
Part Eight

Other Legal Documents

Recommended Rotary Club Bylaws

*Bylaws of The Rotary Foundation of
Rotary International*

*Articles of Incorporation of
The Rotary Foundation (partial)*

RECOMMENDED CLUB BYLAWS

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*Bylaws of the Rotary Club of

Article 1 Definitions

1. Board: The Board of Directors of this club.
2. Director: A member of this club's Board of Directors.
3. Member: A member, other than an honorary member, of this club.
4. RI: Rotary International.
5. Year: The twelve-month period that begins on 1 July.

Article 2 Board

The governing body of this club shall be the board consisting of _____ members of this club, namely, the president, vice-president, president-elect (or president-nominee, if no successor has been elected), secretary, treasurer, and the sergeant-at-arms. At the discretion of the board, also added can be the _____ directors elected in accordance with article 3, section 1 of these bylaws, and the immediate past president.

Article 3 Election of Directors and Officers

Section 1 — At a regular meeting one month prior to the meeting for election of officers, the presiding officer shall ask for nominations by members of the club for president, vice-president, secretary, treasurer, and _____ directors. The nominations may be presented by a nominating committee or by members from the floor, by either or by both as a club may determine. If it is determined to use a nominating committee, such committee shall be appointed as the club may determine. The nominations duly made shall be placed on a ballot in alphabetical order under each office and shall be voted for at the annual meeting. The candidates for president, vice-president, secretary, and treasurer receiving a majority of the votes shall be declared elected to their respective offices. The _____ candidates for director receiving a majority of the votes shall be declared elected as directors. The candidate for president elected in such balloting shall be the president-nominee and serve as a director for the year commencing on the first day of July next following the election, and shall assume office as president on 1 July immediately following that year. The president-nominee shall take the title of president-elect on 1 July in the year prior to taking office as president.

Section 2 — The officers and directors, so elected, together with the immediate past president shall constitute the board. Within one week after their election, the directors-elect shall meet and elect some member of the club to act as sergeant-at-arms.

Section 3 — A vacancy in the board or any office shall be filled by action of the remaining directors.

*NOTE: These bylaws are recommended only and may be changed by any Rotary club to meet its own conditions, provided such changes are not out of harmony with the Standard Rotary Club Constitution and with the RI constitution, RI bylaws, and the Rotary Code of Policies. If any doubt exists, the proposed changes should be submitted to the general secretary for the consideration of the Board of Directors of RI.

Section 4 — A vacancy in the position of any officer-elect or director-elect shall be filled by action of the remaining directors-elect.

Article 4 Duties of Officers

Section 1 — *President.* It shall be the duty of the president to preside at meetings of the club and the board and to perform other duties as ordinarily pertain to the office of president.

Section 2 — *President-elect.* It shall be the duty of the president-elect to serve as a director and to perform such other duties as may be prescribed by the president or the board.

Section 3 — *Vice-President.* It shall be the duty of the vice-president to preside at meetings of the club and the board in the absence of the president and to perform other duties as ordinarily pertain to the office of vice-president.

Section 4 — *Secretary.* It shall be the duty of the secretary to keep membership records; record attendance at meetings; send out notices of club, board, and committee meetings; record and preserve the minutes of such meetings; report as required to RI, including the semiannual reports of membership on 1 January and 1 July of each year, which shall include per capita dues for all members and prorated dues for active members who have been elected to membership in the club since the start of the July or January semiannual reporting period; report changes in membership; provide the monthly attendance report, which shall be made to the district governor within 15 days of the last meeting of the month; collect and remit RI official magazine subscriptions; and perform other duties as usually pertain to the office of secretary.

Section 5 — *Treasurer.* It shall be the duty of the treasurer to have custody of all funds, accounting for it to the club annually and at any other time upon demand by the board, and to perform other duties as pertains to the office of treasurer. Upon retirement from office, the treasurer shall turn over to the incoming treasurer or to the president all funds, books of accounts, or any other club property.

Section 6 — *Sergeant-at-Arms.* The duties of the sergeant-at-arms shall be such as are usually prescribed for such office and other duties as may be prescribed by the president or the board.

Article 5 Meetings

Section 1 — *Annual Meeting.* An annual meeting of this club shall be held on the _____ in each year, at which time the election of officers and directors to serve for the ensuing year shall take place.

(Note: Article 6, section 2 of the Standard Rotary Club Constitution provides that “An annual meeting for the election of officers shall be held not later than 31 December...”)

