

**Rotary Club of McHenry**

**&**

**Rotary Club of McHenry Charitable Foundation, Inc.**

**Charitable/Service  
Operations Agreement**

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**TO FACILITATE**

**TWO-SIDED PRINTING**

**Rotary Club of McHenry**  
**Rotary Club of McHenry Charitable Foundation, Inc.**  
**Charitable/Service Operations Agreement**

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**Rotary Club of McHenry & Rotary Club of McHenry Charitable  
Foundation, Inc. – Charitable/Service Operations Agreement**

This CHARITABLE/SERVICE OPERATIONS AGREEMENT (as amended from time to time, the “Operating Agreement”) is entered into as of March 30, 2017 (effective however as of May 1, 2017) by and between the Rotary Club of McHenry, an Illinois corporation (together with its successors and assigns, the “Club”) and the Rotary Club of McHenry Charitable Foundation, Inc., an Illinois not for profit corporation and a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (together with its successors and assigns, the “Foundation”). As used herein, terms which are defined in the Governing Documents or the Foundation Governing Documents shall have the meanings ascribed to such defined terms in such Governing Documents and Foundation Governing Documents, as such terms are defined in *Section OA-1.1. Governing Documents*, below.

**WHEREAS**, the Club and its Members elected to form the Foundation to fund ongoing charitable/service operations on a tax exempt basis and to ensure continued sustainability of the Club’s charitable/service operations, this Operating Agreement is entered into to document their agreement regarding such ongoing charitable/service operations; and

**WHEREAS**, the Foundation is a voluntary, not for profit, Illinois corporation consisting of members who are Members of the Club; and

**WHEREAS**, their shared members are interested in developing, improving and maintaining the cultural, recreational, economic, educational and social welfare of people in the greater McHenry area and throughout the world,

**NOW, THEREFORE, IT IS HEREBY AGREED:**

**OA Article 1: Governing Documents and Defined Terms**

**Section OA-1.1. Governing Documents**

The Club has entered into and is governed by that certain Constitution of the Rotary Club of McHenry (as amended from time to time to the extent permitted pursuant to *Article 22: Amendments* of such Constitution, herein the “Constitution”), those certain Bylaws of the Rotary Club of McHenry duly adopted in accordance with *Article 20: Bylaws, Constitution and Rotary International* of said Constitution (as amended from time to time, herein the “Bylaws”), and this Operating Agreement, which together with any other documents which govern the activities of the Club are herein referred to as the “Governing Documents”.

The Foundation has entered into and is governed by the Foundation Articles (which term “Foundation Articles” shall have the meaning ascribed to such term in *Subsection B-9.7. Foundation, (a) General*), the Foundation By-Laws (which term “Foundation By-Laws” shall have the meaning ascribed to such term in *Subsection B-9.7. Foundation, (b) Foundation Membership*), and this Operating Agreement, which together with any other documents which govern the activities of the Foundation are herein referred to as the “Foundation Governing Documents”.

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**Section OA-1.2. Definitions and Express Conflicts.**

As used herein, terms which are defined in the Governing Documents or the Foundation Governing Documents shall have the meanings ascribed to such defined terms in such Governing Documents and Foundation Governing Documents. To the extent that this Operating Agreement expressly conflicts with the Governing Documents or the Foundation Governing Documents or expressly conflicts with the RI Constitution, RI Bylaws, or the Rotary Code of Policies, this Operating Agreement shall automatically be amended (without the need for Member or Foundation Member vote or any other action) *mutatis mutandis*, but only to the extent needed to avoid such express conflict.

**Section OA-1.3. Separate Operation of the Club and the Foundation**

**(a) Members and Foundation Members**

As provided in *Section FB-3.1. Foundation Membership* of the Foundation By-Laws, each Member in good standing of the Club is simultaneously a Foundation Member. It is hereby recognized and agreed that notice to Members shall constitute notice to Foundation Members and notice to Foundation Members shall constitute notice to Members.

It is further recognized and agreed a Quorum of Members and a Quorum of Foundation Members are different. For Club decisions, only one-third of the Members are required to form a Quorum; however, for Foundation decisions, a simple majority of the Foundation Members are required to form a Quorum. Moreover, notices to Members and Foundation Members must satisfy the applicable requirements as set forth in the Club's Bylaws and the Foundation By-Laws.

Therefore, at any Meeting of the Club such Meeting may go into recess and become a Foundation Member Meeting, so long as any business to be addressed, action to be taken and/or decision to be made at such newly constituted Foundation Member Meeting has been duly noticed to all Foundation Members (in accordance with the Foundation Governing Documents (or effectively waived)) and such Foundation Member Meeting is of a duly constituted Quorum of Foundation Members.

Likewise, at any Foundation Member Meeting such meeting may go into recess and become a Meeting of the Club, so long as any business to be addressed, action to be taken and/or decision to be made at such newly constituted Meeting of the Club has been duly noticed to all Members (in accordance with the Governing Documents (or effectively waived)) and such Meeting is of a duly constituted Quorum of Members of the Club.

**(b) Committees**

All Committees shall have the members, responsibilities, and authority as is set forth in the Governing Documents and the Foundation Governing Documents.

**(c) Officers and Directors**

Notwithstanding simultaneous membership in the Club and the Foundation and certain shared objects and purposes, the individuals acting as an officer and/or director of the Club or the Foundation shall (i) possess (and be vested with) such duties and responsibilities separate from his or her role as a Member and Foundation Member and (ii) owe and exercise such duties and

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responsibilities directly and separately to and on behalf of the Club and the Foundation, as the case may be.

**OA Article 2: Ongoing Charitable/Service Operations**

**Section OA-2.1. Ongoing Charitable and Service Operations of the Club**

**(a) General**

The purposes of the Club are to pursue the Object of Rotary, carry out successful service projects based on the Five Avenues of Service, contribute to the advancement of Rotary by strengthening Membership, support The Rotary Foundation, and develop leaders beyond the Club level. The Club and its Members elected to form the Foundation as an Illinois not for profit corporation and a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code to fund ongoing charitable/service operations on a tax exempt basis and to ensure continued sustainability of the Club’s charitable/service operations. This is their Operating Agreement regarding such ongoing charitable/service operations.

