

**BYLAWS**  
**CHILDCARE MATTERS, INC.**  
*(a North Carolina Nonprofit Corporation)*

**ARTICLE I: IDENTITY**

1.1 NAME

The name of the Organization shall be Childcare Matters, Inc. ("CCM").

1.2 CORPORATE PURPOSE

CCM is a non-profit "Membership" corporation formed to preserve and continue the operation of the former Holy Family Daycare Center ("HFDC"), by maintaining the integrity of its staff and parent community. CCM shall seek to provide high quality child-care and age-appropriate education, and shall continue to seek to extend this opportunity to children of low-to-middle income families. CCM shall operate as a full-time, star-rated, preschool child-care facility, duly licensed by the North Carolina Department of Health and Human Services, Division of Child Development.

As a non-profit, no part of the net earnings of the corporation shall inure to the benefit of or be distributed to any director, employee or other individual, partnership, estate, trust or corporation having a personal or private interest in the corporation. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of the corporation shall be limited to reasonable amounts. No substantial amount of the activity of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and this corporation shall not intervene in any political campaign on behalf of or in opposition to any candidate for public office.

In the event that the Membership elects to alter the non-profit status of the corporation, the corporation and/or its assets shall be purchased at a reasonable price and the proceeds distributed to a non-profit tax exempt entity.

1.3 CORPORATE PRINCIPLES

We believe that a positive start during the first five years of life is critical to a child's future; that each child is unique and deserves respect; that a child's preschool

experience is enhanced when parents and teachers work together as partners; and that having an ethnically diverse clientele and staff leads to a richer experience for all.

We seek to provide a positive work environment, treating CCM staff as professionals, by paying reasonable wages, providing generous benefits, and by allowing staff autonomy in their classrooms. CCM supports an environment that is rich in language, art, and sensorial exploration, providing ample opportunities for children to develop and practice self-expression and social skills, thus complementing the children's home life. CCM promotes a sense of community among the families served.

## **ARTICLE II – MEMBERS**

### **2.1 QUALIFICATIONS AND RESPONSIBILITIES OF MEMBERS**

Membership in CCM shall consist of any adult person that is a Parent with a child or children enrolled in CCM or on the Staff employed by CCM. The Director shall also be a Member, but subject to a voting limitation. Members shall have the power to perform the following functions:

- A. Members shall vote to select the Board of CCM as provided herein.
- B. Members shall vote to amend the Bylaws of CCM.
- C. Members shall vote on any proposal to alter the non-profit status of CCM, which shall require the affirmative vote of at least 75% of the membership.
- D. Members shall vote on any proposal to voluntarily dissolve CCM, which shall require the affirmative vote of at least 75% of the membership.

### **2.2 LOCATION OF MEMBER MEETING**

Meetings of the Members shall be held at the registered office of CCM, or such other place within Orange County, North Carolina as may be designated from time to time by the Board.

### **2.3 ANNUAL MEETING**

The Members shall meet at least once each year as specified in the notice of such meeting given pursuant to Section 2.5. At each annual meeting the Members shall

elect members of the Board and may transact any other business properly coming before them.

## 2.4 SPECIAL MEETING

Special meetings of the Members may be called at any time by the Board, and shall be called and held within thirty (30) days after any written request signed by members of CCM entitled to cast at least sixty percent (60%) of the total votes is delivered to any Board Member of CCM. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

## 2.5 NOTICES

Notice of all meetings of the Members, stating the time and place, and accompanied by a complete agenda thereof, shall be given by the President or Secretary to each Member.

Such notice shall be in writing, and shall be hand delivered or sent by the United States Mail to the Members at their last known address and to other addresses as any Member may have designated to the President or Secretary, at least thirty (30) days (but not more than sixty (60) days) in advance of any annual or regularly scheduled meeting and at least seven (7) days in advance of any other meeting.

Notice may be waived by actual attendance at a meeting as indicated by a signed waiver or by roll call of the members present recorded in the minutes of the meeting, but a meeting may not proceed by such waiver unless 75% of the Members are present.

## 2.6 QUORUM; ADJOURNMENT IF NO QUORUM.

Where voting does not require a specific percentage of participation, a quorum shall consist of Members present, in person or by proxy, entitled to cast at least Fifty One Percent (51%) of the total votes in CCM. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present.

