

**BY-LAWS
OF
VOICES FOR CHILDREN, INC.**



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ARTICLE I: NAME

The name of this Corporation shall be VOICES FOR CHILDREN, INC.

ARTICLE II: OFFICES

Section 1. Principal Office

A principal office for the transaction of the business of the Corporation is located at 2851 Meadow Lark Drive, San Diego, San Diego County, California, 92123. The Board of Directors may change the principal office from one location to another. The Secretary shall note any change of this location on the By-Laws opposite this section, or this Section may be amended to state the new location.

Section 2. Other Offices

The Board of Directors may establish, at any time, branch or subordinate offices any place or places where the Corporation is qualified to do business.

ARTICLE III: PURPOSE

The purpose of this Corporation shall be to:

- a) Recruit, train, supervise and support Court Appointed Special Advocate (CASA) volunteers, and others as appropriate, who will advocate for the best interests of abused and neglected children in foster care by providing vital information and making recommendations to Juvenile Court judges;
- b) Review and monitor the case files of every child in foster care;
- c) Increase awareness and educate the general public and those persons, offices, and institutions concerned with service delivery to abused and neglected children regarding their needs while in the foster care system;
- d) Facilitate improvement of communications among and service delivery by those persons, agencies, and institutions concerned with children in the foster care system.
- e) Advocate for legal policies and practices that enhance the quality of life for foster children.

ARTICLE IV: NON-PARTISAN ACTIVITIES

This Corporation has been formed under the California Non-Profit Public Benefit Corporation Law for the public purposes described above, and it shall be non-profit and non-partisan. The activities of the Corporation shall comply with all laws and regulations with respect to influencing legislation.

ARTICLE V: MEMBERSHIP

This Corporation shall have no members. Any action, which would otherwise require approval by a majority of all members or approval by the members, shall require only approval by the Board of Directors. All rights which would otherwise vest in the members shall vest in the Board of Directors.

ARTICLE VI: BOARD OF DIRECTORS

Section 1. Number of Board Members

The authorized number of Board Members shall be no fewer than five (5) and no more than thirty (30). Board Members need not be residents of the State of California.

Section 2. Powers

Subject to the provisions of the California Non-Profit Corporation Law and any limitations in the Articles of Incorporation and these By-Laws relating to action required to be approved by the Board of Directors, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

Without limiting the foregoing general powers, the Board Members shall have the following powers:

- a) To select and remove the President/CEO of the Corporation; prescribe any powers and duties for him/her that are consistent with law, with the Articles of Incorporation, and with these By-Laws; and fix his/her compensation, and require from them security for faithful service.
- b) To conduct, manage, and control the affairs and business of the Corporation and to make such rules and regulations as deemed necessary.
- c) To change the principal executive office of the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting.
- d) To borrow money and incur indebtedness for the purposes of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities.
- e) To remove members from the Board of Directors as prescribed in this Article VI.
- f) To expand the service delivery area of the Corporation by a two-thirds (67%) vote of the Board of Directors.

Section 3. Election and Term of Office

Board Members are elected for a three-year (3-year) term, and may serve for two consecutive three-year terms. After a one-year hiatus or sabbatical, Board Members are eligible for re-nomination to serve again for two consecutive three-year terms. The existing Board Members elect new Board Members.

At the recommendation of the Governance Committee, the Board may elect to extend the term of Board Members beyond term limits, if circumstances warrant. Notwithstanding term limits, the Immediate Past Chair may be elected for one year.

Each Board Member, including a Board Member elected to fill a vacancy or elected at a special Board of Directors meeting, shall hold office until expiration of the term for which he or she has been elected.

Any Board Member requiring a leave of absence shall make the request to the Chair of the Board of Directors who has the authority to grant such leave for up to six months.

The Governance Committee shall present a proposed slate of Board Members to the Board fourteen (14) days before the vote is called. As soon as reasonably possible, the Board will take action on the slate. Notification is deemed as prescribed in Section 7 of this Article.

Section 4. Vacancies

Any vacancy or vacancies on the Board of Directors shall result from the following: death, resignation, expiration of term of office, or removal of any Board Member, the declaration by resolution of the Board of Directors of a vacancy of the office of a Board Member who has been declared of unsound mind by an order of the court or convicted of a felony or has been found by final order of judgment of the court to have breached a duty under Sections 5230 and following of the California Non-Profit Corporation Law.

