



**Southwest Michigan Community
Action Agency
Governing Board of Directors'
Bylaws
Approved**

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ARTICLE I

Corporate Name

The name of this Michigan corporation is Southwest Michigan Community Action Agency (SMCAA). SMCAA is a private, non-profit organization. SMCAA was formed for purposes within the meaning of Section 501(c)(3) of the IRS Code and it shall take no action that would disqualify it from this status.

ARTICLE II

Mission and Values Statement

Southwest Michigan Community Action Agency (SMCAA) exists to assist people in economic need and enable them to achieve and sustain self-sufficiency while respecting their diversity.

In order to accomplish this mission, we will establish, coordinate and carry out programs to promote the health, education and welfare of Michigan residents with particular emphasis on low-income residents of Berrien, Cass and Van Buren counties. These programs include, but are not limited to; the provision and repair of affordable housing for persons of low to moderate income, the provision of nutritional and affordable meals and food substances for persons qualifying for assistance in their homes or gathering places, and other educational programs and any other activity designed to provide for the well-being, education and self-sufficiency of the population. Operating programs requires us to apply for, receive, administer and disburse federal, state, local and private funds as well as form partnerships with governmental and private entities sharing our purpose.

ARTICLE III

Governing Legislation

SMCAA is governed by (not all inclusive): The Community Services Block Grant (CSBG) Act of 1998 as amended. SMCAA shall operate in compliance with such acts and all other applicable state and federal laws.

In the event that the Bylaws conflict with any provisions of such acts or laws as amended, the language of the act and/or law shall govern.

ARTICLE IV

Governing Board Responsibilities

The SMCAA Board of Directors shall be the governing body of this corporation and shall be vested with all powers and duties provided under Michigan law. The Board shall similarly be vested with specific powers which shall include:

- A. The appointment, dismissal and annual evaluation of the Executive Director of SMCAA.
- B. Create and annually update, if required, the job description for the Executive Director.
- C. Oversee the establishment and review of procedures and operational policies.
- D. To ensure an annual audit is performed.
- E. To make final approval of the Agency budget and other proposals, grants, etc., that require Board approval by the funding source.
- F. The selection of officers to the Board and other committees as deemed necessary.
- G. Approve acquisition, construction and operation of revenue producing endeavors, real estate and facilities.
- H. In conjunction with the Executive Director and Leadership Team, establish an Agency strategic plan and review and update as necessary.
- I. Help seek funding to sustain SMCAA

Individual Board Member Responsibilities

- A. Develop an understanding of the mission of SMCAA.
- B. Attempt to attend all Board meetings, standing committee meetings, and other Board initiated events. When in person attendance is not possible Board members are allowed to call into a Board meeting. Board members may call in a maximum of three (3) meetings per year.
- C. Read material and come prepared to discuss issues and business to be addressed at scheduled meetings.
- D. Contribute at meetings by sharing one's own point of view and respecting opinions shared by Board members and staff at meetings.
- E. Be willing to serve on standing and adhoc committees.
- F. Support the decisions made by the Board, even if different from one's individual opinion.
- G. Continually share information with the Executive Director regarding potential new programs that help people become more self-sufficient.
- H. Speak positively about the organization in the community.

- I. Encourage special SMCAA events with personal donations and/or through volunteering.
- J. Continue to ask questions when appropriate, to be sure the Board is focused on the organization.

ARTICLE V

Composition and Selection of the Board

The Board shall consist of nine (9) members who reside or are employed within the area they represent. The Board has sole authority to recruit, select and approve Board membership in all categories. Members of the Board shall be selected and approved by the Board from three categories as follows:

A. Public Officials

One-third of the members of the Board are elected public officials currently holding office. A total of three (3) seats shall be filled by public officials.

Public officials shall be selected from the SMCAA service area. One public official will be selected from each county of the service area. Priority will be given to selection of county commissioners.

The individual elected to the Board shall be nominated and selected by the Board according to Board rules and shall serve in accordance with terms prescribed for all Board members.

B. Consumer Representatives

One-third of the members of the Board seats shall be persons chosen in accordance with democratic selection procedures adequate to assure they are representative of low-income individuals and families in the county served, and each representative of low-income individuals and families selected to represent a specific community reside or work in the community represented by the member.

The following selection procedure will be considered acceptable to be considered for appointment to a seat on the SMCAA Board:

Nominations and elections that take place within the community served by SMCAA to assure that representatives reside in low-income areas, take place previous to consideration for Board membership and are in accordance with democratic selection procedures.