## 2.7 VOTES

There shall be one vote for each parent Member with a child enrolled in CCM at the time the vote is taken and one vote for each staff Member. The Director shall vote as a Member for the purpose of voting on whether to amend the Bylaws, to alter the non-profit status of CCM, or to dissolve CCM, but shall not be entitled to vote on the selection of Board Members (this does not prohibit the Director from making nominations).

## 2.8 MANNER OF CASTING VOTES

Votes may be cast in person or by proxy. A proxy must be in writing, be signed by all Members entitled to cast the votes which are subject to the proxy, may be given only to another Member, and shall be filed with the Board Secretary before the meeting. A proxy shall be valid until revoked in writing.

## 2.9 REQUIRED VOTES

All questions shall be decided by a majority of the votes cast on the questions, unless the provisions of applicable law or these Bylaws require a greater vote.

## 2.10 ACTION BY MEMBERS WITHOUT MEETING.

Any action that may be taken at a meeting of the Members, may be taken without a meeting if such action is authorized in writing setting forth the action taken and is signed by all Members, or if such action is taken in any other manner permitted by law.

# **ARTICLE III - BOARD MEMBERS**

## 3.1 GENERAL POWERS.

The business and affairs of CCM shall be managed by a Board of Members. The Board shall consist of those persons elected by the Members and such successors as may be elected or appointed pursuant to these Bylaws. Board Members shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of CCM as they may deem proper, not inconsistent with these Bylaws, and the laws of this State.

## 3.2 NUMBER AND QUALIFICATIONS OF BOARD MEMBERS

The Board shall consist of Five (5) natural persons, as determined by election at an annual meeting by the Members. Each Board Member shall be a Member of CCM. Members of the Board shall serve as Officers to provide leadership to CCM. There shall be five Officers of the Board consisting of the Chair Member/President, Vice President, Secretary, Treasurer, and Staff Consul. In exercising the general powers of the Board, the respective duties of each Officer include, but are not limited to, the following:

(a) **Chair Member/President:** The Chair Member shall call and preside at all meetings of the Board, and shall appoint the head of any committee created by the Board with the advice and consent of the full Board. As President the Chair Member shall serve as the chief executive of the non-profit for legal purposes, and as check signing agent when the Treasurer is not available. All agreements, deeds, mortgages, or other instruments shall be executed by the President (or Vice President) and another Board Member unless the Board has specifically authorized the Director to contract on behalf of CCM with respect to aspects of the day to day operation of a daycare facility. The Chair Member shall be appointed by motion and vote of the Membership.

(b) **Vice President:** The Vice-President shall perform the duties of the President in his/her absence, and shall provide a second level of leadership to assist the President in the performance of executive duties. The Vice-President shall be appointed by motion and vote of the Membership.

(c) **Secretary:** The Board Secretary shall maintain a Membership roster for CCM, available for inspection upon request with reasonable notice by any Member. The Secretary shall record the proceedings of all Board meetings and decisions. In the event that the Board agrees to take a vote by email, the Secretary shall record the vote in the minutes of the following meeting. The Secretary shall also record the votes of Members at Member meetings. The Secretary shall maintain and update minutes of Board meetings at least monthly. Minutes of Board meetings shall either be posted or made available to Members upon request, unless such Minutes contain confidential information regarding a Child, Parent Member, Staff Member, Board Member, or the Director, and the individual concerned has not waived confidentiality. The Secretary shall be appointed by motion and vote of the Membership.

(d) **Treasurer:** The Treasurer shall have custody of all intangible property of CCM, including funds, securities, and evidences of indebtedness; shall keep the books of the corporation in accordance with good accounting practices and principles, and upon request, shall submit them, together with all vouchers, receipts, records, and other papers to the Board for examination and approval; shall deposit all moneys and other

valuable effects in depositories designated by the Board; shall disburse funds as directed by the Board; and shall perform all other duties incident to the office of a treasurer of a corporation. The Treasurer shall be responsible for analysis, reporting, and planning of the finances of CCM. The Treasurer shall: (i) prepare and present to the Board a quarterly summary analysis of the financial position and performance of CCM based upon information provided by the Director and/or obtained by review of the corporate accounts; and (ii) oversee the preparation of the annual budget; and (iii) serve as the check signing agent for CCM. The Treasurer shall be appointed by motion and vote of the Membership, but with Board approval may delegate the actual compilation of accounting information to a professional accountant.

