# **BY-LAWS**

**ROTARY FOUNDATION OF JACKSON COUNTY**

**(As amended July-9-19)**

# **ARTICLE I**

## **Board of Directors**

Section 1. Number. The Board of Directors of this foundation shall consist of not less than nine nor more than eleven persons.

Section 2. Representation on Board. Each Rotary Club in Jackson County, Michigan shall be entitled to be represented on the Board of Directors in proportion to the active membership of such Club in good standing on the preceding December 31 , as reported by the Secretary of such Club to Rotary International, rounded to the nearest whole number, provided, that no such Club shall be entitled to less than one representative on the Board of Directors. For example: 

 December 31 Number of Directors

Club Membership % of Total on 10 Member Board

 A 68 68% 7

 B 32 32% 3

At least one elected Director of this foundation from each club shall also be a sitting director of his or her club board.

Section 3. Nomination and Election. Each Rotary Club in Jackson County, Michigan shall nominate and elect its representative or representatives to the Board of Directors of the Foundation between March 1 and May 15 of each year, and shall report the results of such election to the Secretary of the Foundation no later than May 31 of each year.

Section 4. Terms. Terms of office of directors shall be three years, and shall be staggered so that the terms of approximately one-third of the directors expire each year. No director shall serve more than two consecutive three-year terms.

Section 5. Vacancies. Any vacancy in the Board of Directors shall be promptly filled by the Rotary Club that nominated the director whose resignation, incapacity or death gave rise to the vacancy. Any such replacement director shall serve for the balance of the term of the director whom he or she replaces.

Section 6. Meetings. The Board of Directors shall meet quarter-annually, or as the President or a majority of the directors deems appropriate. A majority of the Board of Directors shall constitute a quorum. Meetings may be conducted or attended by electronic means. Participation by proxy or electronic means shall constitute attendance at the meeting for purposes of establishing a quorum and voting.

Section 7. Voting. Each Director shall be entitled to one vote on each matter submitted to a vote. A vote may be cast by Directors who are present (including by electronic means) orally or in writing. Directors who are not present may provide a written proxy to another Director to vote on his or her behalf or may vote by sending a written vote (including by fax, text or email) to the Secretary or President prior to the meeting. Except as provided otherwise in Article VIII, a simple majority vote of the Directors shall authorize actions

**ARTICLE II Officers**

Section 1. Election. The Board of Directors shall elect from among themselves a President, a Vice President, a Secretary and a Treasurer of the Foundation.

Section 2. Term of Office. Terms of office shall be one year, beginning on July 1. Officers shall be eligible for re-election to consecutive terms, subject to the limitation on consecutive terms of directors, in Article 1, Section 4, and subject to the further limitation that no person shall serve more than two consecutive terms as President.

Section 3. Vacancies. Vacancies in any office shall be filled by election by the Board of Directors.

# **ARTICLE III**

**Duties of Officers**

Section 1. President. The President of the Foundation shall preside at meetings of the Board of Directors and perform such other duties as ordinarily pertain to the office. The President shall also insure the creation of an annual report and deliver same to each club.

Section 2. Vice President. The Vice President shall preside at meetings of the Board in the absence of the President and shall perform such other duties as may be assigned by the President or the Board. The Vice President shall succeed to the office of President upon a vacancy in that office.

Section 3. Secretary. The Secretary shall send notices of meetings and board packets no later than one week prior to the scheduled meeting to the Board of Directors, record and preserve minutes of meetings, and perform such other duties as ordinarily pertain to the office

Section 4. Treasurer. The Treasurer shall have custody of all funds of the Foundation; shall keep complete and accurate records of all assets, liabilities, receipts, and disbursements; and shall present a current financial report one week prior to each scheduled meeting of the Board of Directors. The Treasurer may delegate any functions, subject to the Treasurer's supervision.

Section 5. Assistant Officers. The Board may from time to time appoint such assistant officers to perform such duties as the Board deems necessary. If an assistant officer is not a member of the Board of Directors, he or she shall have no vote.

# **ARTICLE IV**

**Fiscal Matters**

Section 1. Fiscal Year. The fiscal year of the Foundation shall end on June 30 of each year.

Section 2. Annual Review. The Michigan Attorney General and the Charitable Organization and Solicitation Act, MCL 400.271 et seq. requires organizations to register if it solicits or received contributions in Michigan. It sets forth guidelines regarding if an organization is required to get a review, an audit or simply maintain their own records. The Rotary Foundation of Jackson will follow said guidelines, even if not completing a license to solicit for any given year.

