### Section 4.4 Composition of the Board of Directors, Honorary Board of Directors and Advisory Council

(a) The Board of Directors shall have Regular and Honorary Members. All references to Director or Directors in these By-Laws shall refer to Regular Directors unless otherwise specified, and the powers vested in the Board of Directors shall vest in the Regular Directors.

(b) The goal of the Foundation is to ensure the Directors reflect and represent the diversity of the San Leandro community, including but not limited to parents, business leaders, elected officials, teachers, retirees, school administrators, and community members. Further, the goal of the Foundation is to ensure the Directors represent the geographical diversity of San Leandro and reside in neighborhoods across the city.

#### Section 4.5 Responsibilities of the Board of Directors, Honorary Board of Directors and Advisory Council

(a) Regular Directors:

- (1) Shall attend scheduled Board of Directors meetings.
- (2) Are encouraged to hold an office or chair an event or committee during the course of one year.
- (3) Are encouraged to attend at least one non-Foundation sponsored community event as a representative of the Foundation during the course of one year.
- (4) Are encouraged to attend at least one San Leandro Unified School District Board of Education meeting during the year as a representative of the Foundation.
- (5) Shall provide or solicit financial support from the community for Foundation events, programs, and projects.

(b) At the discretion of the Board of Directors, the Foundation may invite public officials, as

well as education, civic or business leaders, to serve as Honorary Directors. Honorary Directors, or their representatives as they may from time to time designate, shall comprise an Honorary Board. Honorary Directors shall be invited to participate in the Foundation and be requested to advocate on behalf of the Foundation within the greater community and to attend major Foundation events. The Honorary Board shall have no fiduciary oversight responsibility of the Foundation and serve at the pleasure of the Board of Directors.

(c) At the discretion of the Board of Directors, the Foundation may form an Advisory Council. The Advisory Council shall have no fiduciary oversight responsibility of the Foundation and shall serve at the pleasure of the Board of Directors. Members of the Advisory Council, or their representatives as they may from time to time designate, shall be invited to provide support and guidance to the Board of Directors and staff; take an active role in helping the Foundation implement its goals and objectives; and serve as a conduit and link between and among community agencies, among other activities. Upon appointment to the Advisory Council, members or their representatives shall specifically commit to the following:

- (1) Serve a two-year term.
- (2) Provide input to the Board of Directors on an as-needed basis.
- (3) Actively participate in organizing a Foundation event, program, or project during the course of one year.
- (4) Provide or solicit substantial financial support from the community for Foundation events, programs, and projects.
- (5) Attend key Foundation events, including a major fundraising (“signature”) event, and Advisory Council meetings during the course of one year.

#### Section 4.6 Officers of the Board of Directors

The officers of the Board of Directors shall serve in the capacity of and perform the duties of the officers of the Foundation as prescribed by Article VI of these By-Laws.

#### Section 4.7 Resignations

Any Director may resign at any time by giving written notice of such resignation to the President or Chairman of the Board, the Secretary, or the Board of Directors of the Foundation. Such resignation shall take effect at the time specified in the notice; provided, however, that if the resignation is not to be effective upon receipt of the notice by the Foundation, the effective date specified is subject to acceptance by the Board of Directors. Except upon notice to the Attorney General of the State of California (the "Attorney General"), no Director may resign if the Foundation would then be left without a duly elected Director or Directors in charge of its affairs. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

#### Section 4.8 Removals

(a) Any Director may be removed by the Board of Directors, by a majority of the Directors then in office at a scheduled meeting upon any of the following events:

- (1) Failure to meet any one of the obligations of a Director, as stated in Section 4.5.
- (2) Failure to attend, whether excused or not, four or more meetings in a single twelve-month period or, at any time, three or more consecutive meetings.

(b) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of such Director's term of office.

#### Section 4.9 Vacancies

(a) A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Board of Directors declares vacant the position of any Director whose term has expired.

(b) Vacancies on the Board of Directors may be filled by a majority of the Directors then in office or by a sole remaining Director. The term of a Director so elected shall be in accordance with Section 4.3(b).

(c) Once the then maximum authorized number of Directors has been duly elected and seated on the Board of Directors, the term of any Director who is thereafter elected to fill a vacancy commencing at any time other than the beginning of the fiscal year on July 1<sup>st</sup> shall expire at the end of the fiscal year on June 30<sup>th</sup> at which time that Director shall be eligible for reelection to a three-year term commencing on July 1<sup>st</sup>.