(e) **Staff Consul:** The Staff Consul shall be responsible for raising the concerns of staff Members with the Board, reporting on Board activities to the staff Members, and shall confer with the Director concerning the day to day direction of CCM in accordance with Board operational and policy directives. The Staff Consul shall be selected solely by staff Members from among the staff Membership

### 3.3 ELECTION OF BOARD MEMBERS

At the first annual meeting of the Members, and at each subsequent annual meeting, the Members shall elect the Board Members by a majority of the votes cast in the election, except for the Staff Consul who shall be nominated and voted upon solely by the staff Members.

### 3.4 TERM

The terms of the Board Members shall be for one (1) year. There is no limit to the number of terms that Board Members may serve.

### 3.5 REMOVAL

Service on the Board is voluntary, and Board Members may resign at will if they become unwilling or unable to serve. Attendance at regular Board meetings is a mandatory condition of serving as a voting Member on the Board. Excessive unexcused absences, as determined in the discretion of the Board, will be considered justifiable cause to remove a Member from the Board. If the performance of a Board Member is deemed unsatisfactory due to absence or for other good cause, the Member may be removed by a unanimous vote of vote of the other Board Members.

Any Board Member may be removed, with or without cause, by a vote of the Members entitled to cast at least sixty percent (60%) of the total votes in the Association, at a special meeting called for such purpose, and a successor may then be elected by the Members to serve for the balance of the removed Board Member's term.

### 3.6 VACANCIES

Any vacancy in the Board arising by removal or resignation of a Board Member shall be filled by act of the remaining Board Members, whether or not constituting a quorum, and a Board Member so elected shall serve for the unexpired term of his or her predecessor in office.

### 3.7 REGULAR MEETINGS

Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the Board. Notice of regular meetings shall be given to each Board Member, personally or by mail, telephone, telegraph, or email at least seventy-two (72) hours prior to the meeting. Regular Board meetings are open to Member observation, but are closed to participation unless a written request to add an agenda item is submitted to the Secretary seventy-two (72) hours prior to the meeting. Regular meetings, or a portion thereof, may be closed if confidential matters are at issue regarding a Child, Parent Member, Staff Member, Board Member, or the Director, and the individual concerned has not waived confidentiality.

### 3.8 SPECIAL MEETINGS

Special meetings of the Board may be called by the President or Secretary and shall be called by the President or the Secretary and held within ten (10) days after any written request by two (2) Board Members is delivered to the President or the Secretary. Not less than seventy-two (72) hours notice of such special meeting shall be given personally or by mail, telephone, telegraph, or email to each Board member; provided that in case the President or any Board Member determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof. Required Notice may be waived by actual attendance at a meeting, but no such meeting by waiver may take place unless all of the Board Members of CCM attend. Special Meetings are subject to the same requirements as regular meetings regarding agenda items and confidential matters.

### 3.9 QUORUM; ADJOURNMENT IF NO QUORUM.

A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Board Member of the minutes of a meeting shall constitute the presence of such Board Member at that meeting for the purpose of determining a quorum.

### 3.10 MANNER OF ACTING

Each Board Member shall be entitled to one (1) vote. The act of a majority of the Board Members present at a meeting shall constitute the act of the Board.

### 3.11 BOARD ACTION WITHOUT MEETING

Any action that may be taken at a meeting of the Board may be taken without a meeting if such action is authorized in writing, setting forth the action taken, and signed by all Board Members.

### 3.12 COMPENSATION OF BOARD MEMBERS RESTRICTED.

Board Members shall receive no compensation for their service to CCM, but may be paid for out-of-pocket expenses incurred directly in the performance of their duties as Board Members.

### 3.13 POWERS AND DUTIES OF BOARD.

All of the powers and duties of CCM shall be exercised by the Board, including those existing under the common law, applicable statutes, these Bylaws, and any amendment thereof. Such powers and duties shall be exercised in accordance with the provisions of applicable law and these Bylaws, and shall include, but not be limited to, the following:

(a) To prepare and provide to Members annually, a report containing at least the following:



(i) A statement of any capital expenditures anticipated by CCM during the current year or succeeding two (2) fiscal years.

