



Newaygo County Area

PROMISE ZONE

Ensuring Educational Opportunities for a Promising Tomorrow

Board of Directors

By Laws and Policies

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INTRODUCTION

Name and Legal Status

The legal name of the entity is the Newaygo County Area Promise Zone Authority. The Authority may exercise any and all powers granted under the Michigan Non-Profit Corporation Act or chapter 390 of the Michigan Compiled Laws.

The Board of Directors

The Authority is governed by the Board of Directors (the Board). A principal function of the Board is to adopt Bylaws and Policies that are reasonable and necessary to guide present and future Board and Authority decision making and operations. The adoption, amendment or repeal of Bylaws or Policies requires the vote of a 2/3 vote of the Board members elected and serving.

Bylaws and Policies supplement the wide body of federal and state statutory and regulatory law that applies to governmental entities in the State of Michigan. Federal and state law supersede these Bylaws and Policies, to the extent of any inconsistency. The Board has determined that it is not reasonable or necessary to attempt to replicate federal or Michigan statutes or regulations in these Bylaws and Policies.

BYLAWS

The Board has adopted these Bylaws to define the manner in which the Board meets, operates and conducts its business. Bylaws are intended to provide for the Board's own internal governance, providing the basic framework for Board operations.

BYLAWS
OF
NEWAYGO COUNTY AREA PROMISE ZONE AUTHORITY

ARTICLE I

Name

This organization shall be called the Newaygo County Area Promise Zone Authority.

ARTICLE II

Form of Authority

The Authority is organized as a non-profit, non-stock directorship corporation.

ARTICLE III

Offices

Section 1. Principal Office. The principal office of the Authority shall be located at the Newaygo County Regional Educational Service Agency (NC RESA) Educational Service Center, 4747 W. 48th Street, Fremont, MI 49412.

Section 2. Registered Office. The registered office of the Authority may be the same as the principal office of the Authority, but in any event must be located in the State of Michigan, and be the business office of the Resident Agent, as required by the Michigan Non-Profit Corporation Act. Changes in the Resident Agent and registered address of the Authority must be reported to the Michigan Department of Labor and Economic Growth and to the Michigan Department of Treasury. The Chairperson shall serve as the Resident Agent.

ARTICLE IV

Board of Directors

Section 1. The business, property and affairs of the Authority shall be managed by the Authority Board of Directors ("Authority"). The Authority may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or Chapter 390 of the Michigan Compiled Laws. The Authority may delegate such powers to the officers and committees of the Authority as it deems necessary so long as such delegation is consistent with the Articles, these Bylaws, and the applicable law.

Section 2. Method of Selection and Appointment. The method of appointment of members of the Authority shall be governed by Section 390.1665 of the Michigan Compiled Laws. The Newaygo County Regional Educational Service Agency Superintendent is authorized to develop and administer an Authority selection and appointment process that includes an *Application for Authority Appointment* and is in accord with these policies:

- A. The Newaygo County Regional Educational Service Agency Superintendent shall appoint nine members to the Authority with the advice and consent of the Newaygo County Regional Educational Service Agency Board. One member shall be appointed by the Michigan Senate Majority Leader, and one member shall be appointed by the Michigan Speaker of the House of Representatives.
- B. Not more than three members shall be governmental officials, and one member shall be a representative of the public school community.
- C. Of the members first appointed, an equal number of the members as near as is practicable shall be appointed for one year, two years, three years and four years, and shall hold office until the member's successor is appointed. After the initial appointment, each member shall serve for a term of four years.
- D. An appointment to fill a vacancy shall be made by the consensus of the Authority (by a 2/3 majority vote) for the unexpired term only.
- E. The Chairperson of the Authority shall be elected by the Board.
- F. Members of the Authority shall serve without compensation, but may be reimbursed for actual and necessary expenses.

Section 3. Oath of Public Office. All members of the Authority must take the constitutional oath of office and sign the Oath of Public Office. No appointment shall be effective prior to the filing of the Oath of Public Office with the Newaygo County Regional Educational Service Agency offices.

Section 4. Removal. Any director may be removed by the Authority by a two-thirds vote of the Board of Directors of the Authority.

Section 5. Resignation. Any director may resign at any time by providing written notice to the Authority or by communicating such intention (orally or in writing) to the Chairperson. Notice of resignation will be effective upon receipt or at a subsequent time if designated in a written notice. A successor shall be appointed as provided in Section 2D of this Article.

Section 6. Board Vacancies. A Board of Director vacancy shall occur because of death, resignation, removal, failure to maintain residency in the State of Michigan, disqualification or as otherwise specified by statute. Any vacancy shall be filled as provided in Section 2D of this Article.