**(b) Five Avenues of Service**

**(i) General, Club Service, and Service to the Foundation**

The Five Avenues of Service are described in *Article 6: Five Avenues of Service* of the Club’s Constitution. Rotary’s Five Avenues of Service are the philosophical and practical framework for the work of the Club, as well as the Foundation. The Five Avenues of Service are Club Service, Vocational Service, Community Service, International Service, and Youth Service. Club Service and service to the Foundation are achieved through the Governing Documents and the Foundation Governing Documents, as well as the Club’s Operating Budget and the Foundation Operating Budget.

**(ii) Vocational, Community, International, and Youth Service**

Vocational Service, Community Service, International Service, and Youth Service will be furthered from time to time through the Club’s Charitable/Service Budget and the Foundation Charitable/Service Budget. The Service Projects Committee of the Club shall be comprised of four (4) subcommittees (each is herein referred to as a “***Service Projects Subcommittee***”): the “***Community Service Projects Subcommittee***” (Chaired by the Director of Community Service), the “***International Service Projects Subcommittee***” (Chaired by the Director of International Service), the “***Vocational Service Projects Subcommittee***” (Chaired by the Director of Vocational Service), and the “***Youth Service Projects Subcommittee***” (Chaired by the Director of Youth Service). These subcommittees shall have the following responsibilities (collectively, the “***Service Projects Subcommittee Responsibilities***”):

- **Community Service Projects Subcommittee** – service projects focused upon improving the quality of life of those who live within this Club’s locality or municipality (e.g., donations to FISH of McHenry, Inc., Wonder Lake Food Pantry, Pioneer Center, the Diaper Bank, participation in hands on projects such as construction, landscaping and maintenance at RotaryPark (located at the corner of Waukegan Road and Third Street), and etc.).

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- **International Service Projects Subcommittee** – service projects focused upon advancing international understanding, goodwill, and peace and projects designed to help people in other lands (e.g., donating to Rotary International’s effort to eradicate Polio, ShelterBox, projects in developing countries to provide clean water, housing, education and sanitation, and etc.).
- **Vocational Service Projects Subcommittee** – service projects focused upon promoting high ethical standards in businesses and professions, recognizing the worthiness of all dignified occupations, and fostering the ideal of service in the pursuit of all vocations, in respect of which Members will conduct themselves and their businesses in accordance with Rotary’s principles and lend their vocational skills to Club-developed projects in order to address the issues and needs of society.
- **Youth Service Projects Subcommittee** – service projects focused upon developing youth and young adults through leadership development activities, involvement in community and international service projects, and exchange programs that enrich and foster world peace and cultural understanding (e.g., sponsor high school students in McHenry and Johnsburg to attend Rotary Youth Leadership programs, scholarships for high school seniors residing in McHenry and Johnsburg who will be attending postsecondary education programs, supporting the Rotary Youth Exchange by funding outgoing high school students or hosting incoming exchange students, grants in support of advanced placement testing, and etc.).

Each Service Projects Subcommittee shall prepare and deliver to the Service Projects Committee not later than February 28 of each calendar year (the “**Service Projects Subcommittee Deadline**”) a strategic plan and associated proposed budget relative to its respective Service Projects Subcommittee Responsibilities and the achievement thereof during the next Fiscal Year (each a “**Service Projects Subcommittee Strategic Plan**”).

**Section OA-2.2. Club, Restricted and Unrestricted Funding**

Donations (or other funding) to the Foundation which come from or otherwise derive from (1) Club transfers of funds or (2) benefits or other fundraisers organized by the Members through the Benefits Committee (together with the earnings thereon) are herein referred to as “**Club Funding**”. To the extent that donations (or other funding) come to the Foundation from the public with Restrictions, such funds (including the earnings thereon) shall be considered “**Restricted Funds**”. To the extent that donations (or other funding) come to the Foundation from the public without Restrictions, represent earnings on investments which are likewise without Restrictions (including without limitation Foundation Endowment Account Earnings), or they are funds over which the donor expressly requested that the Foundation determine their charitable use or distribution, such donations and earnings thereon shall be considered “**Unrestricted Funds**”.

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**Section OA-2.3. Annual Budgets**

The Club and the Foundation shall prepare budgets.

**(a) Club**

As provided in the Club's Bylaws at *Section B-9.1. Annual Budget*, prior to the beginning of each Fiscal Year (but not later than the Annual Budget Deadline), the Board of the Club shall prepare an Annual Budget of estimated income and expenditures for such Fiscal Year, which shall stand as the limit of expenditures for these purposes, unless otherwise ordered by action of the Board of the Club. The Annual Budget shall be broken into two (2) separate parts: the Club's Operating Budget and the Charitable/Service Budget.

The Club's Operating Budget shall be funded through Dues paid by Members of the Club (as Members of the Club). The Club's Charitable/Service Budget shall be funded through Available Charitable Funds.

**(b) Foundation**

As provided in the Foundation's *Section FB-8.3. Foundation Annual Budget*, prior to the beginning of each Fiscal Year (but not later than the Foundation Annual Budget Deadline), the Foundation Board shall prepare a Foundation Annual Budget of estimated income and expenditures for such Fiscal Year, which shall stand as the limit of expenditures by the Foundation for these purposes, unless otherwise ordered by action of the Foundation Board. The Foundation Annual Budget shall be broken into two (2) separate parts: the Foundation Operating Budget and the Foundation Charitable/Service Budget.

The Foundation Operating Budget shall be funded through amounts described in Subsections OA-5.1(a) and (b) of the definition of Available Charitable Funds. That portion of the Foundation Charitable/Service Budget which funds the Club's Charitable/Service Budget shall be funded through Available Charitable Funds and the remainder of the Foundation Charitable/Service Budget shall be funded through Available Restricted Funds.