Section 2 — The regular weekly meetings of this club shall be held on _____ (day) at _____ (time).

Due notice of any changes in or canceling of the regular meeting shall be given to all members of the club. All members excepting an honorary member (or member excused pursuant to the standard Rotary club constitution) in good standing in this club, on the day of the regular meeting, must be counted as present or absent, and attendance must be evidenced by the member's

being present for at least sixty (60) percent of the time devoted to the regular meeting, either at this club or at any other Rotary club, or as otherwise provided in the standard Rotary club constitution, article 9, sections 1 and 2.

Section 3 — One-third of the membership shall constitute a quorum at the annual and regular meetings of this club.

Section 4 — Regular meetings of the board shall be held on _____ of each month. Special meetings of the board shall be called by the president, whenever deemed necessary, or upon the request of two (2) directors, due notice having been given.

Section 5 — A majority of the directors shall constitute a quorum of the board.

Article 6 Fees and Dues

Section 1 — The admission fee shall be \$ _____ to be paid before the applicant can qualify as a member, except as provided for in the standard Rotary club constitution, article 11.

Section 2 — The membership dues shall be \$ _____ per annum, payable semiannually on the first day of July and of January, with the understanding that a portion of each semiannual payment shall be applied to each member’s subscription to the RI official magazine.

Article 7 Method of Voting

The business of this club shall be transacted by *viva voce** vote except the election of officers and directors, which shall be by ballot. The board may determine that a specific resolution be considered by ballot rather than by *viva voce* vote.

(* Note: *Viva voce* vote is defined as when club voting is conducted by vocal assent.)

Article 8 Four Avenues of Service

The four Avenues of Service are the philosophical and practical framework for the work of this Rotary club. They are Club Service, Vocational Service, Community Service, and International Service. This club will be active in each of the four Avenues of Service.

Article 9 Committees

Club committees are charged with carrying out the annual and long-range goals of the club based on the four Avenues of Service. The president-elect, president, and immediate past president should work together to ensure continuity of leadership and succession planning. When feasible, committee members should be appointed to the same committee for three years to ensure consistency. The president-elect is responsible for appointing committee members to fill vacancies, appointing committee chairs, and conducting planning meetings prior to the start of the year in office. It is recommended that the chair have previous experience as a member of the committee. Standing committees should be appointed as follows:

- **Membership**
This committee should develop and implement a comprehensive plan for the recruitment and retention of members.

- **Club Public Relations**
This committee should develop and implement plans to provide the public with information about Rotary and to promote the club's service projects and activities.
- **Club Administration**
This committee should conduct activities associated with the effective operation of the club.
- **Service Projects**
This committee should develop and implement educational, humanitarian, and vocational projects that address the needs of its community and communities in other countries.
- **The Rotary Foundation**
This committee should develop and implement plans to support The Rotary Foundation through both financial contributions and program participation.

Additional ad hoc committees may be appointed as needed.

- (a) The president shall be ex officio a member of all committees and, as such, shall have all the privileges of membership thereon.
- (b) Each committee shall transact its business as is delegated to it in these bylaws and such additional business as may be referred to it by the president or the board. Except where special authority is given by the board, such committees shall not take action until a report has been made and approved by the board.
- (c) Each chair shall be responsible for regular meetings and activities of the committee, shall supervise and coordinate the work of the committee, and shall report to the board on all committee activities.

(Note: The above committee structure is in harmony with both the District Leadership Plan and the Club Leadership Plan. Clubs have the discretion to create any committees that are required to effectively meet its service and fellowship needs. A sample listing of such optional committees is found in the *Club Committee Manual*. A club may develop a different committee structure as needed.)

Article 10 Duties of Committees

The duties of all committees shall be established and reviewed by the president for his or her year. In declaring the duties of each, the president shall reference to appropriate RI materials. The service projects committee will consider the Avenues of Vocational Service, Community Service, and International Service when developing plans for the year.

Each committee shall have a specific mandate, clearly defined goals, and action plans established by the beginning of each year for implementation during the course of the year. It shall be the primary responsibility of the president-elect to provide the necessary leadership to prepare a recommendation for club committees, mandates, goals, and plans for presentation to the board in advance of the commencement of the year as noted above.

Article 11 Leave of Absence

Upon written application to the board, setting forth good and sufficient cause, leave of absence may be granted excusing a member from attending the meetings of the club for a specified length of time.

