

BYLAWS OF CTLS, INC.

A Non-Profit Corporation

ARTICLE I. NAME

The name of the corporation is CTLS, Inc. and shall be known in these Bylaws as the "Corporation".

ARTICLE II. LEGAL AUTHORITY

The Corporation is organized and shall be operated exclusively for charitable or educational purposes as defined in Section 501(c) (3) of the Internal Revenue Code of 1954, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws. In these Bylaws, this Code, and this law or laws, are called the "Code."

The Corporation is a non-profit organization incorporated under the laws of the State of Texas. This corporation is not organized for the financial profit of its Board members nor of its members. It may not issue stock nor give dividends. None of the income shall be used to benefit any Director, Officer, or Member representative. Any money remaining after paying Corporation obligations shall be used for the charitable, educational, and benevolent purposes of the Corporation.

ARTICLE III. PURPOSES

Section 1 Purpose.

The purpose of the Corporation is to improve library services for member organizations. It shall also promote and encourage educational, service, cultural, civic and philanthropic partnerships and endeavors that extend the effectiveness of the institutions and organizations that comprise the Corporation's membership.

Section 2 Objectives.

The objectives of the CTLS, Inc. are to:

- (a) Improve the collections of members in quality, quantity, and accessibility;
- (b) Raise the level of expertise among members in providing quality library services;
- (c) Stimulate financial and civic support of all members;
- (d) Encourage diverse membership so that library service can be improved;
- (e) Assist Corporation members in developing cooperative programs to serve the under-served residents of the region.

ARTICLE IV. MEMBERSHIP

Section 1 Categories of membership.

The Corporation may establish categories of membership. Hereafter, the term "member" shall specifically apply to a library member or partner member in good standing in the Corporation.

Section 2 Library Membership in the Corporation

- (a) Membership in this category is open to any library institution in Texas that meets the predefined criteria set forth by the Board of Directors. Criteria for membership and representation shall be found in the Operations Manual.
- (b) Rights and Privileges
 - (i) Each member is entitled to services for Libraries as set forth in the Annual Plan of Service. The Operations Manual defines the benefits for each member and these benefits may change on an annual basis.

- (ii) Representatives, employees, or volunteers of member libraries may serve on standing or special committees appointed by the Board.
- (c) Termination of Library Membership
 - (i) Any library which fails to maintain its membership will cease to qualify for the benefits of membership. Upon requalification and payment of any applicable fees a library may again become a member of the Corporation
 - (ii) Upon loss of membership status, a library must return to the Corporation any and all items which were purchased for the library unless return of those assets is waived by the Corporation.
- (d) Representation of Library Members
 - (i) The director of the Library Member institution shall appoint one representative who shall serve without limit. Enrollment and duties of member representatives shall be found in the CTLS Operations Manual.
 - (ii) If an official representative of a member is elected to the Board of Directors, the director of the member shall appoint another representative to represent the interest of that library member.

Section 3 Partner Membership in the Corporation

- (a) This Membership category is for organizations and individuals that support the purpose of the Corporation. Criteria for membership and representation shall be in accordance with the CTLS Operations Manual.
- (b) Rights and Privileges
 - (i) Each partner member is entitled to services for partners as set forth in the annual plan of service. The CTLS Operations Manual defines the benefits for each partner and these benefits may change on an annual basis.
 - (ii) Representatives, employees, or volunteers of member partners may serve on standing or special committees appointed by the Board.
- (c) Termination of Partner Membership
 - (i) Any partner that fails to maintain its membership will cease to qualify for the benefits of membership. Upon requalification and payment of any applicable fees, a partner may again become a member of the Corporation
 - (ii) Upon loss of membership status, a partner must return to the Corporation any and all items which were purchased for the partner unless return of those assets is waived by the Corporation.
- (d) Representation of Partner Members
 - (i) The chief executive officer or director of a partner member shall appoint one representative who shall serve without limit. Individual partners shall serve as their own representative. Enrollment and duties of partner member representatives shall be found in the CTLS Operations Manual.
 - (ii) If an official representative of a partner member is elected to the Board of Directors, the CEO or director of the partner member shall appoint another representative to represent the interest of that member.

Section 4 Quorum

- (a) At meetings of the Corporation membership, a simple majority of Members constitutes a quorum.
- (b) At meetings of the Board, a simple majority of the Board members constitutes a quorum.
- (c) At meetings of all Special or Standing Committees, a simple majority of the Committee members constitutes a quorum.

