

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

WHEREAS, 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 (the “Foundation”), did amend and restate the Foundation By-Laws effective as of March 30, 2017 (the “Foundation By-Laws”); and

WHEREAS, unless otherwise defined herein, all terms defined in the Foundation By-Laws shall have the meaning ascribed to such terms in said Foundation By-Laws; and

WHEREAS, the Club (i) entered into that certain “Club Qualification Memorandum of Understanding (MOU), The Rotary Foundation– 2017-18” dated March 9, 2017 (as amended from time to time together with each subsequent Memorandum of Understanding entered into by the Club with The Rotary Foundation, the “MOU”), (ii) applied for and has been awarded a grant, (iii) is likely from time to time to receive additional grants from The Rotary Foundation, (iv) is required by the MOU to establish a dedicated bank account that is used solely for receiving and disbursing grant funds received from The Rotary Foundation beginning with Fiscal Year 2017-2018 (and for each Fiscal Year thereafter), and (v) the Foundation has an existing framework for achieving this on a consistent basis as “Restricted Funds” subject to the “Restrictions” associated with each such grant so received from The Rotary Foundation and the MOU; and

WHEREAS, on June 8, 2017, the Foundation Members unanimously passed the resolution attached hereto as Exhibit A (the “2017 Endowment Increase Resolution”); and

WHEREAS, Section FB-8.1. Donations, Benefits, Fundraisers and Other Sources of Funding (b) Classification of Funds provides that “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.” and “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, 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”” and Foundation Member Denis Buch did make that certain donation known as the “Jerome & Ethel Buch Charitable Endowment of the Rotary Club of McHenry Charitable Foundation” a copy of which is attached hereto as Exhibit B (the “Buch Donation”), and certain memorial donations were made in memory of Donald and Rose Mary Weingart to the Rotary Club of McHenry Charitable Foundation, the use of which shall be consistent with the Weingart family’s wishes, to wit: “our family would like these funds, if possible, to be employed on a single project that commemorates their memory with a plaque to that effect. If that is not possible, then please let us know how you would like to employ these funds in your mission.” (herein referred to as the “Weingart Memorial Donations”); and

WHEREAS, the proceeds from the 2017 Blues, Brews and Barbecue fundraiser are very strong and pressing emergencies have impacted Texas and Florida (in the aftermath of Category 4 Hurricanes Irma and Harvey), and the Service Project Committee has recommended additions to the 2017-2018 Service Projects Budget; and

WHEREAS, said MOU and the associated grants so received from The Rotary Foundation, the 2017 Endowment Increase Resolution, and the Buch Donation require amendments to the Foundation By-Laws, and the Weingart Memorial Donations do not require amendments to the Foundation By-Laws (as the Foundation Board is aware of the Weingart family’s wishes and have agreed to honor such family wishes).

NOW, THEREFORE, it is hereby:

RESOLVED, that (1) the increases in the 2017-2018 Service Projects Budget attached hereto as Exhibit C – 2017-2018 Revised Service Projects Budget have been approved by the Foundation Board and the Foundation Members, and (2) the Foundation By-Laws and the Operating Agreement are hereby amended as provided in that certain FIRST AMENDMENT (“First Amendment”) to the ROTARY CLUB OF MCHENRY CHARITABLE FOUNDATION, INC. BY-LAWS attached hereto as Exhibit D – First Amendment to the Foundation By-Laws.

THE UNDERSIGNED HEREBY CERTIFIES that (a) he/she is the duly elected and qualified Secretary and the custodian of the books and records of the Foundation, which is duly formed pursuant to the laws of the state of Illinois, (b) the foregoing is a true record of the resolution duly presented and motioned at a meeting of the Foundation held in accordance with state law and the Foundation By-Laws on October 5, 2017 (updated for dates and new information), (c) at such

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

October 5, 2017 meeting a motion was made and seconded to approve this Resolution, (d) this Resolution was duly voted upon, approved and adopted at the October 12, 2017 special meeting of the Foundation (held the week following the meeting at which said motion was made and seconded), and (e) consequently, this Resolution is now in full force and effect.

IN WITNESS WHEREOF, the Secretary of the Rotary Club of McHenry Charitable Foundation, Inc. has hereunder affixed his/her name as of this 12th day of October 2017.

John Halbleib, John Halbleib, Secretary

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

Exhibit A – 2017 Endowment Increase Resolution

Rotary Club of McHenry Charitable Foundation, Inc.