(Note: Such leave of absence does operate to prevent a forfeiture of membership; it does not operate to give the club credit for the member’s attendance. Unless the member attends a regular meeting of some other club, the excused member must be recorded as absent except that absence authorized under the provisions of the Standard Rotary Club Constitution is not computed in the attendance record of the club.)

Article 12 Finances

Section 1 — Prior to the beginning of each fiscal year, the board shall prepare a budget of estimated income and expenditures for the year, which shall stand as the limit of expenditures for these purposes, unless otherwise ordered by action of the board. The budget shall be broken into two separate parts: one in respect of club operations and one in respect of charitable/service operations.

Section 2 — The treasurer shall deposit all club funds in a bank, named by the board. The club funds shall be divided into two separate parts: club operations and service projects.

Section 3 — All bills shall be paid by the treasurer or other authorized officer only when approved by two other officers or directors.

Section 4 — A thorough review of all financial transactions by a qualified person shall be made once each year.

Section 5 — Officers having charge or control of club funds shall give bond as required by the board for the safe custody of the funds of the club, cost of bond to be borne by the club.

Section 6 — The fiscal year of this club shall extend from 1 July to 30 June, and for the collection of members’ dues shall be divided into two (2) semiannual periods extending from 1 July to 31 December, and from 1 January to 30 June. The payment of per capita dues and RI official magazine subscriptions shall be made on 1 July and 1 January of each year on the basis of the membership of the club on those dates.

Article 13 Method of Electing Members

Section 1 — The name of a prospective member, proposed by an active member of the club, shall be submitted to the board in writing, through the club secretary. A transferring or former member of another club may be proposed to active membership by the former club. The proposal shall be kept confidential except as otherwise provided in this procedure.

Section 2 — The board shall ensure that the proposal meets all the classification and membership requirements of the standard Rotary club constitution.

Section 3 — The board shall approve or disapprove the proposal within 30 days of its submission and shall notify the proposer, through the club secretary, of its decision.

Section 4 — If the decision of the board is favorable, the prospective member shall be informed of the purposes of Rotary and of the privileges and responsibilities of membership, following which the prospective member shall be

requested to sign the membership proposal form and to permit his or her name and proposed classification to be published to the club.

Section 5 — If no written objection to the proposal, stating reasons, is received by the board from any member (other than honorary) of the club within seven (7) days following publication of information about the prospective member, that person, upon payment of the admission fee (if not honorary membership), as prescribed in these bylaws, shall be considered to be elected to membership.

If any such objection has been filed with the board, it shall vote on this matter at its next meeting. If approved despite the objection, the proposed member, upon payment of the admission fee (if not honorary membership), shall be considered to be elected to membership.

Section 6 — Following the election, the president shall arrange for the new member's induction, membership card, and new member Rotary literature. In addition, the president or secretary will report the new member information to RI and the president will assign a member to assist with the new member's assimilation to the club as well as assign the new member to a club project or function.

Section 7 — The club may elect, in accordance with the standard Rotary club constitution, honorary members proposed by the board.

Article 14 Resolutions

The club shall not consider any resolution or motion to commit the club on any matter until the board has considered it. Such resolutions or motions, if offered at a club meeting, shall be referred to the board without discussion.

Article 15 Order of Business

Meeting called to order.

Introduction of visitors.

Correspondence, announcements, and Rotary information.

Committee reports if any.

Any unfinished business.

Any new business.

Address or other program features.

Adjournment.

Article 16 Amendments

These bylaws may be amended at any regular meeting, a quorum being present, by a two-thirds vote of all members present, provided that notice of such proposed amendment shall have been mailed to each member at least ten (10) days before such meeting. No amendment or addition to these bylaws can be made which is not in harmony with the standard Rotary club constitution and with the constitution and bylaws of RI.

BYLAWS OF THE ROTARY FOUNDATION OF ROTARY INTERNATIONAL

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Bylaws of The Rotary Foundation of Rotary International

Article I Purposes of Corporation

Section 1.1 — *Purposes.* The purposes of the corporation shall be as provided in the articles of incorporation.

Article II Membership

Section 2.1 — *Members.* The corporation shall have one class of members, which class shall consist of one member, designated as the “corporate member.” The initial corporate member shall be Rotary International, an Illinois not-for-profit corporation, or any successor thereto resulting by merger, consolidation, or change of name. If a vacancy shall exist in the position of corporate member for any reason, the trustees of the corporation shall elect a new corporate member.

