

YOUNG ENTREPRENEURS SOCIETY INC.

BY-LAWS

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1. DESCRIPTION

1.1 Name & Affiliations

The name of the organization is Young Entrepreneurs Society Inc (“YES”).

1.2 Legal Structure

YES is a nonprofit organization incorporated under the laws of the State of Maryland exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, including making distributions to similar organizations for the same purposes.

1.3 Membership

YES is a membership corporation. The term ‘member’ as used hereafter in these bylaws refers to a teen who participates in YES activities.

1.4 Vision, Mission and Aim

The strategy and policies of YES will be directed toward realizing its vision, mission and aim.

1.4(1) Vision

Every teen will have the opportunities, resources, and support they need to forge their own paths to prosperity.

1.4(2) Mission

To help teens and young adults forge their own paths to prosperity through entrepreneurship, job readiness, and financial literacy.

1.3(3) Initial Aim

To provide educational activities, contests, and events that enable teens to learn about, engage with, and experience entrepreneurship and social enterprise at times, places, and in formats that are age- and developmentally-appropriate and aligned with their individual learning styles, academic needs, and generational culture.

1.5 Governance

YES shall be governed according to the principles of dynamic governance as specified in Section 2, Dynamic Governance.

2. DYNAMIC GOVERNANCE

2.1 Definition

Dynamic governance shall be defined as a method of governance that delegates policymaking to all levels of an organization and establishes equivalence between its members within their domain of responsibility.

2.2 Benefits

The principles and methods of dynamic governance develop:

- a. Strong leadership and clear delegation;
- b. Group wisdom in policy decision-making;
- c. Self-governance, self-organization, and cooperation;
- d. Ethical behavior through transparent operations;
- e. The ability to apply scientific theory and methods; and
- f. Responsibility for continuing professional development.

2.3 Governing Principles: Three principles are essential to dynamic governance:

2.3(1) The Principle of Consent

Consent governs policy decision-making. Except as required by law and as otherwise stated in these bylaws, policy decisions shall be made with the consent of those they directly affect. *Consent* shall be defined as having “no reasoned and paramount objections” and as further defined in Sections 5.2, Consent, and 4.2, Limitations of Consent. Except as required by law, circle members shall elect people to functions and tasks by consent as described in Section 7.1, Election Process.

2.3(2) The Principle of Circles

YES shall govern itself through a system of semi-autonomous, self-organizing circles that are responsible for policy decisions within their domain. Circles and the circle structure are further defined and described in Section 3, Governance Structure.

2.3(3) The Principle of Double-Links

In the structure of circles, a circle handling more concrete matters shall be double linked, with the circle handling the next level of abstraction by the operational leader and one or more representatives of the more-concrete circle as described in Sections 3, Governance Structure, and 4.2, Circle Officers.

3. GOVERNANCE STRUCTURE

3.1 A Structure of Circles

The governance of YES shall be structured as a system of double linked, semi-autonomous circles that reflect the operational structure of the organization. Each circle in the structure has representative participation in the policy decisions that affect its domain. Circles are thus linked in a reciprocal relationship with the circle that handles more abstract matters. This relationship creates a feedback loop with each circle occupying a place in the loop.

3.2 Circle Definition

A circle includes all persons in a department or unit of YES that have a common aim and makes policy decisions within its domain. A circle’s responsibilities are further defined in Section 5.1, Domain of Decision-making, and in Section 4, Circle Governance.

3.3 Circle Limitations

Circle policies shall not conflict with the law, these bylaws, the principles and methods of dynamic governance, or the policies of other circles.

3.4 Circle Membership:

3.4 (1) Definition

Except for the board, as defined in Section 6, Board of Directors, a circle shall include all members of a domain who have significant operational responsibilities, whether they are paid or volunteer staff. “Significant operational responsibilities” shall be defined by each circle and shall be as inclusive as possible while ensuring the stable functioning of the circle and the ability of its members to deliberate with a consistent membership.

3.4 (2) Consent to Members

Circle members shall have the right to consent to new members.

3.4 (3) Equivalence

Within the circle meeting, the principle of consent shall be used to ensure that all circle members are equivalent in decision-making.

