



Order of
Carmelites
Province of the Most Pure Heart of Mary



POLICY MANUAL
of the
Carmelite Sponsored Secondary Schools

Approved by the 2017 Provincial Chapter

Wholly-Owned Sponsored Secondary Schools

Mount Carmel High School

Chicago, Illinois

Salpointe Catholic High School

Tucson, Arizona

Crespi Carmelite High School

Encino, California

Colegio de Nuestra Señora del Carmen

Lima, Perú

Co-Sponsored Secondary Schools

Carmel Catholic High School

Mundelein, Illinois

Joliet Catholic Academy

Joliet, Illinois

Sponsored Secondary Schools in Carmelite Parishes

Colegio Nuestro Salvador

José Galvez, Perú

Colegio Nuestra Señora del Carmen

Barranco, Perú

Mission Statement of the Province of the Most Pure Heart of Mary

The Carmelites of the Province of the Most Pure Heart of Mary, in allegiance to Jesus Christ, live in a prophetic and contemplative stance of prayer, common life, and service. Inspired by Elijah and Mary and informed by the Carmelite Rule, we give witness to an eight-hundred year old tradition of spiritual transformation in the United States, Canada, Peru, Mexico, and El Salvador.

Carmel
a place and way of transformation in God

Preface

The Province of the Most Pure Heart of Mary (PCM) of the Carmelite Order has a proud tradition of Catholic secondary education extending from the founding of Mount Carmel High School (originally St. Cyril's College) to Carmelite sponsorship of five secondary schools in the United States and three in Peru. Two of the secondary schools in the United States are "co-sponsored" with other religious communities, allowing those schools to be enriched by the charisms of both sponsoring communities.

Dedicated to excellence and responding to the challenges of our times, our Carmelite schools offer a college preparatory, Christian education in a Catholic environment. They provide a holistic model of education, emphasizing the spiritual, intellectual, moral, physical, and social development of their students. The teaching of Catholic social justice across the curriculum is a key element of a Catholic, Carmelite school. Carmelite education is not exclusive but provides the opportunity for all of God's people to become a part of the community, respecting the economic and educational realities of the school.

In the spirit of the Gospel, and the Carmelite tradition, the schools engage the students in three interlocking dimensions: community, prayer, and service.

Carmelite sponsored schools seek to build a community that listens and bears witness to the divine plan through the promotion of justice in the service of the whole person. Each school strives to recognize, preserve, and nurture the dignity of every person who becomes part of this community, including students, faculty, parents, staff, alumni, and benefactors.

Wholly-owned Carmelite sponsored schools in the United States are expected to follow the policies in this manual. Exemption from a particular policy is possible only upon approval of the Provincial Council or its designee. Because two of the five Carmelite

secondary schools are co-sponsored, approval of these policies resides with their respective and appropriate boards. If there are provisions in the manual that the Board of Directors cannot implement in their school, dialogue should be initiated with the Provincial Council or its representative.

Models of Secondary School Sponsorship Carmelite Province of the Most Pure Heart of Mary

There are three possible forms of sponsorship currently: wholly-owned Carmelite sponsored schools; co-sponsored Carmelite schools; and, Carmelite sponsored schools. The province wholly owns and sponsors three secondary schools in the United States (Mt. Carmel, Salpointe Catholic, Crespi Carmelite) and one school (Colegio Nuestra Señora del Carmen) in Lima, Perú. The province co-sponsors, in cooperation with congregations of religious women, two schools in the United States (Joliet Catholic Academy and Carmel Catholic). Two schools in Peru which are associated with parishes administered by the Carmelites (Colegio de Nuestro Salvador in José Galvez and Colegio Nuestra Señora del Carmen in Barranco) are also therefore sponsored by the province.

Governance

The three wholly-owned Carmelite schools in the United States are separately incorporated entities governed by a Board of Members made up of the prior provincial (Chair), and the members of the provincial council. This group has special reserved authority and responsibilities (as listed on pages 19-20). Each school has a Board of Directors, with primarily lay membership drawn from the local community but including some Carmelites, with policy-making responsibilities and financial oversight (as listed on pages 25-26), overseeing the actual school operation in the name of the Members.

The co-sponsored schools in the United States are governed by a Board of Members, with membership of both sponsoring groups, according to their own bylaws. Each school also has a Board of Directors, with membership drawn primarily from the local community but also including membership from the sponsoring communities and with specific responsibilities assigned to it.

Due to differences in law between the USA and Perú, the Peruvian schools, wholly-owned as well as sponsored, operate according to their own particular governance. While not governed by these policies they are considered part of the PCM secondary school system and participate as full members of the Province's Secondary School Commission.

Provincial Office of Sponsorship

Recognizing the need to provide more resources to maintain strong Carmelite sponsorship of the schools and other institutions owned by the province, the province is establishing an *Office of Sponsorship*. This office, which reports to the prior provincial, will assist the schools in the implementation of a program of Carmelite sponsorship. The *Office of Sponsorship* is specifically charged with:

- Sharing the Carmelite charism in our various ministerial commitments;
- Promoting the Carmelite values of prayer, community, and service among those we serve;
- Increasing the sense of Carmelite identity within each ministry where we serve.

The program objectives of the *Office of Sponsorship* are:

- To develop a series of activities that are effective in communicating the charism and spirituality of Carmel;
- To identify age-appropriate activities that allow us to share the Carmelite values of prayer, community, and service;
- To develop evaluation tools that provide feedback to ministerial sites, sponsorship directors, and provincial authorities regarding the effectiveness of programming activities.