Section 2.2 — *Elections and Appointments.* Annually, the corporate member shall appoint trustees to succeed trustees whose terms have expired and to fill vacancies that have occurred. Such action by the corporate member shall constitute the annual meeting of members.

Section 2.3 — *Manner of Acting.* The corporate member, except as otherwise provided herein, shall act by majority vote of its international board of directors communicated to the chairman or general secretary of the corporation by written instrument signed by an officer of the corporate member specifying the action taken.

Section 2.4 — *Matters Requiring Approval of the Corporate Member.* The corporate member must approve the following actions of the trustees:

- (a) Expenditures from the property of the Foundation, except for:
 - (i) the necessary expenses of administration of the Foundation, and
 - (ii) expenditures of income or principal of gifts to the Foundation which are prescribed by the terms of the gift or bequest, both of which require only the approval of the trustees;
- (b) Amendment or restatement of the articles of incorporation or the bylaws;
- (c) Merger, consolidation, dissolution, or sale, lease, exchange, mortgage, or pledge of substantially all the assets of the corporation;
- (d) All proposed programs, projects, or activities of the corporation, before their promulgation or funding, for the purposes set forth in the articles of incorporation.

Section 2.5 — *Responsibilities of the Corporate Member.* The corporate member shall have the following responsibilities:

- (a) To encourage officers of Rotary International and all Rotarians to support the programs, projects, and activities of the Foundation through personal involvement and financial contributions and to promote Foundation programs, projects, and activities through club, district, and international

meetings, leadership development, and educational programs and publications;

- (b) To propose to the trustees new programs, projects or activities of the Foundation.

Article III Board of Trustees

Section 3.1 — General Powers. Directors of this corporation shall be known as trustees. All business of the corporation shall be managed by the trustees, except certain matters must also receive approval of the corporate member, as set forth in section 2.4 of article II. In managing the affairs of the corporation, the trustees shall be authorized to exercise all powers as are now or may hereinafter be granted to the corporation by the Illinois General Not for Profit Corporation Act of 1986, or any successor legislation adopted by the State of Illinois of the United States of America; except that such powers may be exercised only in furtherance of the purposes of the corporation as stated in its articles of incorporation and consistent with its status as a corporation described in section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended. The trustees shall have the following specific duties:

- (a) To hold, invest, manage, and administer all funds and property of the Foundation. In furtherance of this responsibility, in addition to the powers otherwise granted by statute or these bylaws, the trustees are authorized to do the following:
- (i) To sell, lease, transfer, or exchange all or any part of the property of the Foundation at such prices and upon such terms and conditions and in such manner as they may deem best;
 - (ii) To execute and deliver any proxies, powers of attorney, or agreements that they may deem necessary or proper and that may be permitted by law;
 - (iii) To invest and reinvest in such loans, securities, or real estate as they may deem suitable for the investment of Foundation funds;
 - (iv) To determine whether money or property coming into their possession shall be held as unrestricted funds for the accomplishment of the general purposes of the Foundation or shall be held as restricted or endowment funds for the accomplishment of specific purposes, and to charge or apportion expenses or losses to restricted or unrestricted funds as they may deem just and equitable;
 - (v) To select and employ suitable agents and attorneys, including the employment of investment managers to whom may be delegated such powers in managing and investing the funds of the corporation as the trustees may deem advisable, and as the laws of the jurisdiction may permit, and to pay their reasonable compensation and expenses;
 - (vi) To adopt budgets and appropriate funds for programs, projects and activities of the Foundation; and