**Section OA-2.4. Calendar Year Reports and Related Funding**

Inasmuch as (i) the Foundation receives and invests (and reviews reporting relative to) all Club Funding, Restricted Funds, and Unrestricted Funds, (ii) the Club's Charitable/Service Budget (including any portion of the Charitable/Service Budget to be fulfilled by Member contributions of resources (e.g., labor, material, funding, and etc.) which shall be made by the contributing Member through the Foundation (rather than from existing Foundation funds)) shall be fulfilled through the Foundation, (iii) there shall be a consistent use of such Club Funding, Restricted Funds, and Unrestricted Funds from year to year, (iv) the Club's Annual Budget and the Foundation Annual Budget must be timely prepared prior to each Fiscal Year (and not later than the Annual Budget Deadline and the Foundation Annual Budget Deadline, respectively), and (v) the following reports shall be used to determine each Fiscal Year's Foundation Charitable/Service Budget (which shall include and serve as the limit upon the Club's Charitable/Service Budget for such Fiscal Year), not later than January 31 of each calendar year (the "*Calendar Year Reports Deadline*") for the twelve months period ending December 31 of the prior calendar year, the following reports shall be prepared and delivered (for each such calendar year, herein referred to as the "*Calendar Year Reports*" for such calendar year):

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1. the Benefits Committee shall report (the “**Benefits Committee Report**”) to the Board and the Foundation Board (a) on a cash basis for all benefits and other fundraisers managed by the Benefits Committee for the last calendar year: (i) the total sum received (for each such calendar year, herein referred to as “**Benefits Receipts**”), (ii) the total sum paid out or otherwise disbursed (for each such calendar year, herein referred to as “**Benefits Disbursements**”), and (iii) the excess of said total sum received over the total sum paid out or otherwise disbursed (for each such calendar year, herein, such excess is referred to as “**Benefits Funding**”), (b) the minimum amount required to remain in the Benefits Account as of the end of the last calendar year (to serve as the beginning balance as of January 1 of the next calendar year) (herein referred to as the “**Minimum Benefits Account Balance**”), (c) for the last calendar year the amount already transferred to the Main Foundation Account from the Benefits Account during such calendar year (for each such calendar year, herein referred to as the “**Transferred Benefits Funding**”), and (d) for the last calendar year, the excess of Benefits Funding over the Minimum Benefits Account Balance (for each such calendar year, herein referred to as the “**Year End Transferred Benefits Funding**”);<sup>10</sup>
2. the Scholarship Committee shall report (the “**Scholarship Committee Report**”) to the Board and the Foundation Board regarding recipients of scholarships, (a) the names, amounts, term of scholarship, educational institution (high school and post-secondary), amount paid by calendar year end, and (b) amount payable and timing of payment for each scholarship, in each case for each recipient and listed by each recipient;
3. the Service Projects Committee shall report (the “**Service Projects Committee Report**”) to the Board and the Foundation Board regarding grants and other distributions of Club Funding and Unrestricted Funds, for each such grant or other distribution and recipient: name of recipients, tax status of such recipient (e.g., 501(c)(3)), amount of awarded grant or other distribution, amount paid through such calendar yearend, amount to be paid after such calendar yearend, and the Avenue of Service (e.g., Vocational Service, Community Service, International Service or Youth Service) into which such grant or other distribution has been allocated;
4. the Treasurer of the Club shall report (the “**Club Treasurer Operating Cost Report**”) on a cash basis to the Board and the Foundation Board all operating costs of the Club (for each such calendar year, herein referred to as “**Club Operating Costs**”);
5. the Treasurer of the Foundation shall report (the “**Foundation Treasurer Operating Cost Report**”) on a cash basis to the Board and the Foundation Board all operating costs of the Foundation (e.g., Illinois Secretary of State annual report fees, Illinois Attorney General filing fee, and etc.) (for each such calendar year, herein referred to as “**Foundation Operating Costs**”);

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<sup>10</sup> Generally, available Benefits Funding should roughly equal (1) the sum of Transferred Benefits Funding, plus Year End Transferred Benefits Funding and/or (2) the sum of the starting balance of the Benefits Account, plus Benefits Receipts, minus Benefits Disbursements, minus Minimum Benefits Account Balance (assuming that the beginning and ending balance remains the same each year as the Minimum Benefits Account Balance).



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6. the Foundation Board shall report to the Board and the Foundation Board as of December 31 of such calendar year and for such calendar year for each Foundation Account (for each such calendar year, herein referred to for each such Foundation Account as such Foundation Account's "**Foundation Account Performance Report**" and collectively, as the "**Foundation Account Performance Reports**"): (a) the balance as of the beginning of such calendar year, (b) the balance as of the end of such calendar year, (c) the earnings (or losses) during such calendar year, and (d) increase or decrease in market value during such calendar year;
7. based upon the applicable Foundation Account Performance Reports and applicable Restrictions, the Foundation Board shall prepare and report (the "**Available Restricted Funds Report**") to the Board and the Foundation Board the (a) amounts and (b) uses of those Restricted Funds available for distribution (for the next Fiscal Year, the "**Available Restricted Funds**"); and
8. based upon the applicable Foundation Account Performance Reports and applicable Restrictions, the Foundation Board shall prepare and report (the "**Available Unrestricted Funds Report**") to the Board and the Foundation Board the amounts and uses of those Unrestricted Funds available for distribution (for the next Fiscal Year, the "**Available Unrestricted Funds**") and reflected in the calculation of Available Charitable Funds pursuant to *Section OA-5.1*.

**Section OA-2.5. Annual Budgeting for the Next Fiscal Year**

**(a) Foundation**

Based upon the Calendar Year Reports, the Foundation Annual Budget (including the Foundation Operating Budget and the Foundation Charitable/Service Budget) for the next Fiscal Year shall:

1. be determined by the Foundation Board as early as possible in each calendar year (but not later than March 31 (the "**Foundation Annual Budget Deadline**"));
2. be based upon information through December 31 of the prior calendar year;
3. Benefits Funding<sup>11</sup> from the prior calendar year shall be allocated to (A) the Benefits Account in an amount reasonably determined to be sufficient to continue Benefits Funding efforts in the current calendar year and (B) the Main Foundation Account in an amount equal to the excess of such Benefits Funding from the prior calendar year over that which is to remain in the Benefits Account pursuant to the foregoing Clause 3(A) (that is, the amount reasonably determined to be sufficient to continue Benefits Funding efforts in the current calendar year).
4. Unrestricted Funds<sup>12</sup> shall be allocated by the Foundation Board;
5. Restricted Funds shall be utilized as specified in their applicable Restrictions; and

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<sup>11</sup> This is based upon the Calendar Year Reports' calculation of Benefits Funding. Refer to paragraph 1 of *Section OA 2.4*.

<sup>12</sup> This is based upon the Available Unrestricted Funds Report and the Available Unrestricted Funds for the next Fiscal Year. Refer to paragraph 8 of *Section OA 2.4*.

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6. the Foundation Board shall develop the Foundation Operating Budget and after considering input from the Service Projects Committee of the Club, the Foundation Charitable/Service Budget (which shall include the Club's Charitable/Service Budget to the extent funded by Foundation funding).