#### Section 4.10 Annual Meeting

The annual meeting of the Board of Directors shall be held on the last board meeting of the fiscal year at such time and place as the Board of Directors may otherwise establish.

#### Section 4.11 Other Regular or Special Meetings

The Board of Directors may establish the time and place for the holding of regular or special meetings of the Board of Directors.

#### Section 4.12 Calling Special Meetings

Special meetings of the Board of Directors also shall be held whenever called by the Chairman of the Board or the President or the Secretary or any three Directors of the Foundation.

#### Section 4.13 Place of Meetings

Meetings of the Board of Directors shall be held at any place within the State of California, which may be designated by the Board of Directors and stated in the notice of the meeting. In the absence of such designation, meetings of the Board of Directors shall be held at the principal office of the Foundation.

#### Section 4.14 Telephonic Meetings

Members of the Board of Directors may participate in a regular or special meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this Section 4.14 constitutes presence in person at such meeting.

#### Section 4.15 Notice of Meetings

Written notice of the time and place of regular and special meetings of the Board of Directors shall be delivered personally to each Director or transmitted to each Director by first class mail, telephone, telegraph, telex, facsimile, or electronically. In case such notice is sent by mail, it shall be deposited in the United States mail at least five days prior to the time of the holding of the meeting. For purposes of determining whether such a five-day requirement has been satisfied, the day of the meeting and the day notice is given shall each be counted as one full day regardless of the time of the day the meeting is held, or the notice is given. Each notice shall be deemed given to a Director when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States post office department and addressed to such Director at the address designated by him for that purpose or, if none is designated, at his or her last) known address. In case such notice is delivered personally or transmitted by telephone, telegraph, telex, facsimile, or electronically, it shall be so delivered at least forty-eight hours prior to the time of the holding of the meeting. Such notice may be given by the Secretary of the Foundation, by the persons who called said meeting or in a manner as designated by the Board of Directors to officers of the Foundation and/or staff. Such notice need not specify the purpose of the meeting unless the meeting is to consider the election of a Director, the removal of a Director, and/or an amendment to the By-Laws that will increase the number of Directors of the Foundation. Notice shall not be necessary if appropriate waivers, consents, and/or approvals are filed in accordance with Section 4.16 of these By-Laws.

#### Section 4.16 Waiver of Notice

Notice of a meeting need not be given to any Director who signs a waiver of notice, or a written consent to holding the meeting, or an approval of the minutes of the meeting whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors, or of a committee of Directors, need be specified in any such waiver, consent, or approval.

#### Section 4.17 Action Without Meeting

It is the intent of the Foundation to conduct all business at a duly scheduled meeting. However, in extraordinary circumstances as may be required from time to time, any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if no fewer than eighty percent of the members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

#### Section 4.18 Quorum

A majority of the Directors then in office shall constitute a quorum for the transaction of business. 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 shall be the act of the Board of Directors, unless the Articles, these By-Laws, or the Nonprofit Corporation Law specifically require a greater number.

In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting as provided in Section 4.19 of these By-Laws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of enough Directors to leave less than a quorum, except as provided in Section 4.8, if any action taken is approved by at least a majority of the required quorum for such meeting. Directors may not vote by proxy.

#### Section 4.19 Adjournment

Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the Directors present. Notice of the time and place of the adjourned meeting need not be given to absent Directors if said time and place are fixed at the meeting adjourned; provided, however, that if the meeting is adjourned for more than forty-eight hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

#### Section 4.20 Fees and Compensation

Directors shall not receive any stated fees or salary for their services as Directors. Directors may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while acting on behalf of the Foundation. Nothing herein contained shall be construed to preclude any Director from serving the Foundation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

### ARTICLE V

#### COMMITTEES OF THE BOARD OF DIRECTORS

##### Section 5.1 Board Development Committee

The Board of Directors shall create a standing Board Development Committee consisting of three or more Directors selected annually by the Board of Directors. The Board Development Committee shall recommend to the Board of Directors candidates to serve as members of the Board of Directors to fill vacancies created by the expiration of a Director's term of office, the resignation of a Director, or otherwise.