- (vii) To pay all necessary expenses of administering the Foundation, including the expenses of the trustees, out of the funds of the Foundation, unless they be otherwise provided by the directors of the corporate member;
- (b) To assess, accept and refuse on behalf of the corporation any position as fiduciary however established; and to exercise all lawful fiduciary powers in and under the laws of any state or nation, including without limitation all the powers of trustee given under the Illinois Trusts and Trustees Act and other applicable laws of Illinois; and to disclaim or to grant or withhold any releases in or with respect to any property, funds, or other interests, beneficial or legal, when acting on behalf of the corporation or others in any capacity, fiduciary or otherwise;
- (c) To create, administer, and manage or to participate in investment partnerships, such as pooled investment funds;
- (d) To administer all programs, projects, and activities of the Foundation, except when the trustees and the corporate member agree that a specific program, project, or activity of the Foundation shall be administered by the corporate member as an agent of the trustees or by both in cooperation;
- (e) To evaluate on a continuing basis all programs, projects, and activities funded by the Foundation and report to the corporate member annually concerning all awards and grants made by the Foundation;
- (f) To promote the Foundation and disseminate information about it, and to provide appropriate forms of recognition to individuals, Rotary clubs, and others who support the Foundation;
- (g) To assume primary responsibility for developing and initiating new Foundation programs, projects, or activities;
- (h) To establish or affiliate with any related, subordinate, or other charitable corporations, foundations, trusts, or similar organizations in any country or region of the world;
- (i) To consider and approve proposals by the directors of the corporate member of resolutions related to the Foundation and of amendments to the provisions of the bylaws or constitution of the corporate member concerning the Foundation prior to their consideration by a council on legislation of the corporate member. If such amendments or resolutions are proposed by other parties, the trustees and the directors of the corporate member shall jointly consider such amendments prior to their consideration by a council on legislation of the corporate member; and
- (j) To adopt and amend additional rules and regulations for the administration of the Foundation as in their opinion may be necessary or advisable, provided such rules and regulations shall not be contrary to the constitution and bylaws of the corporate member or to the articles of incorporation of the Foundation and to these bylaws.

Section 3.2 — *Number, Appointment, and Term.* The number of trustees shall be fifteen (15). The trustees shall be appointed by the president of the corporate member, with the concurrence of the directors of the corporate member. Four (4) of the trustees shall be past presidents of the corporate member. The terms

of trustees shall be four (4) years. Trustees may be reappointed after the conclusion of any term of service as trustees, provided that they then satisfy the qualifications for serving as trustee set forth in this section and section 3.3 of this article. Barring death, resignation, removal, or failure of qualification, each trustee shall hold office for the term for which the trustee is selected or until the selection and qualification of a successor.

Section 3.3 — *Qualifications.* Each trustee shall be a member, other than an honorary member, of a Rotary club. Each trustee shall be a Rotarian with broad experience in Rotary life and with senior executive and policy-making experience, particularly in finance and the fields in which the Foundation supports activities. Trustees shall be appointed from various parts of the world.

Section 3.4 — *Resignation.* Any trustee may resign verbally at a trustee meeting or by letter addressed to the corporation's general secretary, and such trustee's resignation shall take effect when indicated and without formal acceptance.

Section 3.5 — *Removal.* Any trustee who fails to satisfy the qualifications set forth in section 3.3 of this article shall forfeit the office of trustee at the time of such failure, and no further action by the directors of the corporate member or the remaining trustees shall be necessary to effect such forfeiture. A trustee whose office is forfeited pursuant to this action shall be replaced in accordance with section 3.6 of this article. If a trustee becomes disabled, to the extent such trustee is unable to discharge adequately the duties of the office, as determined by the trustees and the corporate member, such trustee shall forfeit the office upon such determination, and be replaced as provided in section 3.6 of this article. For good and sufficient cause, and upon notice to all the trustees and the trustee concerned (who shall be given an opportunity to be heard), a trustee may be removed by the three-fourths vote of the directors of the corporate member. Such removal shall be effective upon ratification of the directors' action by majority vote at the next scheduled convention of the corporate member.

Section 3.6 — *Vacancies.* Any vacancy among the trustees caused by death, resignation, failure of qualification, disability, or removal may be filled for the balance of the term by the corporate member in accordance with the procedures specified in section 3.2 of this article. Successor trustees shall have all powers and discretions and shall be charged with duties identical to those conferred upon the original trustees.

Section 3.7 — *Chairman.* The trustees shall annually elect one of the trustees as chairman-elect for the following year. The chairman-elect shall serve as chairman in the year following his or her year as chairman-elect. In the case of death, resignation, disability, or removal of the chairman, the chairman-elect shall serve for the unexpired term.

Section 3.8 — *Compensation.* The trustees shall serve without compensation.

