

**Human Resource Development Council  
Of District IX, Inc.  
BYLAWS**

*HRDC is a private not-for-profit corporation enhancing the quality of people's lives through innovative leadership in community development and human services.*

**ARTICLE 1. NAME**

The name of this corporation is the Human Resource Development Council of District IX, Inc.

**ARTICLE 2. PURPOSE**

This corporation is organized as a non-profit public benefit corporation under the laws of the State of Montana. This Corporation has been created to implement community action programs, other human service programs and community development activities having a reasonable and potentially major impact on the causes of poverty throughout the State of Montana, and particularly for Gallatin, Park, Madison, and Meagher counties.

The Corporation shall attempt to coordinate and focus all available local, state, private and federal resources toward enabling low income families and individuals of all ages, in rural and urban areas, to attain skills, knowledge, and motivation, and to secure the opportunities needed for them to become fully self-sufficient.

The Corporation shall at all times attempt to carry out those functions specified for a community action agency under the Community Services Block Grant. The Corporation shall not be limited in the nature and type of programs and activities undertaken, provided such programs and activities support the general purpose of the Corporation.

**ARTICLE 3. MEMBERS**

The Corporation shall have no members.

**ARTICLE 4. BOARD OF DIRECTORS**

**4.1 POWERS**

The Board of Directors shall have supervision, control and direction of the affairs of the Corporation, shall actively promote and pursue the Corporation's objectives, and shall supervise the disbursement of the Corporation's funds. The Board shall appoint a President/CEO of the Corporation and may delegate to him/her such authority as the Board deems appropriate.

The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the

powers granted, delegate certain of its authority and responsibility to one or more committees. The Board shall consider and act upon all committee recommendations. The Board may also consider such other matters regarding the Corporation as it deems appropriate, or as are requested for consideration by the President/CEO.

#### 4.2 RESPONSIBILITIES

The Board must:

- (a) assume legal and fiscal responsibilities for administering and overseeing all programs under its authority, including the safeguarding of federal and other funds;
- (b) Adopt practices that assure active, independent, and informed governance of the corporation, including the resolution of internal disputes and the facilitation of meaningful consultation and collaboration about decisions of the Board of Directors and Advisory Councils, and fully participate in the development, planning, and evaluation of programs.

#### 4.3 NUMBER OF DIRECTORS

The Board of Directors shall consist of fifteen (15) members.

#### 4.4 TERMS OF OFFICE

All directors shall serve for a term of three (3) years. Terms shall be staggered, with one-third of the positions on the Board being replaced each year. If necessary, initial terms of less than three (3) years may be determined by lot to accomplish the necessary one-third per year replacement. Directors may serve consecutive terms. Terms of office shall begin on the date of the first annual Corporate meeting following the appointment of any Board members, or on the date of appointment if the Board member is appointed at the annual Corporate meeting.

#### 4.5 COMPOSITION AND MANNER OF SELECTION

The fifteen (15) members of the Board of Directors shall be appointed as follows:

- (a) One-third of the members of the Board shall be elected public officials currently holding office, or their designated representatives, unless the number of elected officials reasonably available and willing to serve is less than one-third. The one-third of the members of the Board representing public officials shall include two individuals designated as representatives of the commissioners of Gallatin County and one individual designated as a representative of the commissioners of Park County.

- (b) One-third of the members shall be low income individuals or representatives of the low income sector in the community and include:
  - (i) One (1) designated seat for parents of children who are currently, or were formerly enrolled in Head Start programs; and
- (c) The remaining one-third of the members shall represent business and financial management, legal expertise, industry, labor, religious, welfare, education and development, and other major groups and interests in the community.
- (d) Members shall be solicited from the respective sectors noted above, and shall be deemed applicants for a position on the Board of Directors upon receipt of a letter of application and resume from the prospective member. Membership applicants shall be considered by the remaining members of the Board of Directors, who shall appoint members to fill vacancies on the Board. The Board shall facilitate adequate representation from all geographic areas within District IX.
  - (i) Democratic selection  
At least one third of the board members must be chosen in accordance with democratic selection procedures adequate to assure that they are representatives of low-income individuals and families in the neighborhood served.
- (e) Notwithstanding the foregoing, action taken by the Board of Directors which is otherwise valid shall not be deemed invalid due to failure to comply with Board membership requirements, provided diligent effort has been made to insure that all membership criteria are met.

#### 4.6 PROXY VOTING

Proxies and proxy voting shall not be allowed on behalf of any Board member.