C. Representatives of Private/Community Organizations

One-third of the Board will be made up of representatives of private or community organizations. For example: officials or members of business, industry, labor, religious organizations, law enforcement, agriculture, education or other major groups and interests in the community served.

A total of three (3) seats may all be filled by representatives of private/community organizations: one from Berrien; one from Cass; one from Van Buren.

Private/community organization representatives shall be selected in such a manner as to assure the Board will benefit from broad community representation.

ARTICLE VI

Terms of Office

- A. A term consists of three (3) years for all Board members.
- B. Public officials shall serve as long as the public official currently holds elected or appointed office. In the event that a public official resigns or is not re-elected, the public official relinquishes their Board position. In that event, the Board will initiate its selection procedure.
- C. All terms begin on the date of the first Board meeting following the individual's acceptance to the SMCAA Board. New members approved at the annual meeting may begin their term immediately at the first regularly scheduled meeting.

ARTICLE VII

Conflict of Interest

The Board shall determine what constitutes a conflict of interest. In the event a person is seated and later determined to have a conflict of interest as determined by the Board, termination shall be effective immediately. Conflict of interest includes, but is not limited to the following prohibitions:

- A. Board members will not participate in the selection, award, or administration of a federal, state, or local grant where his/her immediate family, partners, or affiliated organizations have a current, future, or prospective financial interest or prospective employment. There shall be no financial conflict of interest with SMCAA or delegate agencies.
- B. No person shall serve on the Board while they or a member of their immediate family are employed by SMCAA. Immediate family shall include spouse, father, mother, sibling, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law and daughter-in-law. No member of the Board shall accept anything of value with the understanding, or when it could be reasonably inferred, that it will influence the member in the discharge of their duties.
- C. An exception exists concerning conflict of interest (B) for publicly elected or politically appointed members required to sit on the Board as a matter of employment. In this event, SMCAA shall carefully document the situation and report it to the U.S. Department of Health and Human Services, Administration for Children and Families.
- D. No Board member should be receiving SMCAA grant funds for being a Vendor.

ARTICLE VIII

Removal

Any Board member may be removed for cause by a quorum vote, as defined in these Bylaws, at an official meeting of the Board. Grounds for removal shall include, but not be limited to, ineligibility for Board membership according to these bylaws, excessive absenteeism to include being absent from five (5) meetings in a twelve (12) month period without reasonable explanation, or identified conflict of interest situations. Removal can be initiated only after the member has been given thirty (30) days written notice provided by the Board Chairperson and has been advised that the matter will be considered at such meeting. The Board member will have the right to be heard and represented at the meeting in which his or her removal is being considered.

ARTICLE IX

Vacancies

There is a vacancy on the Board when a member notifies the Board of his or her resignation, when the designating units of government remove a public official, when a public official leaves office or when a Board member has been notified of his or her official removal by action of the Board for cause. When one of the above occurs, the executive Committee shall appoint a current Board member to complete the vacated term by majority vote of the Board in accordance with Article V Composition and Selection of the Board.

ARTICLE X

Quorum and Procedure

A quorum for a regular or special meeting of the SMCAA Board shall be at least five (5) out of nine (9) members which includes members physically present as well as those who call in to the meeting. A quorum of any committee or sub-committee shall also consist of at least fifty percent. (50%) of the non-vacant seats of the committee or sub-committee. Under special circumstance by the direction of the Chair, Board votes can be attained by phone, fax, or email.

Meetings will be conducted in accordance with the current edition of Robert's Rules of Order.

ARTICLE XI

Schedule and Notice of Meetings

A. Regular Meetings

The board will meet as required to conduct business. The date, time, and place of all regular meetings shall be determined in advance by the Board. **The agency must have at a minimum six meetings each year.**

B. Annual Meeting

The Board shall designate the meeting held in February of each year as the annual meeting. During the annual meeting, at least the following business shall be transacted:

1. Election of officers for the ensuing year.
2. Establish dates of the Board meetings for the ensuing year.
3. Approval of resolutions authorizing signatory authority of the Executive Director, staff and Board Members on behalf of SMCAA.
4. If necessary, the approval of new members or the re-election of current Board members.

C. Special Meetings

The Chairperson of the Board may call a special meeting or by petition signed by at least one-third (33%) of the Board members as deemed necessary. Notice of the Special Meeting shall be provided by two (2) or more of all available means of communication to each member at least three (3) business days prior, and shall include the purpose(s) for the meeting. The quorum of these bylaws will apply to special meetings as well.