Article IV Meetings of Trustees

- Section 4.1 — *Annual Meeting.*** The annual meeting of the Foundation trustees will be held each year at such time and at such place within or without the State of Illinois as shall be designated by the trustees. If necessary or desirable, the trustees and the directors of the corporate member may hold a joint meeting at any mutually agreeable time and place.
- Section 4.2 — *Other Meetings.*** There shall be such other meetings of the trustees as may be called from time to time by the chairman of the trustees or by the majority of the trustees by written notice to the other trustees.
- Section 4.3 — *Notice of Meetings.*** Unless waived in writing, written or printed notice of the time (date and hour) and place of all regular trustees' meetings shall be mailed to each trustee at the trustee's residence or usual place of business at least thirty (30) days before the meeting date or given to the trustee by personal delivery, telegraph, or telephone at least twenty (20) days before the meeting date. Notice of special meetings shall be mailed at least ten (10) days before the meeting date or given to the trustee by personal delivery, telegraph, or telephone at least six (6) days before the meeting date. Attendance of a trustee at a meeting constitutes waiver of notice except where the trustee attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.
- Section 4.4 — *Quorum and Manner of Acting.*** A majority of the trustees then qualified and acting shall constitute a quorum for the transaction of business at any trustees' meeting, and any matter requiring action by the trustees may be decided by a majority vote of the trustees present, unless otherwise provided by statute or in these bylaws. In the absence of a quorum, a majority of the trustees present may, without further notice, adjourn the meeting until such time as a quorum is present. No notice of any adjourned meeting need be given.
- Section 4.5 — *Informal Action.*** Any action which may be taken at the meeting of the trustees may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the trustees entitled to vote on the matter. The general secretary shall have authority to send out ballots-by-mail when the subject matter comes under existing policies. When the subject matter relates to other than existing policies, the chairman of the trustees shall have authority to determine whether the matter shall be handled in a ballot-by-mail or held over until the next meeting of the trustees.
- Section 4.6 — *Telephonic Meetings.*** Trustees may participate in and act at any meeting of the trustees through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.
- Section 4.7 — *Presiding Officer.*** The chairman of the trustees will preside at all meetings of the trustees. In the absence of the chairman, the chairman-elect, or the vice-chairman, the trustees will select a chairman *pro tem* from among their number.

Article V Officers of the Corporation

Section 5.1 — Titles. The officers of the corporation shall be the chairman of the trustees (“the chairman”), the chairman-elect, the vice-chairman, and the general secretary.

Section 5.2 — Election, Term, and Compensation. The chairman-elect and the vice-chairman shall be annually elected by the trustees. The chairman-elect shall not be eligible for election as vice-chairman. The term of office of the chairman-elect and vice-chairman shall begin on 1 July following election. The trustee elected as chairman-elect shall serve for a term of one year, following which he or she shall serve for a term of one year as chairman. The trustee elected as vice-chairman shall serve for a term of one year. The general secretary shall be elected by the directors of the corporate member, and shall be the same individual who is the general secretary of the corporate member. Barring death, resignation, disability, failure of qualification, or removal, each officer shall serve for the term of election or until a successor is selected and qualified. The chairman, chairman-elect, and vice-chairman shall serve without compensation. The compensation of the general secretary shall be fixed by the corporate member.

Section 5.3 — Resignation. Any officer may resign by letter addressed to the chairman and such resignation shall take effect when indicated and without formal acceptance.

Section 5.4 — Removal. The chairman, the chairman-elect, or the vice-chairman may be removed, with or without cause, by the trustees at any meeting of the trustees. The general secretary may be removed by the directors of the corporate member.

Section 5.5 — Vacancies. In the event of a vacancy in the office of chairman, the vice-chairman shall succeed to the office of chairman. Any vacancy in any other office may be filled for the balance of the term by a successor elected or appointed by the persons authorized to elect or appoint such officer.

Section 5.6 — Chairman. The chairman shall be the highest officer of the corporation. As such, the chairman shall:

- (a) be the principal personal to speak on behalf of the Foundation;
- (b) preside at all meetings of the trustees;
- (c) counsel the general secretary;
- (d) perform such other duties as pertain to the office.

The chairman may delegate any powers of the office to other trustees or officers of the corporation. The chairman shall appoint the members of all standing and temporary committees, and shall be a member of all committees, voting only in the event of a tie. The chairman may act in emergency matters for the trustees when the trustees or their executive committee is not in session or cannot be easily called into session, so long as such action is in harmony with the constitution and bylaws of the corporate member and the articles of incorporation of the Foundation and these bylaws. Any emergency action taken pursuant to this section must be reported to the trustees within 10 days of any such action.

Section 5.7 — *Chairman-elect*. The chairman-elect shall:

- (a) plan and prepare for the following year's term as trustee chairman;
- (b) perform such other duties as assigned by the chairman or trustees.

Section 5.8 — *Vice-Chairman*. The vice-chairman shall act on behalf of the chairman between or during meetings of the trustees when delegated by the chairman to do so or when for any reason the chairman is unable to act, and shall perform such other duties assigned by the chairman or trustees.