3.5 Board of Directors (or Board Circle)

The board of directors is the circle that handles the most abstract matters in a dynamically governed organization. Except as required by law or as otherwise stated in these bylaws, the board shall function according to the provisions of Section 4, Circle Governance, and be subject to any provisions of these bylaws and any other YES rules and regulations.

Board-specific requirements for composition, powers, and responsibilities as required by the State of Maryland are specified in Section 5.6, Decisions of the Board of Directors, and Section 6, Board of Directors.

3.6 General Management Circle

The general management circle shall manage the operations of YES within the limits set by the board. It shall consist of the overall YES operational leader (executive director[s]), the operational leader of each department circle, and one or more representatives from each department circle.

3.7 Department Circles and Sub-circles

Each department circle shall consist of the operational leader and the members of the department circle, and if there are sub-circles handling more concrete matters, the operational leaders and at least one representative of those sub-circles. This pattern shall be repeated for any further subdivision of circles, as appropriate.

4. CIRCLE GOVERNANCE

4.1 Circle Responsibilities

Each circle, within the limits set by the circle that handles more abstract matters, shall:

- a. Determine and control its own policies to achieve its aim,
- b. Assign the leading, doing, and measuring of circle functions and tasks to its own members,

- c. Maintain a memory system of policy decisions and other information as specified in Section 4.4, Circle Recordkeeping,
- d. Assume responsibility for developing the capacity of the circle and its members to perform the circle's work,
- e. Elect one or more representatives from its members to serve as the circle's representative(s) to the circle that handles more abstract matters,
- i. Decide how to allocate the resources included in its budget, including the hiring, and firing, of personnel,
- f. Create sub-circles, as it determines appropriate, assigning an aim and allocating part of its resources to those circles,
- g. Elect the operational leaders of sub-circles handling more concrete matters, with the participation of the representative(s) of corresponding sub-circles, and
- h. Decide whether sub-circles shall be subdivided, combined, or dissolved.

4.2 Limitations of Consent

The principle of consent shall not apply to circle elimination or redefinition. The operational leader and representative(s) of the sub-circle may participate in any discussion of dissolution or restructuring of their circle, but their consent shall not be required for the circle handling more abstract matters to make a decision.

4.3 Circle Officers

Except for the board of directors as defined in Section 6.4, Executive Officers, each circle shall have the following officers:

a. Operational Leader

The operational leader shall be elected by the circle that handles more abstract matters to manage the day-to-day operations within the operational leader's sub-circle domain. The operational leader shall be a member of both the more abstract and more concrete circles but shall not serve as the representative of the sub-circle.

b. Facilitator

A facilitator shall be elected by each circle to conduct circle meetings, provide leadership in decision-making, and ensure that the circle is functioning according to the principles and methods of dynamic governance.

c. Circle Administrator

Each circle shall elect a circle administrator to manage the affairs of the circle and perform tasks related to its functioning: arranging and announcing circle meetings, preparing the agenda in consultation with other circle members, distributing background materials and proposals, taking (or delegating the taking of) minutes, distributing minutes, and performing any other administrative tasks assigned by the circle.

d. Logbook Keeper

A logbook keeper shall be elected by the circle to maintain the circle logbook as defined in Section 4.4, Circle Recordkeeping. Depending on the size of the circle and the complexity of its work, the office of the logbook keeper may be combined with that of

the circle administrator.

e. Representative(s)

One or more representatives shall be elected by the circle to participate in the circle handling more abstract matters. The circle representative(s) participates as a full member in both circles. The operational leader shall not serve as a representative.

Apart from the operational leader and the representative(s), any member may fill more than one office, and offices may be combined.

4.3 Circle Meetings

All circles shall meet at least quarterly to review their policies, evaluate their effectiveness, and adopt new policies if necessary.

4.4 Circle Recordkeeping

Each circle shall create and maintain a logbook that includes but is not limited to:

- a. YES's vision, mission, and aim statements;
- b. YES's bylaws, rules, and procedures;
- c. YES's strategic plan;
- d. A diagram of YES's circle structure;
- e. The budgets of both YES and the circle;
- f. Circle aims;
- g. Circle policy decisions, procedures, and meeting notes;
- h. Circle development plans;
- i. The individual member's aim, job description, and development plan;
- j. Any other documents that record the business of the Circle.

Circle members shall have access to the circle logbook that also includes their personal aim statement and development plan, and any other documents related to their individual functions and tasks as circle members.