Section 5 Compensation - Member Representatives and their alternates serve without compensation.

Section 6 Limitation of Liability

No action of the Corporation may infringe upon the autonomy of a Corporation member or limit the authority of the governing authorities of the library or partner members. No representative of a Corporation member shall be held liable for any debts or actions incurred by the Corporation or the Board.

ARTICLE V. BOARD OF DIRECTORS

Section 1 The Board of Directors is the governing body of the Corporation. The Board shall establish policies and directives governing business and programs of CTLS, Inc and shall delegate to the Executive Director and Corporation staff, subject to the provisions of these Bylaws, authority and responsibility to see that policies and directives are appropriately followed.

Section 2 Composition of Board of the Corporation

- (a) The Board of Directors shall have at least seven but not more than eleven members. The Directors shall be either elected from the membership or appointed by the sitting Board. The number of elected Directors and qualifications for office shall be done in accordance with the CTLS Operations Manual.
- (b) The number of Board members may be increased or decreased to an appropriate number by the affirmative vote of the then-serving Board of Directors as long as the number of Directors satisfies Article V. Section 2 (a) of these Bylaws.
- (c) The elected Directors may represent sizes of communities and types of libraries in accordance with the CTLS Operations Manual.
- (d) The number of appointed Directors and qualifications for office shall be done in accordance with the CTLS Operations Manual.

Section 3 Terms of Office

- (a) The term for each elected and appointed Director shall be three years. A Director may be re-elected or re-appointed after serving the original term. This term of office shall be in accordance with the CTLS Operations Manual.
- (b) Following changes to the Bylaws that affect the composition of the board, the Board is authorized to adjust position designation and term of office in accordance with the CTLS Operations Manual.

Section 4 Board Nominations:

- (a) Elected Directors: The Executive Director shall recruit a nominating committee made up of member representatives. This committee shall be responsible for nominating a slate of prospective elected Directors who would bring balance to the Board. Nominations shall be held in accordance with the CTLS Operations Manual.
- (b) Appointed Directors: The Board and Executive Director shall recruit candidates from the library, philanthropic, and civic community at large. Candidates shall be presented to the Board. Appointments shall be made when positions are to be filled in accordance with the CTLS Operations Manual.

Section 5 Elections or Appointments to the Board

- (a) Elections may be held either at a membership meeting where a quorum is present or by a mail or electronic ballot. Conduct of elections shall be in accordance with the CTLS Operations Manual.
- (b) Appointed Directors shall be elected by a simple majority at a regular meeting of the Board. All appointments to the Board shall be in accordance with the CTLS Operations Manual.

Section 6 Vacancies

In the event that a vacancy occurs, the Board of Directors shall appoint a person to serve on the Board in the designated position. This person shall complete the original term of the Position in accordance with the CTLS Operations Manual.

Section 7 Compensation

Members of the Board of Directors shall serve without compensation, but may be reimbursed actual and necessary expenses incurred in performing their official duties.

Section 8 Powers and Duties

The Board of Directors shall have all the powers necessary to operate the Corporation, including but not limited to the power:

- (a) To sue and be sued in its own name;
- (b) To contract;
- (c) To employ an Executive Director to serve at the Board's pleasure, who shall appoint all other employees;
- (d) To establish a compensation plan for employees;
- (e) To receive money, property, and services from any agency of a local, state, federal government, a governing body of a member, a special district or another government, private individual, foundation, and other sources of funds; to expend the money and use the property and services to carry out the purposes of the Corporation;
- (f) To rent, lease, lease with an option to purchase, or purchase personal property;
- (g) To lease or purchase real property for the use of the Corporation;
- (h) To adopt and amend policies for the administration of the Corporation and to authorize expenditures;
- (i) To approve the annual plan of service for the Corporation;
- (j) To appoint standing and special committees;
- (k) To hold special Corporation meetings as the need arises, notice having been given to member representatives in accordance with Article XI of the Bylaws and the CTLS Operations Manual;
- (l) To employ an accountant and a general counsel to serve at the Board's pleasure;
- (m) To approve all grant applications and to solicit funds from private and governmental sources;
- (n) To hold such other duties and powers as are usually vested in the Board of Directors of a non-profit organization.

Section 9 Board Meetings and Notice

- (a) The regular meetings of the Board of Directors may be held for the transaction of business at such time and place as shall be determined by the Board.
- (b) The Chair or any four Directors may call a special meeting of the Board on 3 days notice to each Board member. All member representatives will be notified of a special meeting at the same time Directors are notified of the meeting.
- (c) Requirements for meeting format and notification for both regular and special called meetings are the same and shall be in accordance with the CTLS Operations Manual.