Endowment Resolution

WHEREAS, 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 (the “Foundation”), did amend and restate the Foundation By-Laws effective as of March 30, 2017 (the “Foundation By-Laws”); and

WHEREAS, unless otherwise defined herein, all terms defined in the Foundation By-Laws shall have the meaning ascribed to such terms in said Foundation By-Laws; and

WHEREAS, Section OA-3.1. Foundation Endowment Account of the Operating Agreement provides that “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 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).”; and

WHEREAS, the Foundation Board has (1) set the Minimum Foundation Endowment Account, Foundation Corpus, and Foundation Endowment Amount (which terms share the same definition) at \$100,000 effective immediately and (2) determined that 10% of the sum of all income/earnings (e.g., interest, dividends and etc.) during each subsequent Fiscal Year (excluding that which constitutes Restricted Funds) shall be added to such amount.

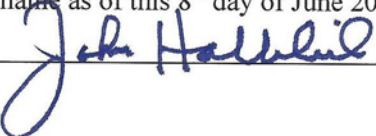
NOW, THEREFORE, it is hereby:

RESOLVED, that the Foundation Board hereby sets the Minimum Foundation Endowment Account, Foundation Corpus, and Foundation Endowment Amount at \$100,000 effective immediately; and

FURTHER RESOLVED, that beginning with Fiscal Year 2018-2019 the Foundation Board hereby sets the Minimum Foundation Endowment Account, Foundation Corpus, and Foundation Endowment Amount at amount which equals such amount as of the end of the prior Fiscal Year (that is, the first being Fiscal Year 2017-2018 or \$100,000) plus 10% of the sum of all income/earnings (e.g., interest, dividends and etc.) during such Fiscal Year (excluding that which constitutes Restricted Funds).

THE UNDERSIGNED HEREBY CERTIFIES that (a) he/she is the duly elected and qualified Secretary and the custodian of the books and records (and seal) of the Foundation, which is duly formed pursuant to the laws of the state of Illinois, (b) the foregoing is a true record of the resolutions duly presented and motioned at a meeting of the Foundation Board held in accordance with state law and the Foundation By-Laws on June 1, 2017 (updated for dates and new information), (c) at such June 1, 2017 Foundation Board meeting a motion was made and seconded to approve the Resolutions and at such meeting the Resolutions were duly voted upon, approved and adopted by the Foundation Board (with one vote having taken place via email), (d) the Resolutions were read at a Regular Meeting of the Club, and published in the Reel (and/or via email to the Members), and (e) at the subsequent June 8th meeting (at which a Quorum of such Foundation Members were present) a simple majority of the Foundation Members at such June 8, 2017 special meeting of the Foundation voted in favor of said Resolutions, and (e) consequently, said Resolutions are now in full force and effect.

IN WITNESS WHEREOF, the Secretary of the Rotary Club of McHenry Charitable Foundation, Inc. has hereunder affixed his/her name as of this 8th day of June 2017.

 _____, John Halbleib, Secretary

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

Exhibit B - Jerome & Ethel Buch Charitable Endowment

Rotary Club of McHenry Charitable Foundation, Inc.

Donor Bequest

I, Denis Buch, hereby make a cash contribution to, through my check made payable to, the Rotary Club of McHenry Charitable Foundation, Inc. (the "Foundation") in honor of my parents Jerome & Ethel Buch, to be endowed and named as follows.

Jerome & Ethel Buch Charitable Endowment of the Rotary Club of McHenry Charitable Foundation

To provide for the granting of funds as indicated for local charitable purposes consistent with the philosophy and guidelines of the Foundation and the Rotary Club of McHenry, Illinois, Inc.

My contribution in the amount of Ten Thousand Dollars (\$10,000.00) (the "Jerome & Ethel Buch Charitable Endowment Corpus") is to be held in a perpetual endowment account entitled "Jerome & Ethel Buch Charitable Endowment" as a sub-account (the "Jerome & Ethel Buch Charitable Endowment Account") of the Foundation. It is understood that only the allocated income/earnings (e.g., interest, dividends and etc.) (the "Jerome & Ethel Buch Charitable Endowment Earnings") from the Jerome & Ethel Buch Charitable Endowment Account are to be utilized for charitable purposes in the greater McHenry, Illinois area.