Carmelite Secondary Schools Commission

A standing commission of the Province of the Most Pure Heart of Mary is the Carmelite Secondary Schools Commission. Appointed by the provincial council of the PCM Province, its members includes the president and principal (or their equivalent) of each sponsored school as well as a liaison from the provincial council.

Depending on the topics to be covered at particular meetings, others may be invited to participate from time to time but they are not members of the commission.

The purpose of the commission is to promote the common goals of the schools, to address common challenges, and to provide formation in Carmelite themes. From time to time, the provincial leadership may direct specific topics to the commission for discussion. Likewise leadership from the schools may present topics for inclusion in the commission's meeting agenda.

**Preamble and General Principles
of the
Province of the Most Pure Heart of Mary
for
Secondary Schools Ministry**

A fundamental call to ministry in the Church is the evangelization of our youth for the Church and society. “The Church exists in order to evangelize, that is to preach and teach, to be the channel of the gift of grace.” (*Evangelii Nuntiandi*)

From the early years of our Province, we have responded to this call through our secondary school ministry. We reaffirm our commitment to this integral ministry and strongly encourage our brothers to respond to this call by their active participation and support.

General Principles

- A. Carmelite schools are an integral part of the Church’s mission to evangelize, build faith communities, celebrate through word and sacrament, and serve others;
- B. The spiritual formation of the entire school community (students, teachers, parents, and alumni) is an essential dimension of the Carmelite school’s mission;
- C. Carmelite secondary schools announce God’s presence in the lives of young people, and denounce the oppression of ignorance, fear, and division by promoting holistic education;
- D. Carmelite schools are committed to educate students of diverse economic, cultural, religious, racial, and ethnic backgrounds;
- E. Carmelite schools, as a provincial ministry, have the support of the members of the Province;

- F. The recruitment, selection, and formation of Carmelites, other vowed religious and lay persons as teachers; administrators, board members, and campus ministers are critical to the future of Carmelite schools;
- G. Carmelites, other vowed religious, and lay-persons serving in our schools are called to a leadership that is deeply spiritual, servant-like, prophetic, visionary, and empowering.

Specific Legislation

- A. The Province of the Most Pure Heart of Mary will continue to sponsor its secondary schools using three models reflecting the realities of our schools today: wholly-owned by the province, co-sponsored with another religious community, and affiliated to parishes administered by the province;
- B. The Province envisions the possibility of sponsoring secondary schools that identify as Roman Catholic but do not have a particular charism (owned by a diocese, for example) that guides their vision and purpose. The Office of Sponsorship would provide expertise in Carmelite spirituality and traditions but no personnel nor funding. The school would adopt the program of activities and symbols that identify them as a Carmelite sponsored secondary school;
- C. The Carmelite Secondary School Commission will review and suggest modifications to the policy manual for the Carmelite sponsored secondary schools for approval by the Provincial Council;
- D. Each Carmelite sponsored secondary school will have a Long-Range Plan which will be produced/updated annually, the results of which will be submitted to its Board of Directors with a copy forwarded to the Board of Members before the end of the academic school year;
- E. Carmelite secondary schools and the Carmelite Province will be proactive in the development of boards and leadership programs to insure the continuity of our schools beyond Carmelite presence;

- F. The role of Carmelites who wish to live in a community associated with a school, but who are either employed in another ministry or who are retired, needs to be addressed and clarified prior to their moving into a community. This arrangement should be reviewed at least every three years;
- G. Carmelite secondary schools welcome the participation of Carmelite interns and share the responsibility for their training and development in the ministry of education during their internship;
- H. Carmelite schools will continue to encourage the formation program to include con-commitment courses supporting the ministry of religious education and evangelization as it appears in our schools and in the C.C.D. program attached to our parishes.

Policy Title: Board of Members

Policy Statement:

Each wholly-owned Carmelite secondary school (hereinafter "Corporation" or "School") will have one class of Members. The Members of each Corporation shall consist of the members of the Provincial Council of the Society of Mount Carmel, Inc., an Illinois Not For Profit Corporation, (A.K.A.) Order of Carmelites, Province of the Most Pure Heart of Mary, who shall be designated in writing to the Board of Directors. The names of the Members shall be certified to the Board of Directors of the Corporation by the Provincial of the Society of Mount Carmel or his designee, at least thirty days prior to the annual meeting of the members. Upon such certification, the persons so designated shall be deemed to be Members of this Corporation for a term of three years commencing with the date of the annual meeting of the Members next following the date of such certification.

Procedures for Implementing the Policy:

A. Voting rights

Each Member shall be entitled to one vote on each matter submitted to a vote of the Members.

B. Responsibility of the Members

Notwithstanding any provision to the contrary, the following matters shall be effected only after approval by the Members.

1. The purpose, philosophy, and mission of Mt. Carmel, Crespi Carmelite, and Salpointe Catholic High Schools and any change thereto;
2. Amendments of the Articles of Incorporation;
3. Slate of candidates for membership on the Boards of Directors;

4. Selection and termination of the president of the schools;
5. Slate of candidates for the principal of the schools;
6. Annual financial budget if the proposed budget reflects a deficit;
7. Borrowing of money:
 - i. For a term exceeding three years, or
 - ii. If in excess of an amount of 2% of the yearly budget, regardless of the term of such borrowing;
8. Purchase, sale, lease, disposition, encumbrance, hypothecation or modification of any asset valued at \$50,000 or more of the Corporation;
9. Dissolution or merger of the Corporation;
10. Bylaws and amendments to the bylaws;
11. The annual audit and management letter of the schools;
12. Any capital campaign of 1 million US dollars or more of the school/Corporation.