#### Section 5.2 Personnel Committee

The Board of Directors shall create a standing Personnel Committee consisting of three or more Directors selected annually by the Board of Directors. The Board President shall be a member of the Personnel Committee. The Personnel Committee shall facilitate the supervision and ongoing evaluation of Foundation staff.

#### Section 5.3 Executive and Other Committees of the Board of Directors

The Board of Directors may create an Executive Committee and/or other committees, consisting of three or more Directors. The Executive Committee will consist of the Board President, Vice President, Secretary, Treasurer, and, to the extent possible, the immediate past Board President. Such committees shall have such power and authority as may be determined by the Board of Directors, subject to the limitations imposed on such power and authority by the Nonprofit Corporation Law and/or the Articles.

#### Section 5.4 Advisory Committees

The Board of Directors may create one or more ad hoc advisory committees, consisting of such persons as may be determined by the Board of Directors or appointed by the person designated by the Board of Directors to fill any such committee(s).

## ARTICLE VI

### OFFICERS OF THE FOUNDATION

#### Section 6.1 Officers

The officers of the Foundation shall be a President, a Vice President, a Secretary, and a Treasurer, who shall be the Chief Financial Officer of the Foundation. The Foundation may also have such other officers as may be appointed in accordance with the provisions of Section 6.3 of these By-Laws. One person may hold no more than two offices; however, neither the Secretary nor the Treasurer may serve concurrently as the President or Chairman of the Board.

#### Section 6.2 Elections and Term

The officers of the Foundation shall be elected annually by the Board of Directors at the last Board meeting of the fiscal year, take office effective July 1<sup>st</sup>, and shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.

### Section 6.3 Subordinate Officers, etc.

The Board of Directors may appoint such other officers as the business of the Foundation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these By-Laws or as the Board of Directors may from time to time determine.

### Section 6.4 Resignations

Any officer may resign at any time by giving written notice to the Foundation, subject to the rights, if any, of the Foundation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

### Section 6.5 Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board of Directors.

### Section 6.6 Chairman of the Board

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may from time to time be assigned to the Chairman of the Board by the Board of Directors or as prescribed by these By-Laws. If no such officer shall exist, the President shall preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as would otherwise be assigned to the Chairman of the Board by the Board of Directors or as prescribed by these By-Laws.

### Section 6.7 President

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the Chief Executive Officer of the Foundation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and affairs and the actions of the other officers on behalf of the Foundation. The President shall be ex-officio a voting member of all the standing committees of the Board of Directors and shall have the general powers and duties of management usually vested in the office of president of a Foundation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

### Section 6.8 Vice President

In the absence or disability of the President the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers

and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or these By-Laws.

#### Section 6.9 Secretary

(a) The Secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors and committees of the Board of Directors. Such minutes shall include, without limitation, all waivers of notice, consents to the holding of meetings, or approvals of the minutes of meetings.

(b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by these By-Laws or by law to be given, and shall cause the seal of the Foundation to be kept in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

#### Section 6.10 Treasurer and Chief Financial Officer

(a) The Treasurer and Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account in written form or any other form capable of being converted into written form.

(b) The Treasurer and Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse or provide for the disbursement of all funds of the Foundation as may be ordered by the Board of Directors or as may be appropriately ordered by the appropriate Officers of the Foundation, shall render to the President and the Board of Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and Chief Financial Officer and of the financial condition of the Foundation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these By-Laws.

### ARTICLE VII

#### BOOKS AND RECORDS

##### Section 7.1 Books and Records.

The Foundation shall keep or cause to be kept adequate and correct books and records of account and minutes of the proceedings of the Board of Directors.

##### Section 7.2 Annual Financial Reports

(a) Except as otherwise provided below in these By-Laws, the Board of Directors shall cause an annual report (the "Annual Financial Report") to be sent to the Directors not later than 120 days following the close of the Foundation's fiscal year. The Annual Financial Report shall state in appropriate detail the following:

- (1) The assets and liabilities, including the trust funds, of the Foundation as of the end of the fiscal year;
  - (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
  - (3) The revenue or receipts of the Foundation, both unrestricted and restricted to particular purposes, during the fiscal year;
  - (4) The expenses or disbursements of the Foundation, for both general and restricted purposes, during the fiscal year; and
  - (5) Any information required by Section 6322 of the Nonprofit Corporation Law.
- (b) The Annual Financial Report shall be accompanied by any report thereon of independent accountants, or if there is no such report, the certificate of an authorized officer of the Foundation that such statements were prepared without audit from the books and records of the Foundation.