Any Board Member may resign, which resignation shall be effective on giving written notice to the Chair, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Board Member is effective at a future time, the Board of Directors may elect a successor to take office as of the date when resignation becomes effective. No Board Member may resign when the Corporation would then be left without a duly elected Board Member or Board Members in charge of its affairs.

No reduction of the authorized number of Board Member shall have the effect of removing any Board Member before that Board Member's term of office expires.

Section 5. Board Members May Not be an Interested Person

No one serving on the Board of Directors at any time may be an Interested Person. An Interested Person is (1) any person currently serving as a Court Appointed Special Advocate for the Corporation; (2) any person being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Board Member as a Board Member; and (3) any brother, sister, ancestor, descendent, spouse, brother-in-law, mother-in-law, or father-in-law of any such person being compensated for services rendered. However, any violation of the provisions of this paragraph shall not affect the validity of enforceability of any transaction entered into by the Corporation.

Section 6. Removal of Board Members

The Board may at any time by formal resolution declare vacant the office of any Board Member who has been absent from three (3) regular meetings of the Board during a fiscal year. The Secretary of the Corporation shall keep a current record of each Board Member's attendance at Board meetings and advise the Governance and Executive Committees of the name(s) of any Board Members who have three such absences, and to inquire into the reasons for such Board Member's inactivity and recommend to the Board that the office of such Board Member be declared vacant, if, in its opinion, such action will be in the best interest of the Corporation.

The Board may remove any Board Member with or without cause. Such action may be taken by the Board in accordance with Section 5222 of the Nonprofit Public Benefit Corporation Law, if such removal is approved by a majority of all Board Members.

Nothing in this Section 6 is intended to constitute a waiver of the Board's right, under the Nonprofit Public Benefit Corporation Law, to remove or declare vacant the seat of a Board Member for any other cause or for no cause.

Section 7. Board of Directors' Meetings

- a) Place of Meetings. Meetings of the Board shall be held at any place that has been designated by resolution of the Board, or in the notice of the meeting, or if not so designated, at the principal office of the Corporation.
- b) Meetings by Telephone. Any meeting may be held by conference telephone or similar communication equipment, as long as all Board Members participating in the meeting can hear one another. All such Board Members shall be deemed to be present in person at such a meeting.
- c) Annual Meeting. The Board shall hold a regular meeting for the purpose of organization, choosing Officers, and the transaction of other business. Notice of this meeting is required.
- d) Other Regular Meetings. Other regular meetings of the Board shall be held at such time and place as the Board may fix from time to time with notice.
 - 1) Notice of the time and place of the meetings shall be given to each Board Member by one of the following methods: (1) by personal delivery or written notice; (2) by first-class mail, postage paid; (3) by telephone communication either directly to the Board Member or to, a person at the Board Member's office who would reasonably be expected to communicate such notice promptly to the Board Member; (4) by facsimile; or (5) by E-mail. All such notices shall be given or sent to the Board Member's address or telephone number as shown on the records of the Corporation.
 - 2) Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) business days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, or E-mail shall be delivered, telephoned, or sent at least 48 hours before the time set for the meeting.
 - 3) The notice shall state the time and place for the meeting. However, it need not specify the purpose of the meeting.

- e) **Special Meetings.** Special meetings of the Board of Directors for any purpose may be called at any time by the Chair, Vice-Chair, Secretary, or any two Board Members. Notice of the special meeting must be in accordance with the notice required for regular meetings.
- f) The transactions of any meeting of the Board of Directors, however called and noticed and whenever held, shall be as valid as though a meeting had been held after regular call and notice, if a quorum is present and if either before or after the meeting each of the Board Members not present signs a written waiver of notice or a consent to hold such meeting an approval of the minutes. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. Quorum

A majority of the number of Board Members authorized in Article VI, Section 1 of this Article and holding office, but not less than three (3) Board Members, shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Board Members present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to:

- a) Approval of contracts or transactions in which a Board Member has a direct or indirect material financial interest;
- b) Approval of certain transactions between Corporations having common board memberships;
- c) Creation or appointments to committees of the Board of Directors; and
- d) Indemnification of Board Members.