Section 5.9 — *General Secretary*. The general secretary shall be the chief administrative and financial officer of the corporation, subject to the direction of the trustees and the chairman and responsible for the implementation of the trustees' policies and for general management and administration of the corporation.

Section 5.10 — *Other Duties*. In addition to the foregoing enumerated duties and powers, the several officers of the corporation shall perform such other duties and exercise such other powers in accord with these bylaws, as the trustees may from time to time delegate or determine, or as may be assigned to them by the chairman or any other superior officer. Any officer acting on behalf of the trustees shall report such action to the trustees at their next scheduled meeting.

Article VI Committees

Section 6.1 — *Number and Term*. The trustees of the corporation shall establish committees, and prescribe the duties and authority of such committees, as they from time to time may determine is in the best interests of the corporation. The number of members on the committees and the term of membership shall be as determined by the trustees, provided that no committee shall have and exercise the authority of the trustees in the management of the corporation unless a majority of the members of the committee are trustees.

Section 6.2 — *Membership*. The chairman shall appoint the members of the committees and any subcommittees thereof, and shall also designate the chairman of each committee and subcommittee. Each committee shall consist of at least two trustees.

Section 6.3 — *Meetings*. Committees and subcommittees shall meet at such times and places and upon such notice as may be determined by the chairman of the trustees. A majority of the membership of the committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 6.4 — *Standing Committees*. Unless otherwise provided by majority vote of the trustees present at the annual meeting or other meeting, the corporation shall have an executive committee, a finance committee, a programs committee, a development committee, and a stewardship committee. Each committee shall have such membership and duties as may be set forth by the trustees from time to time.

Section 6.5 — *Temporary Committees*. The chairman of the trustees may, from time to time, establish temporary ad hoc committees and appoint the members and chairmen thereof. These committees may contain trustees, who shall

always have voting rights, and/or non-trustees, who may be voting members or not at the discretion of the chairman of the trustees.

Article VII

Joint Committee of Trustees and Directors of the Corporate Member

Section 7.1 — *Membership and Term.* As a means of maintaining mutual understanding and cooperation between the trustees and the directors of the corporate member, a joint committee of trustees and directors of the corporate member shall be established and maintained. The committee shall consist of between three (3) and five (5) directors of the corporate member and an equal number of trustees. The directors shall be appointed by the president of the corporate member, and the trustees shall be appointed by the chairman of the trustees. Members of the committee shall serve for one year terms and may be reappointed.

Section 7.2 — *Powers.* The committee may consider matters of mutual interest to the trustees and directors, and is authorized to make recommendations to be approved by the trustees and the directors of the corporate member.

Section 7.3 — *Meetings.* The committee shall meet at the joint call of the president of the corporate member and the chairman of the trustees.

Section 7.4 — *Vacancies.* The chairman of the trustees and the president of the corporate member, respectively, shall have the power to fill vacancies caused by the death, resignation, disability, removal, or failure of qualification of members they appoint.

Section 7.5 — *Notice.* Unless waived in writing, written or printed notice of the time (date and hour) and place of all committee meetings shall be mailed to each committee member at the member's residence or usual place of business at least thirty (30) days before the meeting date or given to the member by personal delivery, telegraph, or telephone at least twenty (20) days before the meeting date. Attendance of a committee member at a meeting constitutes waiver of notice except where such member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 7.6 — *Quorum and Manner of Acting.* A majority of both the Foundation trustees and the directors of the corporate member appointed to the joint committee shall constitute a quorum for the transaction of business at any meeting. The act of a majority of the members present at any meeting at which a quorum is attained shall be the act of the joint committee. In the absence of a quorum, a majority of the members present may adjourn the meeting from time to time, until a quorum is present. No notice of any adjourned meeting need be given.

Article VIII Financial Reports

Section 8.1 — *Books and Financial Records.* The trustees shall provide for the keeping of accurate books and records of the receipts, expenditures, investments, properties, and all other assets of the Foundation to the end that all property received by the corporation shall be devoted exclusively to the purposes set forth in the articles of incorporation.

Section 8.2 — Reports. The trustees shall periodically notify the directors of the corporate member of the status of Foundation appropriations and also of the amount of money that may be available to further the purposes of the Foundation.

Section 8.3 — Audit. The corporation, as an administration expense, shall annually engage the auditors employed to audit the accounts of the corporate member to audit the accounts of the Foundation. The general secretary shall distribute the auditors' report to the trustees and to the directors of the corporate member and shall cause such report, in such form as the general secretary may deem appropriate, to be published and distributed.