## ARTICLE VIII

### GRANTS - CONTRACTS - LOANS

#### Section 8.1 Grants

The making of grants and contributions, and otherwise rendering financial assistance for the purposes of the Foundation, shall be authorized by the Board of Directors. The Board of Directors shall be required to authorize any officer or officers, agent or agents, in the name of and on behalf of the Foundation, to make any such grants, contributions, or assistance.

#### Section 8.2 Execution of Contracts

The Board of Directors shall be required to authorize any officer, employee, or agent, in the name and on behalf of the Foundation, to enter into any contract or execute and satisfy any instrument, and any such authority may be general or confined to specific instances or otherwise limited by the Board of Directors. In the absence of any action by the Board of Directors to the contrary, the President shall be authorized to execute such instruments on behalf of the Foundation in an amount not to exceed Five Hundred Dollars (\$500) per instance.

#### Section 8.3 Loans

The President or any other officer, employee, or agent authorized by the By-Laws or by the Board of Directors may not effect loans and advances at any time for the Foundation from any bank, trust company, or other institution or from any firm, Foundation, or individual and, for such loans and advances, may not make, execute, and deliver promissory notes, bonds, or other certificates or evidence of indebtedness of the Foundation, unless duly authorized by the Board of Directors, and

when authorized by the Board of Directors so to do, may pledge and hypothecate or transfer assets of the Foundation as security for any such loans or advances. Such authority conferred by the Board of Directors may be general or confined to specific instances or otherwise limited.

#### Section 8.4 Checks, Drafts, Etc.

All checks, drafts, and other orders for the payment of money out of the funds of the Foundation and all notes or other evidence of indebtedness of the Foundation shall be signed on behalf of the Foundation in such manner as shall from time to time be determined by resolution of the Board of Directors.

### ARTICLE IX

#### INDEMNIFICATION OF DIRECTORS AND OFFICERS

##### Section 9.1 Indemnifications by Foundation

The Directors and officers shall be indemnified and held harmless to the extent and in the manner permitted in California Nonprofit Corporation Law.

##### Section 9.2 Insurance

The Foundation shall have power to purchase and maintain insurance on behalf of any agent of the Foundation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Foundation would have the power to indemnify the agent against such liability under the provisions of this section; provided, however, that the Foundation shall have no power to purchase and maintain such insurance to indemnify any agent of the Foundation for a violation of Section 5233 of the Nonprofit Corporation Law (relating to self-dealing transactions).

### ARTICLE X

#### ASSETS AND INVESTMENTS

##### Section 10.1 Dedication of Assets

The properties and assets of this Foundation are irrevocably dedicated to the Foundation's being an exempt organization within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1954, as amended (the "Internal Revenue Code"), and Section 23701 of the California Revenue and Taxation Code, as amended (the "Taxation Code"). (All references to the Internal Revenue Code and the Taxation Code contained in these By-Laws are deemed to include corresponding provisions of any future United States or California taxation law, as the case may be).

### Section 10.2 Standards, Retention of Property

- (a) In investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Foundation's investments, the Board of Directors shall act in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law. The Board of Directors shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Foundation's capital.
- (b) Unless limited by the Articles, the Foundation may continue to hold property properly acquired or contributed to it if and as long as the Board of Directors, acting in accordance with the provisions of Section 5240 of the Nonprofit Corporation Law, may consider that retention is in the best interests of the Foundation. No retention of donated assets violates this Section 10.2, where such retention was required by the donor in the instrument under which the assets were received by the Foundation, except that no such requirement may be effective more than ten years after the death of the donor.
- (c) Notwithstanding any other provision in these By-Laws, the Foundation may reject any donation, acceptance of which the Board of Directors deems would not further the purposes of the Foundation or the acceptance of which would impose an undue burden on the Foundation.

