



**Friends of Huddart
& Wunderlich Parks**

Board of Directors Handbook



Friends of Huddart & Wunderlich Parks

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Dear Friend,

Thank you for choosing to volunteer with the Friends of Huddart and Wunderlich Parks Board of Directors. We hope that you will find your service to the community rewarding and know that you will make many valuable contributions to our efforts to promote enjoyment of our parks through environmental and historic preservation and education. This handbook will provide many answers to questions about our organizational structure, our policies and your duties as a member of our board of directors. Please let me or staff know if you have questions about the organization or our board as you learn more about us and the work we do. Thanks again for joining us!

Sincerely,

Jill Daly

President, Board of Directors

Friends of Huddart & Wunderlich Parks

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MEMORANDUM

TO: The Board of Directors
FROM: Robert H. Miller
DATE: July 16, 2001
RE: Summary of the Duties and Responsibilities of the Board of Directors

The purpose of this memorandum is to summarize the duties and responsibilities applicable to a board of directors of a California non-profit public benefit corporation.

DUTY OF CARE

Each director of a non-profit benefit corporation must "perform the duties of a director, including duties as the member of any committee of the board upon which the director may serve, in good faith, in a manner the director believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in like position would use under similar circumstances."¹ This duty is commonly referred to as the "duty of care." The standard is similar to the standard that governs the conduct of directors of a business corporation.

This duty requires each director to act with the same level of care and caution as would an "ordinarily prudent person" under the same circumstances. This standard does not assume any special knowledge or experience beyond that of the lay individual. For example, an ordinarily prudent person would attend all regular meetings of the board and read carefully any materials distributed to the members of the board, but would not otherwise be expected to possess sophisticated financial, legal, accounting, or other business knowledge.

California courts have interpreted this standard to equate to "gross negligence,"² which means that directors will not be held liable for mistakes in business judgment if the director:

- made the business judgment in good faith and on a reasonably informed basis;³
- did not have a personal pecuniary interest in the subject matter of the business judgment; and

¹ Cal. Corp. Code § 5231.

² See e.g. Stern v. Lucy Webb Hayes School (381 F. Supp. 1033 (1974)): "A trustee is uniformly held to a high standard of care and will be held liable for simple negligence, while a director must have committed 'gross negligence' or otherwise be guilty of more than mere mistakes in judgment."

See "Duty of Inquiry" section, below.

- the director rationally believed that the business judgment was in the best interests of the corporation.⁴

If a business judgment meets these three requirements, the director will be presumed to have met their duty of care. Otherwise, the director will be required to prove that the business judgment was “entirely fair” to the corporation.⁵

DUTY OF INQUIRY

A director has an obligation to make all business decisions on a “reasonably informed basis,” which is often referred to as the “duty of inquiry.”⁶ This duty requires a director to make further inquiries in circumstances in which an ordinarily prudent person would require additional information or would be put on caution that the information provided may not be accurate:

“[A] director may not close his eyes to what is going on about him in the conduct of the corporate business, and, if he is put on notice by the presence of suspicious circumstances, he may be required to make such ‘reasonable inquiry’ as an ordinarily prudent person in his position would make under similar circumstances.”⁷

Good Faith Reliance Upon Reports and Presentations

In making informed decisions, the directors are entitled to rely on information, opinions, reports, or statements, including financial statements, prepared or presented by:

- One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
- Legal counsel, independent accountants, or other persons as to matters which the director believes to be within such person’s professional or expert competence; or
- A committee of the board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence.⁸

This means that a director will be considered to be acting on an “informed basis” to the extent that the director relies upon any such materials or presentations.

⁴ American Law Institute, *Principals of Corporate Governance* § 1-4.01(c) (1994).

⁵ *Id.*

⁶ Cal. Corp. Code § 5231(a).

⁷ Report of the Assembly Select Committee on Revision to the Corporations Code p. 50 (1975).

⁸ Cal. Corp. Code § 5231(b).

DUTY OF LOYALTY

A director also has an obligation to make business judgments that the director reasonably believes to be in the best interests of the corporation and the general public, which is often referred to as the “duty of loyalty.”⁹ This means that the director of a non-profit public benefit corporation must act in the best interests of the segment of the general public that the charity is intended to serve, and not in the director’s own interests.

Corporate Opportunities

The duty of loyalty requires that a director must disclose and present to the corporation any opportunity or transaction of which the director becomes aware that would be of benefit or interest to the corporation. A director may not take any such opportunity or enter into any such transaction until such opportunity or transaction has been fully and fairly disclosed to the corporation and the corporation has decided (without the vote or influence of the interested director) not to engage in the transaction or opportunity.

Self-Dealing Transactions

The duty of loyalty also requires that a director of a non-profit public benefit corporation not engage in any transaction in which the corporation is a party and in which the director has a material pecuniary interest (a so-called “self-dealing transaction”), unless the transaction is fair and reasonable to the corporation and certain procedural steps are taken.¹⁰

INVESTMENT STANDARDS FOR PUBLIC BENEFIT CORPORATIONS

Assets of a non-profit public benefit corporation that are not “directly related to the corporation’s public or charitable programs” are subject to special investment controls. In utilizing these assets, the board of directors must:

- “Avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation’s capital;”¹¹
- “Comply with additional standards, if any, imposed by the articles, bylaws or express terms of an instrument or agreement pursuant to which the assets were contributed to the corporation;”¹²

⁹ Cal. Corp. Code §§ 5231, 5233.

¹⁰ Cal. Corp. Code § 5233.

¹¹ Cal. Corp. Code § 5240(b)(1).

¹² Cal. Corp. Code § 5240(b)(2).

- “Act with the care...under the circumstances then prevailing that a prudent person acting in a like capacity *and familiar with these matters* would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the institution;”¹³
- “Consider the long- and short-term needs of the institution in carrying out its educational, religious, charitable, or other eleemosynary purposes, its present and anticipated financial requirements, expected total return on its investments, general economic conditions, the appropriateness of a reasonable proportion of higher risk investment with respect to institutional funds as a whole, income growth, and long-term net appreciation, as well as the probable safety of funds;”¹⁴ and
- Loans to and guarantees of indebtedness for officers and directors are generally prohibited, except in certain limited circumstances.¹⁵

This means that the board of directors must not invest any such assets of the corporation in reckless or speculative investments and must adhere to the terms pursuant to which the funds were contributed to the corporation.

TO WHOM ARE A DIRECTOR’S DUTIES OWED

These above-described duties are owed by each director of a non-profit public benefit corporation to both the corporation and the general public. This is in contrast to business corporations and standard non-profit corporations, in which the directors do not owe such duties to the general public.

INDEMNIFICATION, INSURANCE AND EXCULPATION

A non-profit public benefit corporation has the power to indemnify its directors against “any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative.”¹⁶ The Bylaws of Gamble Garden Center provide for the power to indemnify its directors and provide for the purchase and maintenance of insurance for its directors.

A volunteer director of a non-profit corporation is exculpated by law from any liability to third parties caused by the director’s negligence or omission to act in the performance of the

¹³ Uniform Management of Institutional Funds Act, Probate Code, Part 7, §18506(a) (emphasis added).

¹⁴ Uniform Management of Institutional Funds Act, Probate Code, Part 7, §18506(b).

¹⁵ Cal. Corp. Code § 5236.

Cal. Corp. Code § 5238(a).

director's duties if the corporation obtains directors liability insurance covering that director meeting certain requirements and the following conditions are met:

- The director renders services to the corporation without payment of salary, fee, or other consideration (but excluding any per diem, mileage, or other reimbursement of expenses);
- The act or omission was within the scope of the director's duties as a director;
- The act or omission did not result in a self-dealing transaction or a prohibited loan or guaranty;
- The act or omission was performed in good faith; and
- The act or omission was not reckless, wanton, intentional, or grossly negligent.¹⁷

We are informed that the Gamble Garden Center has obtained insurance for its directors that satisfies the applicable requirements, thus the directors will be provided specific relief from liability to third parties if their conduct meets all of the above-listed conditions.

GENERAL LIST OF MATTERS TO BE CONSIDERED AT BOARD MEETINGS

Following is a list of some of the general matters that should be considered by the board of directors in their meetings and deliberations:

- Regular attendance of board meetings, in person or by teleconference;
- Periodic review of financial data, reports, budgets, and fund raising activities;
- Thorough review of all materials and information presented to the board;
- Formulation of short-term and long-term goals and review of short-term and long-term strategic plans;
- Adherence to and, when appropriate, amendments to the governance documents of the corporation;
- Review and proposal of major actions, agreements, or purchases;
- Recruitment, nomination and appointment of officers (both paid and volunteer) and board and committee members; and
- Risk management and quality control issues.

Cal. Corp. Code § 5239.

Friends of Huddart and Wunderlich Parks

General Board Member Responsibilities

Introduction:

Serving as a member of the Friends of Huddart and Wunderlich Parks Board of Directors is an enormously rewarding experience. Friend's Board members are to be honored for their commitment to and support of our community resource. At the same time, Board membership carries with it specific obligations and responsibilities in addition to general oversight of Friend's policies and operations. These obligations are summarized below:

Time Commitment:

Friend's board members serve a two (2) year term. Board members are expected to be able to devote sufficient time each month in order to fulfill the duties and responsibilities described in this document.

Attendance is expected at a minimum of 8 of the 10 regularly scheduled board meetings held each year. Board meetings are usually held on the third Thursday of the month from 6:00-8:00 p.m. Special meetings for the purpose of planning, goal setting and Board retreats are held from time to time and Board members are encouraged to attend.

Committees:

Board members are expected to sit on one standing committee each year. Board members may also be asked to participate in ad hoc committees in addition to standing committees. Board members should actively participate in their selected committee(s) and attend scheduled committee meetings.

Fundraising:

Board members should actively participate in the Friend's fundraising efforts. Specifically, each board member is expected to:

- Support Friend's fundraising events and promote them to friends, neighbors, and community groups.
- Volunteer to assist with and/or attend events (internal and external) as a representative of the Board of Directors.
- Solicit contributions from existing and prospective donors.
- Support the Friends through an annual contribution to the best of your ability.

Responsibilities and Powers of the Board of Directors:

- Elect the Officers and Directors of the Friends of Huddart and Wunderlich Parks.
- Employ and ensure periodic performance appraisals and salary review of staff.
- Formulate and adopt policies.
- Actively participate in the formulation and final authorization of the Friend's long-range plans, monitor achievement of goals and objectives and effectiveness of program delivery.
- Promote the Friend's mission to the community.
- Adopt and monitor the operating budget and fiscal management procedures; protect the assets of the Friends (Board members are covered by appropriate liability insurance).
- Approve the solicitation and, as necessary, the borrowing of funds.
- Perform any and all duties imposed on it collectively or individually by law, the Articles of Incorporation, or the Bylaws of the Friends of Huddart and Wunderlich Parks.
- Ensure good governance (the Board evaluates itself, sets agendas, keeps minutes, recruits new members and reviews Bylaws for changes).

Friends of Huddart and Wunderlich Parks

Board Job Descriptions

PRESIDENT: Chief elected officer of the organization

Primary Responsibilities:

- Ensure the organization abides by the Bylaws and established policies.
- Serve as chairperson for the Board of Directors.
- Preside over all meetings of the Board of Directors.
- Prepare agendas for all meetings of the Board of Directors.
- Represent the organization to other organizations, the media, and the public at large.
- Appoint committee chairpersons.