Section 10 Board Committees

The Board of Directors shall have the following committees, whose members shall serve for a term of one year, but may be re-appointed in subsequent years. The members of these Board Committees shall serve without compensation:

- (a) Executive Committee -- The four Officers of the Board serve as the members of the Executive Committee. The Executive Committee shall review the performance of the Executive Director.

- (b) Executive Committee shall be empowered by a majority vote of the Board to conduct Corporation business between regular meetings of the entire Board of Directors. Except for the power to amend the Articles of Incorporation and Bylaws and subject to the direction and control of the Board of Directors, actions taken by the Executive Committee outside of the regular meetings shall be official actions of the Board.
- (c) Finance Committee -- This committee shall oversee all financial matters of the Corporation. The Finance Committee shall be composed of two or three Board members. It shall be chaired by the Board Treasurer. It shall meet as needed. Staff liaison shall be provided by the Executive Director or his or her representative.
- (d) Resource Development Committee -- This committee is charged with and oversees CTLS, Inc. resource development. Composition and activities of this Committee shall be in accordance with the CTLS Operations Manual.

Section 11 Disqualification and Removal

A position on the Board shall be declared vacant if a director dies, resigns, misses three Board meetings without prior notification, or fails to meet the duties and obligations of the position as determined by a majority vote of the Board.

ARTICLE VI. OFFICERS OF THE BOARD

Section 1 Election of Officers

The Board of Directors annually, at its first meeting following election of directors shall elect its own Chair, Vice-Chair, Secretary, and Treasurer from among its own membership to serve for one year or until successors are elected. Members may be re-elected to office throughout their terms as Board Members.

Section 2 Powers and Duties

The officers of the Corporation shall have the following powers and duties:

- (a) The Chair shall preside at all Corporation and Board of Directors meetings. The Chair is responsible for calling regular and special meetings of the Corporation and the Board of Directors for the transaction of business in accordance with the Articles of Incorporation and these Bylaws. The Chair shall have the right to vote in all matters brought before the Board of Directors.
- (b) The Vice-Chair shall perform all duties of the chair in the absence, incapacity, or refusal to act, of the Chair, and when so acting, shall have all of the powers and be subject to all the restrictions of the office of the Chair.
- (c) The Secretary shall record all votes and the minutes or proceedings of all Board and Corporation meetings, and be responsible for providing copies of minutes after approval by the Board. The secretary shall determine the presence of a quorum at both Board and Corporation meetings. The Secretary shall be responsible for the conduct of elections in accordance with the CTLS Operations Manual.
- (d) The Treasurer shall arrange for the continued management of Corporation's financial affairs with input from the Board of Directors. Duties shall include responsibility for adequate control procedures in the receipt and disbursement of monies. The Treasurer shall arrange financial statements and reports as required by the Board. The Board of Directors shall hire an accountant to perform an independent annual audit and preserve such an audit for presentation to funding agencies. The Treasurer and any financial officers shall be insured, at Corporation expense, for the faithful discharge of these duties in such sum and sureties as the Board of Directors shall determine.

ARTICLE VII. INDEMNIFICATION OF OFFICERS AND DIRECTORS

Officers and directors shall be indemnified as follows:

The CTLS, Inc. shall have the power, and hereby binds and obligates itself, to indemnify any director or officer, or former officer, of the Corporation for all expenses (including attorneys' fees) and court costs, judgments, liabilities, fines, and amounts paid in settlement in connection with or resulting from any claim, action, suit or proceeding asserted or threatened against him/her, by any civil, criminal, administrative or investigative action, threatened, pending, or completed, in any court, administrative agency or otherwise by reason of being or having been, such director or officer, except in relation to matters as to which he/she shall have been guilty of negligence or misconduct in respect of the matter in which indemnification is sought.

If the Corporation has not fully indemnified any director or officer, or former director or former officer, the courts in the proceeding in which any claim against any director or officer has been asserted, or any court having the requisite jurisdiction of any action instituted by such director or officer on his/her claim for indemnity, may assess indemnity against the Corporation for the amount paid by such director or officer in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of any amount paid to the Corporation), and any expenses and costs including attorneys' fees actually and necessarily incurred by him/her in connection therewith to the extent that the court shall deem reasonable and equitable, provided, nevertheless, that indemnity may be assessed under this Article of the Bylaws only if the court finds that the person indemnified was not guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Any indemnification in accordance with the foregoing (unless ordered by a court) shall be made by the Corporation upon a determination that indemnification of the director or officer is proper in the circumstances because he/she shall not have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought; and such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of the directors who are not parties to such a claim, action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

The indemnification provided by the Article shall not be deemed exclusive by any rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of directors, and principle of law or otherwise and shall inure to the benefit of heirs, executors, administrators and devisees of such person.