Section 8.4 — Surety Bonds. The trustees shall determine the necessity and amount of surety bonds for any persons working on Foundation activities and provide in the administration budget of the Foundation for the cost of such bonds.

Section 8.5 — Fiscal Year. The fiscal year of the corporation shall be the same as the fiscal year of the corporate member.

Section 8.6 — Budget. Each year the trustees shall adopt a budget for the succeeding fiscal year, which they may revise in the succeeding fiscal year if necessary.

Section 8.7 — Reimbursement for Services by Corporate Member. The Foundation shall reimburse the corporate member for the cost of all administrative and other services requested by the trustees. The general secretary shall present a forecast of the expense of such services at the time the trustees adopt the annual budget for the Foundation. Pursuant to this forecast, the trustees shall from time to time during the fiscal year advance payments towards these expenses. After the financial audit and review of both the Foundation and the corporate member at the end of the fiscal year, any documented difference, whether excess or deficiency, between the forecast and actual expenses incurred in performing such services shall be adjusted accordingly.

Article IX Miscellaneous

Section 9.1 — Indemnification. The Foundation shall indemnify all of its present and former trustees and officers to the full extent permitted by the Illinois General Not for Profit Corporation Act of 1986, or any successor legislation adopted by the State of Illinois of the United States of America, the relevant indemnification provisions of which act are hereby incorporated herein by reference. In addition, the Foundation may, upon approval of the trustees, indemnify any committee member or agent of the Foundation to the full extent permitted under the said General Not for Profit Corporation Act. The Foundation shall also cause to be purchased insurance for such indemnification of its officers and trustees to the full extent determined from time to time by the trustees of the Foundation.

Section 9.2 — Seal. The seal of the corporation shall be in such form as may from time to time be adopted by the trustees.

Section 9.3 — Grant Policy. The following persons are ineligible for any award or grant from the Foundation:

- (a) a Rotarian, with the specific exemption of all volunteer services as identified by the trustees;
- (b) an employee of a club, district or other Rotary entity, or of Rotary International; and
- (c) a spouse, a lineal descendant (child or grandchild by blood and any legally adopted child), a spouse of a lineal descendant, or an ancestor (parent or grandparent by blood) of any person in categories (a) or (b).

Section 9.4 — *Bylaws Amendments.* These bylaws may be reviewed from time to time for necessary and timely revision by the trustees. Upon the approval of such revision by the trustees, the revision shall be transmitted to the directors of the corporate member for their subsequent approval. Revisions to the bylaws shall be effective upon their approval by the directors of the corporate member, provided, however, that any bylaws that are inconsistent with the provisions of the constitution or bylaws of the corporate member shall not be effective until approved by the council on legislation of the corporate member.

Extracts from the Articles of Incorporation of The Rotary Foundation of Rotary International

Filed 31 May 1983

Name. The name of the corporation is: The Rotary Foundation of Rotary International.

Purposes. This corporation is organized and shall at all times be operated exclusively for charitable and educational purposes, or such other purposes or objects as may be provided in section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding provisions of subsequent federal tax laws and as may be approved by the corporate member, including, but not limited to, the following: The furthering of understanding and friendly relations between people of different nations through the fostering of tangible and effective programs of a philanthropic, charitable, educational, or other eleemosynary nature.

Dedication of Income and Assets.

- (a) No part of the assets or net earnings of this corporation shall inure to the benefit of any director, trustee, or officer of this corporation or to any private individual, except that the corporation may make payments and distributions in furtherance of the purposes set forth above, including the payment of reasonable compensation for services rendered. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).
- (b) No substantial part of the activities of this corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation. This corporation shall not participate in (including the publishing or distributing of statements) any political campaign on behalf of any candidates for public office.
- (c) Upon dissolution or liquidation of this corporation, after payment or provision for its debts and liabilities, all of its assets (except any assets conveyed to this corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution of this corporation) shall be transferred or conveyed pursuant to law to one or more organizations described in section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws for one or more of the purposes described above, as the corporate member of this corporation shall determine.

Corporate Member. The corporation shall have one class of members, which class shall consist of one member, designated as the “corporate member.” The manner of selection of the corporate member shall be prescribed by the bylaws. In addition to matters required by statute, the corporate member shall have the sole power to appoint the directors of the corporation (who shall be known as trustees). The articles of incorporation and bylaws shall not be changed without the approval of the corporate member. The bylaws may require that additional matters be submitted for approval by the corporate member.