5. DECISION-MAKING

5.1 Aim & Domain of Decision-Making

A circle's aim shall be determined by the circle handling more abstract matters. The aim defines the circle's domain of responsibility. To accomplish their aim, circles shall be responsible for making the policy decisions governing operations within their domain.

5.2 Consent

The principle of consent shall be applied to all circle decisions. Objections to a proposed decision must be:

- a. Paramount, meaning that the decision would adversely affect a circle member's ability to fulfill the member's responsibilities in achieving the aim of the circle, and
- b. Argued, meaning that reasons for the objection must be explained clearly enough

for the objection to be resolved.

5.3 Definition of Policy

Policy decisions govern the day-to-day operational activities of YES and include, but are not limited to:

- a. Setting aims;
- b. Defining the scope of work;
- c. Designing the work process;
- d. Allocating resources;
- e. Delegating functions and tasks;
- f. Evaluating group and individual performance;
- g. Determining compensation; and
- h. Planning professional development.

5.4 Operational Decisions

Day-to-day operations in a circle's domain shall be governed by the circle's policy decisions but directed by the operational leader. A circle shall establish policies that determine which methods of decision-making will govern operational decisions.

5.5 Operational Decisions without a Policy

If a necessary operational decision is not covered by an existing policy, the leader shall make the decision and request that it be reviewed at the next circle meeting or at a special circle meeting called for this purpose as described in Section 8, Meetings.

The operational leader, or other person acting as an operational leader, shall determine at their sole discretion that such a decision is necessary.

5.6 Decisions of the Board of Directors

Decisions of the board shall also be made by consent. Consent shall satisfy any legal requirement that board decisions be made by majority vote of the directors present and eligible to vote.

5.7 Failure to Reach Consent

If after all options have been exhausted, a circle, other than the board, cannot achieve consent on a proposed action, the decision shall be referred to the circle handling more abstract matters. If the board cannot achieve consent on a proposed action, the board facilitator shall invoke an alternative process predetermined by the board, for example, a mediation or arbitration process or referral to the organization of an external board member for resolution.

5.8 Proxies

The right to participate in decision-making or any other action of any circle, including the board, may not be delegated or exercised by proxy.

6. BOARD OF DIRECTORS CIRCLE

6.1 Authority

Within the requirements of the laws of the State of Maryland, the board, as the circle

handling the most abstract matters of YES, shall manage and direct the business of YES with full power to engage in any lawful act unless otherwise limited by these bylaws.

6.2 Responsibilities

The Board is responsible for ensuring that YES, as a non-profit corporation, is acting in accordance with the public trust and any laws that govern non-profit corporations. Other responsibilities include, but are not limited to:

- a. Setting and overseeing the execution of a strategic plan,
- b. Ensuring fiscal responsibility,
- c. Maintaining long-term viability,
- d. Generating new ideas and directions, and
- e. Maintaining connections with external persons, organizations, agencies, and any other bodies necessary for the development and functioning of YES.

6.3 Composition

The Board shall include:

- a. The executive director(s), if any;
- b. One or more representatives of the general management circle;
- c. One or more expert directors as defined in Section 6.5, Expert Directors;
- d. Other directors as determined by the board.

6.4 Executive Officers

6.4(1) Number and Titles: As required by law, the board shall elect from its members a minimum of three executive officers: a president, secretary, and treasurer. In accordance with the law and at its own discretion, the board may use other names to designate the executive officers.

6.4(2) President

The president shall:

- a. Oversee board compliance with the law, the Articles of Incorporation, these bylaws, the principles and methods of dynamic governance, and the board's own decisions;
- b. Ensure that the board functions as a circle in accordance with the provisions of Section 4, Circle Governance, including ongoing professional development;
- c. Execute all instruments requiring a signature on behalf of YES;
- d. Serve as or designate a public spokesperson for YES;
- e. Perform other duties necessary to the office or as required by the board; and
- f. Perform the duties of other executive officers if they are unable or unwilling to complete them as stated in these bylaws or at the direction of the board.

6.4(3) Executive Secretary of the Board

The executive secretary of the board shall perform all the functions specified for executive secretaries of all circles in Section 4.3(c), Circle Administrator.