Additional Responsibilities:

- Train and otherwise prepare the President-elect for the responsibilities of the presidency.
 - Charge committees.
 - Serve as an ex officio member of all committees.
 - Receive reports from all officers and committees.
 - Review communications, reports and proposals of the staff.
-

VICE PRESIDENT: Assume the role and duties of the presidency if the President is absent or no longer able to continue. The role of the Vice-President is sometimes performed by the President-elect or immediate Past President.

Primary Responsibilities:

- Perform the responsibilities of the President during absence or disability of the President.
- Accede to the presidency in the event that a permanent vacancy in the presidency arises.
- Serve as a voting member of the Board of Directors.
- Familiarize him- or herself with the responsibilities of the President, the activities and positions of the organization, and the functioning of the executive office.

Additional Responsibilities:

- Assist the President as appropriate.
 - Represent the organization at the request of the President.
 - Serve on appropriate committees.
-

SECRETARY: Custodian of the records of the organization.

Primary Responsibilities:

- Generally oversee the keeping of the records of meetings, policies, activities, and any other records required by law.
- Oversee minutes of all meetings of the Board of Directors, as well as the organizational business meeting.
- Within thirty days after a meeting, provide the Board of Directors with minutes, including a list of motions made and the voting results.
- Review the policies of the organization and present to the Board any policies which may need to be amended, rescinded or reaffirmed.
- Serve as a voting member of the Board of Directors.

Additional Responsibilities:

- Assist the President as appropriate.
 - Represent the organization at the request of the President.
 - Serve on appropriate committees.
-

TREASURER: Monitors the financial condition of the organization.

Primary Responsibilities:

- Oversee, with the Finance Director, the fiscal affairs of the organization.
- Present to the Board of Directors an annual budget for the organization, developed in concert with the Finance Director.
- Monitor budgetary performance of the organization, recommending modifications as needed.
- Review for approval all actions and policies with major financial implications.
- Serve as a voting member of the Board of Directors.

Additional Responsibilities:

- Serve as chairperson of the Finance Committee.
 - Assist the President as appropriate.
 - Serve on appointive committees.
-

DIRECTOR: Assist officers in overseeing the health and direction of the organization.

Responsibilities:

- Attend Board of Director meetings.
 - Attend the annual business meeting of the organization.
 - Participate actively in organizational strategic planning.
 - Vote on organizational policy and program issues.
 - Serve as a resource of knowledge and counsel to the executive office, committees, and other Board members.
 - Assist in locating and developing funding sources for the organization.
 - Review and respond in all action and information requests from the executive office.
 - Serve as a liaison between the Board of Directors and committee chairs.
 - Represent the organization at the request of the President.
-

COMMITTEE CHAIRPERSON: Various committees may be active depending on the needs of the organization at a given time. Committees that may be active at any given time may include, but are not limited to: the Board Development committee, the Fund Development committee, the Outreach/Event committee, and the Finance committee. The following responsibilities apply to committee chairpersons regardless of the specific committee. In general, committee chairpersons should be confirmed during the annual meeting and have their positions for one year.

Responsibilities:

- Insure adequate representation on the committee to enable the completion of committee business.
- Calling committee meetings as required.
- Keeping records of activities that transpire during the meetings. This record should be organized so that it can be passed onto the next Chairperson of the committee.
- Keep the President informed about the activities of the committee.

- Present committee reports to the full Board as appropriate.
- Identify committee goals early in his/her tenure as Chairperson and review those goals prior to the end of the term.
- Promote leadership on the committee so the transition to a new Chairperson is accomplished as smoothly as possible.

Friends of Huddart and Wunderlich Parks Staff Job Descriptions

Director of Finance & Administration

Finance:

1. Oversee the development, implementation and monitoring of the annual operating budget.
2. Provide information and interpretation of Friends finances to the treasurer, board of directors and committees as needed.
3. Insure completion of monthly and quarterly finance/accounting tasks.
4. Insure processing of funds received and paid out to vendors and suppliers.
5. Review reimbursement requests prior to payment approval.
6. Review and update chart of account as required.
7. Monitor adequacy of and need to update financial database on an ongoing basis.
8. Supervise check writing, review entries, edit accounting memos and other details as necessary.
9. Prepare weekly bank deposits for all checks and credit cards received.
10. Process monetary and material gifts and in-kind services received by Friends and send tax-related acknowledgements to donors.
11. Oversee insurance needs according to bylaws and lease; recommend changes as required, serve as primary contact with insurance agent .
12. Duplicate and mail financial reports for all general board of director meetings.
13. Assist treasurer with budget process.
14. Track necessary transfers between funds and other adjustments as necessary.
15. Assemble information needed by CPA for annual audit and nonprofit tax return.
16. Prepare sales tax returns for State of CA as required.
17. File IRS, State of CA and EDD reports and requests for information as required.
18. Act as full charge bookkeeper, including responsibilities for accounts payable and receivable, payroll processing, journal entries, monthly bank reconciliations, tax deposits and year end tax forms, file 1099's, etc...

Administration:

Fund Raising –

1. Generate correspondence to donors (acknowledgement letters, etc...).
2. Manage donor data base (Exceed) including data entry and report generation.
3. Maintain office equipment and supplies.

Friends of Huddart & Wunderlich Parks

Staff Job Description

Director of Programs

Responsible for overall administrative management, program direction, active supervision of the Docent Program, and support Board of Directors.

Key Program Management:

- Oversee and direct operations of all programs, including: Huddart Park Nature Hikes, Carriage Room Museum, Folger School Program (in coordination with SMCHA), Folger Stable Speaker Series, Hikes with the Friends, and all outreach and public events undertaken by Board.
- Oversee creation & maintenance of Huddart Park Nature Hikes curriculum, marketing, communications, scheduling, docent training and enrichment.
- Act as a liaison between the San Mateo County Historical Association (SMCHA) and the Friends to assure smooth delivery of the educational classes for 3rd & 4th grade school children held at Folger stable.
- Maintain coordination and communication with docents, partner organizations, Park Rangers & County staff, stable management, and Board to keep all informed of our scheduled programs.
- Generate and distribute schedules and announcements to all Docents, Board members, Rangers, stable operator/staff.
- Provide program operations reports/statistics to County Volunteer Coordinator and present data at monthly Friends' Board meeting.
- Maintain all required paper work for school programs (tour forms, group tours, retreats, Docent Handbook) and Board (donor acknowledgements).
- Serve as Custodian of Records for DOJ Fingerprinting program and manage all aspects of background checks.
- Update and maintain databases: donors, mailing lists, docents, partner organizations, advertising contact list, etc.
- Apply for grants and provide grant evaluations as directed.
- Implement new programming as directed by Board.

Public Relations:

- Monitor and maintain social media sites (Facebook, Linked In, Idealist, Volunteer Match, etc).
- Create and distribute periodic newsletters, flyers and other publicity materials to promote the Friends and our programs.
- Respond to inquiries regarding programs and events at Huddart and Wunderlich Parks.
- Maintain master calendar of all meetings, programs, and events.
- Organize, set-up and attend outreach & community events (DOTH, Earth Fair, etc.).
- Help interested parties work with the county on projects, i.e. clean up days on behalf of schools or businesses.
- Procure, organize and archive photos.
- Monitor and maintain the Friends website.

Volunteer Docent Program:

- Actively recruit, cultivate and direct new docents to support all program needs.
- Implement training and enrichment programs for all docent programs.
- Cultivate and maintain throughout the year a vital volunteer appreciation plan to recognize all volunteers including: docent communication, appreciation events and enrichment activities.

Board Support & Administration:

- Assist and participate, as required, with the Board of Directors and Committees of the Board, to promote, support and deliver new programs to support the mission of the Friends. Maintain various databases for Board functions (donor base, advertising contact list) and report generation.
- Assist with fundraising efforts and implementing new programs.
- Assemble packets for all board of director meetings.
- Maintain office supplies. Restock museum supplies, brochures, order Docent badges.

Friends of Huddart and Wunderlich Parks

Advisory Board – Structure and Guidelines

The Advisory Board, an advisory committee of the Board of Directors, is created as a resource to aid the Friends in achieving its goals, both short and long term. It shall consist of 6 to 12 people who can provide specific services to the Friends. Members will serve one year terms.

The chair of the Advisory Board is a non-voting member of the Board of Directors. The duties of the chair are to attend the Board of Director meetings, when possible, in order to keep informed about Friends activities, and to facilitate interaction between the Advisory Board and the Board of Directors. The immediate past president of the Friends will be asked to serve on the Advisory Board.

Interaction with Board of Directors:

In order to inform Advisory Board members about current activities and issues and to provide a forum for general questions and discussions, individual Advisory Board members should be invited to attend Board of Directors meetings when a report on the area of their expertise is being given. All Advisory Board members should be invited to the annual Board of Directors meeting.

Members of the Advisory Board will receive the minutes of the Board of Director meetings.

The current President of the Board of Directors will be an ex-officio member of the Advisory Board, serving as a liaison between the Advisory Board and the Board of Directors.

Members – Appointment Process & Procedure Guidelines

As part of the annual nominating process, the Nominating Committee will ask members of the Board of Directors to recommend areas of expertise needed and specific candidates for the Advisory Board. At the end-of-year annual meeting of the Board of Directors, the Nominating Committee will present a slate of Advisory Board candidates and chair for the approval of the Board of Directors. The slate will include the immediate past president of the Friends, if he/she consents to serve.

If the need arises, additional appointments to the Advisory Board may be made at any time during the year. The size of the Advisory Board can vary dramatically from year to year, according to the Friend's program and fundraising needs.

At the end of the year, retiring Advisory Board members will receive a letter from that year's Advisory Board chair and the Friend's president thanking them for the past year's service.

The letter to continuing Advisory Board members will thank them for the past year and also confirm their appointment for the next year.

New advisory Board members will receive a letter from the incoming Advisory Board chair and new Friend's president confirming their appointment for the next year and welcoming them to the Friends.

The chair of the Advisory Board and/or president of the Friends will arrange an orientation meeting with each new Advisory Board member and will distribute informational notebooks.

The Advisory Board will meet at the discretion of the chair but not less than twice a year.

Friends of Huddart and Wunderlich Parks

Mission Statement

The Friends of Huddart and Wunderlich Parks are park enthusiasts and stewards who provide a wide range of programs and events in two historic redwood parks in the heart of the Bay Area. Our mission is to promote the positive health and community benefits provided by these parks and to support equitable and inclusive access for all park users. We lead hikes, provide environmental education, showcase local history and celebrate the unique horse heritage of San Mateo County.

Vision Statement

Our vision is a community in which Huddart and Wunderlich Parks are integral to everyone's social, educational and recreational experiences.

Both of our parks are well-stewarded, and historic building renovated, fully-maintained, and well-utilized.

Through year-round discovery experiences we tie together hikes, history, horses, and the environment.

Our parks are unique places for the joy of discovery.



Sharing what you love about the Friends with others!

Make it personal. Share a sentence or two about why you volunteer. “I’m on the board because I love how the organization gets kids out in nature.” Or “I’m excited what this small group has been able to do to preserve the history of our area.” Etc.



“The children had a terrific experience and they couldn't stop talking about it. They were so excited to share today with the rest of the class on what fun they had learning about the forest. Some said they want to go again and others said they want to be Park Rangers when they grow up.” ~ Teacher

Elevator Pitch: Friends of Huddart and Wunderlich Parks was founded 21 years ago. It is a grassroots organization that is run almost entirely with volunteers interested in bringing programs to the community to connect them with the parks.

The Friends has a range of programs including a hiking and nature field trip for K-4th, operating the Carriage Room Museum in Wunderlich, providing a living history program for school children, hosting a speaker series for the public on engaging topics, leading hikes for adults and families, and hosting fun community events such as barn dances and holiday fairs.

