

**BALL STATE UNIVERSITY OFFICE OF CHARTER SCHOOLS
POLICY REGARDING ORGANIZER GOVERNANCE**

A. INTRODUCTION At the time the Organizer submits its Proposal for authorization of a charter school pursuant to I.C. 20-24 to the Ball State Office of Charter Schools ("OCS"), it shall have complied with this OCS Policy Regarding Organizer Governance.

B. ORGANIZER GOVERNANCE

1. Corporate Structure and Bylaws

Pursuant to I.C. 20-24-1-7 and this Policy, all Organizers shall be properly incorporated as Indiana Nonprofit Corporations pursuant to I.C. 23-17 et seq. If the Organizer plans to operate its school under a name other than the Organizer's legal name as filed with the Indiana Secretary of State, the Organizer must file with the Indiana Secretary of State and submit as part of its charter school application a Certificate of Assumed Business Name.

In addition to its Articles of Incorporation and evidence of incorporation from the Indiana Secretary of State (and, if applicable, a filed Certificate of Assumed Business Name), an Organizer shall also include proposed corporate bylaws with its Proposal. The Model Bylaws attached hereto and incorporated herein as Exhibit A represents corporate bylaws which contain provisions generally acceptable to OCS in most situations. An Organizer may submit proposed corporate bylaws containing provisions different from, or in addition to, those contained in Exhibit A for consideration by OCS. As part of the proposal process, OCS will evaluate such corporate bylaws differing from Exhibit A to determine if they are acceptable in whole or in part. In order to be acceptable, the bylaws generally must include provisions complying with each item of the bulleted list immediately below. Although OCS will consider a request to deviate from any of the following requirements, the Organizer must present a compelling reason to OCS as to why the Organizer should not be required to comply with the particular requirement.

- The number of directors (which may be a range).
- The term of the directors (which in no event may exceed four (4) years), which shall be staggered unless the directors of the Organizer are elected by the school community.
- Some reasonable form of term limits for directors of the Organizer.
- A statement to the effect that at all times all member of the Board of Directors must be residents of the state of Indiana and that at least half of the members of the board of directors be residents as of the date of initial election of a county from which the Organizer's school has enrolled students.
- A requirement that all new board members to undergo training approved by the authorizer of the school operated by the Organizer.
- A statement that Robert's Rules of Order shall be followed when conducting board meetings, including the preparation and approval of meeting minutes.
- Language generally prohibiting an individual from serving on a board if the individual has committed an offense set forth in Indiana Code 20-26-5-11(b) or any successor statute, or any offense substantive equivalent to any of the offenses listed in Indiana Code 20-26-5-11(b), unless such individual is authorized to sit on the Organizer's board by the Executive Director of OCS.

- A minimum number of meetings per school year, which shall not be less than six (6).
- A provision requiring the Organizer and the Board of Directors to comply with the Indiana Open Door Law.
- A provision specifically prohibiting the Board of Directors from taking an action by written consent other than at a meeting held in compliance with the Indiana Open Door Law.
- A provision specifically barring any individual from serving on the Board of Directors if that individual or a spouse or immediate family member has a direct or indirect ownership, employment, contractual, or membership interest in any educational management organization or other educational service provider used by the Organizer.
- A description of the officer positions to be used by the Organizer and their respective responsibilities.
- A provision regarding authority to sign contracts and checks on behalf of the Organizer.
- A statement that any amendment to the Bylaws or the Articles of Incorporation of the Organizer must be approved by the authorizer of the school operated by the Organizer before going into effect.
- If the Organizer is leasing from a religious organization, a statement that no member of the religious board and no religious leader of the religious organization may serve on the Organizer's Board of Directors.
- Unless a statement to such effect is included in the Organizer's Articles of Incorporation, a provision that upon dissolution of the Organizer all remaining assets are to be distributed as provided by I.C. 20-24-3-3, as amended, restated, or recodified from time to time.

2. Internal Revenue Service Determination

Pursuant to I.C. 20-24-1-7(1), the Organizer shall have been determined by the United States Internal Revenue Service ("IRS") to be operating under Section 501(c)(3) status, or shall have applied for such determination. An Organizer shall include with its Proposal the following: (a) the formal IRS determination of Section 501(c)(3) status; (b) a complete copy of its Form 1023 application submitted to the IRS; and (c) evidence of submission of the Form 1023 to the IRS if a formal determination of the Organizer's nonprofit status has not yet been completed by the IRS. If the Organizer has not provided a formal IRS determination of Section 501(c)(3) status by the time it has initially opened, it shall provide copies of any correspondence from the IRS within ten (10) days of Organizer's receipt of such document and, before opening for any subsequent school year, provide either a copy of such a determination or satisfactory documentation that the application is still pending and an explanation of the status of the application.

3. Education Management Organizations

An Organizer that contracts with an education management organization shall include with its Proposal an unsigned copy of its contemplated contract with the educational management organization. The terms of the contract shall comply with Ball State University's Office of Charter Schools Guidelines and Policy for Contracting with an Educational Management Organization. Moreover, contracting with an educational management organization shall not relieve an Organizer of its statutory obligations under I.C. 20-24 or of its responsibility to comply with this Policy Regarding Organizer Governance.

4. Compliance

Effective November 30, 2012, prospective charter schools seeking to be authorized by Ball State University shall comply with all provisions of this Policy. As to existing charter schools currently authorized by Ball State University, the Organizers currently must be in compliance with Sections 2 and 3 of this Policy, and shall be in compliance with this Section 1 of the Policy at the time of charter renewal.