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Board.

(iii) A statement of the financial condition of CCM for the last fiscal year.

(iv) A statement of the status of any pending suits or judgments in which CCM is a party.

(v) A statement of the insurance coverage provided by CCM.

(vi) A statement of any unpaid debts to CCM, identifying the amount of the unpaid debt and the responsible party.

(b) To adopt and amend budgets and to determine and collect fees.

(c) To regulate the use of, and to maintain, repair, replace, modify and improve any facilities in which CCM operates in compliance with State law and regulations.

(d) To adopt and amend rules and regulations and to establish reasonable penalties for infraction thereof.

(e) To enforce the provisions of these Bylaws, and rules and regulations by all legal means, including injunction and recovery of monetary penalties.

(f) To hire and terminate a Director and to delegate to such Director such powers and duties as the Board shall determine, except such as are specifically required by these Bylaws to be done by the Board or the Members.

(g) To hire and terminate employees, agents, and independent contractors and promulgate operational and personnel policy directives with respect to such employees, agents, or independent contractors.

(h) To institute, defend, intervene in, or settle any litigation or administrative proceedings in its own name on behalf of itself or its Members on matters affecting the operation or interests of CCM.

(i) To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose.

(j) To borrow money for the maintenance, repair, replacement, modification or improvement of facilities and to pledge and pay fees, and any and all other revenue and income, for such purpose.

(k) To buy, sell, lease, mortgage, and otherwise deal from time to time with respect to any facilities utilized by CCM.

(l) To impose and receive payments, fees and charges for CCM services.

(m) To grant leases, licenses, concessions and easements through and over any real property owned by CCM.

(n) To provide for indemnification of Board Member Officers and the Director and maintain Officers' and Directors liability insurance, and such other and further insurance as is required to operate a childcare facility.

(o) To impose charges for late payment of fees and, after notice and an opportunity

(p) To form such committees of Members or non-Members (where the Board determines non-Member participation is expedient for a specific purpose), as the Board determines to be useful to meet the needs and further the functioning of CCM and its Board. A specific committee generally shall not be larger than two persons, and shall not be larger than the Board itself unless the full Board agrees that such committee is necessary to achieve a specific purpose.

#### **ARTICLE IV – DIRECTOR**

##### **4.1. GENERAL POWERS**

The Director shall be responsible for managing the day-to-day operation of the CCM facility. The Director shall be considered a Member of CCM as set forth above.

The primary responsibility of the Director is to ensure that there is ongoing supervision to achieve and maintain the provision of childcare services. The Director shall ensure that CCM operations shall be conducted in accordance with the stated goals and policies of these Bylaws, the Operational and Personnel Policies of the Board, and in compliance with the requirements of the Division of Child Development.

#### 4.2 DIRECTOR'S ROLE

In managing the day-to-day operation of the Center, the Director shall:

- (a) Report regularly to the Board and maintain close communications and consultation with the President and Staff Consul;
- (b) Ensure implementation of all CCM policies and compliance with State and Federal regulations;
- (c) Hire, supervise, evaluate, and terminate CCM staff, in consultation with the President and Staff Consul (and where any staff hiring or termination is not uniformly agreed upon by these individuals, in consultation with the full Board) according to the provisions of the operational and personnel policies adopted by the Board of CCM and in compliance with the Division of Child Development;
- (d) Exercise such other and further responsibilities as are outlined in the Director's job description pursuant to written CCM operational or personnel policies, as amended from time to time, or as otherwise necessary to fulfill the goals of the corporation.

#### 4.3 BOARD FUNCTION

The Director shall be a non-voting ex-officio member of the Board, and is expected to attend regular meetings unless specifically informed that a topic to be discussed may present a conflict of interest for the Director.

#### 4.2 REMOVAL

The Director shall be a contract employee of CCM, and may resign or be removed subject to the provisions of the employment contract. At a minimum, the employment contract shall provide that the Director may be removed for cause as determined by the Board and set forth in the operational and personnel policies of CCM. The employment contract shall also provide that a Director may be removed for cause

by the Members at a special meeting called for such purpose, where cause is defined as a the affirmative vote of the Members entitled to cast at least seventy-five percent (75%) of the total votes in CCM.