C. Termination of Membership

The membership of any person designated a Member shall terminate prior to the expiration of such Member's three-year term upon certification by the Provincial of the Society of Mount Carmel, Inc., or his designee, to the Board of Directors that such person is no longer designated as a Member.

D. Resignation

Any Member may resign by resignation with the Secretary of the Corporation.

E. Vacancies

In the event of a vacancy in Membership arising out of the death, disability, resignation or termination of a Member, a new Member shall be designated in writing to

the Board of Directors by the Provincial of the Society of Mount Carmel, Inc., or his designee.

F. Transfer of Membership

Membership in this Corporation is not transferable or assignable.

G. Meetings

1. Annual Meeting: an annual meeting of the Members shall be held at a time and place fixed by the Members for the purpose of transacting any business which may come before the Board;
2. Special meetings: Special meetings of the Members may be called by the president of a high school;
3. Place of Meeting: the notice of any meeting of Members may designate any place, either within or without the State of Illinois, as the place of meeting. If no designation is made, the place shall be at the high school;
4. Notice of Meetings: Written or printed notice stating the place, day and hour of any meeting of Members will be delivered, whether personally, by facsimile or other electronic means, or by mail to each Member entitled to vote at such a meeting, not less than five nor more than forty days before the date of such a meeting, by or at the direction of the president or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage prepaid.

5. Quorum: the Members, then in office, (represented in person or by proxy) holding the majority of the votes, which may be cast at any meeting, shall constitute a quorum at such meeting. If quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice;
6. Proxies: At any meeting of Members, a Member entitled to vote may vote in person or by proxy executing in writing by the Member or his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided by the proxy;
7. Teleconferences: Any meeting of Members may be held by teleconference, videoconference, or other electronic means in which each Member may hear each other Member.

Policy Title: Board of Directors

Policy Statement:

Each wholly-owned Carmelite sponsored secondary school shall have a Board of Directors. The Directors shall not have any power or authority with respect to any matter reserved to the Members pursuant to the provisions of Policy Statement "Board of Members" nor shall they have any authority to amend, alter, or repeal any resolution of the Members.

Procedures for Implementing the Policy:

A. General Powers:

Its Board of Directors shall manage the affairs of the Corporation. The Board of Directors shall:

1. Periodically review the mission, general philosophical guidelines, and policies of the school;
2. Review and approve policies that insure the sound reputation and management of the school;
3. Oversee the financial stability of the school, including, but not limited to approval of its annual budget, reception of the annual audit report, approval of the selection of the auditor;
4. Receive and approve the strategic plan of the school at least every five years as well as annual progress reports;
5. Approve the tuition and fee schedule;
6. Review and approve salary and benefit schedules;
7. Approve, along with the Board of Members, any loan over and above the aggregate amount of 2% of the annual budget. The Board will adopt a resolution authorizing the appropriate person(s) to approve lesser loans;
8. Review programs for obtaining the funds necessary to operate the school;
9. Approve any capital campaign;

10. Establish a gift acceptance policy and approve the acceptance of any major gifts, bequests, or property not in accordance with such gift acceptance policy;
Approve any lawsuits in which the school/corporation is a plaintiff or approve the defense and settlement of all lawsuits or other claims against the corporation;
11. Review effective communications between the school and its constituencies, including the local community;
12. Review and approve programs and expenditures in excess of 2% of the approved budget;
13. Approve all appointments to the Board of Directors of the school;
14. Approve the president's selection or removal of the school's principal in consultation with the Board of Members and be notified of the principal's resignation by the president;
15. Perform annual evaluations of the president of the school.

B. Number, Tenure and Qualifications

The Board of Directors shall elect the directors from a slate of candidates approved by the Members. It is recommended that the number of directors shall be not less than **eleven** nor more than **twenty-one**; that the initial term of office shall be two (2) or four (4) years, subject to reappointment for not more than two (2) subsequent terms. Directors need not be residents of Illinois or Members of the Corporation. At least four (4) of the directors shall at all times be members of the Society of Mt. Carmel and the others shall be selected to meet the needs of the board in terms of ministerial, educational, financial and other areas of expertise as may be necessary in carrying out the purposes of the board. Neither person with faculty status (other than the president or principal) nor any member of the staff at the school shall be appointed or elected to the Board of Directors. Any director elected to fill a vacancy shall be elected for the unexpired portion of the term to be filled.

C. Chair of the Board

The chair of the Board shall be elected annually by the Board of Directors from its members with a limit of three (3) successive terms. The chair shall preside at all meetings of the Board of Director and shall be an ex-officio member of all committees. The chair shall, in general, supervise and control all the business and affairs of the Board and perform all duties incidental to the office of chair and such other duties as may be prescribed by the Board of Directors from time to time.

D. Vice Chair

The vice-chair shall be elected annually by the Board of Directors from its members. In the absence of the chair of the board or in event of the chair's inability or refusal to act, the vice-chair shall perform the duties of the chair, and when acting, shall have all the powers of and be subject to all the restrictions upon the chair.