A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Board Members, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 9. Adjournment

A majority of the Board Members present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Notice of the time and place of holding an adjourned meeting will be given.

Section 10. Standard of Conduct

Pursuant to Section 5231 of the California Non-Profit Corporation Law, a Board Member shall perform the duties of a Board Member, including duties as a member of any committee of the Board upon which the Board Member may serve in good faith, in a manner which the Board Member believes to be in the best interests of the Corporation and with such care, including reasonable inquiry as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Board Member, a Board Member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- a. One or more Officers of the Corporation whom the Board Member believes to be reliable and competent in the matters presented;
- b. Counsel, independent accountants, or other persons as to matters which the Board Member believes to be within such person's professional or expert competence; or
- c. A committee of the Board upon which the Board Member does not serve, as to matters within its designated authority, which committee the Board Member believes to merit confidence and provided that, in any such case, the Board Member acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 11. Compensation and Reimbursement

Board and committee members may not receive compensation for their services as Board Members or committee members, but may be reimbursed for such expenses as the Board may determine by resolution to be just and reasonable as to the Corporation.

Section 12. Waiver of Notice

Notice of a meeting need not be given to any Board Member who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Board Member who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 13. Action without a Meeting

Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action; provided, however, that the consent of any Board Member who has a material financial interest in a transaction to which the Corporation is a party and who is an "interested director," as defined in §5233 of the California Corporation Code, shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 14. Board Members' Responsibilities

- 1) Each Board Member is responsible for performing his or her duties, in good faith, in a manner such Board Member believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- 2) Each Board Member is expected to be familiar with generally accepted guidelines for such a position, which include:
 - a) Regularly attending Board and committee meetings;
 - b) Reading and understanding the minutes of Board meetings and the materials sent to the Board before each meeting;

- c) Understanding the Corporation's mission, objectives and programs and serving as an Ambassador of the Corporation in the Community;
- d) Understanding the Corporation's budget, budgeting process and financial situation;
- e) Recognition of the ethical and legal responsibility to preserve the confidentiality of corporate affairs;
- f) Providing timely advice and leadership at Board and committee meetings on which they serve;
- g) Making a financial commitment to the Corporation through personal donations at an appropriate level as determined by the Board, and soliciting financial support for the Corporation from others; and
- h) Attending and supporting the Corporation's functions and fundraising events.

ARTICLE VII: OFFICERS

Section 1. Officers

The Officers of this Corporation shall be a Chair, President/CEO, Vice-Chair, Immediate Past Chair, Secretary, and Treasurer, and such other Officers as the Board of Directors may appoint. When the duties do not conflict, one person other than the Chair may hold more than one of these offices.

Section 2. Election and Term of Office

The Officers of the Corporation shall be elected annually by the Board of Directors. Vacancies or new offices created may be filled for the unexpired portion of the term and they may be filled at any meeting of the Board of Directors.

Each Officer shall hold office for a term not shorter than one year unless the Officer shall resign, be removed, or become ineligible to continue to serve in such capacity.

Any Officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in the notice.

Section 3. Chair of the Board

Subject to the control of the Board of Directors, the Chair of the Board ("Chair") shall have general supervision, direction, and control of the business and affairs of the Corporation. The Chair shall preside at all meetings of the Board of Directors, and shall have such other powers and duties as may be prescribed from time to time by the Board of Directors.

The Chair must be a member of the Board of Directors and shall serve a term of office not shorter than one year and may be elected to an additional second and/or third term, after which he/she shall remain a Board Member for an additional one-year term of office as Immediate Past Chair. At the end of the Chair's prescribed term, the Vice-Chair may succeed to the office of Chair. If the office of Chair should become vacant because of resignation, removal disqualification, or any other cause, the Vice-Chair then in office shall succeed to the office of Chair.

Section 4. President/CEO

The President/CEO of the Corporation shall be appointed by the Board of Directors who shall review and approve the salary designated by the Executive Committee of the Board for this position. He or she shall be directly responsible to the Board of Directors, and shall have the executive and administrative responsibility for overseeing and for carrying out the programs and all activities of the Corporation as directed by, and in accordance with policies formulated and adopted by the Board. The President/CEO has the right to attend and participate at all meetings of the Board of Directors, except when the Board enters executive session, but shall have no voting powers.