## **ARTICLE V - FISCAL MANAGEMENT**

### **5.1 DEPOSITORY.**

The Board shall designate a depository for the funds of CCM, and may change such depository. Withdrawal of funds from such depository shall be by check signed by the check signing agents designated in these Bylaws, or as otherwise authorized by the Board with respect to regular recurring expenses and/or incidental expenses.

### **5.2 PAYMENT VOUCHERS.**

Payment vouchers (i.e. checks, wire-transfers, electronic payments) shall be individually approved by the Board, unless the Board has generally approved a specified category of payment voucher, whether by its designated check signing agents, or by provision in its operational or policy directives that with respect to payment vouchers incidental to day to day operations, the Board has delegated check signing or electronic payment authority to the Director.

### **5.3 FISCAL YEAR.**

The fiscal year of the corporation shall begin on the 1st day of January in each year. Without modification of the Bylaws, the fiscal year of CCM may be determined from time to time by the Board of Members.

### **5.4 FUNDS AND RESERVES**

All sums collected by CCM for fees or other contributions shall be accounted for as directed by the Board. In addition to a General Operating Account, the following Funds may be maintained, if, in the discretion of the Board, such Funds and methods of accounting are desirable for CCM:

(a) **Reserve Fund for Repairs and Replacements.** To this fund shall be credited all sums collected for the purpose of effecting maintenance, repairs and replacements of the CCM facilities and improvements located within such facilities. The

amount designated as needed to be maintained within this reserve fund shall be determined and designated, from time to time, by the Board of Members.

(b) **General Operating Reserve Fund.** To this fund shall be credited all sums collected to provide a reserve for purposes of providing a measure of financial stability during periods of special stress, and may be used to meet deficiencies from time to time as a result of delinquent payments of fees and other contingencies.

(c) **Tuition Scholarship Fund.** To this fund shall be credited any collections, grants, or donations for the purpose of providing childcare services tuition assistance at CCM for low to middle income families.

(d) **Working Capital Fund.** All funds, if any, received by CCM for working capital to defray unforeseen expenses and/or the cost of additional equipment or services, including but not limited to investment in staff education, deemed necessary or desirable by the Board, shall be maintained in and segregated in this fund for the use and benefit of CCM.

## **ARTICLE VI: AMENDMENT OR DISSOLUTION**

### **6.1 AMENDMENT**

Amendment to these Bylaws shall require the majority vote of the Members. The Quorum necessary for a vote to amend the Bylaws shall require participation by 75% of the Members, either in person or by proxy.

### **6.2 DISSOLUTION**

Dissolution of the corporation shall be in compliance with the provisions of N.C. Gen. Stat. § 55A-14-02, save that voluntary dissolution must be approved by 75% of the Members. Any plan of dissolution proposed shall comply with the provisions regarding distribution priorities set forth in N.C. Gen. Stat. § 55A-14-03. Upon dissolution, any assets of the corporation in excess of its liabilities shall be distributed to another non-profit entity and not to any of the Members.

## **ARTICLE VII: GENERAL PROVISIONS**

### **7.1 PARLIAMENTARY AUTHORITY.**

Where applicable and expedient for the conduct of business, Robert's Rules of Order, Newly Revised, shall govern the conduct of the CCM proceedings, when not in conflict with these Bylaws, any statutes of the State of North Carolina, or regulations of the Division of Child Development applicable thereto.

## 7.2 COMPLIANCE WITH LAW CONFLICT; SEVERABILITY.

These Bylaws are established in compliance with the law of the State of North Carolina. Should any of the terms, conditions, provisions, paragraphs, or clauses of these Bylaws conflict with any of the provisions of said law, the provisions of said law shall control unless the law permits these Bylaws to override the law, in which event these Bylaws shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

ADOPTED BY THE MEMBERS OF CHILDCARE MATTERS, INC.,  
through its duly elected Board Members and Officers upon the affirmative vote of 75%  
the Members of the Association.

This the 11th day of December, 2008

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Laura Irwin  
Chair Member and President

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Zach Pekar  
Vice President

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David Frazelle  
Secretary

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Leigh Kempf  
Treasurer

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Larry Jackson  
Staff Consul