In addition, the executive secretary of the board shall:

- a. Give, or cause to be given, any notices required by law or by these bylaws;
- b. Assume responsibility for corporate and board circle records;

- c. Maintain custody of the seal of YES, if any, and validate documents by affixing the seal as authorized by the board or the president;
- d. Perform the duties of the president if he or she is unable or unwilling to complete them as stated in these bylaws or at the direction of the board; and
- e. Perform such other duties as may be assigned by the board or the president.

6.4(5) Treasurer

The treasurer shall:

- a. Oversee financial affairs,
- b. Have custody of all funds and securities until otherwise assigned,
- c. Establish or cause to be established appropriate financial records, accounts, and practices to ensure judicious use and care,
- d. Prepare or cause to be prepared budgets, fundraising plans, and financial reports,
- e. Make the financial records available in accessible format in accordance with the practice of dynamic organizations for transparency as required by Section 11, Financial Practices.
- f. Perform the duties of the executive secretary if he or she is unable or unwilling to perform them, and
- g. Perform other duties as required by the board.

6.5 Expert Directors

The board shall invite a minimum of four (4) persons with expertise in specific areas to become board members. Expert directors will serve as connectors to the larger social, financial, legal, and dynamic governance environment.

6.5(1) Dynamic Governance Expert Director

The dynamic governance director has expertise related to the application and teaching of the principles and methods of dynamic governance, particularly as they apply to the management of nonprofits.

6.5(2) Financial Expert Director

The financial management director has expertise related to the financial affairs of non-profit organizations, including financial planning, fundraising, and development.

6.5(3) Legal Expert Director

The legal affairs expert director has expertise related to regulatory concerns and projects of YES, including laws, and government processes.

6.5(4) Social Expert Director

The social expert director has expertise related to YES social environment, including community composition, communications methods and strategies, social network analysis, and value systems.

6.6 Accountability

Each director shall exercise independent judgment in good faith and in the best interests of

the organization with the care of a reasonable person under similar circumstances.

6.7 Compensation

Directors shall not receive compensation for their services in their director's capacity. However, they may be reimbursed for ordinary and necessary expenses incurred in fulfilling their responsibilities as board directors. Board members may also be compensated for professional services rendered to YES outside of their board of director roles.

6.8 Conflict of Interest and Confidentiality

Each director shall sign, and the secretary shall retain or cause to be retained in the files of the organization, a copy of the board-approved conflict of interest and confidentiality policy.

6.9 Transparency

The board shall strive to maintain the practice of transparent record keeping. Where confidentiality is required, the board shall establish policies providing for examination that protects the information and makes it available for review, to the extent permissible by law.

7. ELECTIONS & TERM

7.1 Election Process

Board members, board officers, and circle officers shall be elected using the principle of consent. The process shall include:

- a. Nominations with rationale,
- b. Discussion and resolution of objections if necessary, and
- c. Consent.

The facilitator or another person elected for this purpose shall conduct the process. The facilitator shall propose a prudent choice given the reasons presented in the nominations and discussion. Consent to the facilitator's proposal must be confirmed.

7.2 Date of Election of Directors

Election of directors shall be conducted at the board circle's annual meeting, as specified in Section 8.2, Annual Meeting, or as necessary to fill vacant positions.

7.3 Terms of Office:

7.1(1) Incorporating Directors

The incorporating directors shall begin their term on the date of incorporation and continue until the first annual meeting of the board.

7.1(2) Directors and Officers

Except as limited by Section 7.6, Completion of Terms, directors shall be elected for one-year terms and annually thereafter and shall be eligible for re-election.

7.4 Resignation

Resignations must be in writing and received by the circle secretary.

7.5 Removal

A director or circle member may be removed on the decision of the circle without his or her consent as required by Section, 4.2, Limitations of Consent.

7.6 Completion of Terms:

7.6(1) As required by law, any director elected to complete the term of a director who has left the board shall be elected to serve the remainder of that term only.

7.6(2) Circles, other than the board, may establish their own rules for the completion of terms including electing for the remainder of the term plus one year.

8. MEETINGS

8.1 Circle Meetings

Circles shall meet at least quarterly at an agreed upon time and place including by any telephonic, digital electronic means, or any other method that allows circle members to deliberate, resolve objections, and consent to decisions.