Our intent is that the Jerome & Ethel Buch Charitable Endowment Account retain the principal in perpetuity as the Jerome & Ethel Buch Charitable Endowment Corpus with only the Jerome & Ethel Buch Charitable Endowment Earnings being available for grants, donations, contributions, or similar charitable giving. Donations, contributions, grants and etc. shall be made on an annual basis or at whatever interval the Board of Directors of the Foundation deems appropriate in accordance with the following:

One Hundred Percent (100%) of Jerome & Ethel Buch Charitable Endowment Earnings are to be granted at the discretion of the Board of Directors of the Foundation to local community charitable entities within the scope of the philosophy, guidelines and mission of the Foundation and the Rotary Club of McHenry, Illinois, Inc. (the "Club")

The Board of Directors of the Foundation shall have complete authority and discretion with respect to the investment and reinvestment of the Jerome & Ethel Buch Charitable Endowment Corpus (and may delegate authority to make investment decisions to a competent third party), as well as complete authority and discretion with respect to any and all distributions, contributions or grants of or from Jerome & Ethel Buch Charitable Endowment Earnings.

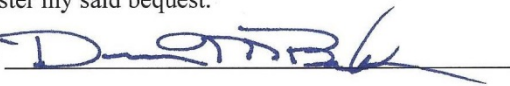
The Jerome & Ethel Buch Charitable Endowment Account individual endowment accounts shall be reviewed no less than annually with respect to implementing one or more of the following:

1. Distributing all undistributed Jerome & Ethel Buch Charitable Endowment Earnings;
2. Distributing a portion of the undistributed Jerome & Ethel Buch Charitable Endowment Earnings and retaining the balance to be utilized in the future as undistributed Jerome & Ethel Buch Charitable Endowment Earnings (and not constituting Jerome & Ethel Buch Charitable Endowment Corpus); or
3. Reclassifying all or any portion of the then undistributed Jerome & Ethel Buch Charitable Endowment Earnings as constituting an increase to the Jerome & Ethel Buch Charitable Endowment Corpus.

Such decisions shall be made by the Board of Directors of the Foundation.

It is my wish that the Foundation adopt whatever additional bylaws it deems necessary or appropriate to accept and administer my said bequest.

Signed



Denis Buch

Dated: June 29, 2017

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

Exhibit C – 2017-2018 Revised Service Projects Budget

Avenue of Service	Funding Source	Recipient	Amount	Pelz	TRF	Foundation	Member Vote	Total	Percent
Youth	TRF/Foundation	Academic Scholarships	\$6,000.00		\$1,250.00	\$4,750.00	Approved	\$6,000.00	
Youth	TRF/Foundation	AP Exam Testing	\$4,000.00		\$2,500.00	\$1,500.00		\$4,000.00	
Vocational	Foundation	Vocational Scholarships	\$1,000.00			\$1,000.00	Approved	\$1,000.00	
Youth	Foundation	Rotary Youth Leadership	\$1,500.00			\$1,500.00	Approved	\$1,500.00	
Vocational	Foundation	LapTops for Veterans	\$400.00			\$400.00		\$400.00	
Total Youth/Vocational			\$12,900.00					\$12,900.00	39.9%
International	Foundation	ImABridge	\$2,000.00			\$2,000.00	Approved		
International	Foundation	Polio Plus	\$1,000.00			\$1,000.00	Approved		
International	Foundation	Shelter Box	\$1,000.00			\$1,000.00	Approved		
International	Foundation	WheelChairs	\$1,000.00			\$1,000.00	Approved		
National	Foundation	Texas - Hurricane Harvey	\$2,000.00			\$2,000.00	Needed		
National	Foundation	Florida - Hurricanes Irma	\$2,000.00			\$2,000.00	Needed		
Total International/National			\$9,000.00					\$9,000.00	27.9%
Community	Foundation	Family Alliance, Inc	\$2,500.00			\$2,500.00	Approved		
Community	Foundation	Family Health Partnership - Dental	\$2,500.00			\$2,500.00	Approved		
Community	Foundation	Northern Illinois Food Truck	\$1,400.00			\$1,400.00	Approved		
Community	Foundation	Food Truck - \$1,000							
Community	Foundation	Food for Thought - \$400							
Community	Foundation/Peterson	Home of the Sparrow	\$1,000.00			\$1,000.00	Approved		
Community	Foundation/Peterson	FISH	\$1,000.00			\$1,000.00	Approved		
Community	Foundation	Rachael's Challenge	\$1,000.00			\$1,000.00	Approved		
Community	Foundation	Knights of Columbus - Meals	\$500.00			\$500.00			
Community	Foundation	McHenry Co Work Force Network	\$500.00	\$500.00					
Total Community			\$10,400.00					\$10,400.00	32.2%
Total				\$500.00	\$3,750.00	\$28,050.00		\$32,300.00	100.0%
Fund	Total	Endowment	Excess						
	2017 0928		(Shortfall)						
Foundation Endowment	\$103,022.31	\$100,000.00	\$3,022.31						
Foundation General Account	\$82,017.42	\$0.00	\$82,017.42						
Peterson	\$27,201.68	\$25,000.00	\$2,201.68						
Harry Dean	\$14,290.99	\$11,000.00	\$3,290.99						
Buch	\$10,281.33	\$10,000.00	\$281.33						
TRF - In Process	\$3,750.02	\$0.00	\$3,750.02						
Total			\$240,563.75	\$151,800.00	\$146,763.73				
Weingart Memorial Pelz	\$3,475.00								
2017 Projected Proceeds BB&B	\$55,000.00	\$5,500.00	\$49,500.00						