Sharing details:

Huddart Park Nature Hikes, an outdoor education and science program that serves about 1,200 K-4 students, including many low-income students in underserved schools of the Peninsula. We subsidize the cost of the field trip fees and bus transportation for 400 students a year to make the program accessible to everyone.

Folger School Program takes place in the restored 1905 Folger Stable and Carriage Room Museum. The program provides living history opportunities, primarily for 4th graders in local area schools, serving about 1,200 students annually.

Folger Stable Speaker Series bringing experts to talk to the community about a wide range of topics. Past events featured living with mountain lions, the role of Chinese laborers in building the transcontinental railroad, how local artists draw inspiration from the parks in their work, and the ecology of bats.

Carriage Room Museum: In 2010, Friends led the effort to save and restore the Folger Estate Stable in Wunderlich Park, and establish it on the National Register of Historic Places. Friends designed and now operates a history museum in the park which is free and open to the public. More than 3,000 people a year visit to learn about history of the local area, how horses influenced development in the West, and the importance of conserving and protecting our natural, cultural, and historic resources.



“The learning of history in a natural environment, with the indigenous habitants who used to be settlers in the region in past times makes the field trip an adventure that reinforces not only the learning in the classroom but enhances students’ imagination and creativity.” ~ Teacher

Invite them to come out to see the park, stable & museum and learn more about us!

Friends of Huddart and Wunderlich Parks

Reimbursements and Check Requests

Check Requests

Whenever possible, request that a Friends or Folger Stable check is cut ahead of your purchase. Please remember that we have a resale license for things that will be re-sold.

Reimbursements

Please provide original cash register receipts for purchases made on behalf of either the Friends or the Folger Stable Project. If your expense was paid by credit card, please attach a copy of the original credit card bill to the form.

How to:

1. Complete a reimbursement/check request form (copy attached). Blank forms are available in our office.
2. Return the completed request form to the Finance Director at our office. **PLEASE NOTE:**
3. Form must be signed by the originator and committee chair or board member approval is required before check or reimbursement can be processed.
4. Unless otherwise indicated on form, Finance Director will mail check directly to you.

REIMBURSEMENT AND CHECK REQUEST

Pay to _____

Address _____

City _____ State _____ Zip _____

Phone No. _____

Requested by _____ Chairman Approval _____

Date requested _____ Amount _____

Documents attached? Yes No

Items/Description _____

*Please attach
all receipts*

Instructions Mail direct Put in box Call to pick up Return to requestor

Other (please specify) _____

For Accounting use only

Account	Amount	Memo	Committee

Effective 7/99

Total Paid

Check No.

Check Date

Friends of Huddart and Wunderlich Parks

Employee Handbook

April, 2004

**THE FRIENDS OF HUDDART AND WUNDERLICH PARKS (FRIENDS)
EMPLOYEE HANDBOOK**

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4-27-04

FRIENDS OF HUDDART AND WUNDERLICH PARKS

EMPLOYEE HANDBOOK

Effective Date: April 27, 2004

Welcome to Friends of Huddart and Wunderlich Parks (Friends)! We are glad that you have chosen to become part of our organization. We believe that your contribution to the Friends will make the organization better and stronger and that it will be an enjoyable place for you to work. This Employee Handbook is intended to familiarize you with the policies and procedures of the organization. We encourage you to use this handbook as a valuable resource for understanding our organization. Should you have any questions after reviewing the Employee Handbook, please do not hesitate to ask your supervisor. Please understand that the policies and practices set out in this handbook are not contracts and are not intended to imply a contractual relationship.

This Employee Handbook supersedes all memoranda and oral descriptions of the terms and conditions of employment.

MISSION STATEMENT

The Friends of Huddart and Wunderlich Parks promote environmental awareness and education through community participation in the preservation and enjoyment of our parks. We assist park rangers to maintain the parks and conduct educational programs through the development, management, and financial support of community volunteer efforts.

Equal Employment Opportunity Policy

In keeping with our commitment to the community in which we do business, the Friends is an equal employment opportunity employer. This means that employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, sex, sexual orientation, age, religion, creed, physical or mental disability, physical handicap, medical condition, marital status, or veteran status. The Friends makes reasonable accommodation for handicapped and disabled employees.

At-Will Employment

You are free to terminate your employment with the Friends at any time, with or without a reason, and the Friends has the right to terminate your employment at any time, with or without a reason. Although the Friends may choose to terminate employment for cause, cause is not required. This is called "at-will" employment.

No one other than the Friends' President may enter into an agreement for employment for a specified period of time, or make any agreement or representations contrary to this policy. Further, any such agreement must be in writing and signed by the President of the Friends, after the majority of its board of directors has approved it.

Apart from the policy of at-will employment and those policies required by law, the Friends may change its policies and practices at any time without further notice.

New Employees

All offers of employment are contingent on verification of your right to work in the United States. On your first day of work, you will be asked to provide original documents verifying your right to work and to sign a verification form required by federal law. If you at any time cannot verify your right to work in the United States, the Friends may be obligated to terminate your employment.

New employees may also be asked to have their fingerprints taken, in accordance with current law. Employment is contingent on the results of fingerprinting.

The Introductory Period

New employees are introductory employees for the first 12 weeks (3 months) of employment. During this period, you will have an opportunity to learn your new position and evaluate the organization. Also, during this time, your supervisor will closely monitor your performance.

During your introductory period, eligible employees will earn vacation and sick pay, but you may not use accrued vacation or sick time until you complete your introductory period (unless a special circumstance is approved by your supervisor).

Introductory periods may be extended for business reasons, or to make up certain absences. At the end of your introductory period, you will be notified in writing whether your introductory period is being extended or whether your introductory period has been successfully completed.

Successful completion of your introductory period is not a guarantee of continued employment. As explained earlier, during your introductory period, and during the entire course of your employment, you will be an at-will employee.

Eligibility for Benefits

The Friends hires many types of employees, some of whom will earn benefits. Some employees will not earn such benefits. The following summarizes when, as a regular employee, you will begin to receive certain benefits *if such benefits are offered to you and you qualify for them:*

Vacation Days	First Day of Employment
Sick Pay	First Day of Employment
Holidays	First Day of Employment
Health Insurance	First Day of Employment

Employment Status

You should be aware of the different types of employment status at the Friends; these are:

1. Introductory Employees: employees who have not yet completed the 12-week introductory period.
2. Regular Full-time Employees: employees who have completed their introductory period and work 40 hours per week or more.
3. Regular Part-time Employees: employees who have completed their introductory period and work less than 40 hours per week.
4. Temporary Employees: employees who are hired for a specific period or specific project, and who are not considered regular or introductory employees. Temporary employees receive no benefits.

Exempt and Nonexempt Employees

Some organization employees are exempt from the overtime pay requirements of the law. Exempt employees are paid on a salary basis and are in executive or professional positions. To be exempt, the majority of a person's work must be executive, administrative, or professional in nature, requiring regular exercise of discretion and independent judgment. Certain Friends employees will be considered exempt in accordance with State and Federal law.

Nonexempt employees are paid either a salary or on an hourly basis, and receive overtime pay in accordance with California and Federal laws. Currently, overtime is paid at one-and-a-half times the regular hourly rate if you work more than 8 hours per day or 40 hours per week, or for the first eight hours if you work the seventh day of a work week. Nonexempt employees who have to work more than 12 hours in one day (a day begins at midnight) or more than eight hours on the seventh working day in a work week (each work week begins on Monday), are paid at two times their regular hourly rate for the excess hours. Days or hours when you are paid but do not work, such as holidays or sick leave, do not count as time worked for computing overtime. The rate of overtime pay is subject to change in accordance with State and Federal law.

Overtime

If you are nonexempt, you may be asked to work overtime. Overtime is paid in accordance with State and Federal laws. Days or hours when you are paid but do not work, such as vacations, holidays, or sick leave do not count as time worked for computing overtime.

To work overtime, you must obtain written permission from your supervisor beforehand. If you work overtime without permission, you may be disciplined, up to and possibly including discharge.

Payroll Deductions

Federal and state laws require that the organization withhold taxes from your wages. These are: (1) Federal income tax; (2) California income tax; (3) Federal Insurance Contributions Act (FICA or social security); and (4) California State Disability Insurance (SDI).

If you want to change the number of your exemptions or your marital status for federal or state income tax withholding purposes, please let the finance manager know. A W-4 will be provided for any withholding changes.

Garnishment

If the Friends receives an order to garnish your wages, the organization must comply with that order. A garnishment will reduce your take-home pay. Because of the time and money involved in processing garnishments, the Friends may elect to discipline or discharge an employee if garnishment requests for more than one debt are received.

Timekeeping

All nonexempt employees must fill out timesheets *at the end of every workweek*, which must be given to the Executive Director for approval each month. It is important for you to keep accurate timesheets and turn them in when they are due. Receipt of the time sheet is required for paychecks to be processed. Timesheets are legal documents and must not be tampered with. Corrections must be approved by the Executive Director and initialed by you. Filling in the timesheet of a fellow employee or falsifying your own timesheet is dishonest and may lead to immediate discharge.

Your Pay Periods

Employee paydays are monthly. Your check will be distributed to you.

Work Schedules

The regular office hours of the Friends are flexible. Work schedules may vary each week, and nonexempt employees may be required to work overtime. Overtime requires prior written approval by your supervisor.

Rest and Meal Breaks

Ten-minute rest breaks are provided for every 3.5 hours of work, in accordance with current law. Please make such arrangements with your supervisor.

If you work five hours or more, you must take a 30-minute meal break, which should be scheduled with your supervisor. However, if six hours of work will complete the day's work, you may voluntarily choose not to take a meal break.

Other Employment

Your position with the Friends is your primary work responsibility. So that you can do your best, we ask that you do not work full-time for another company while you are employed by the Friends.

Personnel Records

The Friends keeps a personnel file on each employee in a secured place. The contents of your file, except for letters of reference, and certain other limited kinds of information, are open for your inspection at reasonable times and at reasonable intervals at your request. You may make copies of certain papers in your file. Ask if you wish to see or copy your personnel file.

Should you have any personal changes such as address, phone number, marital status, or changes in the number of your dependents, you must inform the Friends in writing so our records and your benefits are kept up to date.

The Friends will keep your personnel files private. However, there are certain times when information may be given to persons outside the organization. These are:

1. In response to a subpoena, court order, or order of an administrative agency.
2. In a lawsuit, grievance, or arbitration in which you and the Friends are parties.
3. To administer employee benefit plans.
4. To a health care provider.
5. To a prospective employer or other person requesting a verification of your employment, but only if (a) you give us a written release allowing us to give out information, or (b) we are providing only the dates of your employment, your last or present job title, and the fact of your employment.

Exit Interview

When you leave the organization, you must return all supplies, keys, and other organization property. You will also be able to talk about your employment and/or your departure. You will be asked to sign an exit form, which states that you have received your final paycheck, and that you have returned all organization property.

The finance manager or our insurance carrier will provide you with information regarding any conversion or continuation rights you may have with respect to your insured benefits, if benefits are provided.

Performance Evaluations

The Friends has four types of performance evaluations: (a) 3-month introductory review, (b) 6-month performance review, (c) annual performance review, and (d) probationary review.

The 3-month introductory review is discussed under the Introductory Period on page 2. Once an employee has successfully completed the introductory period, written objectives will be developed for the remainder of the first year of employment. The 6-month performance review is an informal discussion between the employee and supervisor. It is an opportunity to discuss the progress that has

been made on the written objectives, problematic areas, and any changes that need to be made. At the end of this review, the supervisor will summarize the discussion in a letter, which will be filed in the employee's personnel file. A copy of the letter will also be given to the employee.