E. Secretary

The secretary of the Board shall be elected annually by the Board of Directors from its members. In the absence of the chair and vice-chair of the Board of in the event of their inability or refusal to act, the secretary shall perform the duties of the chair, and when acting, shall have all the powers and be subjected to all the restrictions upon the chair. The secretary shall ensure that minutes of the Board of Director's meetings are kept; see that all notices are duly given in accordance with the provisions of these bylaws and in general perform all duties incidental to the office of secretary.

F. Compensation

Directors shall serve without financial compensation for their services as such, but may be compensated for services rendered to the school in other capacities, and shall be entitled to reimbursement, in any case, for actual, necessary, and reasonable expenses incurred incident to their work upon business of the school.

G. Regular Meetings

The Board of Directors shall establish by resolution, a time and date on which a regular annual meeting of the Board of Directors shall be held for conducting such business as shall be appropriate. Other regular meetings shall be held with such frequency and at such times and places as may be determined from time to time by resolution of the Board of Directors. Any business may be transacted at the annual or any other regular meeting of the Board of Directors.

H. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the chair of the Board, the president, or any two directors. Written or printed notice stating the place, day and hour of any special meeting of directors shall be delivered, whether personally, by facsimile or other electronic means, or by mail to each director entitled to vote at such a meeting, not less than two nor more than five days before the date of such a meeting, by or at the direction of the chair, the secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or by these bylaws, the purpose for which the meeting is called shall be stated in the notice.

I. Quorum

An absolute majority of the elected members of the directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the present may adjourn the meeting from time to time without further notice.

J. Manner of Action

The act of an absolute majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these bylaws.

K. Teleconferences

Any meeting of directors may be held by teleconference, videoconference or other electronic means in which each director may hear each other director.

L. Vacancies

Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board of Directors from the most current list of candidates approved by the Members. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.

Policy Title: Communication Between Boards and the School Administration

Policy Statement:

A strong, regular program of communication between the Board of Members, the Board of Directors, and the administration of the school will be maintained which insures the timely flow of information.

Procedures for Implementing the Policy:

A. Communication normally occurs between the chairs of the respective boards and the president of the school.

B. Minutes from the board meetings will be transmitted to the chair of the other Board and president of the school within a two-week period.

C. Other materials required to be exchanged as set forth elsewhere in this *Policy Manual of the Carmelite Sponsored Secondary Schools*. These include:

1. Certification of Members of the Board of Members to the Board of Directors by the prior provincial 30 days prior to the annual meeting of the members;
2. Notification of the chairs of the Board of Members and the Board of Directors of any legal involvements when they occur;
3. Five-year financial projections in January;
4. Enrollment and financial projections in February;
5. Transmittal of annual budget as approved by Board of Directors in April;
6. Annual evaluation of president to Board of Members in June;

7. Transmittal of the Long Range Plan of the school updated annually in June;
8. Transmittal in September of updated list of current members of the Board of Directors, contact information, profession, and starting date of term and date term ends. If changes occur during the year, notification needs to be sent at time of change;
9. Transmittal of audit report for prior year to chairs of the Board of Members and Board of Directors in November.

Policy Title: Board Formation

Policy Statement:

Each Carmelite sponsored secondary school will have a regular program of formation for its boards which will include educational components as well as best practices in boards, Catholic theology, and Carmelites spirituality and traditions. Strong boards, aware of their responsibilities and familiar with the mission and philosophy of a Carmelite sponsored secondary school, are essential to creating the very best educational institutions.

Procedures for Implementing the Policy:

Each Board's executive or governance committee will develop a program by the first meeting of the Board each year.

Policy Title: Obligations of Board Members

Policy Statement:

The Board ensures the school's mission is carried out through its evaluation of school leadership, approval of budgets and policies which promote a sound, holistic educational program and to avoid risks to the school's financial wellbeing and the health and safety of its students and staff. Its members must participate in the life of the Board in order to fulfill its role and responsibilities.

Procedures for Implementing the Policy:

- A. A Board member owes the duty to exercise reasonable care when he/she makes a decision as a steward of the school.
- B. A Board member owes the duty to make decisions not for personal gain, but with undivided allegiance to best interests of the school. He/She must have a strong standard of faithfulness when making decisions affecting the school.
- C. A Board member cannot act or manage in a way that is inconsistent with the mission of the school. The basis for this rule lies in the public's trust that what they are told about the institution is true and that the school will be directed in a manner that will fulfill its mission.
- D. The responsibilities of the individual Board members includes:
 - 1. Actively supporting and promoting the organization's mission, services, policies, and programs;
 - 2. Attending all Board and committee meetings and functions;
 - 3. Reviewing agenda and supporting materials prior to Board and committee meetings;
 - 4. Serving on committees and task forces and occasional special assignments;

5. Making a personal financial contribution to the school according to his or her personal means;
6. Assisting in the identification of individuals to serve on the various committees and, possibly, eventually on the Board itself;
7. Keeping up-to-date on developments in the field of education;
8. Taking care in separating the interests of the school from personal interests and the interests of a particular student, program, or constituency;
9. Assisting the Board in carrying out its fiduciary responsibilities in a sound manner;
10. Supporting the administration of the school and demonstrating that support within the community;
11. Developing certain skills, if not already in possession of them, such as reading and understanding financial statements, learning more about the educational programs, cultivating and soliciting funds, cultivating and recruiting others to serve on the Board committees, etc;
12. Recognizing that authority is vested in the Board as a whole. A Board member who learns of an issue has the responsibility to bring it to the school president or Board chair and not deal with the situation individually;
13. Serving as positive ambassadors with the larger community.