### Section 10.3 Endowment Fund

- (a) The Foundation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions, if any, are consistent with the purposes and powers of the Foundation as set forth in the Articles and/or these By-Laws. All donations so received together with the income therefrom (referred to in these By-Laws as the "Fund") shall be held, managed, administered, and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Foundation may mingle such restricted donations with other assets of the Fund. The Foundation may reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purposes of the Fund and/or the Foundation.
- (b) The Foundation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deem appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall be appropriately preserved.
- (c) The Foundation shall disburse the Fund or the income therefrom at such time and in such a manner and in such amounts as the Board of Directors may in its discretion determine for the Foundation or its related activities.

## ARTICLE XI

### DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES

In the event that the Foundation shall at any time be a private foundation within the meaning of

Section 509 of the Code, the Foundation, so long as it shall be such a private foundation, shall distribute its income for each taxable year at such time and in such manner as not to subject it to the tax on undistributed income imposed by Section 4942 of the Code, and the Foundation shall not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Code; (ii) retain any excess business holdings as defined in Section 4943(c) of the Code; (iii) make any investments in such manner as to subject the Foundation to any tax under Section 4944 of the Code; or (iv) make any taxable expenditures as defined in Section 4945(d) of the Code.

## ARTICLE XII

### SEAL AND FISCAL YEAR

#### Section 12.1 Seal

The Board of Directors may adopt a corporate seal which shall be in the form of a circle and shall bear the full name of the Foundation and the year and state of its incorporation.

#### Section 12.2 Fiscal Year

The fiscal year of the Foundation shall end on June 30 of each year unless and until changed by the Board of Directors.

## ARTICLE XIII

### AMENDMENTS

New By-Laws may be adopted or these By-Laws may be amended, or repealed by the Board of Directors, except as otherwise provided by law or by the Articles.

*Revisions adopted August 17, 2011*

*Section 4.4, Section 4.5 revisions adopted May 15, 2013*

*Sections 4.3, 4.4, 4.5, 4.9, 4.10, 5.2, 5.3, 5.4, 6.2 revisions adopted July 16, 2014*

Certificate of Secretary

I, Sarah Galvin, hereby certify that I am the duly elected and acting Secretary of the San Leandro Education Foundation, a California Nonprofit Public Benefit corporation; and that the foregoing By-Laws comprising 15 pages, constitute the revised By-Laws of said Corporation as duly adopted at meeting of the Board of Directors held on December 18, 2019.

IN WITNESS WHEREOF, I, Sarah Galvin, have hereunder subscribed my name this 18<sup>th</sup> day of December 2019.

\_\_\_\_\_  
Secretary



**San Leandro Education  
Foundation (SLED)**

**Gift Acceptance Policy**

**I. Purpose of Policies**

The purpose of these policies is to provide a working document which serves as a guide for gifts and donations to SLED, minimizing risk and maximizing the intended results of SLED's mission. Specifically, it seeks:

- To support a program of asset development which encourages endowment gifts to further the SLED's mission.
- To review opportunities for making planned gifts to permanently support the work of SLED.
- To clarify the terms of gift acceptance.
- To educate the Board on potential problems that may make a particular gift unacceptable.
- To delineate the administrative responsibilities of SLED with respect to endowment gifts.

These policies do not embrace all areas in which judgment must be exercised. It is expected that additional policies and procedures will be added as appropriate.

SLED subscribes to the Donor Bill of Rights:

To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in SLED, we declare that all donors have these rights:

1. To be informed of the San Leandro Education Foundation's mission, of the way SLED intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on SLED's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to SLED's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.

5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing SLED will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of SLED or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that SLED may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

## **II. General Statement of Policy**

SLED has the responsibility to ensure that any gifts it receives support its mission.

Accordingly, SLED reserves the right to refuse any gift that it believes is not in the best interests of SLED and its constituents.

SLED also recognizes that the principle basis for making a charitable gift should be a desire on the part of the donor to support the work of SLED. No charitable gift, trust agreement, contract, or commitment may be urged upon any donor or prospective donor to benefit SLED at the expense of the donor's intent.

## **III. Types of Gifts**

Various types of gifts may be contributed to SLED. Many may be outright gifts by living donors, either on a one-time or a periodic basis.

Others may be deferred gifts that take effect upon the donor's death or at some future time.

SLED receives the following types of gifts:

- Cash (including cash equivalents, such as Certificates of Deposit and savings accounts)
- Marketable securities (stocks, bonds, U.S. government securities)
- Closely held stock (non-publicly traded securities)
- Real estate
- Life insurance policies
- Other property (works of art, furniture/equipment, precious metals, etc.)