D. Meeting Notice

Written notice of every regular meeting including, the date, time, place, and the agenda shall be provided to every Board member at least seven (7) days prior to the meeting. Notice of the meeting and the agenda shall be provided, if possible and practical, to any non-English speaking representative of that population in their own language upon request.

ARTICLE XII

Public Participation

- A. Total public attendance will be limited to that approved by the fire code for that meeting location. Every effort will be made to accommodate those persons not admitted to the meeting room.
- B. In order to provide an opportunity for the public to constructively engage the Board of Directors and to minimize the possibility of disruptive behavior, the following rules will be adhered to:
 1. NO FIREARMS ARE ALLOWED at any facility.
 2. Members of the public will be seated in a designated area.
 3. Any member of the public may speak to the Board at the time designated by the Board Chair as indicated on the agenda. When speaking to the Board, they will begin by

introducing themselves by name, and then stating their community of residence and county.

4. Remarks will be limited to three minutes and confined to matters within the Board's jurisdiction.
5. A group representing a specific issue or set of issues will designate one spokesperson to address the Board.
6. The SMCAA Board may meet at closed sessions in compliance with the *Michigan Open Meetings Act* (Act No. 267 of the Public Acts of 1976, MCL 15.261-15.275.)

ARTICLE XIII

Minutes

The SMCAA Board shall keep for each meeting, written minutes, which include a record of votes on all motions. Minutes of the previous meetings shall be distributed to all members before the next meeting. For translations of the Board minutes in areas where a significant portion of the poverty population does not speak English, minutes are available upon request. All official records and minutes shall be kept and maintained in the Administrative office of SMCAA.

ARTICLE XIV

Compensation and Reimbursement

No compensation shall be provided to any member of the Board for their service. The Board shall provide travel and childcare expenses for low-income individuals wishing to participate. All compensation or reimbursement is subject to the SMCAA Financial Procedures Manual and Personnel Policies Handbooks.

ARTICLE XV

Proxy Voting

Voting by proxy is not permitted at meetings of the SMCAA Board or its committees.

ARTICLE XVI

Officers and Positions

Officers of the Board shall be nominated from the Board Membership Committee at the annual meeting in February and shall take office at the first regular meeting following the annual meeting. The term of office shall be one (1) year. No individual may hold two (2) officer positions concurrently. The Board shall have the authority to remove officers at any time with or without cause and fill all vacancies at any time. Board Officers should be representative of the diverse

service area covered by the agency. Every effort shall be made to nominate officers in order to best represent the three (3) different counties. Board Officers responsibilities will be as follows:

- A. Chairperson - The Chairperson shall preside at all meetings of the Board. He or she may execute with the Executive Director, Secretary, or any other officer authorized by the Board, deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed except in cases where the signing or execution thereof shall be expressly delegated by the Board or by these bylaws to some other officer or agent of the corporation. The Chairperson shall perform all duties incident to the office and such other duties as may be prescribed by the Board from time to time.
- B. Vice-Chairperson - In the absence of the Chairperson or in the event of his or her inability or refusal to act, the Vice-Chairperson shall perform all the duties of the Chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions of the Chairperson. The Vice-Chairperson, in the absence of the Chairperson, may sign with other authorized members, any documents that the Chairperson is authorized to sign. The Vice-Chairperson shall perform such other duties as may be assigned to him or her by the Board, from time to time.
- C. Treasurer - The Treasurer shall serve as the Chairperson of the Board's Finance Committee and oversee financial records, disbursements, and grant awards pertaining to the financial status of the Corporation. In general, the Treasurer performs all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board. In the absence of the Chairperson and Vice Chairperson the Treasurer shall perform the duties of the Chairperson as noted in sections A and B above.
- D. Secretary - The secretary has general oversight to ensure that Board meeting minutes, agendas, and other relevant documents are recorded, as well as ensuring that all notices to Board members and the public are given in accordance with the provisions of the bylaws or as required by law. The Secretary shall perform all duties incident to the office of Secretary and such other duties as may from time to time be assigned by the Board. The Secretary may appoint such assistance as necessary, or request assistance from Agency staff to record minutes of the meetings.

ARTICLE XVII

Committees of the Board

All committees of the Board shall be governed by these bylaws and rules of procedure as from time to time may be adopted by the Board. Each committee shall be comprised of not less than three (3) members and shall be generally reflective of the categorical representation of the Board. All actions of the committee, with the exception of the Executive Committee as described in Section A of this Article, must be approved by the full Board.