Policy Title: Establishment of Committees of the Boards

Policy Statement:

Each Board shall have a minimum of three committees to assist in the legislative and administrative responsibilities of the Board. The exact number of committees shall be determined by the Board.

Procedures for Implementing the Policy:

A. Executive Committee (or Governance Committee):

The Executive Committee is established as a standing committee to prepare meetings, execute appropriate decisions, act on behalf of the Board in ordinary administrative matters and act on behalf of the Board in situations where full Board action is not possible.

The Executive Committee shall include the officers of the Board chair, vice- chair and secretary) and the president (or principal if the office of president is vacant). The chair of the Board shall be the chair of the Executive Committee. The Executive Committee shall:

1. Set the annual calendar of meetings;
2. Establish the agenda of the board meetings;
3. Meet regularly during the year and distribute a report of the actions taken at these meetings to the members of the Board at the Board meeting immediately following its meeting(s);
4. Advise in the following decisions reserved to the chair.
 - i. Membership of all board committees;
 - ii. Appointment of the chairs of the board committees;

5. Establish the processes for the annual evaluation of the president and shall execute the same;
6. Deliberate on any and all decisions made on behalf of the full Board;
7. Recommend annually the goals of the board.

The Executive Committee shall not have any power or authority with respect to any matter reserved to Members pursuant to the policy entitled "Board of Members," nor shall it have any authority to amend, alter, or repeal any resolution of the Board of Directors.

B. Finance Committee:

The Finance Committee is established as a standing committee to recommend fiscal policy and to oversee the total financial management of each high school. The Finance Committee shall include at least two members of the Board. One of these members shall be the chair of the Finance Committee. It shall also include other members because of the particular expertise they bring to the Finance Committee. The director of finance of the institution shall be an ex-officio and nonvoting member of the Finance Committee. It shall recommend the annual budget to the Board; work in cooperation with the president, principal, and the business manager in reviewing, evaluating, and making recommendations to the Board with respect to all financial functions of the school, including but not limited to, recommending the selection of the school's independent auditing firm and assisting in identifying future financial needs.

C. Committees of the Board:

The Board of Directors may create such other committees, as it deems necessary. At least one director shall be a member of each committee. The chair of the Board of Directors is ex-officio member of each committee. Other committee members may be selected as the Board of

Directors may designate, or if there is no such designation, then as the director member may provide. Standing committees and other committees that the Board may create shall be advisory and actions thereof shall not bind the Board of Directors.

Policy Title Contracts, Checks, Deposits and Funds

Policy Statement:

A. Contracts

The Board of Directors, subject to the limits of its authority elsewhere herein prescribed may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

B. Checks, Drafts etc.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer and countersigned by the president or a vice-president of the Corporation.

C. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the president or treasurer may select.

D. Gifts

The Board of Directors or officers may accept on behalf of the Corporation any contribution, gift, bequest, or devise, that is in accordance with the school's established gift policy, for the general purpose or for any special purpose of the Corporation.

Policy Title: Books and Records

Policy statement:

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the persons entitled to vote. Non-confidential books and records (excluding academic student records, personnel records, donor records, etc.) of the corporation may be inspected as appropriate by members of the Board of Directors. The Board of Members or their attorney may inspect all books and records of the corporation for any proper purpose at any reasonable time.

Policy Title: Fiscal Year of the Corporation

Policy Statement:

The fiscal year of the Corporation shall begin on the first day of June or July of each year depending upon the decision of the Board of Directors.

Policy Title: Seal

Policy Statement:

The Board of Directors, in its discretion, may provide a corporate seal which may be in the form of a circle and have inscribed the name of the Corporation and such other appropriate insignia and inscriptions as may be determined by the board.

Policy Title: Waiver of Notice

Policy statement:

Whenever any notice whatever is required to be given under the provisions of the General-Not-For-Profit Corporation Act or under the provisions of the Articles of Incorporation or by the Bylaws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Policy Title: Informal Action by Member or Directors

Policy Statement:

Any action required by the General-Not-for-Profit Corporation Act of individual states, the Articles of Incorporation, or bylaws, to be taken at a meeting of the members or directors of the Corporation, or any other action which may be taken at a meeting of the members or directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members entitled to vote with respect to the subject matter thereof, or all the directors, as the case may be.

Policy Title: Indemnification of Members, Officers and Directors

Policy Statement:

All Carmelite Secondary Schools shall indemnify its members, officers, and directors and every former officer and director and every person who may have served at its request or by election or appointment as a member, director or officer of the Corporation, for all sums which they, or any of them, shall be legally obliged to pay as damages and for expenses actually and necessarily incurred by them in connection with the defense or settlement of any action, suit or proceeding to which they, or any of them, are made parties, or a party by reason of being or having been a member, director or officer of the Corporation, except in relation to matters as to which any such member, director or officer, or person shall be adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of duty and to such matters as shall be settled by agreement predicted on the existence of such liability.