Section 5. Vice-Chair

In the absence or disability of the Chair, the Vice-Chair shall perform all the duties of the Chair, and in so acting shall have all the powers and perform such other duties as may be prescribed from time to time by the Board of Directors. The Vice-Chair shall serve a term of office not shorter than one year, and maybe elected to additional terms after which he/she may succeed to the office of Chair and thereafter to a term as Immediate Past Chair. The Vice-Chair must be a member of the Board of Directors.

Section 6. Secretary

The Secretary shall keep a full and complete record of the proceedings of the Board of Directors and the Executive Committee, shall assure that the minutes of all meetings of other committees are prepared and filed with the records of the Corporation, and shall discharge such other duties as pertain to the office or as prescribed by the Board of Directors or as prescribed by law, by the Articles of Incorporation, or by these By-Laws. The Secretary must be a member of the Board of Directors.

Section 7. Treasurer

The Treasurer shall oversee the custody of, and be responsible for all funds and securities of the Corporation including deposits in the name of the Corporation in banks, trust companies, or other depositories. The Treasurer shall oversee the disbursement of the funds of the Corporation as may be directed by the Board of Directors; and oversee the maintenance of adequate and correct accounts of the Corporation's business transactions, including an account of assets, liabilities, receipts, disbursements, gains, and losses. The Treasurer shall make regular reports to the Board of Directors and serve as the Chair of the Finance Committee.

Upon request, the Treasurer shall provide the books of account and financial records to any Board Member of the Corporation and to prepare, or cause to be prepared and certify, or cause to be certified, the financial statements to be included in any reports. Additionally, the Treasurer shall, 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, or by these By-Laws, or which may be assigned to him or her from time to time by the Board of Directors.

The Treasurer shall work with the President/CEO and the Chief Financial Officer in the development of fiscal policies and practices to assure a true and accurate account of all receipts and expenditures and proper internal controls. All fiscal policies shall be approved by the Board of Directors.

The Treasurer is responsible for the filing all required government documents.

Section 8. Immediate Past Chair

The Immediate Past Chair shall have such other duties as may be prescribed by the Board of Directors or the By-Laws. In the event both the Chair and Vice-Chair are absent, the Immediate Past Chair shall act and perform all of the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair as provided in Section 3 of this Article VII.

Section 9. Surety Bonds

The President/CEO and all other employees who handle money shall each serve under a corporate liability bond in the amount or amounts from time to time determined by the Board and the Corporation shall pay for such Surety Bonds.

ARTICLE VIII: COMMITTEES

Section 1. Committees

The Board of Directors may, by resolution adopted by a majority of the Board Members then in office, designate one or more committees, each consisting of two or more Board Members, to serve at the pleasure of the Board. Committees may also include non-Board Members. The Chair of the Board, in consultation with the President/CEO, will select members of the committees. The standing committees of this Corporation are Executive, Governance, Finance, Development and Audit.

Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- a) take any final action on matters which, under the Non-Profit Corporation Law of California, also requires members' approval or approval of a majority of all the members;
- b) fill vacancies on the Board of Directors or in any committee which has the authority of the Board;
- c) fix compensation of the Board Members for serving on the Board of any committee;
- d) amend or repeal By-Laws or adopt new By-Laws;
- e) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- f) appoint any other committees of the Board of Directors or the members of these committees; or
- g) approve any transaction (1) to which the Corporation is a party and one or more Board Members have a material financial interest; or (2) between the Corporation and one or more of its Board Members or between the Corporation or any person in which one or more of its Board Members have a material financial interest.

Section 2. Executive Committee

There shall be an Executive Committee of the-Board consisting of the Officers, and, at the discretion of the Executive Committee, one or more standing committee chairpersons or one or more Board Members-at-large. The President/CEO shall attend the Executive Committee meetings except closed sessions but shall not vote. The Executive Committee shall have and may exercise all the powers of the Board between meetings of the Board, except those prohibited in Section 1 above.

The purpose of the Executive Committee is to partner with the Board Chair in ensuring that the Board carries out its fiduciary duties in the areas of governance, financial stewardship, and fund development, as well as provides leadership in the areas of philanthropy, donor cultivation, and fundraising. The Executive Committee reports to the Board Chair.