The 12-month (annual) performance review is a more comprehensive performance review. You and your supervisor will complete an "employee performance evaluation form" prior to the review. Then you will meet to discuss the evaluation. When you meet with your supervisor, you will be encouraged to ask specific questions, to comment on your evaluation, and to write your own comments on the final evaluation form. You will also be asked to sign the evaluation to show that you have read it and discussed it. You may request a copy of the completed form for your own records. A good performance evaluation does not guarantee a pay raise (pay increases may not occur every year), nor is it a promise of continued employment.

While still a regular employee, and entitled to the same benefits, because of performance concerns, your supervisor may suggest a probationary review. During this review, your supervisor may offer ways to improve performance. Your supervisor may also provide a timeframe for improvement. If satisfactory improvements are not made during the probationary period, your employment at the Friends may be re-evaluated.

The purposes of these evaluations are: (1) to assist employees in their career development, (2) to evaluate the strengths and weaknesses of your work, (3) to communicate these to you, (4) to set future performance goals, and (5) to improve interpersonal communication between employees.

Attendance and Absences

One of the most basic requirements of your employment is regular attendance. You must be on time. If you cannot come to work or will be more than a few minutes late, you must let your supervisor know of your expected late arrival as soon as practical.

An absence is a failure to report to work as scheduled when not due to an approved day off. If you are sick or injured and cannot come to work, the organization needs your cooperation to properly cover your job. Therefore, you are expected to call the office and advise your supervisor that you will be absent and when you will return to work.

If you do not know your return date, you must call the office each day within ½ hour of the beginning of the workday. If you are absent three days without contacting your supervisor, the Friends will assume that you have voluntarily quit your job at the end of the third day.

If you know in advance that you are going to be absent, you must schedule the absence with your supervisor at least one week in advance.

Excessive absences and failure to report absences on time will lead to discipline, up to and including discharge. Absences are excessive if you are frequently absent, or if you have a pattern of absences. Absences immediately before or after holidays and weekends are suspect. Frequent absences for minor complaints such as headaches or stomachaches are also suspect.

Guidelines for Behavior

The following conduct may result in immediate discharge without warning:

- (1) Malicious or willful destruction or damage to organization property or supplies, or to the property of another employee, a client, or a visitor.
- (2) Stealing or removing without permission organization property or property of another employee, a client, or a visitor.
- (3) Obtaining your job by lying or giving false or misleading information; falsifying any employment documents or records, including your (or a co-worker's) time records; and other acts of dishonesty.
- (4) Bringing or possessing firearms, or other hazardous or dangerous devices or substances on the Friends' property or work sites.
- (5) Use or sale of alcoholic beverages or illegal drugs during working hours, or reporting for duty under the influence of alcohol or illegal drugs.
- (6) Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor or the Executive Director.
- (7) Fighting at the Friends' facilities.
- (8) Harassing, threatening, intimidating, or coercing your supervisor or another employee.
- (9) Giving the organization's products or services away free of charge or at a discount without prior authorization to any person.
- (10) Pleading guilty to or being convicted of any crime other than a minor traffic violation.

Discipline

The following conduct will result in discipline. The type of discipline will depend on the severity of the violation and the specific facts and circumstances of the conduct. Discipline may include oral or written warnings, suspension, or discharge.

- (1) Unsatisfactory job performance.
- (2) Not following an established safety rule.
- (3) Tardiness or excessive absence from work or your work area, including taking too long for lunch and break periods.
- (4) Leaving the organization's premises or your job during working hours without notifying others and getting permission.
- (5) Horseplay or any other action that is dangerous to others or to the organization's property, or that disrupts work.
- (6) Smoking in areas where smoking is prohibited.
- (7) Working unauthorized overtime.
- (8) Use of abusive or vulgar language.
- (9) Carelessness or negligence in doing your job.
- (10) Using organization equipment without permission.
- (11) Possessing or removing organization or employee property, food, or other items without permission.
- (12) Abuse of sick leave.
- (13) Inappropriate appearance or grooming.

The above 13 items are not all inclusive. The Friends expects high quality work from its employees, and expects you to conduct yourself in a businesslike manner. If discipline is necessary, it may take the form of an oral warning, a written warning, suspension, or discharge, at management's discretion. A negative performance evaluation will be identified as such and will count as a written warning. The organization has the right to determine what discipline is appropriate. There is no standard series of disciplinary steps the organization must follow. In certain circumstances, your conduct may lead to immediate discharge. Further, as previously stated, both you and the Friends may terminate your employment at any time, on notice to each other, without cause, the organization's discipline procedures are not meant to imply any contrary policy.

Safety

Safety is a vital concern at the Friends and is one of your most important responsibilities. Following the Friends safety policies is essential. If you see an unsafe condition, you must report it. You must also report all accidents (in writing), no matter how minor. Learn the location of the nearest first aid kit and fire extinguisher.

The organization requires that all equipment and machinery be in proper working order and safe to work with at all times.

Appearance

A professional appearance is essential to your job. You are a representative of the Friends, so you must present a clean and professional image to clients, co-workers, and management. You must practice good grooming and personal hygiene.

Use of Organization Property

You are expected to use the Friends property only for organization purposes. Voice mail and/or electronic mail (e-mail) are generally to be used for business purposes only. The Friends reserves the right to listen to voice mail messages and to access e-mail messages to ensure compliance with this rule, without notice to the employee and/or in the employee's absence. Personal long-distance telephone calls are discouraged and will be billed to you.

Personal use of the organization's supplies is to be kept to a minimum. When you leave the organization's employ, you must return all keys, documents, handbooks, and correspondence belonging to the organization. Use of the organization's office equipment (e.g. computer, fax, copy machine, etc.) for personal use during or after office hours is also discouraged.

Confidentiality

Each employee is responsible for safeguarding confidential information. In the course of your work, you may have access to confidential information regarding the Friends, its donors, and perhaps even fellow employees, volunteers, board members and members of the community. It is your responsibility to in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. Any breach of this policy will not be tolerated and may cause legal action to be taken by the Friends.

Use of Electronic Media

The Friends uses various forms of electronic communication including but not limited to computers (personal, laptop), e-mail, telephones, cellular phones, voicemail, fax machines, all online services paid for by the company, Internet, World Wide Web, and website. All electronic communications, including all software and hardware, remain the sole property of the Friends and are to be used only for company business and not for any personal use.

All electronic information created by any employee using any means of electronic communication is the property of the Friends and remains the property of the organization. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the company's ownership of the electronic information.

The Friends reserves the right to access and review electronic files, messages, mail, etc. and to monitor the use of electronic communications as is necessary to ensure that there is no misuse or violation of company policy or law.

The Executive Director must approve any information about the Friends, its products or services, or other types of information that will appear in the electronic media before the information is placed on an electronic information source.

Personal Property

It is assumed that all personal property will be treated with the utmost respect. However, individuals are responsible for their own personal property. The parties involved will resolve damage or loss of personal property. The Friends does not assume responsibility for the loss or damage of personal property.

Pets

Pets may not be brought to work.

Employee Reimbursements

The Friends reimburses employees for *pre-approved* business expenses and mileage monthly. Employees who have incurred approved business expenses must submit receipts and/or appropriate documentation of expenses to the Executive Director prior to reimbursement. The Friends will reimburse employees for mileage in accordance with the Internal Revenue Service guidelines.

Private vehicles may be used to transport supplies and/or students if vehicle and driver are properly insured and have the specific consent of the Executive Director.

Harassment

Verbal, physical, visual, and sexual harassment of co-workers, co-employees, or members of the public is absolutely forbidden. Harassment can take many forms. You must be sensitive to the feelings of others and must not act in a way that might be considered harassment by someone else. A few examples of prohibited harassment (for illustrative purposes only) are:

- (1) Verbal (racial, sexual, or ethnic jokes and insults).
- (2) Physical (sexually suggestive or unwelcome touching, or obscene gestures).

- (3) Visual (insulting cartoon, sexually suggestive or lewd pictures or photographs).

Sexual harassment may consist of unwelcome sexual advances, depreciating sexual remarks, references to women as “honey,” “doll,” “dear,” or an environment demeaning to women.

If you think that you or one of your co-workers has been the victim of harassment, you must immediately report (in writing) the incident and the names of the persons to your supervisor. The incident will be investigated. If you do not report harassment, it cannot be investigated. Your cooperation is crucial. Unless made up, there will be no retaliation against you by management for making a complaint of sexual harassment.

If you are afraid to report harassment to your supervisor, you should report it to the Executive Director or a Board member.

Life Threatening Diseases

The organization is committed to keeping your work environment healthy and safe for all employees, and has established these rules which you should follow if you or one of your co-workers has or contracts a life-threatening illness:

- (1) The organization will treat life-threatening illnesses the same as other illnesses in terms of all our employee policies and benefits.
- (2) If you have or contract a life-threatening illness, you will be allowed to keep working, as long as (a) you can meet the organization’s performance standards; (b) your illness does not actually endanger the health or safety of other employees or clients; and (c) you will not make your illness worse by continuing to work.
- (3) You may not refuse to work because you are afraid of contracting a non-contagious life-threatening illness from a co-worker. You may not harass or otherwise discriminate against a co-worker who has a life-threatening illness. Employees who refuse to work with or who harass or discriminate against any employee with a life-threatening illness will be disciplined, up to and including discharge.
- (4) In this handbook, “life-threatening illness” includes cancer, heart disease, Lou Gehrig’s Disease, AIDS, and other illnesses of a severely degenerative nature.

Substance Abuse

The Friends is required by law to provide a safe and healthy work environment for you and all other employees. Further, the organization has adopted the goals of providing the best possible service to its clients and of always improving its public image. To achieve these goals, the organization has the following rules about the use, possession, and sale of drugs and alcohol by its employees.

The illegal use, sale, or possession of narcotics, drugs, or controlled substances while on the job or on Friends property may result in immediate discharge. Conviction for the illegal use, sale, or possession of narcotics, drugs, or controlled substances off duty or off Friends property also may result in discharge. If you are arrested for a drug-related offense and are awaiting trial, you may be suspended without pay (1) until all charges against you are dismissed, (2) until you plead guilty, or (3) until your trial results in a verdict. If you plead guilty or are convicted of a drug-related crime, you may lose your job.

Alcohol may not be consumed during working hours and, being under the influence of alcohol during working hours is prohibited. This includes lunch breaks. Use of alcohol during working hours may result in discipline up to and including discharge.

Tobacco smoking and/or chewing is not allowed in any Friends facilities, on trails, or when children are present. All staff reserves the right to ask a smoker to remove himself or herself from the area.

The legal use of controlled substances, such as prescription drugs prescribed by a licensed physician, or over-the-counter medications that you buy at the store, is allowed. However, if you cannot do your job satisfactorily because you are taking prescription or over-the-counter medicine, the Friends may require you to see a doctor. You may be discharged or obliged to take a leave of absence if the doctor concludes that you cannot do your job safely and efficiently because you are using prescription or over-the-counter medicine.

Vacation

Full-time and part-time regular employees may earn vacation accrued on a monthly basis. Part-time employees receive vacation on a pro-rated basis.

You begin accruing vacation on your first day of employment, but you must complete your introductory period before using accrued vacation.