**(b) Club**

Based upon the Calendar Year Reports, the Club's Annual Budget (including the Club's Operating Budget and Charitable/Service Budget) for the next Fiscal Year shall:

1. be determined by the Club's Board as early as possible in each calendar year (but not later than March 31 (the "**Annual Budget Deadline**"));
2. be based upon information through December 31 of the prior calendar year;
3. Benefits Funding<sup>13</sup> from the prior calendar year shall be allocated as provided in paragraph 3 of *Subsection OA-2.5 (a) Foundation*, above;
4. Dues of the Members shall be used to fund the Club's Operating Budget (including meals, dues paid to RI and the District, subscription fees for RI magazines and similar subscriptions, and other Operating Budget items);
5. the Board shall develop the Operating Budget and after considering input from the Service Projects Committee of the Club, the Charitable/Service Budget (which shall be timely provided to the Foundation Board and included in the Foundation Charitable/Service Budget to the extent that the Club's Charitable/Service Budget is to be funded by Foundation funds); and
6. reflect the transfer to the Foundation of amounts in the Club's checking account (the "**Club's Checking Account**") into the Main Foundation Account of such sums as exceed an amount sufficient to fund the Club's Operating Budget and an additional amount determined by the Board as prudent to fund unanticipated Club operating funding requirements.

**(c) Fiscal Year Funding Shortfalls**

When funds to be allocated in the normal course pursuant to Paragraphs 3 and 4 of *Subsection OA-2.5(a)* for a particular Fiscal Year fail to generate adequate funding: (a) to fulfill the desired levels of annual giving, (b) to supplement long term commitments of giving on occasions when the size of the gift that the Foundation Board wishes to provide is larger than funds available for giving for such purposes in any given Fiscal Year and is to be distributed over a period of time (i.e., Polio Eradication), and (c) to provide advance funding of expenses required for annual fundraisers arising in such Fiscal Year (after applying any existing balance in the Benefits Account), then see *Section OA-3.2. Permitted Uses of the Main Foundation Account and the Foundation Endowment Account*, below.

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<sup>13</sup> This is based upon the Calendar Year Reports' calculation of Benefits Funding. Refer to paragraph 1 of *Section OA 2.4*.

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**(d) Benefits & Fundraising**

The Benefits Committee (which is currently and informally referred to as the “**Blues, Brews & Barbecue Committee**”) shall have primary responsibility to designing, planning, organizing and managing benefits and other fundraisers. The Benefits Committee shall develop such event budgets (that is, projected receipts and expenses) as are reasonably sufficient to implement each of the benefits and other fundraisers. The Benefits Committee shall designate at least two (2) signatories for purposes of the Benefits Account and shall be fiscally responsible for the economic success of each benefit or other fundraiser. Members shall volunteer (their time, vocational skills, and other resources) as needed and available to facilitate each such benefit’s or other fundraiser’s economic success.

Reasonable requests for additional funding to be placed into the Benefits Account from the Main Foundation Account shall be promptly honored by the Foundation.

The Benefits Committee shall propose at least one (1) of its committee members to serve on the Service Projects Committee.

**Section OA-2.6. Calendar Year versus Fiscal Year**

References herein to information gathered for a calendar year is being utilized purely for planning purposes. All plans, budgets, and other products of the planning set forth in this Operating Agreement are intended to be for Rotary Fiscal Years developed prior to the commencement of each such Fiscal Year; thus, that which is developed using calendar year information (e.g., *Sections OA-2.4 and OA-2.5*) can be modified (upward or downward) to reflect more recent, reliable information.

**OA Article 3: Foundation Endowment Account**

**Section OA-3.1. Foundation Endowment Account**

As more fully stated in *Section FB-1.1. Formation*, the Club and its Members elected to form the Foundation to fund ongoing charitable/service operations on a tax exempt basis and to ensure continued sustainability of the Club’s charitable/service operations. Pursuant to such Club objectives (particularly the Club’s objective to ensure continued sustainability of the Club’s charitable/service operations), one ongoing shared objective of the Foundation and the Club shall be to annually increase the Foundation Endowment Account. The initial target minimum was set at Twenty-Five Thousand Dollars (\$25,000); the ending balance of the Foundation Endowment Account on December 31, 2016 was Thirty-Six Thousand Four Hundred One Dollars and Forty Six Cents (\$36,401.46).

The term “***Foundation Endowment Account***” means the account currently known as the *Rotary Club of McHenry Charitable Foundation Endowment* (Morgan Stanley investment account number 628-148629-550), and shall also mean any successor account. This is the investment account which receives its principal funding via internal transfer from the Main Foundation Account in amounts determined by the Foundation Board.

The minimum Foundation Endowment Account shall be such minimum as is set from time to time by the Foundation Board (confirmed by a simple majority vote of the Foundation Members

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at a meeting at which a Quorum of such Foundation Members are present) (the “**Minimum Foundation Endowment Account**”), which minimum may include increases in the balance of the Foundation Endowment Account, whether increased through investment growth or earnings (decreased through losses or market value decreases) or through the exercise of discretion by the Foundation Board by transferring funds into the Foundation Endowment Account from the Main Foundation Account (or any other source).

The principal amount of such Minimum Foundation Endowment Account is also referred to herein as the “**Foundation Corpus**” or “**Foundation Endowment Amount**”, which as of December 31, 2016 has been established as Thirty Five Thousand Dollars (\$35,000). The Foundation Endowment Amount cannot be utilized by the Foundation. Rather, only the cumulative earnings from the Foundation Endowment Account minus the Foundation Endowment Amount (herein referred to as “**Foundation Endowment Account Earnings**”) are available to fund the Charitable/Service Budget amount to be funded by the Foundation. Upon Foundation Board approval, Foundation Endowment Account Earnings may be internally transferred to the Main Foundation Account for disbursement as Available Charitable Funds. See *Subsection OA-3.2(b)*, below.