The scope of work of the Executive Committee may consist of the following:

- a. Reviews all proposed actions from committees prior to scheduling a Board vote on such items, including but not limited to, the annual operating budget, proposed By-Law changes, or public policy advocacy recommendations.
- b. Works with the Board Chair on matters involving the strategic direction of the Corporation.
- c. Reviews the compensation of the President/CEO, and provides input to the President/CEO on compensation for senior staff members (Chief Financial Officer, Chief Program Officer, and Chief Philanthropy Officer).
- d. Annually evaluates the President/CEO. The Board Chair is responsible for collating and presenting the review to the President/CEO.
- e. Helps set the agenda for Board meetings.
- f. Makes decisions on behalf of the Board if a situation arises where it is not practical or possible to assemble the entire Board together for discussion and voting as allowed by the By-Laws.
- g. Attends as many of the Corporation's events as possible, providing leadership and encouraging the participation of other Board members.
- h. Partners with the Governance Committee regarding the expectation of Board roles and performance and nomination of potential Board Members or Community Ambassadors Council Members as described in Article VII, Section 12 ("CAC") members. The executive committee can identify and assist in grooming future leaders of the Board.

Section 3. Governance Committee

The Governance Committee shall consist of a Chair who is appointed by the Chair of the Board. Additional members, no fewer than two, will be selected by the Executive Committee with the approval of the Board of Directors.

The purpose of the Governance Committee is to oversee all matters related to the By-Laws and governing organizational policies and to develop and retain strategic and dedicated Board Members who actively support the Corporation's mission, oversee the fiscal integrity of the Corporation, and provide strong philanthropic leadership. The Governance Committee reports to

the Board Chair and to the Board of Directors. Members can include both Board and non-Board Members as appointed by the Executive Committee and approved by the Board of Directors. All Committee work is done in partnership with the Corporation's staff (the President/CEO makes all staff assignments). The Governance Committee does not usurp the authority of the Board and neither directs nor oversees the Corporation's staff.

The scope of work of the Governance Committee consists of the following:

- a. To oversee governance matters, such as recommending By-Law revisions, articulating Board requirements and expectations, helping to assure compliance with Board responsibilities, and assisting with Board Members' orientation and continuing education;
- b. To assess and consider priorities for Board composition;
- c. To cultivate, nominate, and select new Board Members for a slate to be approved by the Board;
- d. To recommend a slate of Officers to the Board;
- e. To cultivate, recruit, and nominate new Community Ambassadors Council Members for the Board's consideration and approval;
- f. To provide educational training to the Board of Directors, as needed;
- g. To recruit new, non-Board individuals to participate on Board committees;
- h. To assist current Board Members in fulfilling their responsibilities to the Corporation; and
- i. To conduct a Board self-evaluation process and to report such results to the entire Board of Directors.

Section 4. Finance Committee

The Finance Committee is to be chaired by the Treasurer of the Corporation. The Finance Committee is responsible for overseeing the finances of the Corporation. This committee proposes and implements Board policy with respect to financial matters and is responsible for the oversight of all operational and endowment funds. Members can include both Board and non-Board Members as appointed by the Chair of the Board of Directors in consultation with the President/CEO. All Committee work is done in partnership with Corporation's staff (the President/CEO makes all staff assignments). The Finance Committee does not usurp the authority of the Board and neither directs nor oversees the Corporation's staff. This Committee reports to the Board Chair and the Board of Directors.

The scope of work of the Finance Committee consists of the following:

- a. To review budgets prepared by staff to ensure consistency between the budget and the Corporation's plans.
- b. To report to the Board any financial irregularities, concerns, or opportunities;
- c. To recommend financial guidelines to the Board;
- d. To recommend the appropriate amount of liability insurance for the Corporation to maintain based upon protecting the assets of the Corporation or any parties that are injured, and protecting the Board from liability;

- e. To advise the President/CEO on financial matters; and
- f. To recommend the appropriate level of reserves for the Corporation.

An investment sub-committee of the Finance Committee reviews the work of the Corporation's institutional money manager and reports to the Finance Committee and the Board of Directors.

Section 5. Development Committee

The purpose of the Development Committee is to help the Board carry out its role of maintaining the agency's fiscal health through philanthropy, donor stewardship, and fund development. The Committee partners with staff to reinforce the philanthropic process within the Board of Directors, in order to ensure a donor-centered Corporation. The Committee works to expand the universe of the Corporation's donors, both institutional and individual, including geographical outreach to all areas of San Diego County and beyond. The Committee reports to the Board Chair and Board of Directors.