Regular employees accrue paid vacation days on a monthly basis according to the following schedule; days are pro-rated for part-time employees:

Regular employees with 0-1 year of continuous service	15 days per year (1.25 days/month)
Regular employees with 1-2 years of continuous service	16 days per year (1.33 days/month)
Regular employees with 2-3 years of continuous service	17 days per year (1.42 days/month)
Regular employees with 3-4 years of continuous service	18 days per year (1.5 days/month)
Regular employees with 4-5 years of continuous service	19 days per year (1.58 days/month)
Regular employees with 5-plus years of continuous service	20 days per year (1.67 days/month)

The Friends does not permit advances against vacation that has not yet been earned. Vacation accruals may not exceed the equivalent of one year's worth of vacation days. *Once this maximum has been reached, further accruals will cease until the employee has taken vacation and the accrued vacation has dropped back below the maximum.* Upon termination, employees shall be reimbursed for accrued, unused vacation.

If a holiday occurs during your scheduled vacation, you are not charged for a day of vacation.

If you become ill during your vacation, your absence will be attributed to vacation days, not sick days. However, in special circumstances, your supervisor may reschedule your vacation, at his or her sole discretion.

The scheduling of your vacation is based on the organization's operational needs and the requests for vacation and leave of absence of other employees. You must give your supervisor at least 30 days notice before you take your vacation, and your supervisor must approve all vacation requests in advance. If there is a conflict in requests for time off, the person with the most seniority will be given preference. Vacation days are used in ½ day (mornings or afternoons) or full-day increments.

Holidays

The Friends gives its regular employees, *who work 30 hours or more per week*, 11 paid holidays each year:

- New Year's Day
- Presidents' Day
- Martin Luther King, Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Eve Day
- Christmas Day
- Floating Holiday (may be used for birthday, other religious holidays, etc.)

If a scheduled holiday falls on a Saturday or Sunday, it is typically observed on the preceding Friday or following Monday. Such changes in holiday observance will be announced in advance.

Regular part-time employees, who work 30 hours or more per week, are paid for these holidays regardless of whether the holiday falls on a regular workday for them.

As a regular employee, you receive an annual floating paid holiday. You must complete one year of service with the Friends before you are eligible for this holiday. You may take this day off at any time during the calendar year acquired with approval in advance from your supervisor. The floating holiday does not carry over from year to year.

Sick Leave

The Friends provides sick leave to regular full- and part-time staff members to provide you with protection against loss of income if you are ill or injured, or if you need time off from work for necessary or routine health care maintenance or to care for a sick member of your household. Sick leave may also be used in the event of the death of a member of your immediate family. A doctor's note may be requested by your supervisor to verify use of sick time.

Regular employees accrue sick leave at a rate of ½ day for each month of service, up to a maximum of six days each year. You must complete your introductory period before using sick leave, unless approved by your supervisor. Sick days are used at ½ day (mornings or afternoons) or full-day increments. The Friends does not permit advances against sick leave that has not yet been earned.

Up to a maximum of 6 days of unused sick time (one year's worth of sick days) may be carried forward from one year to the next. Thus, an employee could actually accrue up to 12 days of sick time by the end of their second year of employment, if they did not use any sick time during the first two years of employment (6 days carried over from the prior year plus 6 days earned in the current year). However, only 6 days of the 12 days of unused sick time would be carried forward to the next year. The remaining unused 6 days of sick time would be lost.

You will not be paid for unused sick leave either while working for the organization nor when you leave.

Other Time Off

There may be other times when you must miss work. Depending on the reason for your absence, you may or may not be paid.

Jury Duty

If you receive a jury summons, you must inform your supervisor immediately. If you cannot be excused from jury duty or your work schedule cannot be rearranged to avoid conflict, you will be allowed to take time off with pay for up to two days on which you serve on jury duty. For any additional days of jury duty, you will receive unpaid time off.

You must report to work on days or parts of days when you are not required to serve.

Witness Duty

You may be required by law to appear in court as a witness. If you give reasonable advance notice to the office, you will be allowed to take unpaid time off if subpoenaed.

Death in the Immediate Family

You may be absent without pay because of death in the immediate family. Immediate family includes current spouse, mother, stepmother, father, stepfather, sister, stepsister, brother, stepbrother, child, stepchild, current mother-in-law, current father-in-law, grandparent, and grandchildren. In the case of such an event, you are expected to notify your supervisor as soon as possible.

Leaves of Absence

Sometimes employees may need to take a leave of absence from their employment. The Friends may grant non-medical leaves of absence with specific prior arrangement. No leave of absence may be taken without prior approval from your supervisor.

If you are on a leave of absence or are suspended, you will not earn vacation benefits, accrue sick time, or receive paid holidays.

Except as required by law, the organization cannot guarantee that your position will still be open when you return from your leave of absence. If your position has been filled or eliminated, the organization will try to find you a comparable position. If one is not open, you will be offered the next available position for which you are qualified. If you do not accept that position, you will be considered to have voluntarily quit your job.

Each type of leave of absence has its own rules. All leaves of absence are unpaid and do not include benefits. If you wish to take a leave of absence, you must consult with your supervisor about the applicable restrictions.

Note: California worker's compensation laws govern work-related injuries and illnesses. California pregnancy disability laws govern leaves taken because of pregnancy, childbirth, and related medical conditions. The Friends Group's policy is to fully comply with these laws.

Listed below are the types of leaves of absence permitted by the Friends Group:

Medical Leave of Absence for Pregnancy or Childbirth or Related Medical Condition

Medical leaves of up to four months may be granted for disability because of pregnancy or childbirth, or related medical condition. This medical leave does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. Time off needed for prenatal care, severe morning sickness, and doctor-ordered bed rest are covered by pregnancy disability leave.

The organization reserves the right to require written proof from a licensed doctor that your disability has started or ended before it allows you to take a leave or to return from leave. It is your responsibility to provide the organization with the following information as soon as you know you need to take a leave of absence: (1) how long you expect to be on disability leave; (2) a doctor's certificate or other medical proof acceptable to the organization showing the expected dates of your disability. Applications for leaves of absence for disability because of pregnancy or birth should be submitted at least two weeks before the start date of such leave, if possible.

Medical Leave of Absence for Occupational Disability

If you have an accident or are injured at work, you should report the incident or injury to your supervisor immediately. In such a case, you may be allowed to take an unpaid leave of absence until (1) a recognized medical professional certifies that you are allowed to resume all of the duties of your former position; (2) you are unable to come back to work in your position (i.e., your condition is permanent and stationary); or (3) you resign, quit, or otherwise indicate that you are not going to return to your job.

Military Leave of Absence

Employees are eligible for military leaves of absence. Law governs the specific terms and nature of your right to return to your job after a military leave.

Termination

The Friends will consider you to have voluntarily terminated your employment if you do any of the following:

- (1) Resign from the Friends;
- (2) Do not return from an approved leave of absence on the date specified by your supervisor; or
- (3) Fail to report to work and fail to call in for three or more workdays in a row.

You may be terminated for poor performance, misconduct, excessive absences, tardiness, or other violations of the organization rules. However, your employment is at will, and you and the Friends Group have the right to terminate your employment for any legal reason or no reason, on notice to each other. Both parties should make every effort to give a minimum of two weeks written notice.

The Friends may need to terminate employment because of reorganization, job elimination, economic downturns, or lack of work. Should the organization decide that such a termination is necessary, the organization will try to give as much advance notice as is practical.

Medical, Dental and Vision Insurance

The Friends does not have a group medical, dental or vision insurance plan; each employee is responsible for selecting and securing his or her own insurance policy.

The Friends reserves the right to change or cancel the benefits it offers to its employees.

RECEIPT FOR EMPLOYEE HANDBOOK

I acknowledge that I have been given a copy of the Friends Employee Handbook dated and effective on April 27, 2004. I agree that I will read and follow the information and rules in this Handbook. I recognize that employment with the Friends is at-will. Further, any agreement contrary to this at-will policy must be in writing, and signed by the President of the Friends. The Friends policy of at-will employment may be changed only in writing signed by the its President.

Employee Name (printed)

Employee Signature

Date

NOTE TO THE EMPLOYEE: The original of this form will go into your personnel file. You may keep a copy for your records.

FRIENDS OF HUDDART AND WUNDERLICH PARKS (FRIENDS)

Fringe Benefits Summary

Note: The following benefits package is for regular full-time employees working 40 hours or more per week; however, these benefits may be prorated for part-time employees working 30 hours or more per week but less than 40 hours per week. Please refer to the Friends Employee Handbook for additional details.

VACATION: Regular full-time employees (40 hours/week) accrue paid vacation days on a monthly basis according to the following schedule; days may be pro-rated for part-time employees:

Regular employees with 0-1 year of continuous service	15 days per year (1.25 days/month)
Regular employees with 1-2 years of continuous service	16 days per year (1.33 days/month)
Regular employees with 2-3 years of continuous service	17 days per year (1.42 days/month)
Regular employees with 3-4 years of continuous service	18 days per year (1.5 days/month)
Regular employees with 4-5 years of continuous service	19 days per year (1.58 days/month)
Regular employees with 5-plus years of continuous service	20 days per year (1.67 days/month)

Note: Vacation accruals may not exceed the equivalent of one year's worth of vacation days.

HOLIDAYS: The Friends gives its regular full-time employees 11 paid holidays each year:

New Year's Day	Presidents' Day
Martin Luther King, Jr. Day	Memorial Day
Independence Day	Labor Day
Thanksgiving Day	Friday after Thanksgiving
Christmas Eve Day	Christmas Day
Floating Holiday (may be used for birthday, other religious holidays, etc.)	

Regular part-time employees, who work 30 hours or more per week, will receive these paid holidays, regardless of whether the holiday falls on a scheduled workday for them. If a scheduled holiday falls on a Saturday or Sunday, it is typically observed on the preceding Friday or following Monday. Such changes in holiday observance will be announced in advance.

SICK DAYS: 6 Days Per Year (accrued at a rate of 1/2 day per month)

*A maximum of 6 days of unused accrued sick time may be carried forward to the following year.

JURY DUTY: 2 Days Per Year

MEDICAL INSURANCE: The Friends does not currently provide medical insurance.

STATE DISABILITY: Takes effect on the 8th consecutive day of disability.
LONG TERM DISABILITY: None

WORKERS' COMP INSURANCE: Paid by the Friends

OPPERATING ACCOUNTS & ENDOWMENT FUND

INVESTMENT POLICY AND GUIDELINES

PURPOSE

These policy statements provide for the administration, maintenance and control of the financial assets contributed to the Friend's Operating Accounts and the Folger Endowment Fund (Fund) in such a manner as to preserve their value, be responsible to the needs of the Friends of Huddart & Wunderlich Parks (Friends), to provide for the long term maintenance needs of the Folger stable, and support for the ongoing programming needs of the Friends.

INVESTMENT PHILOSOPHY

The Fund wishes to incorporate the "prudent person rule" in its investment thinking, and establish preservation of principal and a reasonable degree of liquidity as primary goals. A secondary goal is to ensure a reasonable return on its investments. The Fund expects to keep its principal invested, and use its earned revenue as needed. The Fund's investment goals and objectives are based upon well-established principles of moderate money management.

By formal action, the Board of Directors of the Friends will appoint a Finance/Investment Committee to implement the policies and guidelines outlined herein. The Treasurer, or his/her designee, will maintain one or more bank accounts for current operating purposes, and will be responsible for all receipts and disbursements from such accounts. However, all amounts contributed to the Fund will be transferred to the Endowment Accounts for investment by the Investment Committee.

