

***THE EZ/EC  
ADMINISTRATIVE  
HANDBOOK***

## ***Background***

The EZ/EC Administrative Handbook was compiled by USDA's Office of Community Development from policies, procedures and forms submitted by designated Empowerment Zones and Enterprise Communities. The intent of this handbook is to supply communities with template options as they create new policies and procedures or struggle with revising old administrative tools that have become cumbersome or inadequate. Remember there is no boilerplate administrative cure-all for any community. Managing a grass roots, community based organization requires innovation and creativity. It is our hope that the examples provided in this book guide your community's development of procedures and policies to more effectively manage the day to day operations of your organization.

Office of Community Development  
Rural Development  
U.S. Department of Agriculture  
Washington, DC

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**SECTION 1**  
**RIO GRANDE EMPOWERMENT ZONE**

- 1. BYLAWS**
- 2. SUB-ZONE COMMITTEE LOCAL OPERATING PROCEDURES**
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BYLAWS  
OF  
RIO GRANDE VALLEY EMPOWERMENT ZONE CORPORATION

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## ***Article 1: Offices***

1.01 **Registered Office and Agent:** Until the Board of Directors otherwise determines, the registered office of the Corporation shall be maintained in Mercedes, Texas and the registered agent shall be the registered office and agent named in the amended Articles of Incorporation of the Corporation bearing the file date of the Secretary of State of the State of Texas, or such other office and agent as may be designated from time to time by the board of Directors in the manner provided by law. Such registered office need not be identical to the principal place of business of the Corporation.

1.02 **Other Offices:** The Corporation may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine.

## ***Article 2: Formation and Purpose***

The general functions of the corporation in carrying out its purpose shall include but shall not be limited to the following:

(a) To develop an organizational plan which will funnel the ideas, knowledge, energies, resources and support of education, civic, business, housing, labor, agriculture, government and other leaders into furthering economic and social progress for South Texas;

(b) To secure commitments of funds and other resources required to attain the purpose of the corporation which funds may be expended in the form of direct assistance or loans to further the conduct of its corporate purpose;

(c) To determine the prospects, probable costs and funding sources of specific programs or projects and to establish and assign priorities;

(d) To assign responsibilities for seeking accomplishment of the preferred objectives; and

(e) To develop reporting procedures and to conduct periodic follow-up and review of the preferred objectives.

## ***Article 3: Directors***

3.01 **Management:** The business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors shall have the power to delegate its authority over the day-to-day management of the Corporation to any officer or agent upon such terms as the Board of Directors shall determine.

**3.02 Number; Qualification; Election:** The Board of Directors shall consist of no less than nine (9) directors, as determined by a two-thirds vote of the Board of Directors from time to time, but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. Directors need not be residents of any particular state. The directors, in accordance with Section 3.05, shall be elected by the Board of Directors at every annual meeting of the Board of Directors except as provided in paragraph 3.04. Each director elected shall hold office until his successor shall be elected and shall qualify.

**3.03 Removal:** Any director may be removed either for or without cause at any special or annual meeting of the Board of Directors by the affirmative vote of two-thirds of the directors present in person at such meeting and entitled to vote for the election of such director if notice of intention to act upon such matter shall have been given in the notice calling such meeting.

**3.04 Vacancies:** Any vacancy occurring in the Board of Directors (by death, resignation, removal or otherwise) may be filled by an affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors is present. A director appointed to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

**3.05 Term of Office:** The terms of office of the Directors shall be two (2) calendar years. Directors terms shall be staggered. The initial terms of all directors shall be determined by drawing lots for their initial terms of office. A director may serve for more than one term and there shall be no limit on the number of terms any director may serve.

**3.06 Chairman:** At each annual meeting of the Board of Directors the Board shall elect a Director to serve as Chairman and a Director to serve as Vice Chairman until the next annual meeting of the Board or until his successor is elected; provided, however, no Chairman may be elected if a resident of the same County as the immediate past Chairman, and no Vice Chairman may be elected if a resident of the same County as the immediate past Vice Chairman. In the absence of the Chairman, the Vice Chairman shall assume the duties of the Chairman.

**3.07 Place of Meeting:** Meetings of the Board of Directors, regular or special, may be held either within or without the State of Texas.

**3.08 Regular Meetings:** Regular meetings of the Board of Directors shall be held without notice at 9:00 a.m. on the third Thursday of each month, or such other dates or times as determined by the Board of Directors from time to time.

**3.09 Special Meetings:** Special meetings of the Board of Directors may be called by the Chairman (or the Vice Chairman in the absence or incapacity of the Chairman) on seventy two (72) hours notice (as determined by the posting of the notice) to each director, either personally, by mail, telephone or telecopy. Special meetings shall be called by the Chairman in like manner and on like notice on the written request of four directors. The business to be transacted at, and the purpose of, any special meeting shall be specified in a notice or waiver of notice.