ARTICLE V

Annual Regular Meeting

Section 1. The Authority shall hold an annual meeting each year. The Authority must approve by resolution the time and place within the State of Michigan for the holding of regular quarterly meetings. The Authority shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

Section 2. Special Meetings. Special meetings of the Authority may be called by or at the request of the Chairperson or by a majority of the Authority. The Chairperson may fix the place within the State of Michigan for holding any special meeting of the Authority called if no other place is fixed, the place of meeting shall be the principal business of the Authority in the State of Michigan. The Authority shall provide notice of all special meetings as required by the Open Meetings Act.

Section 3. Notice and Waiver. The Authority must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each director stating the time and place of the meeting, delivered personally, mailed, sent by facsimile or electronic mail to the director's home or business address.

Section 4. Quorum. In order to legally transact business, the Authority shall have a quorum physically present at a duly called meeting of the Authority. A "quorum" shall be defined as follows: Seven (7) members of the Authority.

Section 5. Manner of Acting. The act of the majority of the directors at a meeting at which a quorum is present shall be the act of the Authority. The Authority shall permit polling or e-voting as allowed under the Open Meetings Act. Silence is consensus.

Section 6. Open Meetings Act. All meetings for the Authority shall at all times be in compliance with the Open Meetings Act.

Section 7. Presumption of Assent. A director of the Authority who is present at a meeting of the Authority at which action on any corporate matter is taken shall be presumed to have assented to the action unless that director's dissent shall be entered in the minutes of the meeting.

ARTICLE VI

Committees

Section 1. The Authority by resolution may designate one or more committees; each committee is to consist of one or more directors selected by the Authority. As provided in the resolution initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Authority, except (i) filling of vacancies in the officers of the Authority of committees created pursuant to this section; (ii) amending the Articles of Incorporation or Bylaws; or (iii) any action the Authority cannot lawfully delegate under the Articles, Bylaws of applicable law. All committee meetings shall at all times be in compliance .

with the Open Meetings Act. Each committee shall make such recommendations to the Authority of its activities as the Authority may request.

ARTICLE VII

Officers of the Board

Section 1. The Authority shall nominate and elect a chairperson and Treasurer of the Board on an annual basis without limitation on each term. Service as chairperson will run from July 1 through June 30.

Section 2. Removal. The chairperson or any officer or agent elected or appointed by the Authority may be removed by the Authority, by a 2/3 majority vote, whenever in its judgment the best interest of the Authority would be served thereby.

ARTICLE VIII

Contracts, Loans, Checks and Deposits; Special Corporate Acts

Section 1. Contracts. The Authority may authorize any officer or officers, agent or agents to enter into any contract, to execute and deliver any instrument or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the Authority. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by an instrument in writing. No contract entered into, by or on behalf of the Authority shall in any way bind the Newaygo County Regional Educational Service Agency or impose any liability on the Newaygo County Regional Educational Service Agency, its trustees, officers, employees, or agents.

Section 2. Loans. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name. No loans, advance, overdraft, or withdrawal by a director or the chairperson other than in the ordinary and usual course of the business of the Authority shall be made or permitted.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by the fiduciary designee and in such manner as shall from time to time be determined by resolution of the Authority.

Section 4. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Authority may select provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

Section 5. Voting of Gifted, Bequested or Transferred Securities Owned by the Authority. Subject always to the specific directions of the Authority, any shares or other securities issued by another corporation and owned or controlled by the Authority may be voted at any meeting of security holders or such other corporation by the chairperson of the Authority, or by the proxy appointed by the chairperson, or in the absence of the chairperson and the chairperson's proxy, by the director of the Authority. Such proxy or consent in respect to any shares or other securities issues by any other corporation and owned by the Authority shall be executed in the name of the Authority by the chairperson or the director without the necessity of any authorization by the Authority, affixation of corporate seal or countersignature of attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Authority shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by the Authority the same as such shares or other securities might be voted by the Authority. This section shall in no way be interpreted to permit the Authority to invest any of its surplus funds in any shares or securities issued by any other corporation. This section is intended to apply, however, to all gifts, bequests or other transfer of shares of other securities issued by any other corporation which are received by the Authority.

Section 6. Contracts, Between the Authority and Related Persons. As required by applicable law, any director, officer or employee of the Authority who enters into a contract with the Authority that meets the definition of a contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being Sections 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirements set forth in Section 3 of the statute.

ARTICLE IX

Indemnification

Each person who is or was a director, officer or member of a committee of the Authority and each person who serves or has served at the request of the Authority as a trustee, director, officer, partner, employee, or agent of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Authority to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The Authority may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the Authority would have power to indemnify such person against such liability under the preceding sentence. The Authority may, to the extent authorized from time to time by the Authority, grant rights to indemnification to any employee or agent of the Authority to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

ARTICLE X

Fiscal Year

The fiscal year of the Authority shall begin on the 1st day of July in each year.