Appointments to the standing committee shall take place no later than the second regular meeting following the annual meeting. The term of office for committee membership shall be a period of one (1) year or until the purpose of the committee is accomplished. While the standing committees

shall be as follows, other committees shall be appointed by the Chairperson of the Board as needed:

Executive Committee - The Executive Committee shall consist of the four (4) officers and one at-large member of the Board. It shall be the duty of the Executive Committee to manage the affairs of the Board generally with specific authority to transact business between Board meetings if necessary, reporting such actions at the next Board meeting. The Executive Committee shall also conduct an annual evaluation of the performance of the Executive Director and report such evaluation to the Board. Executive Committee shall determine the need for and type of financial reports, proposed budgets and compare operating costs with actual budgets and make fiscal recommendations to the Board. The Executive Committee will conduct the search for the Executive Director when the position is vacant.

ARTICLE XVIII

The Executive Director

The Executive Director shall have overall responsibility for the entire SMCAA Agency. More specific duties shall be defined in the Executive Director job description and defined in the Agency's strategic plan. The Executive Director shall report monthly on the financial and programmatic status of the Agency to the Board. The Executive Director will be evaluated in writing annually and a salary adjustment will be made if appropriate.

ARTICLE XIX

Contracts, Loans, Grants, Checks and Deposits

- A. Contracts - The SMCAA Board may by a majority vote, authorize any officer, agency, assignee or attorney, to enter into any contract or execute and deliver any instrument in the name of and on their behalf.
- B. Loans - No loans shall be contracted on behalf of the Agency and no evidence of indebtedness shall be issued in its name unless authorized by written resolution of the Board or as specifically granted to the Executive Director.
- C. Grants - If required by the funding source, grants for funds or technical assistance from federal, state, local, or private sources shall be accepted in the name of the corporation by resolution of the Board.
- D. Checks - All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the corporation shall be signed by the corporation Treasurer or other officer, or designee of the corporation as may be determined by resolution of the Board.
- E. Deposits - All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may select.

ARTICLE XX

Fiscal Year

The fiscal year of SMCAA shall be October 1 through September 30.

ARTICLE XXI

Amendments

These bylaws may be amended from time to time by a majority vote of the Board at a regular monthly meeting, or at a special meeting called for such purpose. Notice of any such meeting where an amendment is to be submitted to the Board must specifically state the nature of the amendment to be considered, and such notice shall comply with the notice of meeting provisions of these bylaws.

ARTICLE XXII

Termination of the Corporation

For a reasonable and good purpose and by at least three-fourths (3/4) favorable vote of the total membership of the Board, this corporation may be dissolved.

ARTICLE XXIII

Indemnification

A. Nonderivative Actions.

Subject to all of the other provisions of this article, 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, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the corporation). Such indemnification shall apply only to a person who was or is a director or officer of the corporation or who was or is serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or on a plea of *nolo contendere* or its equivalent, shall not by itself

create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

B. Derivative Actions.

Subject to all of the provisions of this article, the corporation shall indemnify any person who was or is a party to, 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 because (a) the person was or is a director or officer of the corporation or (b) the person was or is serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

C. Expenses of Successful Defense.

To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections A or B of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

D. Contract Right; Limitation on Indemnity.

The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the corporation as well as in such person's capacity as a director or officer. Except as provided in section C of this article, the corporation shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the board.

E. Determination That Indemnification Is Proper.

Any indemnification under sections A or B of this article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case. The corporation must determine that indemnification of the person is proper in the circumstances because the person has met the

applicable standard of conduct set forth in sections A or B, whichever is applicable. The determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
- (c) By independent legal counsel in a written opinion.

F. Proportionate Indemnity.

If a person is entitled to indemnification under sections A or B of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

G. Expense Advance.

Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections A or B of this article may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding, on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but it need not be secured.

H. Nonexclusivity of Rights.

The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

I. Indemnification of Employees and Agents of the Corporation.

The corporation may, to the extent authorized from time to time by the board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

J. Former Directors and Officers.

The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

K. Insurance.

The corporation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the corporation or (b) was or is serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. The insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify against liability under this article or the laws of the state of Michigan.

L. Changes in Michigan Law.

If there are any changes in the Michigan statutory provisions applicable to the corporation and relating to the subject matter of this article, the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that the change permits the corporation to provide broader indemnification rights than the provisions permitted the corporation to provide before the change.