The term expenses shall include attorneys' fees, court costs, the expenses of investigation and paid in settlement (unless paid by the school) and other expenses necessarily and reasonably incurred in connection with the defense or settlement of any claim, action suit, or proceeding. The forgoing right of indemnification shall not be exclusive of any other rights to which any member, director or officer may be entitled and this indemnification shall be in addition to and not in limitation of any other privilege or power of the school to indemnify its members, officers and directors.

Policy Title: Amendments to Bylaws and Effective Date

Policy Statement:

A. Amendments to Bylaws

These bylaws may be amended by vote of two-thirds of the Board of Directors and with said amendments subject to approval by the Members of the Corporation.

B. Effective Date

The forgoing bylaws having been adopted by the Board of Directors and the Members of the Corporation are now in force. Any amendments thereto shall be in force from and after their adoption.

Policy Title: Officers of the Corporation

Policy Statement:

The Officers of the Corporation shall be a president, a vice-president, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of this policy. Any two or more officers may be held by the same person, except the offices of president and secretary. The Board of Directors may elect, appoint, or employ such other officers, agents, or employees as the Board in its discretion deems necessary to conduct the work of the corporation, and fix their duties, compensation, and expense allowance.

A. Election and Term of Office:

The Board of Directors shall elect the officers of the Corporation, other than the president, for one-year terms at the annual meeting of the Board of Directors. The Board shall require the affirmative vote of a majority of the directors holding office at the time of any election to elect said officers. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient, vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected.

B. President of the Corporation:

The president shall be selected by the Board of Members. The president shall serve as the chief executive officer of the Corporation and shall, in general, supervise and control all of the business and affairs of the Corporation. The president may sign, with the secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has

authorized to be executed, except in cases where the signing and executing there of shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time. The president shall have authority to appoint such staff officers, agents, and employees of the high school as the president deems necessary, to prescribe their powers, duties, and compensation, and to delegate authority to them. Such staff officers, agents, and employees shall hold office at the discretion of the president. The president shall be an ex-officio and voting member of the Board of Directors and all Board Committees.

C. Vice President of the Corporation:

The vice president of the corporation, chief academic, and/or operating officer of the school is the principal. The principal reports to the president. In the absence of the president or in the event of a vacancy in the office of the president, or the president's inability or refusal to act, the principal shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions placed upon the president. The principal shall perform such other duties as from time to time may be assigned to him/her by the president. The principal may be an ex-officio and voting member of the Board of Directors, according to the school's policy.

D. Secretary of the Corporation:

The secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the

seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; keep a register of the post office address of each member and director which shall be furnished to the secretary by such member and director; and in general perform all duties incident to the office of secretary and such other duties which from time to time may be assigned to him/her by the president or by the Board of Directors.

E. Treasurer of the Corporation:

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the corporation, shall be the principal accounting and financial officer of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these bylaws; and in general perform all the duties incident to the office of treasurer and any such other duties as from time to time may be assigned to him/her by the president or by the Board of Directors.

Policy Title: President and Principal Model of School Administration

Policy Statement:

All wholly-owned Carmelite sponsored secondary schools shall have a president/principal model of administration. Detailed job descriptions will also be approved by the Board of Directors, delineating the responsibilities of these positions.

Policy Title: Carmelite Secondary Schools Commission

Policy Statement:

The Carmelite Secondary School Commission is a standing commission of the Provincial Council of the Society of Mount Carmel whose specific task is to attend the overall ministry of education for the Province.

A. Responsibilities of the Commission

1. Coordinate activities which corporately affect the schools;
2. Assist in the development of long-range plans;
3. Provide a forum to promote the common goals of the schools, to address common challenges, and to provide formation in Carmelite themes. From time to time, the provincial leadership may direct specific topics to the commission for discussion. Likewise leadership from the schools may present topics for inclusion in the commission's meeting agenda.

B. Membership on the Commission

1. Appointed by the provincial council of the PCM province of Carmelites, its members include the president and principal of each sponsored school as well as a liaison from the provincial council and the provincial director of sponsorship.
2. The chair of the commission is appointed by the provincial council.
3. Depending on the topics to be covered during a particular meeting, others may be invited to participate from time to time but they are not members of the commission.

Long Range Planning

Policy Title: Annual Update of Five-Year Enrollment and Financial Projections

Policy Statement:

Each wholly-owned Carmelite secondary school will annually update its five-year enrollment and financial projections.

Procedures for Implementing the Policy:

1. Enrollment projections, based on feeder school data, will be updated in January. Enrollment projections will be reviewed and approved by the Board of Directors and a copy submitted to the chair of the Board of Members in February.
2. Five-year financial projections will be reviewed and approved by each Board of Directors in January of each year. A copy will be submitted to the chair of the Board of Members.

Rationale for the Policy:

1. Annual update of five-year enrollment and financial projections provides an effective way of anticipating future problems and opportunities.
2. Preparation of the projections prior to development of the annual budget provides helpful insights into projected trends and the need for adjustments in income or expenditure patterns.

Finances

Policy Title: Budgets, Cash Flow Projections, and Financial Reports

Policy Statement:

Annually each wholly-owned secondary school will prepare a balanced budget. Budgets must be balanced with realistic figures, not balanced by overestimates of income or underestimates of costs. Budgets will be prepared by school administrators in cooperation with the Board of Directors. The Board of Directors will approve the budget unless it is anticipated that the budget will show a deficit. In the case of a projected deficit budget, the Boards of Members must also approve the budget. A cash flow projection will be prepared after the budget is approved.

