

**DREAMS of Wilmington, Inc.**  
**Bylaws**

**Article I. Name of Organization**

The name of the corporation is DREAMS of Wilmington, Inc.

**Article II: Corporate Purpose**

**Section II.1. Nonprofit Purpose**

This corporation is organized exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organization under section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future federal tax code.

**Section II.2. Specific Purpose**

Dreams of Wilmington, Inc., a nonprofit corporation, exists to provide disadvantaged young people in Wilmington, NC with a nurturing, safe, creative environment. Dreams will enable such young people with the desire to learn about and participate in drama, dance, music and art; to attend performances; and to participate in lessons free of charge to the extent that its financial resources permit.

Dreams believes that involvement in the arts for young people can be a deterrent to criminal activities and an opportunity to expand horizons for self-expression. Dreams believes that through its access to the vibrant and growing artistic community and financial assistance from businesses, government and individuals, it can provide disadvantaged youth with the assistance needed to productively participate and develop in the creative arts.

**Article III. Membership**

The membership of the Corporation shall consist of the members of the Board of Directors.

**Article IV. Board of Directors**

**Section IV.1. General Powers**

The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have control of and be responsible for the management of the affairs and the property of the Corporation.

**Section IV.2. Number, Tenure, Requirements, and Qualifications**

The number of Directors shall be fixed from time-to-time by the Directors, but shall consist of no less than 6 nor more than 25, including the following officers: the Chair, the Vice Chair, the Secretary, and the Treasurer.

The members of the Board of Directors shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified. All members of the

Board of Directors and Emeritus Council must be approved by a majority vote of the members present and voting. No vote on new members of the Board of Directors, or Emeritus Council, shall be held unless a quorum of the Board of Directors is present as provided in Section 6 of this Article.

Each member of the Board of Directors shall be a member of the Corporation and shall hold office for up to a three-year term. At the conclusion of the initial three-year term, members of the Board of Directors may be elected to serve an additional three-year term, for a total of two three-year terms. In some circumstances, at the completion of their second three-year term, members of the Board of Directors may be elected to extend their service by an additional one-year term, for instance, to serve in a leadership role, or to head a Board committee. Terms shall be staggered so that at the time of each annual meeting, the terms of approximately one-third (1/3) of all members of the Board of Directors shall expire.

Each member of the Board of Directors shall attend at least nine (9) monthly meetings of the Board per year.

Each member of the Board of Directors shall make a financial contribution to the organization annually, all or part of which may come from the tax deductible value paid for by the Board member, and received by the Corporation. No contribution credit shall be given for in-kind contributions.

#### **Section IV.3. Regular and Annual Meetings**

An annual meeting of the Board of Directors shall be held at a time and day in the month of May of each calendar year and at a location designated by the Executive Committee of the Board of Directors. The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the Board. Notice of these meetings shall be sent to all members of the Board of Directors no less than ten (10) days prior to the meeting date. Typically, the Board of Directors meets monthly on the third Monday of the month unless prior notice is given.

#### **Section IV.4. Special Meetings**

Special meetings of the Board of Directors may be called by or at the request of the Chair or any two members of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any location, as the place for holding any special meeting of the Board called by them.

#### **Section IV.5. Notice**

Notice of any special meeting of the Board of Directors shall be given at least two (2) days in advance of the meeting by telephone or electronic methods or by written notice. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

#### **Section IV.6. Quorum**

The presence, in person or by telephone, of a majority of current members of the Board of Directors shall be necessary at any meeting to constitute a quorum to transact business, but a lesser number shall have power to adjourn to a specified later date without notice. The act of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these bylaws.

#### **Section IV.7. Forfeiture**

Any member of the Board of Directors who fails to fulfill any of his or her requirements as set forth in Section 2 of this article by July 1st may automatically forfeit his or her seat on the Board. The Secretary shall notify the Director in writing that his or her seat has been declared vacant, and the Board of Directors may forthwith immediately proceed to fill the vacancy. Members of the Board of Directors who are removed for failure to meet any or all of the requirements of Section 2 of this Article are not entitled to vote at the annual meeting and are not entitled to the procedure outlined in Section 14 of this Article in these bylaws.

#### **Section IV.8. Vacancies**

Whenever any vacancy occurs in the Board of Directors, it shall be filled without undue delay by a majority vote of the remaining members of the Board of Directors at a regular meeting. Vacancies may be created and filled according to specific methods approved by the Board of Directors.

#### **Section IV.9. Compensation**

Members of the Board of Directors shall not receive any compensation for their services as Directors.

#### **Section IV.10. Informal Action by Directors**

Any action required by law to be taken at a meeting of the Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by two-thirds (2/3) of all of the Directors following notice of the intended action to all members of the Board of Directors.