FINANCE/INVESTMENT COMMITTEE POLICY

The Finance/Investment Committee:

- 1) Will consist of at least three (3) but not more than seven (7) persons, and will be charged with the responsibility to oversee the Endowment's investments by monitoring the performance of the endowment's long-term investments, as well as the performance of its short-term surplus cash accounts.
- 2) Will include the Treasurer of the Friend's Board.
- 3) Members will be appointed for a two (2) year term, with a maximum of two (2) consecutive terms. After one (1) year, off the Committee, a former member is eligible for re-election, except by waiver of the Board.
- 4) The Finance/Investment Chair, with input from the Committee and the Friend's President, will identify potential new members.
- 5) Chair will serve a term of two (2) consecutive years. Like other members of the Committee, the Chair may serve on the Committee for four (4) years, but only two (2) years as Chair.

- 6) The Chair will recruit and recommend his/her successor Chair, subject to the approval of the Board.
- 7) In its role as the Finance Committee, will meet monthly to review the overall financial performance of the organization versus prior and budgeted goals and recommend to the Board any modifications required.
- 8) In its role as Investment Committee, will meet at least quarterly to review the investment portfolio performance and to make changes in the investment strategy as needed.
- 9) Chair will report to the Friend's Board of Directors, at least once a year, on the Committee's management of the Endowment portfolio.
- 10) Will adopt Governance Guidelines [see Appendix A] for managing investments, consistent with this policy.
- 11) May grant discretionary authority to any bank, savings and loan, broker, or any other third party.
- 12) Is authorized to select an investment manager, subject to approval of the Friend's Board of Directors, to open brokerage accounts for security transactions and safekeeping of securities, consistent with this policy.
- 13) The Governance Guidelines are subject to approval by the Friend's Board of Directors, and will be presented annually to Board for review. Any proposed changes or any significant changes in the financial soundness of the investments, will be brought to the attention of the Board of Directors by the Chair of the Investment Committee in a timely manner.

RESPONSIBILITY

It will be the responsibility of the Investment Committee to give direction, supervise, and implement investment decisions for the Endowment. Final responsibility for investment policy remains with the Friend's Board of Directors. The Investment Committee will be guided by the considerations enumerated above, and will observe the specifications listed below.

INVESTMENT OBJECTIVES

The primary objectives for investments shall be as follows:

- 1) To preserve the investment capital and its purchasing power.
- 2) To maintain sufficient liquidity to meet projected cash requirements.
- 3) To attain maximum return while meeting the safety of principal objectives.
- 4) To accept no investment greater than a moderate aggressive risk.

APPENDIX A

GOVERNANCE GUIDELINES

Governance: Finance Committee Supporting Role and Responsibility

It will be the responsibility of the Finance Committee to give direction for, supervise, and implement all aspects of the overall financial management for the Friends of Huddart & Wunderlich Parks including:

- Establishment of fiscal timelines and procedures
- Development of an annual budget based on forecasted income and expenses
- Review of all grants and contracts regarding their fiscal implications
- Review of monthly financial statements of the organization
- Development of a long-range financial plan to support the strategic plan developed and approved by the Board of Directors
- Assurance of compliance with Generally Accepted Accounting Principles and applicable Federal and State regulations
- Advise the Board on the financial affairs of the organization and recommend changes when appropriate

Governance: Investment Committee Supporting Role and Responsibility

It will be the responsibility of the Investment Committee to give direction for, supervise, and Implement all aspects of the Fund's investment process for the Friends of Huddart & Wunderlich Parks including:

- Asset Allocation
- Investment Benchmark Selection
- Manager selection, including criteria for selection, monitoring and replacement
- Portfolio Rebalancing: Strategic and Tactical
- Performance Management – Reviewing and Reporting
- Compliance with Governance Polices Established by the Board
- Reporting to the Board
- Developing and Adhering to Controls Approved by the Committee and Board

SILK, ADLER & COLVIN

A LAW CORPORATION

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Explanation of California's Nonprofit Integrity Act of 2004 (SB 1262)

**Thomas Silk and Rosemary Fei
October 11, 2004**

On September 29, 2004, Governor Schwarzenegger signed into law SB 1262, the Nonprofit Integrity Act of 2004. Sponsored by Attorney General Lockyer and carried by Senator Sher (D-Palo Alto), SB 1262, as it finally emerged after extensive amendments, addressed two broad areas of nonprofit activity: governance of charitable organizations and fundraising by or on behalf of charitable organizations.

The first part of this paper explains the governance provisions of the Act: the requirements for financial audits, for audit committees, for public disclosure of audited statements, and for review and approval by the board of directors of the compensation paid to the chief executive officer and the chief financial officer of the charitable organization.

The second part considers the Act's extensive charitable fundraising provisions. The Act requires charitable organizations to enter into written contracts containing mandatory terms and conditions for every charitable fundraising event where a commercial fundraiser is used. The Act requires charitable organizations to exercise control over fundraising activities conducted for them. The Act imposes on each commercial fundraiser highly detailed requirements for prompt deposit of charitable funds in a bank account in the name of, and controlled by, the beneficiary charitable organization. The Act sets forth twelve prohibited acts in the planning and execution of fundraising by the charitable organization and others, and the Act gives charitable organizations extensive rights to cancel or void contracts with commercial fundraisers and fundraising counsel.

If you are a manager or director of a California charitable organization or a foreign charitable organization conducting activities or holding property in California, we urge you to give careful attention to the Act and to the significant changes it makes in

governance and charitable fundraising rules, so your charitable organization can prepare to meet the challenges posed by the many new provisions of the Act before it becomes effective on January 1, 2005.

GOVERNANCE

Financial Audits

The Act requires certain charities to prepare annual financial statements audited by independent certified public accountants.

The charities subject to this new requirement are those charitable corporations, unincorporated associations, and charitable trusts required to file reports with the Attorney General. This includes foreign corporations doing business or holding property in California for charitable purposes.¹ On the other hand, educational institutions, hospitals, cemeteries, and religious organizations are exempt from the obligation to file reports with the Attorney General and, therefore, are not subject to either this mandatory audit requirement, or to the requirements for audit committees and for public disclosure of audited statements discussed later below.²

The mandatory audit requirement applies to some but not all charitable organizations subject to the Act. Only a charitable organization which receives or accrues in any fiscal year gross revenues of \$2 million or more must meet the audit requirement. Grant or contract income from the government is not included in the charitable organization's gross revenue so long as the governmental entity requires an accounting of those funds.

The financial audit must be performed by an independent certified public accountant in accordance with generally accepted accounting principles (GAAP). If the audit firm also performs non-audit functions for the charity, the firm and its auditors must conform to the standards for auditor independence set forth in the Government Auditing Standards issued by the Comptroller General of the U.S. (the Yellow Book, accessible online at <http://www.gao.gov/govaud/ybk01.htm>), but the Attorney General may prescribe standards for auditor independence different from those in the Yellow Book.³

Public Disclosure of Audited Statements

Audited statements (those required by the Act, as well as those prepared by charitable organizations required to file reports with the Attorney General, even if not required by the Act) must be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the

statements relate. The Act adopts the same rules for public disclosure already applicable to IRS Form 990. Thus, audited statements must be made available to the public for a period of three years, both (1) at the charitable organization's principal and any regional or district office during regular business hours, and (2) by mailing a copy to any person who so requests in person or in writing; or, alternatively, by posting the audited statements on the charitable organization's website.⁴

Audit Committees

With regard to those charities required by the Act to prepare annual audited financial statements as described above, the Act also provides that charities in corporate form – including charitable corporations incorporated outside California but required to register with California's Attorney General – must appoint an audit committee. The committee must be appointed by the board of directors.

The audit committee may include non-board members. While it may include members of the finance committee, the chair of the audit committee may not be a member of the finance committee, and members of the finance committee must constitute less than half of the audit committee.

The audit committee may not include any member of the staff, including top management, or any person who has a material financial interest in any entity doing business with the charitable organization.

If audit committee members are paid, they may not receive compensation in excess of the amounts received, if any, by members of the board of directors for service on the board.

Five duties of the audit committee are spelled out in the Act. Audit committees: (1) shall recommend to the board of directors the retention and termination of the independent auditor, (2) may negotiate the compensation of the auditor on behalf of the board, (3) shall confer with the auditor to satisfy the committee members that the financial affairs of the charitable organization are in order, (4) shall review and determine whether to accept the audit, and (5) shall approve performance of any non-audit services to be provided by the auditing firm.⁵

Compensation Review

The Act provides that compensation, including benefits, of two officers (the chief executive officer and the chief financial officer) must be reviewed and approved by the board of directors or an authorized committee of a charitable corporation or

unincorporated association, or by the trustee or trustees of a charitable trust. The approving body must determine that the compensation is just and reasonable.⁶

Review and approval must occur when the officer is hired, when the term of employment of the officer is renewed or extended, and when the compensation package is modified, unless the modification applies to substantially all employees.

FUNDRAISING

Commercial Fundraiser and Fundraising Counsel: Definitions

We have included here abbreviated definitions of commercial fundraiser and fundraising counsel, even though they have been part of the law and are not newly introduced by the Act, to make more understandable our discussion of the Act below.

Commercial Fundraiser. A commercial fundraiser for charitable purposes is defined as any individual, corporation, or other legal entity who for compensation does any of the following:⁷

1. Solicits funds, assets, or property in California for charitable purposes.
2. As a result of a solicitation of funds, assets, or property in California for charitable purposes, receives or controls funds, assets, or property solicited for charitable purposes.
3. Employs, procures, or engages any compensated person to solicit or control funds, assets, or property for charitable purposes.

Note that commercial fundraiser does not include an employee or trustee of a charitable organization, among others.⁸

Fundraising Counsel. A fundraising counsel for charitable purposes is defined as any person who is described by all of the following:⁹

1. For compensation plans, manages, advises, counsels, consults, or prepares material for, or with respect to, the solicitation in California of funds, assets, or property for charitable purposes.
2. Does not solicit funds, assets, or property for charitable purposes.

3. Does not receive or control funds, assets, or property solicited for charitable purposes in California.
4. Does not employ, procure, or engage any compensated person to solicit, receive, or control funds, assets, or property for charitable purposes.

Note that fundraising counsel does not include an attorney, or an employee or trustee of a charitable organization, among others.¹⁰

Charitable Organizations: Control over Fundraising

The Act makes plain that charitable organizations must “establish and exercise control,” not only over their own fundraising activities, but over fundraising activities conducted by others for their benefit. That control must include approval of all written contracts, and the charitable organization must assure that fundraising activities are conducted without coercion of potential donors.¹¹

A charitable organization may not contract with any commercial fundraiser unless that fundraiser has registered as required with the Attorney General’s Registry of Charitable Trusts (“Registry”), nor may charity A raise funds for charity B unless charity B is registered as required.¹²

Charitable Organizations: Misrepresentations

Charitable organizations (and commercial fundraisers) may not misrepresent the purpose of the charitable organization or the nature or purpose or beneficiary of a solicitation. Misrepresentation may be established by word, by conduct, or by failure to disclose a material fact.¹³

Charitable Organizations, Commercial Fundraisers, and Fundraising Counsel: Prohibitions

The Act sets forth twelve prohibited acts and practices in the planning, conduct, or execution of any charitable solicitation or sales promotion. The prohibitions apply to, according to the Act, “regardless of injury”:¹⁴

1. Operating in violation of this Act or order of the Attorney General, or after registration is no long valid.
2. Engaging in fraud or using any unfair or deceptive act or practice that creates a likelihood of confusion or misunderstanding.