**Section OA-3.2. Permitted Uses of the Main Foundation Account and the Foundation Endowment Account**

**(a) Main Foundation Account**

When Benefits Funding<sup>14</sup> and Unrestricted Funds<sup>15</sup> derived from the prior calendar year as contemplated by paragraphs 3 and 4 of *Subsection OA-2.5 (a) Foundation* (above) for a particular Fiscal Year fail to generate adequate Fiscal Year funding (as reasonably determined by the Foundation Board) to:

- (a) fund in full the Foundation Operating Budget,
- (b) fulfill the desired levels of annual giving,
- (c) supplement long term commitments of giving on occasions when the size of the gift that the Foundation Board wishes to provide is larger than funds available for giving for such purposes in any given Fiscal Year and is to be distributed over a period of time (i.e., Polio Eradication), and
- (d) provide advance funding of expenses required for annual fundraisers arising in such Fiscal Year (after applying any existing balance in the Benefits Account), then:

**First**, the Board and Foundation Board may vote to modify the proposed Charitable/Service Budget and/or the Foundation Charitable/Service Budget as necessary in order to cause the Benefits Funding and Unrestricted Funds derived from the prior calendar year to be sufficient to satisfy said modified Charitable/Service Budget and/or the Foundation Charitable/Service Budget so that such Benefits Funding and Unrestricted Funds together provide adequate funding during the applicable Fiscal Year; and

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<sup>14</sup> This is based upon the Calendar Year Reports’ calculation of Benefits Funding. Refer to paragraph 1 of *Section OA 2.4*.

<sup>15</sup> This is based upon the Available Unrestricted Funds Report and the Available Unrestricted Funds for the next Fiscal Year. Refer to paragraph 8 of *Section OA 2.4*.

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**Second**, when adequate funding during the applicable Fiscal Year does not result from modification of the proposed Charitable/Service Budget and/or the Foundation Charitable/Service Budget or such Boards elect not to modify the proposed Charitable/Service Budget and/or the Foundation Charitable/Service Budget, then sufficient funding from the Main Foundation Account shall be utilized to fund (1) any remaining shortfall during the applicable Fiscal Year (to the extent such funds are not already committed to another obligation or commitment) as well as (2) any Foundation Endowment Account Shortfall.

**(b) Foundation Endowment Account**

Based upon the Calendar Year Reports, (i) the excess (if any) of the calendar year ending balance of the Foundation Endowment Account over the Minimum Foundation Endowment Account shall constitute (A) “**Foundation Endowment Account Earnings**,” and (B) “**Available Charitable Funds**” for the next succeeding Fiscal Year, whereupon an amount equal to the Foundation Endowment Account Earnings shall be transferred from the Foundation Endowment Account to the Main Foundation Account not later than April 15 of each calendar year (the “**Foundation Endowment Account Transfer Deadline**”); *provided, however, that* (ii) the excess (if any) of the Minimum Foundation Endowment Account over the calendar year ending balance of the Foundation Endowment Account shall constitute a “**Foundation Endowment Account Shortfall**”, whereupon an amount equal to the Foundation Endowment Account Shortfall shall be transferred from the Main Foundation Account to the Foundation Endowment Account not later than the Foundation Endowment Account Transfer Deadline.

It is agreed and understood that the Foundation Endowment Account shall not be utilized other than as described above to (i) transfer Foundation Endowment Account Earnings, (ii) fund Foundation Endowment Account Shortfalls, or (iii) to increase the Minimum Foundation Endowment Account as contemplated in *Section OA-3.1. Foundation Endowment Account*.

**OA Article 4: Scholarships**

The Club and the Foundation share the purpose of serving the young residents of their local community by fostering postsecondary education. The Youth Service Projects Subcommittee shall prepare and deliver to the Service Projects Committee not later than Service Projects Subcommittee Deadline of each calendar year a strategic plan and associated proposed budget relative to its Service Projects Subcommittee Responsibilities and the achievement thereof during the next Fiscal Year (for the applicable Fiscal Year, the “**Youth Service Projects Subcommittee Strategic Plan**”).

Inasmuch as postsecondary education in America and the needs of the greater McHenry area have been changing, it is agreed and understood that the Youth Service Projects Subcommittee Strategic Plan need not recommend scholarships in any particular Fiscal Year but may recommend other means of fulfilling the Youth Service Projects Subcommittee Responsibilities (i.e., service projects focused upon developing youth and young adults through leadership development activities, involvement in community and international service projects, and exchange programs that enrich and foster world peace and cultural understanding (e.g., sponsor high school students in McHenry and Johnsburg to attend Rotary Youth Leadership programs, scholarships for high school seniors residing in McHenry and Johnsburg who will be attending

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postsecondary education programs, supporting the Rotary Youth Exchange by funding outgoing high school students or hosting incoming exchange students, grants in support of advanced placement testing, and etc.); *provided, however, that* any allocation of Available Charitable Funds to scholarships recommended in the Youth Service Projects Subcommittee Strategic Plan shall be subject to this *OA Article 4: Scholarships*.

Certain Restricted Funds contemplate scholarships and such scholarships shall be awarded in accordance with this *OA Article 4: Scholarships* and the Restrictions applicable to such funds.

Subject to available funding as set forth in the Foundation Charitable/Service Budget and applicable Foundation Accounts, the Foundation shall award such scholarships as are determined by a committee responsible for the fulfillment of this *OA Article 4: Scholarships* (herein, the “**Scholarship Committee**”) on behalf of the Club and the Foundation. The Scholarship Committee shall determine the nature and terms of each postsecondary scholarship awarded in any particular Fiscal Year, subject in the case of Restricted Funds to the applicable Restrictions.

**Section OA-4.1. Scholarship Committee Composition**

The Scholarship Committee shall (a) consist of not less than five (5) Members; (b) be responsible for the preparation of an annual scholarship budget (herein, the “**Scholarship Budget**”) for the Fiscal Year (with a description regarding such Scholarship Budget’s implications on each of the affected Fiscal Years) and shall include such scholarships as are funded in whole or in part through Restricted Funds; (c) be comprised of the Club’s Director of Youth Service, the Foundation Chairperson, the Foundation’s Treasurer, and at least two (2) additional Members coincident with the election of Club officers and directors each year; and (d) operate the scholarship program consistent with this *OA Article 4: Scholarships* (as so consistently operated, the “**Scholarship Program**”).

**Section OA-4.2. Scholarship Program**

**(a) Eligible Students and High Schools**

The Scholarship Program shall provide scholarships to individuals and as otherwise specified in any applicable Restrictions (herein, “**Scholarships**”). The term “**Eligible Student**” means (a) each graduating high school senior who is legal resident of any community served by the McHenry Community High School District 156 or the Johnsburg School District 12 (also known as Johnsburg Community Unit School District Number 12) and (b) is attending either a public or a private school (each, an “**Eligible High School**”), which private and public school currently include Johnsburg High School, Marian Central Catholic High School (that is, Marian Central Catholic High School students compete against students from the three public schools and are assigned to one of the three public schools based on each such Marian Central Catholic High School candidate’s legal residence), McHenry High School East Campus, and McHenry High School West Campus.