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

Exhibit D – First Amendment to the Foundation By-Laws

This **FIRST AMENDMENT** ("**First Amendment**") to the **ROTARY CLUB OF MCHENRY CHARITABLE FOUNDATION, INC. BY-LAWS**, as amended and restated on and as of March 30, 2017 (the "**Amended and Restated Foundation By-Laws**") of the **Rotary Club of McHenry Charitable Foundation, Inc.** an Illinois not for profit corporation which is also a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "**Foundation**"), is made as of this 12th day of October 2017 by the Board of Directors and the Members of the Foundation.

WITNESSETH:

WHEREAS, the Foundation did amend and restate the Foundation By-Laws effective as of March 30, 2017, as further defined above; and

WHEREAS, unless otherwise defined herein, all terms defined in the Amended and Restated Foundation By-Laws shall have the meaning ascribed to such terms in said Amended and Restated Foundation By-Laws; and

WHEREAS, the Club (i) entered into that certain "Club Qualification Memorandum of Understanding (MOU), The Rotary Foundation– 2017-18" dated March 9, 2017 (as amended from time to time together with each subsequent Memorandum of Understanding entered into by the Club with The Rotary Foundation, the "**MOU**"), (ii) applied for and has been awarded a grant, (iii) is likely from time to time to receive additional grants from The Rotary Foundation, (iv) is required by the MOU to establish a dedicated bank account that is used solely for receiving and disbursing grant funds received from The Rotary Foundation beginning with Fiscal Year 2017-2018 (and for each Fiscal Year thereafter), and (v) the Foundation has an existing framework for achieving this on a consistent basis as "Restricted Funds" subject to the "Restrictions" associated with each such grant so received from The Rotary Foundation and the MOU; and

WHEREAS, on June 8, 2017, the Foundation Members unanimously passed the resolution attached as Exhibit A (the "**2017 Endowment Increase Resolution**") to that certain resolution entitled "ROTARY CLUB OF MCHENRY CHARITABLE FOUNDATION, INC. – RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017 – 2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS"; and

WHEREAS, effective as of June 29, 2017, Denis Buch did make a certain contribution to the Foundation known as the "Jerome & Ethel Buch Charitable Endowment of the Rotary Club of McHenry Charitable Foundation"; and

WHEREAS, effective beginning as of July 13, 2017, certain donation were made to the Rotary Club of McHenry Charitable Foundation, Inc. in memory of Donald and Rose Mary Weingart; and

WHEREAS, the following First Amendment to the Amended and Restated Foundation By-Laws was adopted by the Foundation Board and the Foundation Members at a duly called meeting of the Foundation Board on September 21, 2017 and a subsequent vote by Foundation Members.