**3.10 Emergency Meetings:** Emergency meetings of the board of Directors may be called by the Chairman (or the Vice Chairman in the absence or incapacity of the Chairman) on three hours notice (as determined by the posting of the notice) to each director, either personally, by telephone or telecopy.

**3.11 Quorum; Majority Vote:** At all meetings of the Board of Directors seven (7) directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by statute or by the Articles of Incorporation or by these Bylaws. If a quorum is not present at a meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

**3.12 Procedure:** The Board of Directors shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the Corporation.

**3.13 Interested Directors and Officers:**

(a) If paragraph (b) below is satisfied, no contract or other transaction between the Corporation and any of its directors or officers (or any corporation or firm in which any of them are directly or indirectly interested) shall be invalid solely because of this relationship or because of the presence of such director or officer at the meeting authorizing such contract or transaction, or his participation in such meeting or authorization.

(b) Paragraph (a) above shall apply only if:

(1) No contract, transaction or act shall be taken on behalf of the Corporation which would result in the denial of the Corporation's tax exemption under the Internal Revenue Code and its Regulations as they now exist or as they may be amended.

(2) The material facts of the relationship or interest of each such director or officer are known or disclosed to the Board of Directors and it nevertheless authorizes or ratifies the contract or transaction by a majority of the directors present, each



such interested director to be counted in determining whether a quorum is present but not in calculating the majority necessary to carry the vote; or

(3) The contract or transaction is fair to the Corporation as of the time it is authorized or ratified by the Board of Directors or a committee of the board.

(c) This provision shall not be construed to invalidate a contract or transaction which would be valid in the absence of this provision.

**3.14 Duties.** The Board of Directors, pursuant to the Texas Non-Profit Corporation Act (the "Act") shall present at the annual meeting of the Board of Directors a report, verified by the Treasurer or by a majority of the Directors, showing in appropriate detail the following: (a) the assets and liabilities, including the all funds of the Corporation as of the end of the fiscal year immediately preceding the annual meeting, which shall be not more than four months prior to such meeting; (b) the principal changes in assets and liabilities during the year immediately preceding the date of the report; (c) the revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report; (d) the expenses or disbursements of the Corporation, for both general and restricted purposes, during the year immediately preceding the date of the report. The annual report of Directors shall be filed with required appropriate entities, if any, as prescribed by the Act, and also filed with the records of the Corporation.

**3.15 Committees.** Committees may be appointed by the Chairman, which appointments shall be reported to the Board and confirmed by the Board. Failure of the Board to act on such appointment after receiving such report shall constitute confirmation. Each such committee shall consist of two or more persons, a majority of whom are directors but the remainder of whom need not be directors. No corporate obligation shall be made by any committee unless prior approval for such action is specifically authorized by the Board of Directors.

#### ***Article 4: Executive Committee***

**4.01 Designation:** The Board of Directors may, by resolution adopted by a majority of the whole board, designate an executive committee.

**4.02 Number; Qualification; Term:** The executive committee shall consist of three or more directors (one of whom shall be the Chairman). The executive committee shall serve at the pleasure of the Board of Directors.

**4.03 Authority:** The executive committee, to the extent provided in such resolution, shall have and may exercise all such authority of the Board of Directors in the

management of the business and affairs of the Corporation as the Board of Directors specifically authorize or, except where action of the full Board of Directors is required by statute or by the Articles of Incorporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it. The Board of Directors shall, no less than quarterly, review the activities of the Executive Committee

**4.04 Change in Number:** The number of executive committee members may be increased or decreased (but not below three) from time to time by resolution adopted by a majority of the whole Board of Directors.

**4.05 Removal:** Any member of the executive committee may be removed by the Board of Directors by the affirmative vote of a majority of the whole board whenever in its judgment the best interests of the Corporation will be served thereby.

**4.06 Vacancies:** A vacancy occurring in the executive committee may be filled by the Board of Directors by the affirmative vote of a majority of the whole board whenever in its judgment the best interests of the Corporation will be served thereby.

**4.07 Meetings:** Time, place and notice of executive committee meetings shall be determined by the executive committee.

**4.08 Quorum; Majority Vote:** At meetings of the executive committee, a majority of the number of members designated by the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the executive committee, except as otherwise specifically provided by statute or by the Articles of Incorporation or by these Bylaws.

**4.09 Procedure:** The executive committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. The minutes of the proceedings of the executive committee shall be placed in the minute book of the Corporation.

**4.10 Responsibility:** The designation of an executive committee and the delegation of authority to it shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

#### ***Article 5: Advisory Committee***

The Board of Directors may appoint from its number, or from among such persons as the Board may see fit, one or more advisory committees. The members of any such committee shall serve at the pleasure of the Board of Directors. Such advisory committees shall advise with and aid the officers of the Corporation in all matters designated by the

Board of Directors. Each such committee may, subject to the approval of the Board of Directors, prescribe rules and regulations for the call and conduct of meetings of the committee and other matters relating to its procedure.