The scope of work of the Development Committee consists of the following:

- a. To work with staff to achieve income goals for the annual Board-approved budget;
- b. To serve as the Corporation's philanthropic ambassadors in the community, to provide information to the Corporation concerning potential donors or supporters who should be cultivated, and to encourage capacity giving at all levels;
- c. To provide personal follow-up to individuals to encourage their participation;
- d. To help assure that all donors are respected, honored, and appropriately stewarded by providing guidance on donor recognition;
- e. To assure that the Board and individual Board Members are educated about the basic principles and best practices in fund development; and
- f. To provide recommendations to the staff on fundraising events and to assist the staff where necessary with promoting various fundraising events.

The Committee is staffed by the Chief Philanthropy Officer, with support from others on the Development team and with active involvement of the President/CEO.

Members can include both Board and non-Board Members as appointed by the Board Chair in consultation with the President/CEO. All Committee work is done in partnership with the Corporation's staff (the President/CEO makes all staff assignments). The Development Committee does not usurp the authority of the Board and neither directs nor oversees the Corporation's staff.

Section 6. Audit Committee

The purpose of the Audit Committee is to oversee proper external review of the Corporations' audited financial statements, as well as the Corporation's risk management to include monitoring the internal control environment. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment. The Audit Committee reports directly to the Board of Directors.

The Audit Committee may include persons who are not members of the Board, but a majority of whom may be Board Members. The Committee cannot include the Treasurer, the

President/CEO, the Chief Financial Officer, or any other staff members of the Corporation. Members of the Finance Committee may serve on the Audit Committee, but cannot comprise 50 % or more of the Audit Committee. The chairperson of the Audit Committee may not be a member of the Finance Committee. The Audit Committee must include members with basic expertise in financial management; on occasion, the Committee may wish to consult with an independent financial expert on special topics. The number of Audit Committee members will be determined on an annual basis by the Executive Committee of the Board.

The responsibilities of the Audit Committee are the following:

- a. To develop and periodically review audit-related policies; and to establish and follow a regular process of determining whether it is receiving quality audit services for a fair price based on established policies and regulations;
- b. To evaluate and recommend the audit firm to the Board for approval, and to meet with the audit firm to review the audited financial statements;
- c. To address any issues identified in the required communications and management letter;
- d. To solicit from the audit firm any observations on the internal staff skills, qualifications, and performance related to those audited functions;
- e. To review the performance of the auditors, ensuring continued independence;
- f. To review the audit plans for the coming year and discuss with the external audit firm and internal accounting or audit staff;
- g. To review the internal control process and risk management and mitigation process with management, internal accounting or audit, and the external auditor;
- h. To report and recommend the results of audit findings to the Board for approval;
- i. To act as external point of contact for any whistle-blowing issues, and, if necessary, initiate special investigations of policies, procedures, and practices;
- j. To review the Corporation's IRS Form 990 annually, prior to submission;
- k. To review the presentation of the financial information in the Corporation's Annual Impact Report before printed; and
- l. To conduct private executive sessions at least annually with the external auditors, the person conducting the internal accounting or audit function, and management.
- m. Terms. The members of this Committee are selected by the Board Chair, in consultation with the President/CEO, and are approved by the Board. All Committee members, including the person serving as Chair, will serve one-year terms and may serve additional terms.
- n. Meetings. The Audit Committee meets as needed to fulfill its responsibilities, but will meet annually to review the audit plan and to review the audited financial statements and the IRS Form 990 and related documents, and approve the audit engagement and special investigations related to fraud, financial irregularities, and internal control failures.

Section 7. Committee Meetings

Meetings of any committee may be called by or at the direction of the Chair of the Board, the Chair of the Committee, or a majority of the members of the Committee, to be held at such time and place as shall be designated in the notice of the meetings.

Notice of the time and place of any meeting of any Committee shall be given at least four (4) days prior thereto in the same manner as Special Meetings under Article VI, Section 7.

A majority of the members of any Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The act of a majority of any Committee present at a meeting at which a quorum is present shall be the act of the Committee.

