

BY-LAWS

June 1, 2023 Update

ALLENTOWN SCHOOL DISTRICT FOUNDATION

ARTICLE I NAME

The name of the organization shall be Allentown School District Foundation (hereinafter referred to as the “Foundation”).

ARTICLE II PURPOSE

SECTION 1 – Purpose: The Foundation is an independent public charity dedicated to encouraging alumni and community-wide participation and philanthropy in order to enhance and expand enrichment opportunities for all students in the Allentown City School District and insure long-range financial flexibility for schools within the District.

SECTION 2 – Mission Statement: The mission of the Foundation is to encourage, promote, support and fund positive educational experiences for the students of the Allentown School District.

SECTION 3 – Tax Exemption: The Foundation is organized exclusively for charitable, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

SECTION 4 – Funding Mechanisms: The Foundation will secure resources from individuals, businesses, charitable entities and community organizations to be distributed in accordance with the mission and funding criteria established by the Foundation.

SECTION 5 – Distribution of Funds: No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to its directors, trustees, officers, or other private persons except that this organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth herein. The Foundation shall at all times comply with the restrictions as to political campaign participation as required by the IRS and the federal government.

SECTION 6 – Dissolution of Foundation: Upon the dissolution of the corporation, its assets shall be distributed to the School District of the City of Allentown (the School District), a Pennsylvania public school district organized and existing under the

Pennsylvania School Code of 1949, 24 P.S. ' 1-101, et seq., with offices in Allentown, Pennsylvania, or its successor. If the School District declines the distribution of assets, then the Foundation's assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to one or more tax exempt educational entities, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE III MEMBERSHIP

The Foundation shall have no members.

ARTICLE IV BOARD OF DIRECTORS

SECTION 1 – Powers and Duties: All corporate powers of the Foundation shall be exercised by or under the authority of the Board of Directors.

SECTION 2 – Number of Directors: The number of directors shall not be less than nine (9) nor more than thirty (30). The then current Superintendent of the City of Allentown School District (the "School District"), or one designee (who shall be a member of the School District's administrative staff, such as the assistant superintendent or business manager or similar position), shall be standing directors of the Foundation. At least one director shall be a member of the William Allen/Allentown High School Alumni Association and at least one from the Dieruff High School Alumni Association. At least one director shall be a member of the School Board (the "School Board Representative"). All members shall be elected by the Foundation Board of Directors, except the superintendent and aforementioned designee. All members of the ASDF Board of Directors shall be voting members.

SECTION 3 – Manner of Selection and Term: The School District Officers, or their designees, as the case may be, shall remain in the office of director for as long as the School District Officers hold their offices with the School District. The remaining directors (the "Elected Directors") shall serve a term of three (3) years, except the initial appointed Elected Directors shall serve an initial term of one year, two years or three years, as determined by the initial Board in their meetings, so that the subsequent election of Elected Directors is staggered. The initial three-year term shall be extended to include any period of service prior to the commencement of the annual fiscal year so that each three year term will expire on the last day of the new year. Directors shall be nominated by a Director

and/or the Governance Committee, endorsed by the Executive Committee and elected by the Board of Directors. Except as provided herein, an Elected Director may only serve two consecutive full three-year terms and thereafter, may be again considered for election after a one-year absence from the Board. However, an Elected Director may serve all or part of a third consecutive full three year term if, at the end of said Director's second consecutive full three year term, said Elected Director has been elected to serve as an officer of the Board of Directors and so continues to serve as an officer of the Board of Directors.

SECTION 4 – Vacancies: Except as otherwise stated in these by-laws, any vacancy occurring among the members of the board of directors shall be filled by a majority vote of the directors then in office. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor.

SECTION 5 – Quorum: A majority of the directors in office shall constitute a quorum for the transaction of business at any meeting of the board. Directors may not vote by proxy.

SECTION 6 – Compensation: No director shall receive, directly or indirectly, any compensation for his/her services as director.