NOW, THEREFORE, the Amended and Restated Foundation By-Laws (as well as the Operating Agreement) are hereby amended as follows:

1. The definitions of Minimum Foundation Endowment Account, Foundation Corpus, and Foundation Endowment Amount are hereby amended by deleting the phrase "which as of December 31, 2016 has been established as Thirty Five Thousand Dollars (\$35,000)" and replacing it with "which as of June 8, 2017 has been established as One Hundred Thousand Dollars (\$100,000) and beginning with Fiscal Year 2018-2019 the Foundation Board hereby sets the Minimum Foundation Endowment Account, Foundation Corpus, and Foundation Endowment Amount at an amount which equals such amount as of the end of the prior Fiscal Year (that is, the first being Fiscal Year 2017-2018 or \$100,000) plus 10% of the sum of all income/earnings (e.g., interest, dividends and etc.) during such Fiscal Year (excluding that which constitutes Restricted Funds)."
2. The "Jerome & Ethel Buch Charitable Endowment of the Rotary Club of McHenry Charitable Foundation" is hereby added as "Unrestricted Funds" and the following terms, provisions and definitions are hereby added

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

Exhibit D – First Amendment to the Foundation By-Laws

alphabetically to Section FB-1.4. Definitions and Cross Referencing, (c) Additional Definitions of the Amended and Restated Foundation By-Laws:

Rotary Club of McHenry Charitable Foundation, Inc.

Donor Bequest

I, Denis Buch, hereby make a cash contribution to, through my check made payable to, the Rotary Club of McHenry Charitable Foundation, Inc. (the "Foundation") in honor of my parents Jerome & Ethel Buch, to be endowed and named as follows.

Jerome & Ethel Buch Charitable Endowment of the Rotary Club of McHenry Charitable Foundation

To provide for the granting of funds as indicated for local charitable purposes consistent with the philosophy and guidelines of the Foundation and the Rotary Club of McHenry, Illinois, Inc.

My contribution in the amount of Ten Thousand Dollars (\$10,000.00) (the "Jerome & Ethel Buch Charitable Endowment Corpus") is to be held in a perpetual endowment account entitled "Jerome & Ethel Buch Charitable Endowment" as a sub-account (the "Jerome & Ethel Buch Charitable Endowment Account") of the Foundation. It is understood that only the allocated income/earnings (e.g., interest, dividends and etc.) (the "Jerome & Ethel Buch Charitable Endowment Earnings") from the Jerome & Ethel Buch Charitable Endowment Account are to be utilized for charitable purposes in the greater McHenry, Illinois area.

Our intent is that the Jerome & Ethel Buch Charitable Endowment Account retain the principal in perpetuity as the Jerome & Ethel Buch Charitable Endowment Corpus with only the Jerome & Ethel Buch Charitable Endowment Earnings being available for grants, donations, contributions, or similar charitable giving. Donations, contributions, grants and etc. shall be made on an annual basis or at whatever interval the Board of Directors of the Foundation deems appropriate in accordance with the following:

One Hundred Percent (100%) of Jerome & Ethel Buch Charitable Endowment Earnings are to be granted at the discretion of the Board of Directors of the Foundation to local community charitable entities within the scope of the philosophy, guidelines and mission of the Foundation and the Rotary Club of McHenry, Illinois, Inc. (the "Club")

The Board of Directors of the Foundation shall have complete authority and discretion with respect to the investment and reinvestment of the Jerome & Ethel Buch Charitable Endowment Corpus (and may delegate authority to make investment decisions to a competent third party), as well as complete authority and discretion with respect to any and all distributions, contributions or grants of or from Jerome & Ethel Buch Charitable Endowment Earnings.

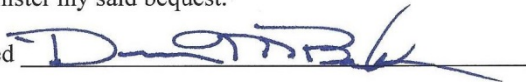
The Jerome & Ethel Buch Charitable Endowment Account individual endowment accounts shall be reviewed no less than annually with respect to implementing one or more of the following:

1. Distributing all undistributed Jerome & Ethel Buch Charitable Endowment Earnings;
2. Distributing a portion of the undistributed Jerome & Ethel Buch Charitable Endowment Earnings and retaining the balance to be utilized in the future as undistributed Jerome & Ethel Buch Charitable Endowment Earnings (and not constituting Jerome & Ethel Buch Charitable Endowment Corpus); or
3. Reclassifying all or any portion of the then undistributed Jerome & Ethel Buch Charitable Endowment Earnings as constituting an increase to the Jerome & Ethel Buch Charitable Endowment Corpus.

Such decisions shall be made by the Board of Directors of the Foundation.

It is my wish that the Foundation adopt whatever additional bylaws it deems necessary or appropriate to accept and administer my said bequest.

Signed



Denis Buch

Dated: June 29, 2017

Rotary Club of McHenry Charitable Foundation, Inc.

RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE, 2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS

Exhibit D – First Amendment to the Foundation By-Laws

3. The “Rotary Foundation Grants” are hereby added as “Restricted Funds” and the following terms, provisions and definitions are hereby added alphabetically to Section FB-1.4. Definitions and Cross Referencing, (c) Additional Definitions of the Amended and Restated Foundation By-Laws:

“RF Memorandum of Understanding” refers to each of those certain documents entitled “Club Qualification Memorandum of Understanding (MOU), The Rotary Foundation– 2017-18” dated March 9, 2017 (a copy of which is attached) as amended together with the grant application(s) and award documentation associated therewith, as well as each subsequent set of documents entered into by and between the Rotary Club of McHenry, Inc. and The Rotary Foundation from time to time thereafter.

“Rotary Foundation Grants Account” shall mean the account currently known as The Rotary Foundation Grants Account (Morgan Stanley investment account number 628-079-253) and shall also mean any successor account. The Rotary Foundation Grants Account shall serve as a dedicated bank account that is used solely for receiving and disbursing Rotary Foundation Grant funds for each grant (and all grants) received from The Rotary Foundation from time to time beginning with Fiscal Year 2017-2018 and for each Fiscal Year thereafter. All funds therein shall be managed in accordance with the applicable RF Memorandum of Understanding. Rotary Foundation Grants and all earnings thereon are “Restricted Funds”; the definition of Restricted Funds shall be hereby amended to include Rotary Foundation Grants and the Rotary Foundation Grants Account. The Rotary Foundation Grants Account shall be included as a Foundation Account (as such defined terms currently contemplates).

“Rotary Foundation Grants” shall mean each grant received from The Rotary Foundation from time to time beginning with Fiscal Year 2017-2018 and for each Fiscal Year thereafter. Rotary Foundation Grants and all earnings thereon are “Restricted Funds” and the definition of Restricted Funds shall be hereby amended to include Rotary Foundation Grants.

4. Finally, all other terms and provisions of the Amended and Restated Foundation By-Laws as well as the Operating Agreement are hereby automatically amended (without the need for Foundation Member vote or any other action) *mutatis mutandis*, but only to the extent needed to cause such terms and provisions to be consistent with this First Amendment.

Except as amended and modified herein, the Amended and Restated Foundation By-Laws (and Operating Agreement) shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Secretary of the Rotary Club of McHenry Charitable Foundation, Inc. hereby certifies that the foregoing was adopted and approved as the First Amendment to the Amended and Restated Foundation By-Laws and has hereunder affixed his/her name as of this 12th day of October 2017.

_____, John Halbleib, Secretary

Rotary Club of McHenry Charitable Foundation, Inc.

**RESOLUTION RE BUCH ENDOWMENT, WEINGART MEMORIAL, TRF GRANTS, ENDOWMENT INCREASE,
2017-2018 SERVICE PROJECTS BUDGET & RELATED AMENDMENTS TO FOUNDATION BY-LAWS**

Exhibit D – First Amendment to the Foundation By-Laws

Attachment

Club Qualification Memorandum of Understanding (MOU)

The Rotary Foundation– 2017-18

Dated March 9, 2017

Club Qualification Memorandum of Understanding (MOU)

The Rotary Foundation– 2017-18

1. Club Qualification

To participate in Rotary Foundation global and packaged grants, the club must agree to implement the financial and stewardship requirements in this memorandum of understanding (MOU) provided by The Rotary Foundation (TRF) and to send at least one club member to the district's grant management seminar each year. The district may also establish additional requirements for club qualification and/or require its clubs to be qualified in order to participate in Rotary Foundation district grants. By completing these requirements, the club becomes qualified and eligible to participate in the TRF grant program.

- A. Upon successful completion of the qualification requirements, the club will be qualified for one Rotary year.
- B. To maintain qualified status, the club must comply with this MOU, any additional district requirements, and all applicable TRF policies.
- C. The club is responsible for the use of funds for club-sponsored grants, regardless of who controls the funds.
- D. Qualification may be suspended or revoked for misuse or mismanagement of grant funds involving, but not limited to: fraud; forgery; membership falsification; gross negligence; endangerment of health, welfare, or safety of beneficiaries; ineligible contributions; use of funds for personal gain; undisclosed conflicts of interest; monopolization of grant funds by individuals; report falsification; overpricing; acceptance of payments from beneficiaries; illegal activities; use of grant funds for ineligible purposes.
- E. The club must cooperate with any financial, grant, or operational audits.