The members of any advisory committee shall not receive any stated salary for their services, but by resolution of the Board of Directors a fixed reasonable sum for expenses of attendance may be allowed for attendance at each regular or special meeting of such committee.

- Upon approval by the RGVEZC Board of Directors the Sub-zone Committee and new appointee shall be notified
  - Reappointments shall be filed as follows:
    - Submit vacancy form to CEO
    - Action item shall be placed on Sub-Zone Committee agenda for approval of re-appointment
    - Upon approval, an appointment form (see Attachment C) with proper signatures shall be submitted to the RGVEZ CEO for placement on the RGVEZC Board of Directors agenda.
    - Upon final Board approval the Sub-zone Committee and re-appointee shall be notified.
- F. **Quorum** - A simple majority of the membership (50% plus 1) of any Sub-zone committee shall constitute a quorum of that committee.
- G. **Powers** - Each member of the Sub-zone Committee will be entitled to one (1) vote. Proxy vote is not allowed. All Sub-zone committees shall report their findings and/or recommendations to the Board of Director's of the appropriate Advisory Committee. No Sub-zone committee or member shall have the authority to bind, commit, or obligate, in any manner through its deliberations and action, the Board of Directors.
- H. **Terms** -The appointed member(s) may serve up to two (2) calendar years and are eligible for reappointment provided however, all Sub-zone Board members shall serve at the discretion of the Board of Director's of the Rio Grande Valley Empowerment Zone. Reappointment is contingent on attendance and participation.
- I. **Nominations to RGVEZC Board of Directors** - Each Sub-zone committee may recommend individuals for consideration by the Board of Director's of the Corporation for Nomination to the Board of Director's. However, in all events the Board of Director's of the corporation shall have absolute and/or final authority as to individuals nominated or elected to the Board of Director's of the Corporation.

The Subzone Committee shall use the use the steps in section E, of the procedures for recommendation of individuals to the Board of Directors of the Corporation.

**Rio Grande Valley Empowerment Zone  
Board/Committee Vacancy**

<b>Name</b>	<b>Sub-zone Represented</b>	<b>Vacancy Date (include reason)</b>
<b>Authorization</b>		
Approved: _____ Committee Chairperson		Date: _____
Approved: _____ Board Chairperson		Date: _____

## **Sub-zone Committee Local Operating Procedures**

**A. Role & Responsibility**

- Members of the Sub-zone Committees shall define and/or plan sub-zone activities
- Members of the Sub-zone Committees shall make recommendations to the RGVEZ Board of Directors and act as the local coordinating entity.
- Members of the Sub-zone Committees shall meet regularly to evaluate programs, supervise advocates, serve as volunteer advocates and mentors, evaluate plans and/or results and coordinate regular community meetings and community based projects.

**B. Composition -**The members of the Sub-zone committee shall be selected by the Board of Director's following recommendations from the respected Sub-zone area, either residents, and or participants in business and approved by the Board of Director's.

**C. Membership -** The membership of the Sub-zone committee shall be determined by the local area and the number of members may be amended by a majority vote of the Board of Director's following recommendations of the Sub-zone committee.

**D. Appointment of Chairperson -** Sub-zone Committees shall have at a minimum a Chairperson whose role is to conduct the public meeting in accordance with the laws of the State of Texas. Sub-Zone Chairs shall be appointed at the annual Board of Director's meeting held in December.

**E. Vacancies and Nominations-** Any vacancies in the membership of the Sub-zone Committees due to expiration of term, removal, or other causes (death, resignation, etc.) shall be filled for the unexpired term. With the exception of reappointments, all other vacancies shall be filled as follows:

- A RGVEZC Board/Committee Member Vacancy Form must be filled out by the Committee Chairperson and forwarded to the RGVEZC CEO. (See Attachment A)
- Sub-zone Committee members wishing to nominate an individual for service must fill out a Nomination form (see Attachment B). The completed form with qualifications (i.e. summary of qualifications to serve such as a resume, vitae, etc.) shall be forwarded to the RGVEZC CEO who will place an item on the Sub-zone Committee agenda to present the individuals to the Sub-zone Committee for consideration. The Sub-zone committee shall be given the nomination form and upon approval the Sub-zone Committee Chairman shall sign the recommendation form for submittal to the RGVEZC CEO for placement on the RGVEZC Board of Director's agenda.



**Rio Grande Valley Empowerment Zone  
Board of Director's Appointment Form**

Name	Sub-zone Representing	Term (Month/Day/Year Thru Month/Day/Year)
<u>Appointments</u>		
<u>Reappointments</u>		
<b>Authorization</b>		
<p>Approved: _____ Date: _____</p> <p style="text-align: center;">Board Chairperson</p>		