3. Using any name or any other representation that misleads a reasonable person as to the identity of the charitable beneficiary.
4. Misrepresenting or misleading anyone to believe that the beneficiary of a solicitation or sales promotion is a charitable organization when it is not.
5. Misrepresenting or misleading anyone to believe that another person sponsors, endorses, or approves a charitable solicitation or sales promotion when that person has not given consent in writing to the use of the person's name.
6. Misrepresenting or misleading anyone to believe that goods or services have endorsement, sponsorship, approval, characteristics, ingredients, uses, qualities, or benefits that they do not have, or that any person has any endorsement, sponsorship, approval, status, or affiliation that the person does not have.
7. Exploiting registration required by law to imply endorsement or approval by the Attorney General.
8. Representing that a charitable organization will receive more than the amount reasonably estimated.
9. Distributing or offering to distribute – in connection with charitable solicitations by commercial fundraisers for police, fire, and other public safety personnel – membership cards or stickers, emblems, plates, or other items that could be used for display on a motor vehicle and that suggest affiliation with or endorsement by any public safety personnel or group.
10. Soliciting for advertising related to a charitable purpose to appear in a for-profit publication without making, at the time of solicitation, these disclosures: (a) the publication is for-profit, (b) the name of the solicitor and the fact that the solicitor is a professional solicitor, and (c) the publication is not affiliated with any charitable organization.
11. Representing that any part of contributions solicited by charity A will be given to charity B unless charity B has agreed in writing prior to the solicitation to the use of its name.
12. Representing that tickets to events will be donated for use by another unless certain requirements are met to prevent abuse.

Commercial Fundraisers: Constructive Trustee

The Act makes all commercial fundraisers constructive trustees as to all funds collected pursuant to solicitations for charitable purposes, and it requires the fundraiser to account to the Attorney General for all funds. The Act subjects the fundraiser to the Attorney General's supervision and enforcement over charitable funds to the same extent as a trustee for charitable purposes.¹⁵

Commercial Fundraisers: Notice to Attorney General

Current law requires that a commercial fundraiser for charitable purposes must register with the Registry. The Act adds the requirement that before beginning any charitable solicitation, a commercial fundraiser must also file a notice with the Registry setting forth information identifying the fundraiser and the charitable organization, the fundraising methods to be used, the dates when fundraising will begin and end under the contract, and identifying information about the person responsible for directing and supervising the work of the fundraiser.

The notice must be filed not less than 10 days before the beginning of each solicitation campaign, event, or service, except for solicitations to aid victims of emergency hardship or disasters, in which case the notice must be filed not later than when the solicitation begins.¹⁶

Commercial Fundraisers: Misrepresentations

Commercial fundraisers (and charitable organizations) may not misrepresent the purpose of the charitable organization or the nature, purpose, or beneficiary of a solicitation. Misrepresentation may be established by word, conduct, or failure to disclose a material fact.¹⁷

Commercial Fundraisers: Deposit of Contributions

For each contribution in the control or custody of a commercial fundraiser, the Act requires the fundraiser, within five working days of receipt, (1) to deposit the contribution in an account in a bank or other federally-insured financial institution solely in the name of the charitable organization and over which the beneficiary charitable organization has the sole right of withdrawal, or (2) to deliver the contribution to the charitable organization in person, by Express Mail, or by another method providing for overnight delivery.¹⁸

Commercial Fundraisers: Contracts with Charitable Organizations

The Act requires that a commercial fundraiser and a charitable organization must enter into a written contract for each solicitation campaign, event, or service. The contract must be signed by an authorized contracting officer for the commercial fundraiser and by an official authorized to sign by the charitable organization's governing body. The mandatory provisions of the contract, which may be inspected by the Attorney General, include:

1. A statement of the charitable purpose of the fundraiser.
2. A statement of the "respective obligations" of the commercial fundraiser and the charitable organization.
3. If the fundraiser is to be paid a fixed fee, the contract must state the fee and provide a good faith estimate of what percentage the fee will be of total contributions, disclosing the assumptions on which the estimate is based, which must reflect all relevant facts known to the fundraiser.
4. If the fundraiser is to be paid a percentage fee, a statement of the percentage of total contributions that will be remitted to or retained by the charitable organization or, if the sale of goods is involved, the percentage of the sales price remitted to or retained by the charitable organization. In determining the percentage, the fundraiser's fee, as well as any other amounts the charitable organization is required to pay as fundraising costs, must be subtracted from contributions and sales receipts received.
5. The starting and ending dates of the contract and the date solicitation activity will begin in California.
6. The contract must require the fundraiser to handle contributions in accordance with the Act's requirements (discussed above) on the deposit or delivery of funds to the charity.
7. A statement that the charitable organization shall exercise control and approval over the content and frequency of any solicitation.
8. If the fundraiser proposes to pay any person or legal entity, in cash or in kind, to attend, sponsor, approve, or endorse a charity event, the maximum dollar amount of those payments must be stated.

The contract must also contain three distinct provisions relating to cancellation of the contract. *First*, the contract must allow the charitable organization to

cancel the contract without cost, penalty, or liability for a period of 10 days after signing, by giving written notice in a specified manner. Any funds collected by the fundraiser after notice of cancellation shall be held in trust for the benefit of the charitable organization without deduction for costs or expenses. *Second*, the contract must permit a charitable organization to terminate the contract on 30 days' written notice to the fundraiser, effective five days after the notice is mailed. The charitable organization remains liable for the fundraiser's services during the 30-day period. *Third*, the contract must provide that, after the initial 10-day cancellation period, the charitable organization may terminate the contract at any time by giving written notice, without payment of any kind to the fundraiser, if (1) the fundraiser makes material misrepresentations in solicitations or about the charitable organization, (2) the charitable organization learns that the fundraiser or its agents have been convicted of a crime punishable as a misdemeanor or felony, arising from charitable solicitation, or (3) the fundraiser otherwise conducts fundraising activities that cause or could cause "public disparagement of the charitable organization's good name or good will."¹⁹

Commercial Fundraisers: Prohibitions

A commercial fundraiser for charitable purposes may not solicit in California on behalf of a charitable organization unless the organization has registered with the Registry or is exempt from such registration.²⁰

No person may act as a commercial fundraiser if that person (or any officer or director of that person's business or any person with a controlling interest in the business or any person employed or paid to solicit funds by the fundraiser) has been convicted in state or federal court of a crime, punishable as a misdemeanor or felony, arising from the conduct of charitable solicitation.²¹

Commercial Fundraisers: Record Retention

Commercial fundraisers must maintain, for at least 10 years, two categories of records: (1) solicitation campaign records, including donor information, revenue and expense data, the names and addresses of employees, and the name and number of each bank or other account in which funds were deposited by the fundraiser, and (2) ticket sale records for charitable events, including the number of tickets purchased and donated by each contributor and a list of all organizations receiving donated tickets for use by others.²²

Fundraising Counsel: Notice to Attorney General

Current law requires that fundraising counsel must register with the Registry. The Act adds a requirement that before performing any services for a charitable organization, fundraising counsel must also file a notice with the Registry, not less than 10 working days before services start. The notice must include the name and address of fundraising counsel and of the charitable organization, and the dates when the performance of services begins and ends.²³

Fundraising Counsel: Contracts with Charitable Organizations

The Act also makes clear that there must be a written contract between the fundraising counsel and the charitable organization for each service to be performed. The contract must be signed by the authorized contracting officer for fundraising counsel and by an official who is authorized to sign by the governing body of the charitable organization.²⁴ Current law sets forth extensive provisions that must be included in the contract.²⁵

The contract must also contain two distinct provisions relating to cancellation of the contract. *First*, the contract must allow the charitable organization to cancel the contract without cost, penalty, or liability for the first 10 days after signing, by giving written notice in a specified manner. *Second*, the contract must permit the charitable organization to terminate the contract on 30 days' written notice to fundraising counsel. The notice is effective five days after the date of mailing; termination is effective 30 days after that. The charitable organization is liable for the services of fundraising counsel up to the effective date of termination.²⁶

Charitable Organizations: Right to Cancel or Void Contracts with Commercial Fundraisers or Fundraising Counsel

Contract cancellation rights of charitable organizations are addressed twice in the Act. First, they appear as mandatory provisions of contracts between charitable organizations and commercial fundraisers or fundraising counsel, as discussed earlier. Second, they appear as separate rights, entirely apart from the terms of any contract. Thus, even if contracts fail to spell out the required rights of cancellation, the Act provides that charitable organizations nevertheless have those rights by law.²⁷ The Act also provides that charitable organizations may void contracts with commercial fundraisers or fundraising counsel if they are not properly registered.²⁸ Finally, whenever a charitable organization cancels a contract, it must mail a duplicate copy of the notice of cancellation to the Registry.²⁹

Commercial Fundraisers and Fundraising Counsel: Registration Requirements

Similarly, the Act addresses registration with the Registry from three distinct perspectives: (1) as a requirement of commercial fundraisers and fundraising counsel,³⁰ (2) as a prohibition on charitable organizations, barring them from contracting with a commercial fundraiser or fundraising counsel if not registered as required,³¹ and (3) as a remedy for charitable organizations, allowing them to void contracts with commercial fundraisers and fundraising counsel if not properly registered, as we discussed above.³²

NOTES

- ¹ Gov. Code §12582.1.
- ² Gov. Code §12583.
- ³ Gov. Code §12586(e)(1).
- ⁴ Treas. Regs. §§301.6104(d)-1(a) and (d)-2; Gov. Code §12586(e)(1).
- ⁵ Gov. Code §12586(e)(2).
- ⁶ Gov. Code §12586(g).
- ⁷ Gov. Code. §12599.
- ⁸ Gov. Code §12599(a).
- ⁹ Gov. Code §12599.1.
- ¹⁰ Gov. Code §12599.1(b).
- ¹¹ Gov. Code §12599.6(b).
- ¹² Gov. Code §12599.6(c), (d).
- ¹³ Gov. Code §12599.6(a).
- ¹⁴ Gov. Code §12599.6(f).
- ¹⁵ Gov. Code §12599(g).
- ¹⁶ Gov. Code §12599(h).
- ¹⁷ Gov. Code §12599.6(a).
- ¹⁸ Gov. Code §12599.6(e).
- ¹⁹ Gov. Code §12599(i).
- ²⁰ Gov. Code §12599(m).
- ²¹ Gov. Code §12599(l).
- ²² Gov. Code §12599.7(a), (b).
- ²³ Gov. Code §12599.1(e).
- ²⁴ Gov. Code §12599.1(f).
- ²⁵ Gov. Code §12599.1(d).
- ²⁶ Gov. Code §12599.1(f)(8),(9).
- ²⁷ Gov. Code §12599.3(b), (c), (e), (f), (g).
- ²⁸ Gov. Code §12599.3(a).
- ²⁹ Gov. Code §12599(d).
- ³⁰ Gov. Code §§12599(m) and 12599.1(c).
- ³¹ Gov. Code §12599.6(c).
- ³² Gov. Code §12599.3(a).

**Friends of Huddart & Wunderlich Parks
Audit Committee Guidelines**

Audit Committee Policy

Committee Membership:

- 1) Must be appointed by the Board of Directors.
- 2) Will be comprised of three (3) members:
 - One member must be a member of the Finance committee but that member cannot be the Chair of the Audit Committee;
 - One member must be a member of the Board of Directors not on the Finance Committee;
 - One member must be a non-board member that has made significant contributions to support the organization.
- 3) Cannot include any member of the staff of the organization.
- 4) Members will be appointed for a two (2) year term. After one year off the Committee, a member is eligible for reelection.
- 5) The Audit Committee shall meet at the request of the board of directors but not less than once a year.
- 6) The Committee Chair will report the recommendations of the Audit Committee meeting to the board of Directors at its next scheduled meeting.

Committee Responsibilities:

It is the responsibility of the Audit Committee to assure that the Friends of Huddart and Wunderlich Parks is in compliance with California's Nonprofit Integrity Act of 2004 (SB 1262).