No action of any Committee shall be valid unless taken at a meeting at which a quorum is present, except that any action that may be taken at a meeting of the Committee may be taken without a meeting, if consent in writing shall be signed by each member of the Committee entitled to vote.

No Committee action may usurp the power of the Board of Directors.

Section 8. Auxiliary Groups

The Board of Directors may form any auxiliary groups as appropriate including a Community Ambassadors Council (“CAC”) to promote and further the mission of the Corporation, and advise the Board on various issues as determined by the Board. The Governance Committee prepares a slate for approval by the Board of Directors. The term of the CAC is two years and may be renewed.

Under no circumstances shall the Community Ambassadors Council supersede the authority of the Board of Directors. The CAC shall meet semi-annually or on such other schedule as determined by the Chair of the CAC. The Chair of the Board shall appoint a Board Member or non-Board Member to serve as the CAC Chair. Members shall adhere to the Community Ambassadors’ Council Guidelines as regards to terms, roles, and responsibilities.

ARTICLE IX: RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Articles and By-Laws and Corporate Records

The Corporation shall keep at its principal California office the original or a copy of the Articles of Incorporation and By-Laws, as amended to the current date. If the Corporation has no business office in California, the secretary shall, on the written request of any Board Member, furnish to that Board Member a copy of the Articles of Incorporation and By-Laws, as amended to date. Every Board Member shall have the absolute right at any reasonable time to inspect the Corporation’s books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Board Member’s agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its Board and Committees of the Board. The minutes shall be kept in written

form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

Section 2. Annual Audited Financial Report

Not later than one-hundred-twenty (120) days after the close of the Corporation's fiscal year, an annual audited financial report will be sent to the Board of Directors. Such report shall contain the following information:

- a. The assets and liabilities of the Corporation as of the end of the fiscal year.
- b. The principal changes in assets and liabilities during the fiscal year.
- c. The revenue or receipts of the Corporation for the fiscal year, both unrestricted and restricted to particular purposes.
- d. The expenses or disbursements of the Corporation during the fiscal year, for both general and restricted purposes.
- e. The report required by this Section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, by the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

Section 3. Annual Statement of Certain Transactions and Indemnifications

As part of the report to all Board Members, the Corporation shall annually prepare and mail or deliver to each Board Member within sixty (60) days after the end of the Corporation's fiscal year a statement of any transaction or indemnification of the following kind:

- a. Any transaction
 - 1) In which the Corporation, its parent, or its subsidiary was a party;
 - 2) In which an "interested person" had a direct or indirect material financial interest; and
 - 3) Which involved more than \$25,000, and was one of a number of transactions with the same interested person involving, in the aggregate, more than \$25,000. For this purpose, an "interested person" is any Board Member or Officer of the Corporation, its parent or subsidiary (but mere common Board membership shall not be considered such an interest).
- b. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Board Member of the Corporation under Article XII of these By-Laws.
- c. This document shall only be prepared when such transactions have occurred.

ARTICLE X: MISCELLANEOUS

Section 1. Definition of Terms

References to Members of the Board of Directors, Officers, or agents, respectively, shall include past, present, and future Board Members, Officers, or agents whether or not so serving at the time of incurring the expenses or liabilities referred to herein, and their personal representatives.

- a. Board Member or Officer shall include any Board Member or Officer of the Corporation.
- b. Agent shall include any person authorized by the Corporation to enter into agreements for and on behalf of the Corporation in the Corporation's name.
- c. Action shall (except where otherwise specifically indicated in Section 2 hereof) include any civil, criminal, or administrative action, suit, proceeding or claim, threatened or pending, in which a Board Member, Officer or agent may be involved as a party or otherwise, by reason of failing to serve as such Board Member, Officer, or agent; or by reason of anything done or omitted by them as such Board Member, Officer, or agent, or alleged to have been so done or omitted.
- d. Determination by Independent Legal Counsel means a determination in the form of a written opinion addressed to the Board of Directors by legal counsel appointed as provided in Section 3 of this Article that indemnification of a Board Member, Officer, or agent is proper in the circumstances because he/she has met the applicable standard of conduct set forth in Section 2 of this Article.

Section 2. Indemnification

The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by reason of the fact that such person is or was an Officer, Board Member, or agent of this Corporation, or is or was serving at the request of this Corporation as a Board Member, Officer, employee, or agent of another foreign or domestic Corporation, partnership, joint venture, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the California Nonprofit Corporation Law.

