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Bylaws of the Rotary Club of Batavia, Illinois

Article 1: Definitions

1. Board: The board of directors of this club.
2. Director: A director on this club's board.
3. Member: A member, other than an honorary member, of this club.
4. Quorum: The minimum number of participants who must be present when a vote is taken: one-third of the club's members for club decisions and a majority of the directors for club board decisions.
5. RI: Rotary International.
6. Year: The 12-month period beginning 1 July.

Article 2: Board

The governing body of this club is its board of directors, consisting of its five officers, as defined in article 4, and four directors, as designated in article 8. Directors shall be appointed by the board.

Article 3: Officer Elections, Director Appointments, and Terms of Office

Section 1 — One month before elections, members nominate candidates for president, president-elect, secretary, and treasurer. The nominations may be presented by a nominating committee, by members from the floor, or both.

Section 2 — The candidate who receives a majority of the votes for each office is declared elected to that office.

Section 3 — Directors shall be appointed by the board to chair committees or subcommittees as defined in article 8.

Section 4 — If any officer or board member vacates their position, the remaining members of the board will appoint a replacement. When a president’s successor is not elected, the current president’s term may be extended for up to one year.

Section 5 — If any officer-elect vacates a position, the remaining members of the board-elect will appoint a replacement.

Section 6 — The terms of office for each role are one year.

Article 4: Officers and Their Duties

Section 1 — The president presides at club and board meetings.

Section 2 — The immediate past president serves on the club board.

Section 3 — The president-elect prepares for his or her year in office and serves as vice president and presides at club and board meetings when the president is absent.

Section 4 — The secretary keeps membership, attendance, and official records of the club.

Section 5 — The treasurer oversees all funds and provides an accounting of them.

Article 5: Meetings

Section 1 — An annual meeting of this club is held no later than 31 December to elect the officers and directors who will serve for the next Rotary year.

Section 2 — This club meets every Tuesday morning. Reasonable notice of any change or cancellation of the regular meeting will be given to all club members.

Section 3 — Board meetings are held each month. Cancellations or special meetings of the board are called with reasonable notice by the president or upon the request of two directors. Meetings may be held in person or virtually.

Article 6: Dues

Annual club dues are set by the board, paid quarterly, to cover club operating expenses. Annual club dues include Rotary International per capita dues, subscriptions to an official magazine, district per capita dues, club fees, and any other Rotary or district per capita assessment.

Article 7: Method of Voting

Section 1 — The business of this club is conducted by voice vote or a show of hands except in the election of officers and appointment of directors, which is conducted by ballot. The board may also provide a ballot for a vote on some resolutions.

Section 2 — In the event a director or officer holds multiple positions on the board of directors, they shall only have one vote.

Article 8: Committees

Section 1 — This club's standing committees and subcommittees comprise:

(a) *Club Administration*, chaired by the club president and composed of the club's officers as defined in article 4, and which has the purpose of managing club operations. To which, the following subcommittees report:

(1) *Public Image*, to help communities understand what Rotary does and how the club makes a difference.

(2) *Club Programming*, to identify relevant topics and recruit high quality speakers for weekly meetings.

(b) *Membership and Orientation*, whose chair shall be a director of the board, and which has the purpose of attracting new members and keeping existing members.

(c) *Appropriations*, chaired by the treasurer, and which has the purpose of managing the club's annual budget and grants. To which, the following subcommittees report:

(1) *Scholarship*, to coordinate and manage scholarship opportunities.

(2) *Grants*, to coordinate and manage grant appropriations in furtherance of the club's charitable purposes and in accordance with article 11.

(d) *Fundraising*, whose chair shall be a director of the board, and which has the purpose of organizing and managing the annual Corvette Raffle and other fundraising events. To which, the following subcommittees report:

(1) *Rotary Foundation*, to coordinate and inspire support for Rotary International programs, fundraising activities, and grants.

(e) *Outreach Services*, whose chair shall be a director of the board, and which has the purpose of coordinating the club's service opportunities. To which, the following subcommittees report:

(1) *Community Service*, to coordinate local service projects that address the local community's needs.

(2) *International Service*, to coordinate international service initiatives.

(3) *Environmental Service*, to coordinate activities that strengthen the conservation and protection of natural resources, ecological sustainability, and harmony between communities and the environment.

(4) *Youth Services*, to empower young people to develop leadership skills while promoting global understanding and peace.

Section 2 — The president is an ex officio member of all committees.