2. Club Officer Responsibilities

The club officers hold primary responsibility for club qualification and the proper implementation of TRF grants. Club officer responsibilities include:

- A. Appointing at least one club member to implement, manage, and maintain club qualification.
- B. Ensuring that all TRF grants adhere to stewardship measures and proper grant management practices.
- C. Ensuring that all individuals involved in a grant conduct their activities in a way that avoids any actual or perceived conflict of interest.

3. Financial Management Plan

The club must have a written financial management plan to provide consistent administration of grant funds. The financial management plan must include procedures to:

- A. Maintain a standard set of accounts, which includes a complete record of all receipts and disbursements of grant funds.
- B. Disburse grant funds, as appropriate.
- C. Maintain segregation of duties for handling funds.
- D. Establish an inventory system for equipment and other assets purchased with grant funds, and maintain records for items that are purchased, produced, or distributed through grant activities.
- E. Ensure that all grant activities, including the conversion of funds, comply with local law.

4. Bank Account Requirements

In order to receive grant funds, the club must have a dedicated bank account that is used solely for receiving and disbursing TRF grant funds.

- A. The club bank account must
 - 1. Have a minimum of two Rotarian signatories from the club for disbursements
 - 2. Be a low- or noninterest-bearing account
- B. Any interest earned must be documented and used for eligible, approved grant activities, or returned to TRF.
- C. A separate account should be opened for each club-sponsored grant, and the name of the account should clearly identify its use for grant funds.
- D. Grant funds may not be deposited in investment accounts including, but not limited to, mutual funds, certificates of deposit, bonds, and stocks.
- E. Bank statements must be available to support receipt and use of TRF grant funds.

Club Qualification Memorandum of Understanding (MOU)
The Rotary Foundation– 2017-18

F. The club must maintain a written plan for transferring custody of the bank accounts in the event of a change in signatories.

5. Report on Use of Grant Funds

The club must adhere to all TRF reporting requirements. Grant reporting is a key aspect of grant management and stewardship, as it informs TRF of the grant's progress and how funds are spent.

6. Document Retention

The club must establish and maintain appropriate recordkeeping systems to preserve important documents related to qualification and TRF grants. Retaining these documents supports transparency in grant management and assists in the preparation for audits or financial assessments.

A. Documents that must be maintained include, but are not limited to:

1. Bank information, including copies of past statements
2. Club qualification documents including a copy of the signed club MOU
3. Documented plans and procedures, including:
 - a. Financial management plan
 - b. Procedure for storing documents and archives
 - c. Succession plan for bank account signatories and retention of information and documentation
4. Information related to grants, including receipts and invoices for all purchases

B. Club records must be accessible and available to Rotarians in the club and at the request of the district.

C. Documents must be maintained for a minimum of five years, or longer if required by local law.

7. Reporting Misuse of Grant Funds

The club must report any potential and real misuse or mismanagement of grant funds to the district. This reporting fosters an environment in the club that does not tolerate the misuse of grant funds.

Authorization and Agreement

This memorandum of understanding is an agreement between the club and the district and acknowledges that the club will undertake measures to ensure the proper implementation of grant activities and proper management of Foundation grant funds. By authorizing this document, the club agrees to comply with all of the conditions and requirements of the MOU.

*On behalf of the **Rotary Club of McHenry**, the undersigned agree to comply with all of the conditions and requirements of the MOU for **Rotary year 2017-18** and will notify Rotary International District 6440 of any changes or revisions to club policies and procedures related to these requirements.*

Club President (2017-18)	
Term	7/1/2017-6/30/2018
Name	Denis M Buch, President
Signature	<i>Denis M Buch</i>
Date	March 9, 2017

<input type="checkbox"/> Club President-elect (2017-18) <input type="checkbox"/> Club Secretary *	
Term	7/1/2017-6/30/2018
Name	John F Halbleib, President - Elect
Signature	<i>John F Halbleib</i>
Date	March 9, 2017

*** NOTE: Clubs that do not have a President-nominee (President in 2018-19) selected when this form is due, may have it signed by the 2017-18 Club Secretary.**

PROJECT DESCRIPTION

Please provide only a brief **summary** description of the District Grant project here. Provide detailed project information under the **Application and Budget** sections.