Calendar of Key Financial Dates:

This policy and several of the other financial policies in this manual contain dates when reports are due or specific action is to be taken. The following is a listing of those dates:

A. One Month After the End of the Fiscal Year

- End of the fiscal year financial report sent to the school's Board of Directors.

B. August/September

- Audit conducted at the conclusion of fiscal year and sent to the chair of the Board of Directors and to the chair of the Board of Members.

C. October

- Budget update to reflect the Fall enrollment and sent to the chairs of the Board of Directors and Board of Members;
- First quarter financial report sent to the chairs of the

Board of Directors and Board of Members.

D. January/February

- Five-year enrollment projections updated;
- Five-year financial projections approved by the school's Finance Committee. Copy sent to the chair of the Board of Members;
- Second quarter financial report sent to the Board of Directors.

E. March

- First draft of budget reviewed by the school's Finance Committee;
- Third Quarter Financial Report sent to the chair of the Board of Directors.

F. April

- Next years' budget proposal sent to the Board of Directors;
- Budget approved, salary increases and tuition announced.

Rationale for the Policy:

Budgets should be reviewed and approved by the Board of Directors and the Board of Members, when required, so that both Boards are familiar with them. The Boards are responsible for ensuring that budgets are balanced.

Policy Title: Fund Drives and Building Programs

Policy Statement:

All building programs involving additions or modifications to the current structures must be approved by the Board of Members as well as by the Board of Directors. Any acquisition of new or additional property must be approved by both boards and such land becomes the property of the Society of Mt. Carmel.

Procedures for Implementing the Policy:

Requests for approval of a building program must be submitted to the Board of Director of Members when applicable, in writing and should contain the following components:

- A. Rationale;
- B. Need which is to be served;
- C. Evidence of competitive bidding;
- D. Financial analysis, including impact on budget;
- E. Method of financing.

Rationale for the Policy:

Fund drives and building programs have a major impact on the viability and future direction of a high school. Approval by the Board of Directors serves to validate the need and ensure good fiscal management.

Approval by the Board of Members is required as they hold responsibility for the school's purpose, mission, and philosophy.

Policy Title: Loans

Policy Statement:

All loans must be approved by the Board of Members as well as the Board of Directors if the term exceeds three years or if the amount is to exceed 2% of the annual budget regardless of the terms of such borrowing.

Procedures for Implementing the Policy:

- A. Requests for approval for loans must be received in writing at least 30 days before the Board of Members meet at which time the loan will be considered. The request should specify the reason, impact on budget, and should have prior approval of the school's Board of Directors.
- B. If the loan is to meet a cash flow need of the high school, the written request must be accompanied by a cash flow projection, which shows why the money is needed and when and how it will be repaid.

Rationale for the Policy:

The Carmelite province expects secondary schools to remain viable by ensuring that the schools do not incur unnecessary indebtedness.

Policy Title: Development Program

Policy Statement:

Each wholly-owned Carmelite secondary school will have a development program which raises money for the operating budget, restricted funds, endowment, and capital improvements of the institution.

The Board of Directors will review fundraising and development goals and work with the schools to achieve those established goals.

Procedures for Implementing the Policy

- A. All major fund drives must be approved by the Board of Directors. Capital Campaigns in excess of \$1 million must also be approved by the Board of Members;
- B. Amounts budgeted from fund raising and development will be supported by a realistic plan to raise the money;
- C. The **Board of Directors will work** with president in establishing a Development Office and/or a Development Committee;
- D. The Board of Directors will receive a written copy of the development program's goals and objectives on an annual basis.

Rationale for the Policy

Development has been a growing source of revenue for Catholic secondary schools in the United States. Parents and local personnel are more likely to assume active ownership of the school if they make a financial investment and have financial involvement in the school.

Policy Title: Tuition Assistance Program

Policy Statement

All wholly-owned secondary schools will have a tuition assistance program. The objective of the program is to make it possible for students to attend the high school who cannot afford the full tuition. A high school should budget at least 5% and preferably 7% of its tuition/fee income for this purpose.

Procedures for Implementing the Policy:

- A. A standard application form and procedure should be developed. The school may use the services of an outside agency to evaluate tuition assistance requests.
- B. The school administration, through the budgeting process, will determine the source of funds for the program. Funds may be provided from the operating budget, from special fund raising programs, from a tuition assistance reserve fund, or from an endowment.
- C. Tuition assistance grants should be handled confidentially. The Board of Directors approves the funds by approving the budget, but is not involved in individual allocations.
- D. The availability of tuition assistance should be advertised and used as a tool in the marketing program.
- E. A small portion of the annual tuition assistance budget should be retained to assist families who have a legitimate mid-year financial need.

Rationale for the Policy:

- A. The mission and purpose of wholly-owned Carmelite secondary schools is best served when tuition assistance is available to help students from all economic strata obtain a Catholic education.
- B. Tuition assistance programs make it possible to raise tuition without creating a harmful effect on enrollment.
- C. Marketing programs can be enhanced by appropriate advertisement of the tuition assistance program.

Policy Title: Financial Reserves

Policy Statement:

Each wholly-owned Carmelite secondary school is encouraged to accumulate a financial reserve in the range of 10% to 15% of the school's operating budget. Reserves should be used only for emergencies or for planned capital improvements. In addition, secondary schools are encouraged to establish endowment funds.