#### **Section IV.11. Confidentiality**

Directors shall not discuss or disclose information about the Corporation or its activities to any person or entity unless such information is already a matter of public knowledge, such person or entity has a need to know, or the disclosure of such information is in furtherance of the Corporation's purposes, or can reasonably be expected to benefit the Corporation. Directors shall use discretion and good judgment in discussing the affairs of the Corporation with third parties. Without limiting the foregoing, Directors may discuss upcoming fundraisers and the purposes and functions of the Corporation.

Each Director shall execute a confidentiality agreement consistent herewith upon being voted onto and accepting appointment to the Board of Directors.

#### **Section IV.12. Emeritus Council**

An Advisory, or Emeritus, Council may be created whose members shall be elected by the members of the Board of Directors, but who shall have no duties, voting privileges, nor obligations for attendance at regular meeting of the Board. Emeritus Council members may attend said meetings at the invitation of a member of the Board of Directors. Members of the Emeritus Council shall possess the desire to serve the community and support the work of the Corporation by providing expertise, professional knowledge, and support with fundraising activities. Members of the Emeritus Council shall comply with the confidentiality policy set forth herein and shall sign a confidentiality agreement consistent therewith upon being voted onto and accepting appointment to the Emeritus Council.

#### **Section IV.13. Parliamentary Procedure**

Any question concerning parliamentary procedure at meetings shall be determined by the Chair by reference to Robert's Rules of Order.

#### **Section IV.14. Removal**

Any member of the Board of Directors or members of the Emeritus Council may be removed with or without cause, at any time, by vote of three-quarters (3/4) of the members of the Board of Directors if in their judgment, the best interest of the Corporation would be served thereby. Each member of the Board of Directors much receive written or electronic notice of the proposed removal at least ten (10) days in advance of the proposed action. An officer who has been removed as a member of the Board of Directors shall automatically be removed from office.

Members of the Board of Directors who are removed for failure to meet the minimum requirements in Section 2 of this Article in these bylaws automatically forfeit their positions on the Board pursuant to Section 7 of this Article, and are not entitled to the removal procedure outlined in Section 14 of this Article.

### **ARTICLE V. OFFICERS**

The officers of this Board of Directors shall be the Chair, Vice Chair, Secretary and Treasurer. All officers must have the status of active members of the Board.

#### **Section V.1. Chair**

The Chair shall preside at all meetings of the Board of Directors. The Chair shall have the following duties:

- a. S/he shall preside at all meetings of the Executive Committee
- b. S/he shall have general and active management of the business of the Board of Directors
- c. S/he shall see that all orders and resolutions of the Board of Directors are brought to the Board of Directors

- d. S/he shall have general superintendence and direction of all other officers of this Corporation and see that their duties are properly performed
- e. S/he shall be Ex-officio member of all standing committees and shall have the power and duties usually vested in the office of the President

#### **Section V.2. Vice Chair**

The Vice Chair shall be vested with all the powers and shall perform all the duties of the Chair during the absence of the latter. The Vice Chair's duties are:

- a. S/he shall have the duty of chairing their respective committee, and such other duties as may be determined by the Board of Directors

#### **Section V.3. Secretary**

The Secretary shall attend all meetings of the Board of Directors and of the Executive Committee, and assisted by a staff members as necessary, will act as a clerk thereof. The Secretary's duties shall consist of:

- b. S/he shall record all votes and minutes of all proceedings. S/he, in concert with the Chair, shall make the arrangements for all meetings of the Board of Directors, including the annual meeting of the Corporation
- c. Assisted by a staff member, S/he shall send notice of all meetings to the members of the Board of Directors and shall take reservations for the meetings
- d. S/he shall perform all official correspondence from the Advisory Council as may be prescribed by the Board of Directors or the Chair

#### **Section V.4. Treasurer**

The Treasurer's duties shall be:

- a. S/he shall present a complete and accurate report of the finances of the Corporation at each meeting of the Board of Directors, or at any other time upon request
- b. S/he shall have the right of inspection of the funds resting with the Corporation, including budgets and subsequent audit reports
- c. It shall be the duty of the Treasurer to assist in direct audits of the funds of the program according to funding source guidelines and generally accepted accounting principles
- d. S/he shall perform such other duties as may be prescribed by the Board of Directors or the Chair

#### **Section V.5. Election of Officers**

The Nominating Committee shall submit at the meeting prior to the annual meeting the names of those persons for the respective offices of the Board of Directors. Nominations shall also be received from the floor after the report of the Nominating Committee. The election shall be held at the annual meeting of the Board of Directors. Those officers elected shall serve a term of two (2) years, commencing at the next meeting following the annual meeting. Officers of the Executive Committee may be elected to extend their service by an additional one-year term in the event that the office cannot be satisfactorily filled and the existing officer is willing to continue to serve.