ARTICLE VIII- EXECUTIVE DIRECTOR

The Executive Director shall have authority in all matters relative to the operation of the Corporation except as specifically reserved for the Board of Directors and consistent with the Articles of Incorporation, Bylaws, and official policies of the Corporation. In the absence or disability of the Executive Director, his or her duties may be exercised by a person or persons designated by a majority vote of the Board of Directors. Specific duties shall include but are not limited to the following:

- (a) The Executive Director shall prepare and recommend the plan of service for the Corporation for approval of the Board of Directors. The Executive Director shall involve the Corporation's members and representatives in planning, developing, and evaluating services including geographic or online meetings.
- (b) The Executive Director shall be responsible for the proper and accurate disbursement of all funds in accordance with best practices for managing funds and consistent with any applicable federal, state, foundation, or private funder guidelines.
- (c) The Executive Director shall report directly to the Board of Directors. At a regular meeting of the Board, the Executive Director may present fiscal and program progress reports of Corporation activities, in addition to a written annual report.
- (d) The Executive Director shall regularly inform all Corporation members of financial and administrative matters and on the general status and progress of all Corporation activities. This information will be provided at Corporation meetings and Board meetings and by newsletters or other appropriate means.

- (e) The Executive Director or his/her designee will attend all committee, Corporation, and Board meetings, and shall have the right to participate in the discussion and to make policy recommendations. The Executive Director will serve as an *ex-officio*, non-voting member of the Board of Directors.
- (f) The Executive Director shall be responsible for grant applications to funding agencies and organizations both public and private.
- (g) The Executive Director shall negotiate agreements and contracts with outside agencies and may establish operational and technical relationships for the Corporation. Final agreements with these agencies shall be subject to approval by the Board of Directors, unless otherwise directed by the Board.
- (h) The Executive Director shall have the authority and responsibility for selecting, hiring, evaluating, disciplining, suspending, or dismissing staff to accomplish the purposes of the Corporation within the constraints of the budget. The Executive Director will recommend staff compensation, subject to Board approval.
- (i) The Executive Director will establish personnel and procurement policies and procedures conforming to best practices for nonprofits and any appropriate federal or state laws and regulations approved by the Board of Directors.

ARTICLE IX. PROHIBITIONS AND ETHICS

Section 1 Interference with Administration

Policies affecting administration shall be enacted by the Board of Directors. Such direction to the Executive Director shall result only from action by a majority vote of the Board. Neither the Board nor any of its members shall in any manner dictate the hiring or removal of any Corporation staff members or employees whom the Executive Director is empowered to hire. Except for purpose of inquiry, the Board and its members shall deal with the Corporation staff solely through the Executive Director. Neither the Board nor any of its members, nor any Corporation member shall give orders to any subordinates of the Executive Director, either publicly or privately. Any Board member violating the provisions of this Section shall be subject to removal by the Board.

Section 2 Personal Financial Interest

Any Board member, officer, or employee who has any financial interest, direct or indirect, or by reason of ownership of stock in any corporation, in any contract with the Corporation or in the sale of any land, material, supplies or services to the Corporation, or to a contractor supplying the Corporation, shall make known that interest and shall refrain from voting upon or otherwise participating in his or her capacity as Board member, officer, or employee, in the making of such sale or in the making or performing of such contract. Any Corporation Board member, officer, or employee who willfully conceals such a financial interest shall forfeit his or her office or position. Violation of this Section with the knowledge, express or implied, of the person or corporation contracting with or making a sale to the Corporation shall render the contract or sale voidable by the Executive Director or the Board.

ARTICLE X. ADVISORY COUNCILS

The Board of Directors may create separate Advisory Councils to represent the interests of the Corporation's diverse membership. These Advisory Councils shall be composed of individual citizens, representatives, and staff members from any type of Member in good standing. Composition, appointments and operations of such Advisory Councils shall be in accordance with the CTLS Operations Manual.

ARTICLE XI. CORPORATION MEETINGS

Section 1 Regular Meetings

- a) Meetings of the membership for the transaction of business shall be held at least once each fiscal year, at a time and place determined by the Board. The time, date, agenda, and content of these meetings shall be conducted in accordance with the CTLS Operations Manual.