## **IV. Purposes of Gifts**

Gifts of any size are welcome. Gifts may be given for current expenditures or for endowment, although these policies are directed toward endowment gifts.

1. Named Funds

- a. Named funds may be established with an endowment gift of \$20,000 or more. In funds that are established with assets of \$20,000 or more, distributions may begin after one year to allow the fund to earn income and provide realized and unrealized gain, or such time as determined by the Board of Directors.

## 2. General-Purpose Endowment Gifts

- a. Many people may choose to make unrestricted gifts to SLED's Endowment Fund. In such cases, the net assets released are used for ongoing operating expenses or selected priorities that the Board chooses.

## **V. Acceptance of Gifts**

### 1. Gifts That the President May Accept

The Board of Directors authorizes the Executive Director to accept gifts for purposes consistent with the purposes and Bylaws of SLED if such gifts are in the following forms:

- Cash
- Marketable securities
- Tangible personal property valued at \$500 or less

### 2. Gifts Requiring Approval

Gifts requiring review and approval of the Board of Directors (or its authorized committee) include the following:

- Gifts that have purposes that may fall outside the purposes and Bylaws of the SLED
- Life insurance
- Closely held securities
- Real estate (requires Board review; should not be delegated)
- Other assets that may be unusual or fall outside the type of gifts usually handled by SLED

SLED shall seek legal and/or other professional counsel, as appropriate, in all matters pertaining to unusual gifts.

### 3. Action to Accept Gifts

Contributions are recorded and deposited by finance personnel within thirty-days of receipt unless special circumstances warrant further review of the gift.

Gifts that require review will be handled promptly by calling a meeting of the Board of Directors and delivering all relevant information necessary to make a decision to Board members prior to the meeting. If a gift is not accepted, the Executive Director will notify the

donor immediately. All gift reviews will be handled with confidentiality.

In certain instances (e.g. a gift on December 31), a decision regarding gift acceptance must be made immediately. In such a case, the Executive Director will contact all members of the Board of Directors immediately. If not all members can be reached, approval to accept the gift can be made by the President if in his or her judgment there are no significant reservations. The President will report all such action to the Board of Directors on a timely basis.

#### 4. Gift Review Factors

Factors to be considered by the President and the Board of Directors in their review include:

- The charitable intent and ultimate benefit to SLED and its constituents
- The nature of any restrictions
- The permanency of the gift
- The administrative costs of managing the gift asset
- Potential for actual or perceived conflict of interest
- Consistency with the mission, purposes, bylaws, and policies of the SLED

### **VI. Disposition of Gifts**

#### 1. All Gifts

It is the general practice of SLED to convert gifts to cash and reinvest that cash. Each non-cash gift will be assessed to see if it fits within SLED's investment practice as is, or if there is reason for the SLED Board of Directors to consider making an exception to the practice. If assets offered to SLED are illiquid and cannot readily be sold, acceptance of the gift may depend on whether, in the judgment of the Board of Directors, a buyer is likely to be found within a reasonable period of time. If a donor requests that SLED retain specific assets, the Board of Directors must decide whether acceptance and retention of the specific assets serves the purposes of SLED.

#### 2. Planned Gifts

The Board of Directors will direct all unrestricted gifts received as a result of planned giving to the Endowment Fund. Planned gifts that are donor designated will be used in a manner consistent with the donor's restriction. The Board of Directors, in keeping with SLED's Investment and Spending Policies, will allocate annual distributions from the Endowment Fund.

#### 3. Memorial Gifts

Unrestricted memorial gifts will be directed to the Endowment Fund.

## **VII. Gift Valuation**

SLED shall follow existing laws and Internal Revenue Service regulations for the valuation of gifts. Donors of gifts of cash or cash equivalents will receive receipts that include the amount and date of the gift. Gifts such as stock, real estate, personal property, life insurance, etc. require specific methods of valuation for the protection of both the donor and SLED.

VIII. Publicly Traded Stocks and Bonds are accepted at the fair market value as determined under Internal Revenue Service rules. They are acknowledged by receipt for the number of shares given and the value of the securities on the date of the gift.

