

**TO: Executive Committee**

**DATE: 9/10/01**

**FROM: WIB Staff**

- For Action
- For Information
- Meeting Notes

**SUBJECT: Public Benefit Corporation (PBC)**

**PROPOSED MOTION(S): Discussion Only**

**DISCUSSION:** The Planning and Policy Committee reviewed a background paper and draft articles of incorporation for a proposed Public Benefit Cooperation. The background paper identified that the WIB Chair and other WIB members had discussed a desire to create a PBC. The primary purpose of the corporation would be to solicit funds to finance those areas for Workforce Development and Community Development that are not directly provided by the Workforce Investment Act. It had been envisioned that members of the WIB would act as the Board of Directors of the PBC. The corporation would not be part of the WIB, however affiliate with the WIB based on its mission.

The committee recommended this item to be brought to the Executive Committee by the Director with issues raised by the committee. They requested the Executive Committee consider these issues and identify specific goals of establishing a PBC prior to moving forward with this project:

**Issues:**

- PBC purpose would be to write grants to foundations that do not fund public entities. Are there WIB partners with 501 (C)(3) status that could serve the same purpose?
- Does the WIB wish to establish an official relationship with the proposed PBC?

The Policy and Planning committee also reviewed a draft Articles of Incorporation and recently approved Articles of Incorporation A discussion by the committee is summarized as follows:

- WIA dollars cannot pay for the incorporation costs
- What source of funding is appropriate? Who pays up-front costs? Issue of staffing is also a question
- Are other WIBs doing the same thing?
- The PBC would not be officially controlled by the WIB, but all or most of the directors would be WIB members. How would that work?
- Would the PBC be in competition with other non-profits in the county?
- What do the WIB members advocating for a PBC really want?

**ATTACHMENT(S):**

- 1) Sample Articles of Incorporation
- 2) Draft Articles of Incorporation

ARTICLES OF INCORPORATION  
Merced County Community Investment Corporation

I.

The name of the corporation is the Merced County Community Investment Corporation

II.

- A. This corporation is a nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.
- B. The specific purpose of this corporation is to:
- Serve as a County wide clearing- house for sources of funding including government grants, private/foundation grants and charitable contributions.
  - Solicit funds for its own account to finance those areas of Workforce Investment and Community Investment that is not directly provided by funding streams from the Workforce Investment Act of 1998.
  - Solicit, or assist in the solicitation of, funds for or on the behalf of other local public and private agencies when those agencies do not have the internal capability to do so themselves. These functions may include but are not limited to grant writing, the creation of consortia and partnerships for public benefit purposes and coordination of responsibilities among the members of such consortia; and
  - Serve as “grant recipient” for those public and private agencies that may not have the internal resources to fulfill the required functions (e.g., accounting, cash management, disbursement, risk management, etc.).

III.

The name and address in the State of California of this Corporation’s initial agent for service of process is:

Merced County Community Investment Corporation Foundation, Chair  
1880 West Wardrobe Avenue  
Merced, Ca. 95340

IV.

- A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501 ( c )(3), Internal Revenue Code.
- B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of Statements) on behalf of any candidate for public office.

V.

The property of this corporation is irrevocably dedicated to charitable purposes and not part of the net income or assets of this corporation, shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3), Internal Revenue Code.

\_\_\_\_. Incorporator

**ARTICLES OF INCORPORATION****Worknet of Merced County, Incorporated**

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

**JUN 11 2001**

**BILL JONES, Secretary of State**

**I**

The name of this corporation is Worknet of Merced County, Incorporated.

**II**

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

B. The specific purpose of this corporation is to engage in workforce development activities that increase the employment and earnings of Merced County residents, increase their occupational skill attainment and, as a result, improve the overall quality of the workforce, reduce welfare dependency, enhance the productivity and competitiveness of the County and increase the standard of living of its residents.

C. In furtherance thereof, the corporation may (1) receive property by gift, appropriations, grant or contract, (2) devise or bequest, invest and reinvest the same, (3) apply the income and principal thereof, as its board of directors may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for charitable or educational purposes and (4) engage in any lawful act or activity for which corporations may be organized under the Nonprofit Public Benefit Corporation Law of the State of California.

**III**

The name and address in the State of California of this corporation's initial agent for service of process is:

John V. Kasnick  
2954 Harvest Drive  
Mariposa, California 95338

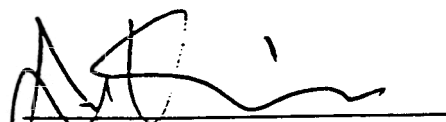
**IV**

A. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3), Internal Revenue Code.

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

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John V. Kasnick, Incorporator