SECTION 7 – Vacancy on Board When Member Fails to Attend Meetings or meet obligations and duties:

- (a) The Executive Committee can recommend, without prejudice to the Board, to vacate a seat if a Board Member does not attend Board and committee meetings or is not meeting the standards set forth by the Foundation. The Board shall vote on said recommendation and shall determine whether or not the seat should be vacated by majority vote.
- (b) If any Foundation board member shall neglect or refuse to attend three (3) successive regular Board meetings without appropriate justification, board members may, by majority vote, declare the seat vacant and proceed to fill it in accordance with the by-laws. The secretary shall notify the Executive Committee when a Board member fails to attend three successive regular meetings of the Board.

SECTION 8 – Board Director Emeritus Status: Former board members of the ASDF who have completed at least one full board term and who made significant contributions of service to the Board may be named Board Director Emeritus. Appointment as a Board Director Emeritus shall be made by a motion of the Governance Committee with approval of the Board of Directors. Board Directors Emeritus shall serve as ambassadors, representing the Board and what the Board stands for; yet, serve only in an advisory capacity, shall not be entitled to vote or to hold office, and shall serve at the discretion of the Board.

SECTION 9 – Immediate Past President Status: The most recent former President of the ASDF Board of Directors may serve as the Immediate Past President. Appointment as the Immediate Past President shall be made by a motion of the Governance Committee with approval of the Board of Directors. The Immediate Past President shall serve as an advisor and an ambassador, representing the Board and what the Board stands for; yet, serve only in an advisory capacity, shall not be entitled to vote, and shall serve at the discretion of the President, as needed.

ARTICLE V OFFICERS

SECTION 1 – Number and Qualifications: The officers of the Foundation shall consist of a president, vice-president, a secretary, a treasurer, and such other officers as the board of directors may from time to time appoint.

SECTION 2 – Election and Term of Office: The Officers of the Foundation shall be elected annually by the board of directors immediately following the election of directors, at the annual meeting. Vacancies may be filled at any meeting of the board of directors. Each officer shall hold office for one year and until a successor has been duly elected and qualified.

SECTION 3 – President: Subject to the control of the board of directors, the president shall have general supervision of the affairs of the Foundation. The president shall preside at all meetings of the board of directors, and shall have such other duties as may be prescribed by the board. The president shall serve as an ex-officio member of all committees, with the exception of the Governance committee. The president shall sign, execute, and acknowledge, in the name of the Foundation, deeds, mortgages, bonds, contracts, loan applications, loan obligations, or other instruments, authorized by the Board except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these by-laws, to some other officer or agent of the corporation.

SECTION 4 – Vice President: In the absence of the president, the vice president shall perform the duties of the president. The vice president shall have such other powers and duties as may be assigned by the board.

SECTION 5 – Secretary: The secretary shall be responsible for the minutes of all meetings of the board of directors. The secretary shall perform such additional duties as shall be assigned by the board.

SECTION 6 – Treasurer: The treasurer shall be responsible for the accounting of all monies for the Foundation, including depositing and investing them in accordance with the policy adopted. The treasurer also oversees the Financial Committee and appoints the chair of the Investment Committee. The treasurer shall have such additional powers and duties as may be assigned by the board. The treasurer may be bonded, at the expense of the Foundation, at the discretion of the board of directors.

SECTION 7 – Executive Director: The Board may hire an executive director. The executive director shall report to the board president. The responsibilities of the executive director shall include, but not be limited to, the following: fundraising; provide leadership and direction on day-to-day activities; establish and strengthen partner relationships; serve as a liaison to the school district; and represent the Foundation at functions in the community.

ARTICLE VI INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

SECTION 1 – INDEMNIFICATION WITH RESPECT TO THIRD PARTY ACTIONS.

The Corporation shall indemnify any person who is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he/she is or was a Director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as a Director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

SECTION 2 – INDEMNIFICATION WITH RESPECT TO DERIVATIVE AND CORPORATE ACTIONS.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he/she is or was a Director, officer, or employee of the Corporation, or is or was serving at the request of the Corporation as a Director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection with the defense or settlement of such action or suit if he/she acted in good faith and in a manner he/she reasonably believed to be in, or not opposed to, the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Corporation unless and only to the extent that the court of common pleas of the county in which the registered office of the Corporation is

located or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court of common pleas or such other court shall deem proper.