- a. The value of the gift is the median market price on the date of the gift multiplied by the number of shares. The median price is determined by adding the high and the low stock price and dividing by two. The date of the gift is the date when the donor made the gift (as opposed to when SLED received notification of it).
- b. Once the gift value is determined, staff prepares an acknowledgement letter to the donor for signature by the President.

IX. Life Insurance Policies: If SLED is made the owner of a term insurance policy, a receipt without gift valuation which describes the policy will be issued to the donor. If an insurance policy has a cash value at the time of the gift, a receipt containing the policy descriptions and the amount of the policy interpolated terminal reserve as of the date of the gift will be issued to the donor. A receipt will be issued for the value of all gifts contributed by the donor to SLED for the purposes of paying the premiums.

X. Stock in Closely-held Corporations, Real Estate, and Personal Property will be reviewed by the Board of Directors prior to acceptance. Receipt for such gifts will reflect description of the gift only, omitting valuation. In instances where SLED issues a receipt with no financial valuation, the donor is required to establish the gift's value by independent appraisal. It is the donor's personal responsibility to defend against challenges to claims for tax benefits.

## **VIII. Gift Processing**

**IX.** Contributions: Contributions are gifts of cash or other assets for which nothing of substantial value to the contributor is expected in return. These Acceptance Policies for Endowment Gifts cover contributions received through one of the planned giving vehicles described in Section IX.

### **X.** Gift Acknowledgement

Thank-you letters are prepared and sent to all contributors within fifteen working days of receipt of the gift. The Executive Director signs acknowledgment letters to endowment donors. All such letters serve as a contribution receipt for the donor. Each

letter will state either that no goods or services were received by the contributor in exchange for the gift or that goods and services were received by the contributor having a value of \$ . The notice of a bequest will be directed to the Executive Director. A letter of condolence, signed by the Executive Director, will be sent to the appropriate family member(s).

The Executive Director will request a copy of the will, any codicils, and any petitions from the attorney. He or she will also check SLED's files to determine if the donor, at some earlier time, sent a copy of the will or the wording of the provision to SLED. An expectancy file will be created in the donor's name.

### 3. Donor Recognition

SLED realizes the paramount role of donors and their gifts in achieving its charitable purposes. The Executive Director and Board members recognize donors in appropriate ways both publicly and privately, subject to the confidentiality provisions in Section XIII and the anonymous gifts provisions in Section VIII (d).

### 4. Anonymous Gifts

A contributor's request to be anonymous will be honored and so noted in the contributor's file. If the name and address of the contributor is known, an acknowledgment letter will be sent which references the donor's request of anonymity.

## **IX. Planned Gifts**

### 1. Bequests

Bequests received by SLED will be applied to the charitable purposes requested by the donor. If no restrictions are specified, the Board of Directors will add the bequest assets to the Endowment Fund. Bequests of \$20,000 or more may establish a permanent named fund in the donor's memory if the donor makes this request. The Executive Director or Treasurer will keep a file of expected bequests and will work with donors to ensure that gifts intended to create a new fund meet with SLED's purposes and its capacity to carry out the donor's wishes.

### 2. Charitable Remainder Unitrusts, Charitable Remainder Annuity Trusts, and Charitable Lead Trusts

SLED is an appropriate beneficiary of a charitable remainder unitrust (CRUT), charitable remainder annuity trust (CRAT), or charitable lead trust (CLT). The donor engages an independent trustee or serves as his or her own trustee; SLED does not serve as trustee. Because CRUTs, CRATs, and CLTs name the San Leandro Education Foundation as beneficiary of the charitable interest, it is important that the

endowment committee work with the donor and the donor's counsel to ensure that SLED will be able to carry out the donor's wishes. At the time of receipt of assets of \$20,000 or more, a permanent named fund may be established if requested.

3. Life Insurance

The donor may give an insurance policy outright to SLED. The donor names SLED as the owner and beneficiary of the life insurance policy and SLED retains the policy in its offices. Alternatively, the donor may decide to retain ownership of the policy and name SLED as the beneficiary. Upon redemption, a permanent endowed fund may be established in the donor's name for gifts of \$20,000 or more if requested. Premium payments may be made by the donor by direct payment to SLED at least 10 days prior to the premium due date. Such payments are deductible by the donor as charitable gifts for IRS income tax purposes. SLED cannot assume delinquent premium payments. In such instances, the policy will be canceled with the accrued cash value added to SLED's Endowment Fund in the donor's name. Premiums may be paid from accrued dividends or the accumulated cash value if the donor so stipulates only when such accrued dividends or accumulated cash value are sufficient to pay in full all remaining premiums.