The five principal duties of the Audit Committee are to:

- 1) Recommend to the board of directors the retention and termination of an independent auditor,
- 2) Negotiate the compensation of the auditor on behalf of the board,

- 3) Confer with the auditor to satisfy committee members that the financial affairs of the organization are in order,
- 4) Review and determine whether to accept the audit,
- 5) Approve performance of any non-audit services to be provided by the auditing firm.

In addition to the duties indicated above, the Audit Committee shall:

- 1) Review the compensation of the chief executive officer and the chief financial officer as required by this Act,
- 2) Assure compliance with this Act with regard to control over fundraising activities of the organization,
- 3) Monitor the 12 prohibitions of this Act with regard to the planning, conduct, or execution of any charitable solicitation or sales promotion of the organization.

Addendum:

See copy of explanation of California's Nonprofit Integrity Act of 2004 (SB 1262) prepared by Silk, Adler & Colvin (attached).

Adopted: July 19, 2005

2278195

ENDORSED - FILED
IN THE OFFICE OF THE
SECRETARY OF STATE
OF THE STATE OF CALIFORNIA

JUN -5 2002

ARTICLES OF INCORPORATION
OF
FRIENDS OF HUDDART & WUNDERLICH PARKS
BILL JONES, SECRETARY OF STATE

ARTICLE I

The name of this corporation is Friends of Huddart & Wunderlich Parks.

ARTICLE II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific and primary purpose of this corporation is to engage in charitable and educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law (the "Code"), that promote environmental awareness and education; multi-cultural community participation; and historic preservation of Huddart & Wunderlich Parks.

ARTICLE III

The name and address in this state of this corporation's initial agent for the service of process is Robert A. Wexler, c/o Silk, Adler & Colvin, 235 Montgomery Street, Suite 1220, San Francisco, California 94104.

ARTICLE IV

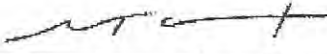
A. This corporation is organized and operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code. Notwithstanding any other provision of these Articles, this corporation shall not carry on any activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (2) by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2), 2106(a)(2)(A)(ii), 2522(a)(2), or 2522(b)(2) of the Code.

B. Except as permitted by law, no substantial part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this corporation participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE V

The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member, if any, of this corporation, or any other private person. Upon the winding up and dissolution of this corporation and after paying or adequately providing for the debts and obligations of this corporation, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and that has established its tax-exempt status under Section 501(c)(3) of the Code.

DATED: June 5, 2002



Robert A. Wexler, Incorporator



DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

AUG 19 2002
Date:

FRIENDS OF HUDDART & WUNDERLICH
PARKS
C/O SUSAN LANG
250 OAK GROVE AVE STE A
MENLO PARK, CA 94025

Employer Identification Number:
03-0465880

DLN:

17053205059002

Contact Person:

CHRIS BROWN

Contact Telephone Number:
(877) 829-5500

ID# 31503

Accounting Period Ending:
March 31

Foundation Status Classification:
509(a)(1)

Advance Ruling Period Begins:
June 6, 2002

Advance Ruling Period Ends:
March 31, 2007

Addendum Applies:
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and

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FRIENDS OF HUDDART & WUNDERLICH

contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling

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period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

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FRIENDS OF HUDDART & WUNDERLICH

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Lerner

Director, Exempt Organizations

Enclosure(s):
Form 872-C

Letter 1045 (DO/CG)

BYLAWS

of

Friends of Huddart & Wunderlich Parks

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BYLAWS
of
FRIENDS OF HUDDART & WUNDERLICH PARKS

ARTICLE I
PRINCIPAL OFFICE

The principal office of this corporation shall be located in the county of San Mateo, California.

ARTICLE II
MEMBERSHIP

This corporation shall have no voting members, but the Board of Directors may, by resolution, establish one or more classes of nonvoting members and provide for eligibility requirements for membership and rights and duties of members, including the obligation to pay dues.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Powers. This corporation shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of Directors of this corporation directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number and Qualification of Directors. The number of directors shall not be less than 1 nor more than 21, with the exact authorized number of directors to be fixed from time to time by resolution of the Board of Directors.

Section 3. Limitations on Interested Persons. At all times, not more than 49% of the directors of this corporation may be interested persons. An interested person means either:

- (a) any person currently being compensated by this corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. Election and Term of Office of Directors. Except for the initial directors named by the incorporator, the directors then in office shall elect their successors. Each director shall be elected for a term of two years. Each director shall hold office until a successor has been elected.

Section 5. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies may be filled by the remaining directors for the unexpired portion of the term.

Section 6. Resignation and Removal. Resignations shall be effective upon receipt in writing by the President, the Secretary, or the Board of Directors of this corporation, unless a later effective date is specified in the resignation. A majority of the directors then in office may remove any director at any time, with or without cause.

Section 7. Annual Meetings. A meeting of the Board of Directors shall be held at least once a year. Annual meetings shall be called by the President or any two directors, and noticed in accordance with Section 9.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President, or any two directors, and noticed in accordance with Section 9.

Section 9. Notice. Notice of the annual meeting and any special meetings of the Board of Directors shall be given to each director at least four days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, and shall state the date, place, and time of the meeting.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to

any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. Quorum. A majority of the total number of directors then in office shall constitute a quorum, provided that in no event shall the required quorum be less than one-fifth of the authorized number of directors or two directors, whichever is larger. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in Article III, Sections 5 (filling board vacancies), 6 (removing directors) and 12 (taking action without a meeting); Article IV, Section 1 (appointing Board Committees); Article VI, Section 3 (approving self-dealing transactions); Article VII, Section 2 (approving indemnification); and Article VIII, Section 4 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such directors.

Section 13. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment so long as all of the following apply:

- (a) each director participating in the meeting can communicate with all of the other directors concurrently;
- (b) each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- (c) this corporation verifies that (i) a person communicating by telephone, electronic video screen, or other communications equipment is entitled to participate in the Board meeting as a director, or by invitation of the Board or otherwise, *and* (ii) all motions, votes, or other actions required to be made by a director are actually made by a director and not by someone who is not entitled to participate as a director.

Section 14. Standard of Care.

A. General. A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- (i) one or more officers or employees of this corporation whom the director believes to be reliable and competent as to the matters presented;
- (ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- (iii) a Board Committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such Committee merits confidence;

so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VI below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which a corporation, or assets held by it, are dedicated.

B. Investments. Except with respect to assets held for use or used directly in carrying out this corporation's charitable activities, in investing, reinvesting, purchasing or acquiring, exchanging, selling, and managing this corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of this corporation's capital. No investment violates this section where it conforms to

provisions authorizing such investment contained in an instrument or agreement pursuant to which the assets were contributed to this corporation.

Section 15. Inspection. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of this corporation.

Section 16. Compensation. The Board of Directors may authorize, by resolution, the payment to a director of reasonable compensation for services as a director. The Board may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Board Committees.

ARTICLE IV COMMITTEES

Section 1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the directors then in office, create any number of Board Committees, each consisting of two or more directors, and only of directors, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

- Bylaws;
- (a) set the number of directors within a range specified in these
 - (b) elect directors or remove directors without cause;
 - (c) fill vacancies on the Board of Directors or on any Board Committee;
 - (d) fix compensation of directors for serving on the Board or any Board Committee;
 - (e) amend or repeal these Bylaws or adopt new Bylaws;
 - (f) adopt amendments to the Articles of Incorporation of this corporation;
 - (g) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

- (h) create any other Board Committees or appoint the members of any Board Committees; or
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation.

Section 2. Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board. The members of any Advisory Committee may consist of directors or non-directors and may be appointed as the Board determines. Advisory committees may not exercise the authority of the Board to make decisions on behalf of this corporation, but shall be restricted to making recommendations to the Board or Board Committees, and implementing Board or Board Committee decisions and policies under the supervision and control of the Board or Board Committee.

Section 3. Meetings.

A. Of Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article III of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

B. Of Advisory Committees. Subject to the authority of the Board of Directors, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any Board or Advisory Committee not inconsistent with the provisions of these Bylaws.

ARTICLE V OFFICERS

Section 1. Officers. The officers of this corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The corporation may also have, at the discretion of the directors, such other officers as may be appointed by the Board of Directors. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President.

Section 2. Election. Except for the initial officers appointed by the incorporator, the officers of this corporation shall be elected annually by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors or by an officer on whom such power of removal may be conferred by the Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect on receipt of that notice by any other officer than the person resigning or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. President. The President shall be the chief executive officer of this corporation and shall, subject to control of the Board, generally supervise, direct and control the business and other officers of this corporation. The President shall preside at all meetings of the Board of Directors. The President shall have the general powers and duties of management usually vested in the office of President of the corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 7. Vice President. The Vice President shall, in the absence of the President, carry out the duties of the President and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the Board of Directors and its committees, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. Treasurer. The Treasurer shall be the chief financial officer of this corporation and shall supervise the charge and custody of all funds of this corporation, the deposit of such funds in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of this

corporation's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

ARTICLE VI CERTAIN TRANSACTIONS

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, this corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 below, the Board of Directors shall not approve, or permit the corporation to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within California Corporations Code Section 5233(b).

Section 3. Approval. This corporation may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General. This corporation may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) this corporation is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to this corporation at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the requirements above; provided that, at its next meeting, the full Board determines in good faith that the Board Committee's approval of the transaction was consistent with the requirements above and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

ARTICLE VII
INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, this corporation may indemnify and advance expenses to its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

Section 2. Approval of Indemnity. On written request to the Board of Directors in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, may authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board of Directors may authorize the advance of expenses incurred by or on behalf of an agent of this corporation in defending any proceeding prior to final disposition, if the Board finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, and such insurance may provide for coverage against liabilities beyond this corporation's power to indemnify the agent under law.

ARTICLE VIII
MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of this corporation shall end each year on March 31.

Section 2. Contracts, Notes, and Checks. All contracts entered into on behalf of this corporation must be authorized by the Board of Directors or the person or persons on whom such power may be conferred by the Board from time to time, and, except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of this corporation shall be signed by the person or persons on whom such power may be conferred by the Board from time to time.

Section 3. Annual Reports to Directors. Within 120 days after the end of this corporation's fiscal year, the President shall furnish a written report to all directors of this corporation containing the following information:

- (a) the assets and liabilities, including the trust funds of this corporation, as of the end of the fiscal year;
- (b) the principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) the revenue or receipts of this corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) the expenses or disbursements of this corporation, for both general and restricted purposes, for the fiscal year; and
- (e) any transaction during the previous fiscal year involving more than \$50,000 between this corporation (or its parent or subsidiaries, if any) and any of its directors or officers (or the directors or officers of its parent or subsidiaries, if any) or any holder of more than ten percent of the voting power of this corporation or its parent or subsidiaries, if any, or any of a number of such transactions in which the same person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than \$50,000, as well as the amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of this corporation. For each transaction, the report must disclose the names of the interested persons involved in such transaction, stating such

person's relationship to this corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without an audit from the books and records of this corporation.

Section 4. Amendments. Proposed amendments to these Bylaws shall be submitted in writing to the directors at least one week in advance of any Board meeting at which they will be considered for adoption. The vote of a majority of the directors then in office or the unanimous written consent of the directors shall be required to adopt a bylaw amendment.

Section 5. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am presently the duly elected and acting Secretary of Friends of Huddart & Wunderlich Parks, a California nonprofit public benefit corporation, and that the above Bylaws, consisting of 11 pages, are the Bylaws of this corporation as adopted by Action of Sole Incorporator, on _____, 2002.

DATED: _____, 2002

Secretary