**(b) Postsecondary Scholarships**

In addition to scholarship funding otherwise contemplated by Restricted Funds and subject to the Scholarship Budget, the Club and Foundation may award additional scholarships in such amounts, for such postsecondary education programs, and with such terms as the Scholarship

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Committee determines from time to time (all as funded through the Foundation Charitable/Service Budget).

**(c) Advertising and Related Materials**

The Scholarship Committee shall advertise the Scholarship Program through the counseling office (or other comparable office) of each Eligible High School, and provide each such Eligible High School with the requisite information and application forms.

**(d) Scholarship Selection Criteria**

Eligible Students are evaluated based upon on a combination of past and current academic performance, financial need, an essay, their knowledge of the purposes of Rotary, and their responses to interview questions (collectively, the “Scholarship Selection Criteria”). Each Year, the Scholarship Committee shall establish a subcommittee for each potential recipient of each budgeted scholarship. Each of such subcommittee shall (a) be comprised of at least one (1) member of the Scholarship Committee and two (2) additional Members, (b) interview all candidates for its scholarship on the same night, and (c) on the same night as the interviews, select a recipient for its scholarship based upon the Scholarship Selection Criteria.

**(e) Disbursement and Other Terms of Scholarships**

Each scholarship shall be disbursed in the amount(s) and manner and subject to the timing and other terms as are determined by the Scholarship Committee.

**(f) Notification of Scholarships**

The Scholarship Committee shall notify each Eligible High School of the recipients’ names. The Scholarship Committee shall choose a Member to notify each recipient at such recipients Eligible High School’s senior awards night.

**(g) Scholarship Records**

The Foundation shall through the Scholarship Committee maintain records regarding past scholarship recipients. Such records shall include (without limitation) for each such recipient a record of such recipients:

- Name
- Name of High School from which graduating (and for graduates of private schools, the public school to which assigned for purposes of competition)
- Year of High School Graduation
- Name(s) of College, University, Community College, Vocational School, or Other Postsecondary Educational Institution Attended
- Amount of Scholarship
- Year(s) in Which Received (or to be received)
- Date of Post-Secondary Graduation
- First Job – Name of Employer and Position

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**Section OA-4.3. Scholarship – Recipient’s Responsibilities**

It is the scholarship recipient’s responsibility to contact the Chair of the Scholarship Committee yearly to keep the Foundation apprised of current information as to disbursements, payment of tuition, continued attendance in the recipient’s program, and etc.

**OA Article 5: Development and Allocations of the  
Charitable/Service Budget**

**Section OA-5.1. Annual Development of the Fiscal Year’s Charitable/Service Budget**

The term “Available Charitable Funds” shall mean the sum of:

- (a) Benefits Funding<sup>16</sup> and Unrestricted Funds<sup>17</sup> derived from the prior calendar year as contemplated by paragraphs 3 and 4 of *Subsection OA-2.5 (a) Foundation* (above); **plus**
- (b) the sum(s), if any, authorized by the Foundation Board as “reasonably determined by the Foundation Board” pursuant to *Subsection OA-3.2(a) Main Foundation Account* to be utilized to fund the Foundation Charitable/Service Budget for the applicable Fiscal Year pursuant to clauses “Second”; **minus**
- (c) such funds as are required to fund all amounts authorized pursuant to the Foundation Operating Budget; **minus**
- (d) such funds, if any, as the Foundation Board reasonably determines should be added to the Foundation Endowment Account **either**:
  - (i) as an increase in the Minimum Foundation Endowment Account (if applicable) (confirmed by a simple majority vote of the Foundation Members at a meeting at which a Quorum of such Foundation Members are present) as contemplated by the third paragraph of *Section OA-3.1. Foundation Endowment Account*, or
  - (ii) to fund any Foundation Endowment Account Shortfall.

Not later than the Annual Budget Deadline and the Foundation Annual Budget Deadline (respectively), the Charitable/Service Budget and the Foundation Charitable/Service Budget shall be developed annually as contemplated in *Section B-9.1* of the Club’s Bylaws and as contemplated by *Section FB-8.3* of the Foundation By-Laws. That portion of the aggregate total of such annual Charitable/Service Budget which is to be satisfied directly from resources of the Foundation (plus such funds as are required to fund all amounts authorized pursuant to the Foundation Operating Budget) shall be limited to the Available Charitable Funds for the applicable Fiscal Year.

**Section OA-5.2. Service Projects Committee**

The Service Projects Committee shall (a) have primary responsibility for developing the Charitable/Service Budget (which shall be included as part of the Foundation Charitable/Service

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<sup>16</sup> This is based upon the Calendar Year Reports’ calculation of Benefits Funding. Refer to paragraph 1 of *Section OA 2.4*.

<sup>17</sup> This is based upon the Available Unrestricted Funds Report and the Available Unrestricted Funds for the next Fiscal Year. Refer to paragraph 8 of *Section OA 2.4*.



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Budget), which shall include that portion of the Scholarship Budget not funded by funds which are Restricted Funds, (b) prepare the Calendar Year Report required by Paragraph 3 of the definition of Calendar Year Reports, (c) present the Charitable/Service Budget to the Board and the Foundation Board for their approval, (d) identify potential recipients of grants and other disbursements from the Charitable/Service Budget (other than candidates for Scholarships who shall be identified by the Scholarship Committee) (herein, “**Grant Candidates**”), and (e) perform due diligence on each Grant Candidate, which diligence serves to verify that each such Grant Candidate meets these minimum requirements (the “**Grant Candidates Minimum Requirements**”):