#### 4.7 REMOVAL

A director may be removed, with or without cause, if a majority of the directors present at a duly constituted meeting votes for the removal. Additionally, Board members shall be removed for unexcused absence from three (3) consecutive meetings of the Board. If the Board member that is removed was a designated representative of a public official or other specified entity, then the entity making the designation may appoint the director's replacement subject to approval by a vote of the full Board of Directors.

4.8 VACANCIES

A vacancy shall be deemed to exist upon the expiration of a term of office, resignation, removal, death or incompetence of a member of the Board. Applications for individuals to fill vacancies shall be solicited from the respective sector(s) necessary to fill the vacant membership(s) and maintain the required sector representation on the Board, and shall be appointed as set forth in Section 4.4, above.

4.9 REPRESENTATION

In the event that any individual, group, or organization raises concerns regarding the adequacy of representation or composition of the representational categories identified above, such concerns will be addressed by the Board, and appropriate action taken to remedy the inequities which are determined to exist.

4.10 REGULAR MEETINGS

The Board of Directors shall hold regular meetings on a designated day to be established by the Board. If it appears that a quorum of the Board will be unable to attend a regular meeting, the meeting may be rescheduled or canceled.

4.11 SPECIAL MEETINGS

Special meetings may be held by the Board of Directors at the discretion of the Board Chairman, upon request of the President/CEO, or upon the written request of any five (5) members of the Board.

4.12 ANNUAL MEETINGS

The Corporation shall have an annual meeting at such time and place as set by the Board of Directors. A report shall be given at the annual meeting summarizing the Corporation's activities for the previous year. The Corporation's annual audit of its accounts shall be presented at the annual meeting. The annual audit shall adhere to generally accepted accounting principles (GAAP).

4.13 NOTICE

Written or printed notice of every annual, regular, and special meeting of the Board of Directors, stating the date, time, and place, but not necessarily the purpose of the meeting must be given to each director not less than two (2) days prior to the date of the meeting. Regardless of whether the meeting is a regular or special meeting, if a purpose of the meeting is to consider 1.) An amendment to the Articles of Incorporation, 2.) A plan of merger, 3.) The sale, lease, exchange, or disposition of all or substantially all of the Corporation's property, or 4.) the dissolution of the Corporation, then a notice must be given to each director at least seven (7) days prior to the meeting stating the purpose, and the notice must be

accompanied by a copy of, or summary, if applicable, of the proposed amendment to the Articles of Incorporation, the proposed plan of merger, the transaction for the disposition of the Corporation's property, or the proposed plan of dissolution. Attendance at any meeting by a Board member shall waive any question as to the adequacy of notice to such member. Notice may be waived, in writing, by any member.

4.14 QUORUM

Attendance by at least one-half of the existing members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

4.15 ACTION BY THE BOARD

The action of a majority of the members present at any meeting at which a quorum present shall be the act of the Board of Directors, unless a greater majority is required by law or these Bylaws.

4.16 RESIGNATION

Any member of the Board of Directors may resign by sending written notice of resignation to the Board of Directors.

4.17 EX OFFICIO MEMBERS

The Board of Directors may, in its discretion, establish *Ex Officio* memberships to facilitate the exchange of information with various groups and entities not formally represented by the Board. *Ex Officio* members shall receive notice of all regular and special meetings of the Board, and may participate in the discussion of issues presented for consideration at Board meetings. *Ex Officio* members shall not be allowed to vote on matters subject to vote at Board meetings and shall have no authority to act on behalf of, or as an agent for, or in any manner bind the Corporation's duly acting Board of Directors. *Ex Officio* members shall maintain their membership for such a period of time as the Board shall deem appropriate in light of the circumstances of their membership status.

**ARTICLE 5. OFFICERS**

5.1 CHAIRMAN OF THE BOARD

The Board of Directors shall, by a majority vote of the entire Board, appoint from the Directors a Chairman and Vice-Chairman. The Chairman of the Board shall preside at all meetings of the Board of Directors, may be an *ex officio* member of all committees, and shall have such other duties as the Board shall determine. The Vice-Chairman may act as Chairman of Board in the absence of the Chairman.

5.2 OFFICERS

The Officers of the Corporation shall be a President/CEO, a Secretary, and a Treasurer/CFO. The Board may elect other officers and assistant officers if the Board deems it necessary or desirable to do so. If the Board specifically authorized the President/CEO to appoint one or more officers or assistant officers, the President/CEO may do so. Any two (2) offices, except the offices of President/CEO and Treasurer/CFO may be held by the same individual.