SECTION 3 – MANDATORY INDEMNIFICATION.

To the extent that a Director, officer or employee of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2, or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith.

SECTION 4 – PROCEDURE FOR EFFECTING INDEMNIFICATION.

Any indemnification under Sections 1 and 2 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that the indemnification of the Director, officer or employee is proper in the circumstances because he/she has met the applicable standard of conduct set forth in Sections 1 and 2. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable a majority vote of a quorum is not obtainable, or, even if obtainable a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

SECTION 5 – LIMITATION ON PERSONAL LIABILITY OF DIRECTORS.

In accordance with and to the fullest extent permitted by Subchapter B of Chapter 57 of the Nonprofit Corporation Law of 1988, 15 Pa. C. S. Section 5711, et seq., no person who is or was a Director of the Corporation shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Director, unless:

(a) The Director has breached or failed to perform the duties of his/her office as defined in 15 Pa. C. S. Section 5712 (relating to standard of care and justifiable reliance); and

(b) The breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

SECTION 6 – MORE FAVORABLE FUTURE LEGISLATION: POWER TO PURCHASE INSURANCE.

If Pennsylvania law hereafter is amended to authorize the further elimination of, or limitation on, the liability of Directors, then the liability of a Director of the Corporation, in addition to limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Pennsylvania law. The Corporation may maintain insurance, at its expense, to protect itself and any such person against any such liability, whether the Corporation would have the legal power to directly indemnify him/her against such liability.

SECTION 7 – RIGHTS AND REMEDIES NON-EXCLUSIVE.

This Article shall not be exclusive of any other right which the Corporation may have to indemnify any person as a matter of law.

SECTION 8 – ADVANCING EXPENSES.

Expenses incurred by a person entitled to indemnification pursuant to this Article or otherwise permitted by law in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay the amount so advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation.

SECTION 9 – DURATION AND EXTENT OF INDEMNIFICATION.

The indemnification and advancement of expenses provided pursuant to this Article shall continue as to any person who has ceased to be an officer or Director of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VII COMMITTEES

SECTION 1 – Committees: Except as otherwise stated in the by-laws, the board shall be responsible for the establishment of committees. The president shall appoint the chair(s) of the standing and other committees as necessary. Committees shall serve at the pleasure of the board under such rules and regulations as the board may approve; committee members may include persons who are not members of the board, but the chairperson of any committee must be a member of the board or a past president of the Foundation. All action(s) taken by committees shall be subject to ratification by the board. Any committee termination or creation must be approved by the ASDF Board of Directors.

SECTION 2 – Executive Committee: There shall be an executive committee composed of the officers and selected board members of the Foundation. The executive committee shall meet between scheduled board meetings to prepare the agenda items to be addressed at the meeting. All action taken by the executive committee shall be subject to ratification by the board. However, the executive committee may take action on behalf of the Foundation as authorized by the board at a prior meeting in accord with said authorization.

SECTION 3 – Standing Committee: Standing committees shall include at least the following: finance, investment, governance, teacher innovation, planning & programming, and scholarships. Each standing committee will be chaired by an elected member of the board.

SECTION 4 – Other Committees: The board may create additional committees as needed.

ARTICLE VIII MEETINGS

SECTION 1 – Annual Meeting: The annual meeting of the board of directors shall be held in the month of **June** at such time, date, and place as the board of directors shall determine.

SECTION 2 – Regular Meetings: Regular meetings shall be held six (6) times during the fiscal year. In addition to the annual meeting, regular meetings of the board of directors shall be at such time, date, and place, as the board of directors shall determine.

SECTION 3 – Executive Committee Meetings: Executive committee meetings will be held six (6) or more times per year. Executive committee meetings will be held between scheduled board meetings. The executive committee may also meet at the call of the president or any two officers to conduct business of the Foundation between meetings of the board.