4. Charitable Gift Annuities

SLED may offer Charitable Gift Annuities through a brokerage firm. The donor gives a gift of at least \$20,000 to the community foundation for its Endowment Fund in SLED's name. The donor receives fixed and guaranteed income payments for the rest of his/her life and/or the life of a second person. Upon the donor's death (and that of the second person), SLED's Endowment Fund receives the unused portion of the gift. [Note that some community foundations charge a fee to administer Charitable Gift Annuities.] SLED's Executive Director or President meets with the donor and brokerage firm representative to complete the gift.

5. Authority to Act on Behalf of the SLED

The President is authorized to represent SLED in facilitating charitable giving agreements with prospective donors and signs all such agreements on behalf of SLED.

## **X. SLED's Legacy Society**

SLED's Legacy Society is composed of individuals who have made plans to leave a gift to the SLED through their estate plans. Every planned gift donor will automatically become a member of the Legacy Society. Members of the Legacy Society will be honored at appropriate special events and listed in the annual report.

## **XI. Professional Advisors**

SLED strongly encourages all donors to discuss proposed gifts with their legal and financial advisors. Prospective donors shall be advised, both orally and in writing, to seek their own counsel in matters related to charitable giving, tax, and estate planning. Likewise, SLED shall seek the advice of an experienced attorney when considering the acceptance of unusual or complex gifts.

## **XII. Publicity**

Any publicity associated with a gift by any donor will be in accordance with SLED's Privacy Policy.

## **XIII. Confidentiality**

Information concerning donors and prospective donors shall be treated in accordance with SLED's Privacy Policy. Certain information such as size of estate and beneficiaries shall be kept strictly confidential by SLED and its authorized personnel unless permission is granted by the donor to release such information.

## **XIV. Review and Amendment of Policies**

These Policies will be reviewed periodically and may be amended by approval of the Board of Directors.

## **XV. Legal Considerations**

- A. Compliance: SLED shall comply with all local, state, and federal laws and regulations concerning all charitable gifts it encourages, solicits, or accepts. All required disclosures, registrations, and procedures shall be made and/or followed in a thorough and timely manner.
- B. Endorsement of providers: SLED shall not endorse legal, tax, or financial advisors to prospective donors.
- C. Finder's fees and commissions: SLED shall not pay fees to any person, company, or organization as consideration for directing a gift by a donor to SLED.
- D. Legal, tax, and financial advice: SLED shall inform prospective donors that it does not provide legal, tax, or financial advice, and shall encourage prospective donors to discuss all charitable gift planning decisions with their own advisors before entering into any commitments to make gifts to SLED.
- E. Preparation of legal documents: SLED shall not prepare legal documents for execution by donors. SLED may provide model language but shall strongly encourage prospective donors to have this language reviewed by their own counsel.
- F. Payment of fees: It will be the responsibility of the donor to secure an appraisal (where required) and to pay for the advice of independent legal, financial, or other professional

advisors as needed for all gifts made to SLED.

- G. Service as executor or living trust trustee: Unless approved in advance by the President, SLED will not agree to serve as executor of a decedent's estate or as trustee of a living trust or other trust intended to serve as a person's primary estate planning document.
- H. Trusteeship: SLED may serve as trustee of trusts to maintain its gift annuity reserve accounts, as required by relevant state insurance law, in connection with SLED's gift annuity program. SLED may serve as trustee of charitable remainder trusts, provided that 100 percent of the remainder interest in the trust is irrevocably dedicated to SLED, and the charitable remainder trust meets the minimum standards set forth in Gift Acceptance procedures. SLED may serve as a trustee of trusts only in circumstances in which its investment authority as trustee is unrestricted. SLED will not serve as co-trustee of a charitable trust.
- I. Use of counsel: SLED shall seek the advice of legal counsel in matters relating to the acceptance of gifts when appropriate. Review by counsel is recommended for gifts involving: closely held stock transfers that are subject to restrictions; gifts involving contracts, such as bargain sales; reformation of charitable trusts; and transactions involving potential conflicts of interest.