- (b) At the regular meeting in the fall of each year, members may elect Directors, consider amendments to the Bylaws, and receive reports on the actions of the Board and Corporation. Members may also recommend action on other matters referred to them by the Board of Directors and may provide input regarding the direction of the Corporation for the coming year.

Section 2 Special Meetings

Special meetings of the membership may be called by the Chair of the Board of Directors in accordance with the CTLS Operations Manual.

ARTICLE XII. COMMITTEES

Section 1 Standing Committees

The Board may appoint committees that serve an ongoing purpose and whose contribution to the Corporation is sustained over time. Composition, appointments, and resulting recommendations from Standing Committees shall be in accordance with the CTLS Operations Manual.

- (a) Long Range Planning Committee
Members shall be appointed each year to this Committee in accordance with the CTLS Operations Manual.
- (b) Other Standing Committees
Members shall be appointed at the pleasure of the Board in accordance with the CTLS Operations Manual.

Section 2 Special (ad hoc) Committees

A special committee is one that is appointed as the need arises to carry out a specific task at the completion of which, and after presentation of its final report, automatically ceases to exist. The Chair, subject to Board approval, may appoint such special committees for any purpose that may arise. Composition, appointments, and resulting recommendations from Special Committees shall be in accordance with the CTLS Operations Manual.

Section 3 Compensation

All committee and subcommittee members of both the special and standing committees shall serve without compensation.

ARTICLE XIII. RECORDS, BUDGET, AND FINANCIAL ACCOUNTING

Section 1 Records and Reports

- (a) The Executive Director shall be responsible for the preparation of all reports requested by the Board of Directors, the granting entities, agencies, other appropriate organizations and Corporation committees.
- (b) The Executive Director shall be responsible for maintaining all official records and reports of CTLS, Inc. in the Corporation office. All such records and reports shall be kept in accordance with the applicable requirements of funders including but not limited to private funders, donors, or governmental agencies.
- (c) An audit shall be conducted by an accountant at the end of the fiscal year in accordance with applicable state and federal laws, private foundations, or other granting agency's requirements.
- (d) The Corporation shall be managed in accordance with "Cost Principles for Non-profit Organizations," OMB Circular A-122 and "Uniform Administration Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations," OMB Circular A-110.

ARTICLE XIV. FIDELITY BONDING

Those officers of the Board of Directors, the Executive Director, and employees who have custody of funds or of property belonging to the Corporation or who have authority to disburse Corporation funds shall be insured in an amount and by a surety firm approved by the Board of Directors.

ARTICLE XV. FISCAL YEAR

The fiscal year of the Corporation will be September 1 through August 31.

ARTICLE XVI. PARLIAMENTARY AUTHORITY

The rules contained in the latest edition of *Robert's Rules of Order, Newly Revised*, shall govern all regular and special meetings of the Board of Directors and all CTLS meetings.

ARTICLE XVII. DISSOLUTION

In the event of the dissolution of the Corporation by vote of the Corporation Members, a date for actual dissolution shall be set. This date shall be no less than sixty days following the date of the vote. Upon dissolution of the Corporation, ownership of property or assets will be divided equally among the Corporation Members.

ARTICLE XVIII. AMENDMENT OF BYLAWS

Section 1.

These Bylaws may be amended at a Corporation membership meeting at which there is a quorum present or by mail-in or electronic vote in which a quorum of the membership returns ballots. Procedures for all elections or votes shall be conducted in accordance with the Article V. Section 5 of these Bylaws and the CTLS Operations Manual.

- (a) Amendments to the Bylaws must be passed by a two-thirds vote of the representatives present and voting or by a 2/3 vote of mail-in or electronic ballots returned to the Corporation office.
- (b) Proposed amendments shall be received by the CTLS Corporation office 60 days prior to the next scheduled Corporation membership meeting.
- (c) The Chair of the Board of Directors shall give notice of proposed amendments to these Bylaws to the membership at least 30 days in advance of the meeting where the amendments will be considered. Date-stamped, FAX, e-mail, or U.S. Postal Service postmark shall constitute proof of timely receipt.

Section 2.

Should these Bylaws be amended or revised by a vote of the Members, changes authorized by such a vote shall become effective 30 days following the date of approval.

CERTIFICATION

These Bylaws were approved at a regular meeting of the CTLS membership by a unanimous vote of the membership on January 27, 2012.

Board Secretary

Date