Section 3. Fidelity Bond. The Board shall maintain a fidelity bond with respect to each person having custody of Foundation funds. The amount of such bond shall be the maximum amount of Foundation funds expected to be within such person's custody.

# **ARTICLE V**

## **Endowment Fund**

Section 1. Purpose. An Endowment Fund is hereby established, in order to insure, insofar as possible, that funds will at all times be available for the charitable purposes of this Foundation,

1. It shall be the goal of the fund to provide grants according to the Foundation grant policy.
2. The Foundation shall establish and maintain an investment policy statement that is consistent with the grant making and other goals of the Foundation

Section 2. Segregation of Funds: The Endowment fund shall consist of two separate accounts, an operating or cash account designated for current year spending and a Core Endowment fund invested according to the investment policy statement.

Any amounts not designated for the Core Endowment fund or allocated to such by the board shall remain in the current year spending account and be considered available for current year grant making.

Section 3. Additions to the Core Endowment Fund. The following amounts shall be added to and become part of the Core Endowment Fund:

1. Any contribution that the donor designates for the Endowment Fund; and
2. Any additional amounts the Board of Directors votes to allocate to the Endowment Fund.

Section 4. Endowment Funds Spending Policy

1. The Foundation shall annually approve, during its April meeting, the funds available for grant making in the coming fiscal year. The target for annual grants is up to 4% of the Core Endowment balance on the 12/31 statement from the prior year.
2. Any non-restricted funds will be added to the operating account and available for current year grants.

c No part of the principal of the Core Endowment Fund shall be spent unless the Board of Directors, by affirmative vote of at least 75% of the entire Board at any meeting, or by unanimous written consent and the Board adopts and implements a plan to restore the principal to the Endowment Fund within three years.

# **ARTICLE VI**

## **Non-Liability of Volunteer Directors**

To the fullest extent permitted by any present or future provision of law, no volunteer director, as defined in Section 110(2) of the Michigan Nonprofit Corporation Act, or any comparable provision of any successor legislation, shall be personally liable to this corporation or its members for monetary damages for any breach of the director's fiduciary duty.

This corporation assumes all liability to any person other than this corporation or its members for all acts or omissions of a volunteer director occurring on or after January 1, 1988, incurred in the good faith performance of the director's duties; except that the corporation shall not assume or be considered to have assumed any liability to the extent that (i) such assumption is inconsistent with the status of the corporation as an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, or any comparable provision of any successor legislation, or (ii) such liability is covered by collectible insurance carried by such volunteer director or maintained for his or her benefit by this corporation or by any other person, firm, corporation or organization.

No amendment or repeal of this Article VI, nor the adoption of any provision inconsistent with this Article VI, shall apply with respect to any acts or omissions occurring before such amendment or repeal.

# **ARTICLE VII**

**Indemnification of Directors and Officers**

To the fullest extent permitted by any present or future provision of law, the corporation shall indemnify each person who at any time serves as a director and/or officer of the corporation, including but not limited to advancement of expenses of defense, and each such person shall be entitled to such indemnification without further action on his or her part, against all expenses, liability and loss, arising in any manner by reason of the fact that such person is or was a director and/or officer of the corporation, or by reason of any acts of such person, or omissions of such person to act, as a director and/or officer of the corporation; except that indemnification shall not be provided to the extent that (i) such indemnification is inconsistent with the status of the corporation as an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986 or any comparable provision of any successor legislation, or (ii) such expense, liability or loss is covered by collectible insurance carried by such person or maintained for his or her benefit by this corporation or by any other person, firm, corporation or organization.

No amendment or repeal of this Article Vll, nor the adoption of any provision inconsistent with this Article Vll, shall affect the obligation of the corporation to indemnify fully with respect to all expenses, liability and loss arising by reason of any acts or omissions of such director and/or officer before such amendment or repeal.

# **ARTICLE VIII**

## **Amendments**

Section 1. General Rule. Except as set forth in Section 2, these By-Laws may be amended as follows:

1. By the Board of Directors at any meeting, provided, that the directors may not amend the By-Laws to extend their term of office; or
2. By the members of each Rotary Club in Jackson County, at any meeting of such Club after the proposed amendment has been announced at least one meeting of such Club prior thereto.

Section 2. Exception. The provisions of Articles V, VI and Vll, and of this Article Vlll, Section 2, may only be amended as follows:

1. By affirmative vote of at least 75% of the entire Board of Directors at any meeting, or by unanimous written consent; or
2. By affirmative vote of at least 75% of the members of each Rotary Club in Jackson County who are present at any meeting of such Club, after the proposed amendment has been announced at least three consecutive meetings of such Club prior thereto.