SECTION 4 – Committee Meetings: Committee meetings will be held as necessary at the determination of the chair of the committee.

SECTION 5 – Notice of Meetings:

- a) **Notice of the Annual Meeting:** This shall be given to the board of directors not more than thirty (30) days or less than ten (10) days before the meeting.
- b) **Notice of Regular Meetings:** This shall be given to all the board of directors a minimum of seven (7) days prior to the meeting.
- c) **Waiver of Notice:** The notice requirements contained in these by-laws may be waived in writing by any director. All waivers shall be made part of the minutes of the meeting.

SECTION 6 – Action in Lieu of a Meeting: Any board action required or permitted to be taken by the board may be taken without a meeting, if 80% or more of all of the members of the board then in office shall consent to such action in writing. Such written consent shall be made a part of the minutes of the proceedings. Such action by written consent shall have the same force and effect as the same vote of the directors at a duly convened meeting. **Written consent may take the form of email communication to the executive director.**

SECTION 7 – Special Meetings: Special meetings will be held at the request of the president, any two directors, or executive committee, whenever there is business that must be acted upon before the next regularly scheduled meeting. Notice of special meetings shall be given to the board of directors no less than three (3) days before the meeting. All other requirements of regular meetings shall be in effect

for special meetings. No business may be transacted at a special meeting that was not contained in the notice of such meeting. Notice of special meetings may be communicated by email.

SECTION 8 – Conference Telephone Meetings: One or more persons may participate in a meeting of the Board or of a committee of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Article IX ANNUAL REPORT

SECTION 1 – Financial Report: Within one hundred twenty (120) days of the close of the fiscal year of this corporation, the Executive Director (or if none appointed, then the President or his designee) shall present annually to the Board of Directors of the foundation a report, verified by the audit/finance committee, showing in appropriate detail the following, which shall then be filed with the minutes of the meeting of the Board:

- a. The assets and liabilities, including the trust funds of the foundation as of the end of the fiscal year immediately preceding the date of the report.
- b. The principal changes in assets and liabilities, including trust funds, during the year immediately preceding the date of the report.
- c. The revenue of receipts of the foundation, both unrestricted and restricted, to particular purposes of the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.
- d. The expenses or disbursements of the foundation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the foundation.
- e. Concurrently with the presentation of the report to the Board of Directors of this foundation, a copy of the report shall be given to the Allentown City School District Board of Education and shall be available for inspection by the general public.

SECTION 2 – Fiscal Year: The fiscal year shall begin July 1 and end on June 30 of the following year.

ARTICLE X

CONTRIBUTIONS, INVESTMENT, AND ALLOCATIONS

SECTION 1 – Contributions: The Foundation shall accept contributions from donors in accordance with policies to be established by the Foundation. Any designated gift, if accepted by the Foundation, shall be used only for the purposes for which it has been designated. The Board is empowered to reject any gifts which it deems inappropriate.

The Foundation shall have the power to restrict and segregate contributions for the purpose(s) of separately identifying and safeguarding the assets contributed by various donors in order to insure the use of such assets and/or the income for the purposes for which the funds were donated.

Upon the unanimous vote of the directors of the Foundation, a portion or all of the assets of any funding category may, at any time in the future, be transferred to another funding category, if it is determined that the original purposes of such funding category cannot be reasonably carried out with the assets allocated thereto; provided, however, no gift or donation made to the Foundation for a particular charitable purpose may be diverted from its original purpose unless and until the Foundation obtains Court approval of the disposition of the property.

SECTION 2 – Investment of Assets: The Foundation shall invest contributions received from donors in accordance with policies to be established by the Foundation. The Foundation shall have the power to invest assets separately or in the aggregate, or in various combinations thereof, so long as the assets from each separate funding category and the income generated therefrom can be separately identified and segregated for allocation purposes. The board of directors may utilize the services of the School District or may appoint a financial institution or investment advisor for purposes of investing the assets held by the Foundation. Any such utilization of services or appointment may be terminated by the Foundation at any time with or without cause. Any such financial institution or investment advisor may appoint a representative to attend meetings of the board of directors but shall have no vote at such meetings.