1. the proposed grant request (the “**Proposed Grant**”) shall (a) be requested in writing, (b) be originated by a Member, (c) describe (i) the specific program or project to be funded and (ii) the expected benefits to the community and/or recipient of the program to be funded, and (d) request a specific amount;
2. the Grant Candidate is recognized by the IRS as a Section 501(c)(3) tax exempt entity (including, without limitation, public and private educational institutions who hold such status);
3. the intended use of the Proposed Grant fulfills one or more of the Five Avenues of Service either (a) by providing benefits, materials, or services to residents of the locality of the Club which is as follows: The Greater McHenry, Illinois area (including but not limited to these Illinois, USA locations: Bull Valley, Johnsburg, McHenry, Prairie Grove, Ringwood, Spring Grove, Volo, and Wonder Lake); or (b) by fulfilling the International Service requirements of the Club;
4. the Grant Candidate makes a presentation of the project or service to be funded to the Members;
5. the Service Projects Committee recommends the Proposed Grant (each, a “**Recommended Grant**”) and indicates the Service Projects Committee’s recommended amount thereof (the “**Recommended Grant Amount**”);
6. any Proposed Grant of One Thousand Dollars (\$1,000) or more shall be classified as a “**Major Grant**” and such Major Grant must be approved by a majority of Members constituting a Quorum (at the next regularly scheduled meeting of the Club); *provided, however, that* it is understood and agreed that a Proposed Grant of less than One Thousand Dollars (\$1,000) intended to provide operating funds and/or funding for capital purposes shall be classified as a “**Minor Grant**” which does not require any vote by the Members of the Club; and
7. the Recommended Grant and Recommended Grant Amount (or such lesser amount as is determined by the Foundation Board) are approved by a majority of the Foundation Board when a Quorum is present (the “**Foundation Approved Grants**”).

All Foundation Approved Grants (including name of recipient and the amount thereof) shall be reported to the Members present at the next Regular Meeting of the Club.

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**Section OA-5.3. Charitable/Service Budget Allocations**

**(a) Historical**

Historically during the Foundation’s startup and initial years of operation, the Club and the Foundation allocated Available Charitable Funds through (i) percentage allocations, subject to certain maximum allocations, (ii) preferences regarding specific means of fulfilling particular avenues of service projects, and (iii) an overriding objective to increase what was then referred to as the reserve fund. As the Foundation’s assets have grown (including the Foundation Endowment Account and the Main Foundation Account), fundraising has experienced increased success and the desire to fund the ongoing Charitable/Service Budgets through earnings on the Foundation’s investments continues to be of importance to the Foundation and the Members, the Club and the Foundation share the objective of not developing Charitable/Service Budgets using largely a formula based approach. Rather, the Charitable/Service Budgets for future Fiscal Years shall be developed based upon Calendar Year Reports, the Service Projects Subcommittee Strategic Plans, as well as the Board and Foundation Board’s exercise of discretion for each Fiscal Year next following their exercise of discretion.

**(b) Future Fiscal Years**

Based upon the most recent Calendar Year Reports and the Service Projects Subcommittee Strategic Plans, the Board and Foundation Board’s exercise of discretion for each Fiscal Year next following their exercise of discretion shall be deferential to the following prioritizations (the “Charitable/Service Budget Allocation Guidelines”) for allocating Available Charitable Funds:

**First**, the Service Projects Subcommittee Strategic Plan for the Youth Service Projects Subcommittee;

**Second**, the Service Projects Subcommittee Strategic Plan for the Community Service Projects Subcommittee;

**Third**, the Service Projects Subcommittee Strategic Plan for the Vocational Service Projects Subcommittee; and

**Fourth**, the Service Projects Subcommittee Strategic Plan for the International Service Projects Subcommittee;

*provided, however, that:*

**Fifth**, the overall objective of the Service Projects Subcommittee Strategic Plans for each of the Youth Service Projects Subcommittee, Community Service Projects Subcommittee, and Vocational Service Projects Subcommittee shall in the judgement of the Board and the Foundation Board give rise to a high level of service to each of the avenues of service for each allocation; and

**Sixth**, regarding the Service Projects Subcommittee Strategic Plan for the International Service Projects Subcommittee, funding for International projects shall be separately prioritized as a higher priority as follows:

**1<sup>st</sup>** those in which a Member has a long term non-financial “service-above-self” interest pursuant to which such Member has invested personal time and/or other resources; and

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2<sup>nd</sup> those in which RI and/or RI's Rotary Foundation have manifested an ongoing and recognized funding interest.

As to all proposed funding which reflects an allocation of Available Charitable Funds, those which are projected to receive additional funding (e.g., matched funding or initial funding from a third party) shall receive prioritization. In each case where the Rotary Foundation or another third party has made a commitment to fund an equivalent to that funded by the Foundation, such proposed grant, scholarship or similar use of Foundation resources shall receive higher prioritization.

**(c) Memorials**

During the course of any Fiscal Year there may arise events meriting memorial and/or honorary funding as part of the Members' fulfillment of their philosophical and practical framework for the work of the Club through the Five Avenues of Service, which are Club Service, Vocational Service, Community Service, International Service, and Youth Service. Therefore, each Foundation Charitable/Service Budget shall include an allocation of Available Charitable Funds reasonably determined to be sufficient to fund these types of memorials (herein, "Memorials") (each of which is to be handled on a case-by-case basis):

1. contributions up to \$50 to a memorial for a recently deceased parent, brother, or sister of a Member of the Club;
2. contributions not to exceed \$200 as memorials on behalf of a recently deceased child or spouse of a Member of the Club; and
3. contributions up to \$300 (as a guideline) as memorials on behalf of a recently deceased Member of the Club.

When establishing or making a Memorial, the Foundation Board will consider the wishes of the deceased person's family in selecting the Memorial recipient.

**(d) Member Vote**

The Charitable/Service Budget Allocation Guidelines set forth in *Subsections OA-5.3.(b) through (c)* (above) may be amended at any Meeting of Club Members. Changing the Charitable/Service Budget Allocation Guidelines requires (1) sending written notice to each Member at least ten (10) calendar days before such Meeting, (2) having a Quorum present for the vote, and (3) having two-thirds of the votes support the change. Any such change of the Charitable/Service Budget Allocation Guidelines shall apply solely to the Fiscal Year of the Charitable/Service Budget for which such Charitable/Service Budget Allocation Guidelines have been modified in accordance with the immediately preceding sentence. Any permanent modification of the Charitable/Service Budget Allocation Guidelines and/or amendment to this Operating Agreement must satisfy the requirements of the *Foundation By-Laws Article 10: Amendments, Bylaws Article 11: Amendments* of the Club's Bylaws, and *Article 22: Amendments* of the Club's Constitution.

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*IN WITNESS WHEREOF*, the parties hereby execute and enter into this Charitable/Service Operations Agreement this 30<sup>th</sup> day of March, 2017, effective however as of May 1, 2017.