ARTICLE XI

Amendments

These Bylaws may be altered, amended or repealed and new Amended Bylaws may be adopted by obtaining the affirmative vote of a majority of the Authority at any regular or special meeting of the Authority, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements of these Bylaws and applicable law, and the written approval of the changes or amendments by 2/3 vote of the Authority. These Bylaws and any amendments to them take effect only after they have been approved by the Authority.

CERTIFICATION

The Authority certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open public act meeting by the Authority on the 14th day of February, 2017.

The Authority further certifies that these Bylaws were provided to the Newaygo County Regional Educational Service Agency Board by the Authority, and that a copy of the executed Bylaws is being presented to the Newaygo County Regional Educational Service Agency Superintendent.
Dr. Lori Tubbergen Clark, Chairperson Newaygo
County Area Promise Zone Authority.

Dr. Lori Tubbergen Clark, Chairperson Newaygo
County Area Promise Zone Authority



CODE OF ETHICS

Each Board member will be asked to acknowledge and sign the following code of Ethics:

As a member of the Board, I will promote the best interest of the Authority as a whole and will adhere to the following ethical standards and principles:

1. I will represent all Authority constituents honestly and equally and refuse to surrender my responsibilities to any partisan principal, group or interest.
2. I will avoid any conflict of interest prohibited by law or appearance of such that could result from my position, and will not use my membership on the Board for personal gain, where contrary to the interests of the Authority.
3. I will recognize that a Board member has no legal authority as an individual and that decisions can be made only by a majority vote at a public meeting of the Board.
4. I will take no private action that might compromise the Board or administration and will respect the confidentiality of privileged information.
5. I will abide by majority decisions of the Board, while retaining the right to seek changes in such decisions through ethical and constructive channels.
6. I will encourage and respect the free expression of opinion by my fellow Board members and will participate in Board discussions in an open, honest and respectful manner, honoring differences of opinion or perspective.
7. I will prepare for, attend and actively participate in Board meetings.
8. I will become sufficiently informed about and prepared to act on the specific issues before the Board.
9. I will respectfully listen to those who communicate with the Board, seeking to understand their views, while recognizing my responsibility to represent the interests of the entire community.

10. I will strive for a positive working relationship with the Chairman, respecting the Chairman's authority to advise the Board, implement Board policy, and administer the Authority.
11. I will model continuous learning and work to ensure good governance by taking advantage of Board member development opportunities, including those sponsored by state and national school board associations, and encourage my fellow Board members to do the same.
12. I will strive to keep the Board focused on its primary work of clarifying the Authority purpose, direction and goals, and monitoring performance.

Confidentiality

Confidentiality Board members will receive information that is not available to the general public. This includes information that is received during a closed session of the Board. In order for the proper functioning of the Board, an individual Board member will not share confidential information without the prior authorization of the Board or as may be required by law.

Officers

Chairman The Chairman of the Board will preside at all meetings of the Board and conduct meetings in the manner prescribed by these Bylaws. The Chairman will prepare the agenda for Board meetings in consultation with the Committee Chairman and may perform such other tasks as are reasonably necessary to facilitate Board meetings.

The Chairman, or his/her designee, functions as the official spokesperson for the Board. The Chairman will be the official recipient of correspondence directed to the Board and will provide copies of Authority related correspondence to all other Board members. Board members who receive Authority related correspondence that was not addressed to the Chairman will promptly provide a copy to the Chairman.

The Chairman will sign all papers and documents required by law or otherwise authorized by action of the Board.

The Chairman, on behalf of the Board, is authorized to consult legal counsel prior to presentation of an issue to the full Board.

Treasurer The Treasurer of the Board will sign all Authority documents required by law or otherwise authorized by action of the Board and perform other duties required by law and/or assigned by the Board.

Secretary The Secretary of the Board will be responsible for maintaining the Board minutes in conformity with applicable legal requirements and performing such other duties as the Board may from time to time determine.

Compensation

Board members will not be paid compensation for serving on the Board

Investment of Funds

Annually, the board shall pass a resolution authorizing the Board Treasurer to invest surplus funds of the entity. The Board Treasurer, with the authorization of the Board, may delegate day-to-day duties involving the investment of funds to the Director.

Should the Board choose to employ an outside consultant to advise the Board Treasurer, or Director if so delegated, that consultant, or consulting firm, shall be duly registered under the Investment Advisor's Act of 1940.