Section 3 — Each committee's chair is responsible for the regular meetings and activities of the committee, supervises and coordinates its work, and reports to the board on all committee activities.

Section 4 — Club committees shall coordinate their efforts to achieve the club's annual and long-term goals.

Section 5 — The president may establish ad hoc committees for specific and temporary activities and purposes.

Section 6 — The board shall appoint a committee or subcommittee chair as a director-at-large.

Article 9: Finances

Section 1 — The fiscal year is from 1 July to 30 June. Before each fiscal year starts, the treasurer prepares, with the advice and consent of the board, an annual budget of estimated income and expenditures.

Section 2 — The treasurer deposits club funds in a financial institution or institutions designated by the board. The treasurer records all financial transactions, splitting club operations and philanthropic activities into separate accounting funds.

Section 3 — Bills are paid by the treasurer and, if in excess of one thousand dollars (\$1,000), with the advice and consent of one other officer. Club officers and directors are responsible for managing their appropriated budget accounts. All transactions in excess of two thousand five hundred dollars (\$2,500) shall be approved, in advance, by the board.

Section 4 — The treasurer shall present all financial transactions of the club to the board on a monthly basis. Club members will receive an annual financial statement of the club, with current and previous year income and expenses.

Section 5 — The philanthropic fund aspires to retain an equity balance at fiscal year end of at least thirty-five percent (35%) of its annual revenues.

Section 6 — The requirements of article 13 must be considered when contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the club.

Article 10: Method of Electing Members

Section 1 — A member proposes a candidate for membership to the membership committee or another club proposes one of its transferring or former members.

Section 2 — On the advice of the membership committee, the board approves or rejects the candidate's membership within thirty (30) days and notifies the proposing member of its decision.

Section 3 — If the board approves the candidate's membership, the prospective member is invited to join the club.

Article 11: Grant Appropriations

Section 1 — Grant appropriations are to be awarded by the respective club committee, consistent with the annual budget and allocation guidelines, and with the advice and consent of the board.

Section 2 — Annual grant allocations purposes are to be approximately fifteen percent (15%) international, fifty percent (50%) local community, and thirty-five percent (35%) discretionary and responsive to application requests. Of discretionary allocations, the president may choose to award up to five percent (5%) to the purpose or charity of their choice, subject to the advice and consent of the board.

Article 12: Internal Revenue Code Compliance

Section 1 — *Prohibitions.* No part of the net earnings of the club shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the club shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in article 3 of the club's constitution. No substantial part of the activities of the club shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the club shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the club shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 2 — *Other Activities.* Notwithstanding any other provision of the articles of the club's constitution, this club shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this club.

Section 3 — *Dissolution.* Upon the dissolution of the club, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Article 13: Conflicts of Interest

Section 1 — *Purpose.* The purpose of the conflicts of interest policy is to protect the club's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the club. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Section 2 — *Definitions.*

- (a) *Interested Person.* Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (a) An ownership or investment interest in any entity with which the club has a transaction or arrangement,
 - (b) A compensation arrangement with the club or with any entity or individual with which the club has a transaction or arrangement, or
 - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the club is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3 — *Duty to Disclose.* In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

Section 4 — *Determining Whether a Conflict of Interest Exists.* After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Section 5 — *Procedures for Addressing the Conflict of Interest.*

- (a) An interested person may make a presentation at the board or committee meeting, but after such presentation, shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- (b) The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the board or committee shall determine whether the club can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the club's best interest and for its

own benefit and whether the transaction is fair and reasonable to the club and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Section 5 — *Violations of the Conflicts of Interest Policy*. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article 14: Resolutions

Any resolutions or motions to commit the club to any position or action shall first be reviewed and approved by the board. If resolutions or actions are first offered at a club meeting, they shall be sent to the board for consideration.

Article 15: Parliamentary Authority

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall guide the club in all cases to which they are applicable and in which they are not inconsistent with these bylaws, any special rules of order the club may adopt, and the Standard Rotary Club Constitution, the RI Constitution and Bylaws, and the Rotary Code of Policies.

Article 16: Amendments

These bylaws may be amended at any regular club meeting. Changing the club bylaws requires sending written notice to each member twenty-one (21) days before the meeting, having a quorum present for the vote, and having two-thirds of the votes support the change. Changes to

these bylaws must be consistent with the Standard Rotary Club Constitution, the RI Constitution and Bylaws, and the Rotary Code of Policies, and the Internal Revenue Code.