**ROTARY CLUB OF MCHENRY**

**ROTARY CLUB OF MCHENRY CHARITABLE  
FOUNDATION, INC.**



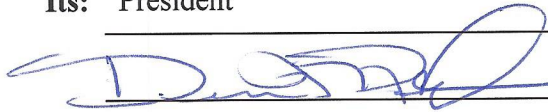
**By:** William McLemore

**Its:** President



**By:** Ron Bykowski

**Its:** Chairperson



**By:** Denis Buch

**Its:** President-Elect



**By:** Thomas Webb

**Its:** Vice-Chairperson

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**Operating Agreement Exhibit I – Calendar of Events**

During each Year/Fiscal Year, the following Calendar of Events shall be observed by the Members of the Rotary Club of McHenry and the Rotary Club of McHenry Charitable Foundation, Inc. (as well as their respective officers, directors, boards and committees):

Calendar	Event	Provision of Governing Document <sup>18</sup>	Fiscal Year Affected	Club	Foundation
Every Thursday at Noon	Regular Meetings	<i>Section 8.1. Regular Meetings and Section B-5.2. Regular Meetings</i>	All	✓	
Third Tuesday of Every Month at 4:00 PM	Club Board Meetings	<i>Section B-5.4. Board Meetings</i>	All	✓	
TBD	Foundation Board Meeting	<i>Section FB-7.2. Regular and Special Meetings (Determined by Resolution)</i>	All		✓
June 30	Term of Club Officers, Directors and Committee members end	<i>Section B-3.6. Term of Office, Bylaws Article 8: Committees</i>	Last	✓	
July 1	New Club Officers, Directors and Committee members assume officer	<i>Section B-3.6. Term of Office, Bylaws Article 8: Committees</i>	New	✓	
July	Election of Foundation Officers by the Foundation Directors	<i>Section FB-5.1. Designation, Election, Terms</i>	New		✓
August	Blues, Brews and Barbecue	Fundraiser		✓	✓
October	Nominating Committee Meeting	<i>Section B-3.1. Nomination and Section B-8.11. The Nominating Committee</i>	Next	✓	
November	Officer Nomination Meeting	<i>Section B-3.1. Nomination and Section B-8.11. The Nominating Committee</i>	Next	✓	
December	Christmas Banquet		All	✓	✓
December	Annual Meeting	<i>Section 8.2. and Section B-5.1.; Section FB-7.1.</i>		✓	✓
December	Election of Officers, Directors, Committees, Chairs of Avenues of Service and Committees at each Annual Meeting (Club and Foundation)	<i>Section 8.2. and Section B-5.1.; Section FB-7.1.</i>	Next	✓	✓
January 31	<b>Calendar Year Reports</b>				
	<b>Responsible Group</b>	<b>Report</b>			
	Benefits Committee	Benefits Committee Report	<i>Section OA-2.4</i>	✓	✓
	Club Treasurer	Club Treasurer Operating Cost Report	<i>Section OA-2.4</i>	✓	
	Foundation Board	Available Restricted Funds Report	<i>Section OA-2.4</i>		
		Available Unrestricted Funds Report		✓	✓
		Foundation Account Performance Reports			
	Foundation Treasurer	Foundation Treasurer Operating Cost Report	<i>Section OA-2.4</i>		✓

<sup>18</sup> Note that references to an article such as to “Foundation By-Laws Article” and to a section such as “Section FB-” are references to articles and sections of these Foundation By-Laws; references to an article such as to “OA Article” and to a section such as “Section OA-” are references to articles and sections of the Operating Agreement; references to an article such as to “Bylaws Article” and to a section such as “Section B-” are references to articles and sections of the Bylaws; references to a section such as “Section R-” are references to sections of the Resolution for Authorizing One or More Satellite Clubs; and all others references to articles and sections (e.g., “Article” and “Section”) are references to articles and sections of the Constitution.

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Calendar	Event	Provision of Governing Document <sup>18</sup>	Fiscal Year Affected	Club	Foundation
	Scholarship Committee	Scholarship Committee Report	Section OA-2.4	✓	✓
	Service Projects Committee	Service Projects Committee Report	Section OA-2.4	✓	✓
	<b>Strategic Plans</b>				
February 28	<b>Responsible Group</b>	<b>Strategic Plan for –</b>			
	Club Board	Club	Operating Agreement Exhibit I	✓	
	Foundation Board	Foundation	Operating Agreement Exhibit I		✓
	Benefits Committee	Fundraising	Operating Agreement Exhibit I	✓	✓
	Club Administration Committee	Club Administration and Club Service	Operating Agreement Exhibit I	✓	
	Membership Committee	Membership	Operating Agreement Exhibit I	✓	✓
	Nominating Committee	Officer, Director & Committee continuity	Operating Agreement Exhibit I	✓	✓
	Public Image Committee	Public Image	Operating Agreement Exhibit I	✓	✓
	Rotary Foundation Committee	Rotary Foundation	Operating Agreement Exhibit I	✓	✓
	Scholarship Committee	Scholarships	Operating Agreement Exhibit I	✓	✓
	Service Projects Committee	Avenues of Service	Service Projects Subcommittee	✓	✓
	Community Service Projects Subcommittee	Community	Deadline – Subsection OA-2.1(b)(ii)	✓	✓
	International Service Projects Subcommittee	International		✓	✓
	Vocational Service Projects Subcommittee	Vocational		✓	✓
	Youth Service Projects Subcommittee	Youth		✓	✓
March 31	<b>Responsible Group</b>	<b>Annual Budgets</b>	<b>Budget</b>	<b>Annual Budget Deadline;</b>	
				<b>Foundation Annual Budget Deadline</b>	✓
				<b>- Section OA-2.5</b>	✓
	Club's Board	Annual Budget	Section OA-2.5(b)	✓	✓
		Operating Budget	Section OA-2.5(b)	✓	✓
		Charitable/Service Budget	Section OA-2.5(b)	✓	✓
	Foundation Board	Foundation Annual Budget	Section OA-2.5(a)	✓	✓
		Foundation Operating Budget	Section OA-2.5(a)	✓	✓
		Foundation Charitable/Service Budget	Section OA-2.5(a)	✓	✓
	<b>Foundation Endowment Account Transfer Deadline</b>				
April 15	Transfer of the Foundation Endowment Account Earnings or Shortfall are due		Section OA-3.2(b)		✓
June - end	Anniversary/Induction Banquet			✓	
June (or at other times)	Election of Foundation Director(s) – as needed		Section FB-4.3. Selection and Terms and Section FB-4.4. Removal and Vacancies		✓
				✓	✓