### 5.3 DUTIES OF OFFICE

#### (a) President/CEO

The President/CEO of the Corporation may attend all meetings of the Board of Directors and may be an *ex officio* member of all committees. The President/CEO will have the following duties and responsibilities for the Corporation:

- (i) be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation;
- (ii) preside at all meetings of the officers of the Corporation and may sign any deed, mortgage, bond, contract, or other instrument unless the Board of Directors has expressly granted the authority for such signing and execution to another officer or agent of the Corporation;
- (iii) be responsible for the records of the Corporation;
- (iv) be responsible for hiring and firing employees of the organization based upon the general guidelines prescribed by the Board of Directors; and
- (v) Delegate duties to staff, as appropriate, to administer the affairs of the Corporation, and accomplish the duties and responsibilities required by the President/CEO.

#### (b) Secretary

The Secretary shall in good faith conduct the following:

- (i) create and maintain one or more books for the minutes of proceedings of the Board;
- (ii) provide that all notices are served in accordance with these Bylaws or as required by law;
- (iii) be a custodian of the Corporate records;
- (iv) when requested or required, authenticate any records of the Corporation;
- (v) mail notice of all meetings to all individuals required to receive such notice; and
- (vi) In general perform all duties incident to the office of Secretary and any other duties that the President/CEO or the Board of Directors may assign.

(c) Treasurer/CFO

The Treasurer/CFO shall conduct the following:

- (i) have charge and custody of and be responsible for all funds and securities of the Corporation;
- (ii) receive and give receipts for money due and payable to the Corporation from any source and deposit all funds in the Corporation's name in banks, trust companies, or other depositories that the Board shall select;
- (iii) submit the books and records to a certified public accountant or other accountant for annual audit or review; and
- (iv) In general perform all of the duties incident to the office of Treasurer/CFO and any other duties that the President/CEO or Board may assign.

5.4 ELECTION AND TERM

The Board of Directors shall elect the Corporate officers for three (3) year terms. Each officer shall hold office until a successor is duly elected and qualified or until he/she resigns, dies, or is removed in a manner as provided for in Article 7. A designation or a specified term does not grant to the officer any contract rights.

**ARTICLE 6. COMMITTEES**

6.1 APPOINTMENT

The Board Chairman shall appoint Board members to the following standing committees: Personnel/Executive Committee; and such other committees may be established by the Board of Directors.

6.2 BOARD APPROVAL

All actions taken by committees, except where previously authorized by the Board of Directors, shall be subject to Board approval.

6.3 PERSONNEL/EXECUTIVE COMMITTEE

The Personnel/Executive committee shall be composed of six (6) members. The Personnel/Executive committee shall, with the assistance, advice, and support of the agency's staff, develop and submit to the Board of Directors the following:

- (a) Screen applications and submit recommendations to the full Board for the position of President/CEO;
- (b) Periodic review of personnel policies and procedures with any changes recommended for Board action;
- (c) Annual review of salary schedule, with recommendations for changes;

- (d) The Personnel/Executive Committee shall also act as a grievance committee for certain employee complaints for which the sought after redress has not been obtained by exhaustion of existing grievance procedures, including recommendations for Board action. The Personnel/Executive committee shall act as a grievance committee only in instances of suspension, demotion, suspension pending termination or termination of employment.

6.4 SPECIAL AND AD HOC COMMITTEES

The Chairman of the Board may appoint special and *ad hoc* committees as deemed necessary. These committees may include non-Board members.

6.5 AUDIT COMMITTEE

The Audit Committee will be established by and amongst the board of directors for the purpose of overseeing the accounting and financial reporting processes of the auditor and audits of the financial statements of the auditor and to ensure proper audit partner rotation and selection. The audit committee shall, with the assistance, advice, and support of the agency's staff, be responsible to:

- (a) Receive reports from any registered public accounting firm that performs any audit required for the organization.
- (b) Be directly responsible for the appointment, compensation, and oversight of the work of any registered public accounting firm employed by the organization (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and each registered public accounting firm shall report directly to the audit committee.
- (c) Establish procedures for the receipt, retention, and treatment of complaints received by the organization regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters.

**ARTICLE 7. REMOVAL OF OFFICERS**

- 7.1 The President/CEO may be removed from employment only by the determination of the Board of Directors. A three-fourths vote of all existing Board members (excluding vacant positions) shall be necessary to remove the President/CEO. The removal shall be without prejudice to the general employment contract rights, if any, of the individual removed.

7.2 REMOVAL OF OFFICERS OTHER THAN THE PRESIDENT/CEO

The Board of Directors may remove any other officer or agent at any time, with or without cause. The removal shall be without prejudice to the employment contract rights, if any, of the individual removed.