#### **Section V.6. Removal of Officer**

The Board of Directors, with the concurrence of three-fourths of the members of the Board, may remove any officer of the Board of Directors and elect a successor for the unexpired term. No officer of the Board of Directors shall be expelled without an opportunity to be heard and notice of such motion of expulsion shall be given to the member in writing twenty (20) days prior to the meeting at which motion shall be presented, setting forth the reasons of the Board for such expulsion.

#### **Section V.7. Vacancies**

The Nominating Committee shall also be responsible for nominating persons to fill vacancies which occur between annual meetings, including those of officers. Nominations shall be sent in writing or electronically to members of the Board of Directors at least two (2) weeks prior to the next meeting at which the election will be held. The persons so elected shall hold membership or office for the unexpired term in respect of which such vacancy occurred.

### **Article VI. Committees**

#### **Section VI.1. Committee Formation**

The board may create committees as needed, such as nominating, development, marketing, program, etc. The board chair appoints all committee chairs.

#### **Section VI.2. Executive Committee**

The four officers serve as members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board, and is subject to the direction and control of the full Board.

#### **Section VI.3. Finance Committee**

The Treasurer is the chair of the Finance Committee, which includes at least three other board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the

annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget. Any major change in the budget must be approved by the Board or the Executive Committee. The fiscal year shall be July 1 – June 30. Annual reports are required to be submitted to the board showing income, expenditures, and pending income. The financial records of the organization are public information and shall be made available to members of the Board and the public as requested.

## **Article VII. Corporate Staff**

### **Section VII.1. Executive Director**

The Board of Directors shall hire an Executive Director who shall serve at the will of the Board. The Executive Director shall have immediate and overall supervision of the operations of the Corporation, and shall direct the day-to-day business of the Corporation, maintain the properties of the Corporation, hire, discharge, and determine the salaries and other compensation of all staff members under the Executive Director's supervision, and perform such additional duties as may be directed by the Executive Committee or the Board of Directors. No officer, Executive Committee member or member of the Board of Directors may individually instruct the Executive Director or any other employee. The Executive Director shall make such reports at the Board and Executive Committee meetings as shall be required by the Chair or the Board. The Executive Director shall be an ad-hoc member of all committees.

The Executive Director may not be related by blood or marriage / domestic partnership within the second degree of consanguinity or affinity to any member of the Board of Directors. The Executive Director may be hired at any meeting of the Board of Directors by a majority vote and shall serve until removed by the Board of Directors upon an affirmative vote of three-quarters (3/4) of the members present at any meeting of the Board of Directors. Such removal may be with or without cause. Nothing herein shall confer any compensation or other rights on any Executive Director, who shall remain an employee terminable at will, as provided in this section.

## **Article VIII. Conflict of Interest and Compensation**

### **Section VIII.1. Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Section VIII.2. Definitions**

- a. Interested Person – any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest – a person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **Section VIII.3. Procedures**

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest**
  1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  2. The Chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  3. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement
- d. **Violations of the Conflicts of Interest Policy**
  1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.



2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Section VIII.4. Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Section VIII.5. Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Section VIII.6. Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Article IX. Indemnification**

#### **Section IX.1. General**

To the full extent authorized under the laws of North Carolina, the Corporation shall indemnify any director, officer, employee, or agent, or former member, director, officer, employee, or agent of the corporation, or any person who may have served at the corporation's request as a director or officer of another corporation (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in the Article individually as an "indemnatee"), against expenses actually and necessarily incurred by such indemnatee in connection with the defense of any action, suit, or proceeding in which that indemnatee is made a party by reason of being or having been such member, director, officer, employee, or agent, except in relation to matter as to which that indemnatee shall have been adjudged in such action, suit, or proceeding to be liable for gross negligence or intentional misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnatee may be entitled under any bylaw, agreement, resolution or the Board of Directors, or otherwise.

## **Section IX.2. Insurance**

The Corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power or obligation to indemnify such person against such liability under this Article.

## **Article X. Books and Records**

The Corporation shall keep complete books and records of account and minutes of the proceedings of the Board of Directors.

## **Article XI. Amendments**

### **Section XI.1. Articles of Incorporation**

The Articles may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each director at least three days in advance of such a meeting. Any amendment of the Articles shall require the affirmative vote of an absolute majority of directors then in office.

### **Section XI.2. Bylaws**

The Board of Directors may amend these Bylaws by majority vote at any regular or special meeting. Written notice setting forth the proposed amendment or summary of the changes to be effected thereby shall be given to each director within the time and the manner provided for the giving of notice of meetings of directors.

**Adoption of Bylaws**

We, the undersigned, are all of directors of this corporation, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of the 10 preceding pages, as the Bylaws of this Corporation.

ADOPTED AND APPROVED by the Board of Directors on this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

---

Board Chair, DREAMS of Wilmington, Inc.

---

ATTEST: Secretary, DREAMS of Wilmington, Inc.