The Authority's investment portfolio shall be structured in such a way that the primary emphasis is on safety and liquidity of investments and preservation of the principal amount invested, as opposed to the rate of the return. The Authority's cash flow needs shall be taken into account at all times when investments are contemplated.

In order to reduce the risk of losses on Authority investments, only "low-risk" investment instruments shall be used by the Authority. No Authority investments shall involve foreign currency risk. This policy applies to all cash and investments under control of the Board, with the exception of funds related to debt insurance where other agreements or contracts are in effect for those funds.

The Treasurer may develop appropriate administrative rules to accompany this policy. All investments shall comply with state law.

Reporting of Investment Risks

Although the investment policy serves to reduce the risks associated with the investment of Authority dollars, the Authority may have deposits and investments that are subject to various levels of risk.

Statement No. 40 of the Governmental Accounting Standards Board (GASB) requires that certain deposits and investments of a local government that have the potential to result in losses be disclosed in Authority financial statements. The administration, in consultation with the Authority auditor or accounting firm as necessary, shall insure that the Authority's financial statements comply with GASB Statement No.40.

The Chairman or Director may establish appropriate administrative rules to implement this policy.

Depository of Funds

At the annual meeting, the Board shall, in accordance with state law, designate, by resolution, the financial institutions in which the funds of the Entity shall be deposited and the proportion of funds to be deposited in each. The Board Treasurer, Chairman or Secretary, if delegated by the Board Treasurer and approved by the Board, shall deposit or cause to be deposited, funds of the Authority in the institutions as authorized by the Board and in proportions authorized by the Board.

Authorized Signatures

At the annual organizational meeting, the Board shall authorize the signatures of those persons who may sign checks upon the various accounts of the Authority. Facsimile signatures may be used as authorized by the Board.

Reimbursements of Expenses

Authority personnel, or members of the Board, who incur expenses in carrying out their authorized duties shall be reimbursed by the Authority to the extent approved or provided under law, in Board policies, or duly negotiated agreements upon submission of an approved voucher and supporting receipts. Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.

Purchasing Goods and Services

The Chairman shall be the sole purchasing agent for the Authority.

Purchasing from Authority Employees

The Board shall not purchase equipment, supplies, or services from any employee who is employed by the Authority for more than an average of 25 hours per week, nor from a member of a household of that employee, nor from any firm in which that employee or member of his/her household holds a 10 percent or greater financial interest.

Purchases through the Authority

Board members and employees shall not make any purchase through the Authority for personal use. The name of the Authority, or an employees' position, shall not be used in such manner that discounts or cost preferences are given to such person. Purchasing equipment and supplies by the Authority for resale to employees is prohibited.

Emergency Purchases

Emergency purchases may be made without using the quotation or bidding process. Such emergencies may arise because of an accident or other unforeseen occurrence that could affect the life, health, welfare, or safety of the Authority's employees.

Payment Procedures

Payment of bills shall be considered by the Board at regular Board meetings, upon recommendation by the Chairman.

Upon receipt of a request for payment by an Authority vendor, and upon receipt of all goods or satisfactory completion of all services from said vendor, the Authority may authorize payment to said vendor.

The Board may designate one or more Board members or employees to pay bills in advance of any Board meeting in order to avoid a penalty for late payment or to take advantage of an early payment discount. Upon approval by the Chairman and presentation of sufficient supporting documentation the Treasurer is authorized to pay Authority vendors. All checks shall be signed by two individuals approved as authorized signatures by the Board.

Procurement of goods or services in excess of \$2500 should be obtained by a bidding process, except for tuition payments billed by the colleges. The sealed bids will be reviewed and a vendor approved by the Operations Committee. Electronic voting for approval is permitted.

Fraud Prevention and Investigation

The Board expects all employees, Board members, consultants, vendors, contractors, and other parties maintaining any business relationship with the Authority to act with integrity, due diligence, and in accordance with all laws in their duties involving the Authority's fiscal resources. The Authority is entrusted with public dollars and no person connected with the Authority should do anything to erode that trust.

The Chairman and Operations committee shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the Authority. Every member of the Authority's administrative team shall be alert for any indication of fraud, financial impropriety, or irregularity within his/her areas of responsibility.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor and/or Chairman. The Chairman shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the Authority's legal counsel, auditing firm, and other internal or external departments and agencies, including the Newaygo County Prosecutor's Office and law enforcement officials, as the Chairman may deem appropriate.

In the event the concern or complaint involves the Chairman, the concern shall be brought to the attention of the treasurer of the Board who shall be empowered to contact the Authority's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

The Chairman may elect to employ the Authority's auditing firm to conduct a partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The Chairman is authorized to order a complete forensic audit if/ in his/her judgement, such an audit would be useful and beneficial to the Authority.