## **ARTICLE 8. FINANCES**

### **8.1 CHECK AND BANK ACCOUNTS**

All bank accounts and deposit accounts shall be in the name of the Corporation and, unless specifically directed by the Board of Directors, such depositories may be designated by the President/CEO of the Corporation. All payments from accounts shall be made by check, signed by two (2) persons who have been designated as Signatories.

### **8.2 BOOKS AND RECORDS**

The Corporation shall keep correct and accurate books and records of account and shall keep minutes of the proceedings of its Board of Directors and Committees having delegated authority from the Board of Directors. All books and records of the Corporation may be inspected by any Board member, or his/her agent or attorney, during regular business hours at the HRDC office.

### **8.3 BONDING**

All persons authorized to sign agency checks or handle agency funds (excluding the occasional receipt of client payments, such as rents paid at the front desk) shall be bonded.

## **ARTICLE 9. CONFLICT OF INTEREST**

9.1 No Board member, employee, officer or agent of the HRDC shall participate in the selection, award, or administration of a contract supported by Federal funds if a conflict of interest would be involved with the program or project supported by those funds. For these purposes, a conflict would arise when the Board member, employee, officer, agent, any member of his or her immediate family, or his or her partner has a financial ownership interest in the award recipient.

9.2 No Board member, employee, officer, or agent of the HRDC shall solicit or accept gratuities, favors, or anything of monetary value from any entity or individual seeking to obtain a contract or agreement with the HRDC.

9.3 Board members are prohibited from being employed by the Corporation for a period of six (6) months following Board service.

### **9.4 CONFLICT OF INTEREST POLICY**

Appendix A to the Corporation's Bylaws outlines the Purpose, Definitions, Procedures, Violations, Records of Proceedings,

Compensation, Annual Statements, Periodic Reviews, and Use of Outside Experts in conducting periodic reviews.

9.5 CONFLICT OF INTEREST STATEMENT

Board members are required to complete and submit a signed statement certifying receipt of the policy and declaration of potential conflicts on an annual basis. This process will be used to identify and disclose any potential business and/or personal relationships that may create a real or apparent conflict of interest.

**ARTICLE 10. ETHICAL STANDARDS**

The following ethical standards are intended to serve as a guide to the everyday conduct of members of the Board, advisory council members, officers, agents and employees of the Corporation (collectively “HRDC representatives”). The standards are not contractual in nature, and do not create a legal obligation on the part of those designated as HRDC representatives in the standards. They are merely an expression of its dealings with all individuals. The following standards are not intended to supersede any other requirements applicable to the HRDC.

- 10.1 HRDC representatives should maintain high standards of professional conduct when representing the Corporation.
- 10.2 HRDC representatives should strive to become and remain proficient in the performance of their duties through training, education, and professional development.
- 10.3 HRDC representatives should act in accordance with the highest standards of professional integrity. HRDC representatives should carefully maintain the confidential nature of any client or personal information acquired in the course of his/her relationship with the HRDC.
- 10.4 HRDC representatives should maintain as primary principal, the concept of service to the community and to society as a whole.
- 10.5 HRDC representatives should recognize the limitations of other representatives, and to the extent consistent with personal conscience and appropriate professional performance, facilitate needed assistance to any colleague in need of help.
- 10.6 HRDC representatives are required to complete and submit a signed statement certifying receipt of the Ethical Statement (Appendix B) on an annual basis.

**ARTICLE 11. BYLAW AMENDMENTS**

- 11.1 General provisions of these Bylaws may be altered, amended or repealed, and the new Bylaws adopted by a two-thirds (2/3) vote of the Directors present at any duly called meeting of the Board of Directors, provided notice of such proposed amendment has been given to each Board member, along with notice of the meeting.
- 11.2 Provisions of the Bylaws requiring a specified majority of votes of members of the Board may only be amended or repealed, and new Bylaws relating to such provisions adopted by the same majority of votes of members of the Board required by the provisions adopted or amended.

The undersigned, Chairman of the Board of Directors for the Corporation, hereby certifies that the foregoing Bylaws were duly approved and adopted at the special and regular meeting of the Board of Directors of the Corporation on February 19, 2009. A quorum consisting of \_\_\_\_\_ members of the existing \_\_\_\_\_ member Board were present and \_\_\_\_\_ voted in favor of adoption of the foregoing Bylaws. Written notice of this meeting, including notice of changes to the Bylaws, was given to all members of the Board on February 12, 2009.

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Joe Menicucci, Chairman of the Board