Procedures for Implementing the Policy:

- A. Reserves can be accumulated through annual operating surpluses or from special fund raising efforts;
- B. Reserve funds should be used only for purposes which have been approved by the Board of Directors. In general, their purpose is to provide for the cash flow needs of the high school and to provide a cushion with which to cover unexpected economic problems;
- C. Expenditure of reserve funds, which were not included in the approved annual budget, must be approved first by the Board of Directors.

Rationale for the Policy:

- A. Financial reserves reduce the likelihood that the school will find it necessary to borrow money for short-term cash flow needs or to cover unanticipated budget shortfalls;
- B. Financial reserves earn interest, which provide additional operating revenues.

Policy Title: Endowments

Policy Statement:

Each school will work toward the creation of an endowment fund or funds. Endowment policies will be established by each school' or foundation's Board of Directors and approved by the Board of Members.

Procedures for Implementing the Policy:

- A. The Board of Directors will develop an approved written plan outlining the purpose of the endowment fund and how it will be administered.
- B. When the endowment reaches \$1 million, an investment manager should be appointed to manage the funds. At the time of appointment an investment policy will be established.
- C. When the endowment becomes of significant size, the Board of Directors should study ways to protect the endowment by considering the establishment of a separate legal entity. Establishment of a separate legal entity would need the approval of the Board of Members.

Policy Title: Audits

Policy Statement:

Carmelite secondary schools will be audited annually by a certified public accounting firm. A copy of the audit report will be shared with the Board of Directors and the Board of Members.

Procedures for Implementing the Policy:

Each school will arrange for an annual audit with a accounting firm approved by the Board of Directors.

Rationale for the Policy:

Audits provide an opportunity for an objective outside review. Audits provide an early warning system so that potential problems can be averted.

EVALUATIONS

Policy Title: Criteria for Evaluating the Viability of Schools

For Continued Carmelite Sponsorship

Policy Statement:

Decisions regarding continued sponsorship of a Carmelite secondary school will be based on the following factors:

- A. The school makes a significant impact on the local community and enjoys the support of the local diocese and community.
- B. The school makes a significant contribution to the church's educational mission in a given geographic area and is not a duplication of other Catholic educational programs.
- C. The school maintains an enrollment that is sufficient to provide a comprehensive program and fulfill the school's philosophy and mission.
- D. The school is financially independent and/or can achieve financial stability.
- E. The school demonstrates a Catholic atmosphere and vision, consistent with the Carmelite province's Mission Statement.
- F. The school adheres to standards of educational quality as set forth by State and/or regional accrediting agencies.
- G. Program and curriculum offerings reflect the legitimate needs of the local community. To be viable, the school must be able to meet the above criteria within a reasonable amount of time.
- H. The school embraces a distinctive Carmelite spirit with Carmelite spirituality and traditions infused throughout the school's programs.

Policy Title: Regional Accreditation/Other Recognitions

Policy Statement:

Every Carmelite high school will be accredited by its regional accrediting association and will seek other quality recognition that is feasible to accomplish.

Policy Title: Evaluation Process for Wholly-Owned Carmelite Secondary Schools

Policy Statement:

The Board of Members of the wholly-owned Carmelite secondary schools will evaluate each school's fulfillment of its mission, philosophy, and purpose once during the three-year term of the Board of Members through a formal evaluation process.

Procedures for Implementing the Policy:

- A. The evaluation by the Board of Members will not generally occur during the first year of a transition in the president or principal of the school. Nor will it generally occur the same year the school is undergoing regional accreditation.
- B. The Board of Members will consider including the Board of Directors as part of the evaluation team.
- C. The evaluation should include input from the various constituencies of the school, including faculty, staff, students, parents.
- D. The evaluation may include electronic surveys but must involve some face to face interviews.
- E. A written report will be developed by the Board of Members, shared with the Board of Directors, and passed to the school administration for review and implementation of any recommendations. Some form of the written report will be shared with the school community.

Policy Title: Carmelite Personnel

Policy Statements:

A. Compensation

Each wholly-owned Carmelite secondary school operates according to sound principles, which guarantee solvency and stability. Carmelites receive a just salary and enjoy the same fringe benefits granted to lay personnel. Carmelites employed by the school are to be able to support themselves and contribute toward support of the Carmelite community and the province.

B. Assignments

Carmelite school personnel desiring reassignment should so inform the prior provincial and the president of the school prior to January 1 of a given school year.

C. Carmelite Interns

The placement of men who are in the Carmelite formation program within our school communities for an internship follows the guidelines laid down by the provincial Formation Commission.

Policy Title: Administrative Intern Program

Policy Statement:

An administrative intern program will be initiated through which Carmelite and lay employees interested in administration will be trained for leadership roles in wholly- owned Carmelite sponsored secondary schools.

Procedure for Implementing the Policy:

- A. Names of candidates for the Administrative Intern Program will be identified by the Carmelite Secondary Schools Commission;
- B. An outside agency will be used to assess the aptitude and potential of the candidate for secondary school administration;
- C. Schools to which administrative interns are assigned will be approved by the formation coordinator if appropriate. A written program plan for the intern will be developed and approved by the coordinator;
- D. The year of internship will be regularly supervised by the local principal or president.

Rational for the Policy:

Proper selection and adequate training may increase the success of new administrators and assure the future of Carmelite administrative leadership within the schools.