SECTION 3 – Allocations: The Foundation shall make distributions at least as frequently as annually, in support of its educational programs. In making distributions, the Foundation shall take into account the desires and goals, if expressed, by donors in making contributions to the Foundation; the needs of the School District; and the recommendations of the Executive Committee of the Foundation.

ARTICLE XI

MISCELLANEOUS

SECTION 1 – Rules: Robert's Rules of Order (in its most recent edition at the date of its use)

shall be the parliamentary authority for all matters of procedure not specifically covered by these by-laws or by other specific rules of procedure adopted by the directors of the Foundation.

SECTION 2 – Report of Directors: The president shall furnish a written report annually to all directors of the Foundation.

SECTION 3 – Checks: All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the Board may from time to time designate.

SECTION 4 – Execution of Documents: Except as otherwise provided in these by-laws, the Board may authorize any officer or officers, agent or agents, to enter into any contract loan transactions or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 5 – Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as the Board may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the Board shall from time to time determine.

SECTION 6 – Amendments: These by-laws may be amended by the affirmative vote of two-thirds (2/3) of the directors of the Foundation. No action shall be taken to amend any by-laws unless written notice of the proposed amendment(s) shall have been given at least ten (10) days prior to the meeting. Any amendment is subject to ratification by a two-thirds (2/3) majority vote of the directors of the Foundation.

SECTION 7 – Dissolution: The Foundation may be dissolved at any time by a two-thirds (2/3) majority vote of the directors of the Foundation in accordance with such procedures as they shall from time to time adopt.

SECTION 8 – Notice: Notice to board members may be in writing or by email and each board member shall be required to provide the Executive Director with his or her email address if said board member has a current email address.

Board adopted By Laws, July 16, 2009, with the following changes:

Article II, Section 2—insert approved mission statement

Article V, Section 2—change to one year, each officer will hold office for one year Article VIII,

Section 1—annual meeting will take place in June

Board adopted By Laws Amendments on December 8, 2011:

Article I Name—organization name changed to Allentown School District Foundation Article II,

Section 1—purpose includes alumni

Article II, Section 4—insert businesses

Article IV, Section 2—Alumni representatives will serve on the Board, all members elected by the Board, except the ASD Board member

Article IV, Section 7—if a Board member does not attend 3 successive Board meetings, the Board can declare the seat vacant, by majority vote

Article VII, Section 3—standing committees: allocation, finance, fund development, and governance, each committee chaired by Board member

Article X, Section 3—Allocations Committee will make recommendations for distributions of funds.

Board Adopted By Laws Amendment on June 4, 2015:

Article IV, Section 3 – Manner and Section of Terms

Board Adopted By Laws Amendments on February 4, 2016:

Article VII, Section 2 – Executive Committee may take action on behalf of the Foundation as authorized by the board at a prior meeting on accord with said authorization

Article VII, Section 6 – Action in Lieu of a Meeting – Action may be taken without a meeting if 80% or more of all of the members of the board then in office shall consent to such action in writing. Written consent may take the form of email communication.

Article XI, Section 8 – Notice to board members may be in writing or by email

Board Adopted By Laws Amendments on April 4, 2018:

Article IV, Section 3 -- The initial three year term shall be extended to include any period of service prior to the commencement of the annual fiscal year so that each three year term will expire on the last day of the new year. Directors shall be nominated by a Director and/or the Governance Committee, endorsed by the Executive Committee and elected by the Board of Directors.

Board Adopted By Laws Amendments on June 18, 2020:

A thorough review was conducted by Governance Chair Anthony M. Muir, Esq., including a replacement of all content in Article VI: Directors' and Officers' Liability and Indemnification for greater clarity.

Board Adopted By Laws Amendment on December 2, 2021:

Article IV, Section 8 added.

Board Adopted By Laws Amendment on June 1, 2023:

Article IV, Section 9 added.