8.2 Annual Meeting

One board circle meeting a year shall be designated the annual meeting for purposes of conducting elections. Other business may also be conducted at this meeting as determined by the circle. Annual meetings shall occur in October each year.

8.3 Special Meetings

Special meetings may be held at the request of any circle member. Such meetings shall be held at a time when a quorum can be assembled. Such requests shall be made to the circle administrator. If the circle administrator fails to call a meeting within a reasonable time as defined by the circle's policies, the member requesting the meeting may call the meeting.

8.4 Notice

Each circle shall determine how much advance notice of circle meetings will be required, including special meetings. The form of notification shall be determined in advance by the circle.

Except when amending these bylaws, Reference Section 14, Amendments, the board shall normally give at least seven (7) calendar days advance notice for meetings unless matters require immediate attention in the judgement of the person calling the meeting.

8.5 Waiver of Notice

The circle may determine in its policies when notice of meetings, including special meetings, may be waived.

8.6 Quorum

Members present by telephonic or other means that allow them to participate in the

discussion, resolve objections, and consent or vote, as appropriate, shall be included in the quorum.

8.6(1) Board of Directors

A majority of board members must be present for business to be conducted. In no case, however, shall business be conducted with less than three directors participating.

8.6(2) Circles other than the Board

Circles other than the board may determine their own quorums.

8.7 Helping Circles

The Board may establish one or more helping circles to achieve the purposes of YES.

9. FINANCIAL PRACTICES

9.1 Financial Practices

The financial practices of YES shall follow the highest standards of accountability and transparency, as required by law. Unless doing so would reveal personal information about employees, donors, or other volunteers, or otherwise compromise the stability of YES, financial records will be made available to all.

9.2 Use of Funds

YES funds shall only be used for activities related to YES's mission.

9.3 Fiscal Year

The fiscal year shall begin on the first day of January and end on the last day of December.

10. ANNUAL REPORT

YES shall publish, in any media, an annual report that shall include, but not be limited to, a summary of YES's activities and a financial report for the previous year. The annual report shall be available to the public.

11. INDEMNIFICATION

11.1 Rights

Except as otherwise limited by law and these bylaws, each director, employee, or volunteer of YES shall be indemnified by YES and shall not be held liable for damages as a result of providing services or performing duties on behalf of YES.

In the case of the death of a director, employee, or volunteer, these rights of indemnification shall exist to the benefit of his or her heirs and estate.

11.2 Limitations

Indemnification as specified in Section 12.1, Rights, shall not include:

- a. Any act or omission that is not part of the services or duties requested or approved

- by YES;
- b. The willful misconduct of the director, employee, or volunteer;
- c. A crime;
- d. A transaction that resulted in an improper personal benefit of money, property, or service to a director, employee, or volunteer;
- e. Any act or omission that is not in good faith and is beyond the scope of authority of YES.

11.3 Professional Services

With the exception of expert directors functioning in their roles as directors, Section 12.2, Limitations, shall not apply to any contractor or consultant hired by YES in his or her professional capacity.

12. AMENDMENTS

These Bylaws may be altered or repealed, and new bylaws adopted by the board with a minimum of thirty (30) calendar days' notice to all YES circle members of intent to amend, including the proposed wording of such amendment. The purpose of such notice shall be to allow all levels of the circle structure time to call special meetings, if necessary, to deliberate on such amendment and to select a representative(s) to participate in the deliberations of the proposed amendment in the circle handling the next level of abstraction.

No amendment shall be made that would adversely affect YES's qualification under Section 501(c)(3) of the Internal Revenue Code of 1986, (or any successor provision).

13. DISSOLUTION

13.1 Notice

Acting in accordance with the laws of the State of Maryland, YES may be dissolved by the board with a minimum of thirty (30) calendar days' notice to all circle members of the intent to dissolve, including the reasons for the proposed dissolution. The purpose of such notice shall be to allow all levels of the circle structure time to call special meetings, if necessary, to deliberate on the proposal and to select a representative(s) to participate in the deliberations of the circle handling the next level of abstraction.

13.2 Distribution of Assets

On dissolution of YES, any remaining assets shall be distributed to one or more charitable, educational, scientific, or philanthropic organizations qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Such organization will be recommended by members, employees, and volunteers of YES and determined by the board.