In determining whether indemnification is available to the Board Member, Officer, or agent of this Corporation under California law, the determination as to whether the applicable standard of conduct set forth in Corporations Code 5238 has been met shall be made by a majority vote of a quorum of Board Members who are not parties to the proceeding. If the number of Board Members who are not parties to the proceeding is less than two-thirds (67%) of the total number of Board Members seated at the time the determination is made, the determination as to whether the applicable standard of conduct has been met shall be made by the court in which the proceeding is or was pending.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 3. Appointment of Independent Legal Counsel

In the event a situation arises which may give rise to the need for appointment of independent legal counsel under Section 2 of this Article, the Board of Directors, by a majority vote of those Board Members not parties to the action, whether or not a quorum, shall appoint independent legal counsel to make the written determinations provided for in Section 2 of this Article. If all members of the Board of Directors are a party to the action, appointment of independent legal counsel shall be made by the counsel for the Corporation.

Section 4. Discretionary Insurance

The Corporation shall, upon affirmative vote of a majority of its Board of Directors, purchase commercial insurance for the benefit of a Board Member, Officer or agent against all or any part of the expense liabilities or settlement payments arising from actions against such Board Member, Officer, or agent, whether or not the Corporation would have the power to indemnify such Board Member, Officer or agent against such expenses or liability under Section 2 of this Article. Such insurance may, but need not be, for the benefit of all Board Members, Officers, and/or agents.

Section 5. Liability for Determinations

The Corporation and its Board Members, Officers, and agents shall not be liable to anyone for making or refusing to make any payment under Section 2 of this Article, in reliance on the written opinion of independent counsel as provided in those actions.

Section 6. Other Rights

The foregoing indemnification provisions shall be in addition and may be claimed without prejudice to any other rights which any Board Member, Officer, or agent may have.

Section 7. Advance Payment of Expenses

Expenses incurred by a Board Member, Officer, or agent in defending an action may be paid by the Corporation in advance of the final disposition of such action if

- a. The Board or independent legal counsel appointed pursuant to Section 3 of this Article shall determine that such person has met the applicable standard of conduct set forth in Section 2 hereof; and
- b. Such person gives a written undertaking to repay the amount advanced unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

ARTICLE XI: AMENDMENTS

These By-Laws may be amended or repealed by the vote of at least two-thirds (67%) of the Board of Directors present at any meeting at which a quorum is present, provided written notice of intention to amend the By-Laws has been given to the Board Members at least fourteen (14) days before the meeting.

ARTICLE XII: CONFLICT OF INTEREST

A conflict of interest may exist when the interests or concerns of any Board Member, Officer, or staff, or said person's immediate family, or any party, group, or organization to which said person has allegiance, may be seen as competing with the interests or concerns of the Corporation. All Board Members, Officers, volunteers, and staff sign a document stating that they have read and understood the Conflict of Interest Policy. These documents are maintained by the President/CEO.

Any possible conflict of interest shall be disclosed to the Board of Directors by the person concerned.

When any such conflict of interest is relevant to a matter requiring action by the Board of Directors, the interested person shall call it to the attention of the Board or the Committee and such person shall not vote on the matter.

Moreover, the person having a conflict shall retire from the room in which the Board or its Committee is meeting and shall not participate in the final deliberation or decision regarding the matter under consideration. However, that person shall provide the Board or committee with any and all relevant information.

The minutes of the meeting of the Board or committee shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote. When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board of Directors or its committee, excluding the person concerning whose situation the doubt has arisen.

A conflict of interest disclosure statement shall be furnished annually to each Board Member, Officer, and staff member who is serving the Corporation at the time of the conflict or who may thereafter become associated with it; the policy shall be reviewed annually for the information and guidance of Board Members, Officers and staff members; and any new Board Members, Officers or staff members shall be advised of the policy and furnished a disclosure statement upon undertaking the duties of such office.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of THE CORPORATION, INC., a California nonprofit Corporation, and the above By-Laws of this Corporation, consisting of 21 pages, are the By-Laws of this Corporation, as revised, amended, and adopted at a meeting of the Board of Directors held on May 19, 2016.



William B. Sailer, Esq.
Secretary of the Board
Voices for Children

Date June 15, 2017