When completing the estimated budget for this page, please show the total expenditures for the entire project.

Grant Project:	Rotary Club of McHenry Scholarships
Primary Sponsoring Club:	Rotary Club of McHenry
Contact:	Schaefer, Donna
Date Submitted:	Mar 20, 2017 at 11:45 AM
Project Total Budget:	\$10,000.00
Grant Budget:	\$10,000.00
Project Expected Income:	\$10,000.00
Grant Expected Income:	\$3,750.00

GENERAL DESCRIPTION

After completing this section, please be sure to complete the information requested under the Community Assessment & Impact, Cooperating Organizations and Implementation Plan sections below.
You do not need to provide Sustainability information for your District Grant.

Please provide this information:

- 1) Describe the project and the problem or need it will address.**
 - 2) How long will it take to complete the project?**
 - 3) Are there Partnering Rotary Clubs involved with this project? If so, please list.**
-

1. Our club provides scholarships that address Youth and Vocational Avenues of Service:

- a. Academic scholarships to seniors in high school living in our school districts 12 and 156. This includes students attending private schools and home-schooled students.
- b. Vocational scholarships for students attending trade schools (this is in addition to competing in the District Vocational competition). Rotarians hands on involvement includes coaching students for the interview process.

- c. Vocational scholarships for adults returning to the workforce or retraining for better employment opportunities. The Rotary works with our local Workforce Development Program in McHenry County and assist individuals with areas not funded by the government such as childcare, travel expenses, specialized work related tools and clothing (ie work boots).
- d. Pay for AP test fees for low income students at the public high schools.

2. This project will take 12 months. The scholarships for 4 year schools and vocational schools occur in Spring of 2018. Funds for additional funds for adult vocational training will occur as needed throughout the year. AP testing fee scholarships will be given to the high school districts during the 2017/2018 school year.

3. We are not partnering with any other Rotary Clubs.

COMMUNITY ASSESSMENT & IMPACT

Please describe the following:

1) Who is the benefiting community and how it was selected?

2) What is the expected impact of the project when it is completed?

Our Rotary has been doing academic scholarships for high school seniors attending 4 year colleges for many years. We consider that an investment in the future of our community. We expanded upon that with the need for job training for young people and adults , especially during the economic downturn. That was the impetus for the Youth Vocational Scholarships and the Kathy Pelz Workforce Development Scholarships..

The AP Scholarships allow low income students the ability to test for college credit, which helps lower the costs of higher education and recognizes that after successfully completing an Advanced Placement class, money should not be an impediment to success.

SUSTAINABILITY

No Longer Required for District Grants

IMPLEMENTATION PLAN

1. Describe specific activities of the sponsoring Rotary Club and any Rotary Club partners in implementing the project:

- What will Your Club's members do. If there are Partnering Rotary Clubs, what will their members do?
(This Hands-on component is required for all District Grant projects unless:
a) the project is international,
b) the Grant is being used to fund scholarships, or
c) the Grant is being used to fund a Rotary Approved Organization (ie ShelterBox).

2. For International District Grant Projects, please describe how funds will be under Rotary Club control at all times.

3. District Grant Funds Distribution Information: Payment will be made by check. Please provide the following information:

- Payee Name (the Club or the Club Foundation, funds must be under Rotary Control)
- Address, including the name of an individual addressee, of where to send the check

4. Club Contact for the District Grant: Please provide the following information:

- Name of person most familiar with the grant request
- That person's phone number
- That person's email address.

Even though this is a scholarship project, there is hands-on participation of our club members. Our club members interview students for the Academic and Vocational Scholarships. Additionally, Rotarians make themselves available as coaches for the District interviews for Vocational Scholarship competition.

The funds for the Adult Vocational Scholarship are distributed through our partnership with the Workforce Development Board of McHenry County. They identify people who need additional help with items their program does not cover.

We have 2 Assistant Principals who are Rotarians that help identify low income students for the assistance with Advanced Placement testing fees.

Check for funding should be made out to the Rotary of McHenry Charitable Foundation. PO Box 28, McHenry, IL 60051

The contact for this grant is Donna Schaefer (815) 482-8805 email donnaaschaefer@comcast.net

EXPECTED EXPENSES

List all anticipated expenses for this project. Click the "Add a Budget Item" to add each item to the expense list.

Description	Supplier	Currency	Total	Amount
AP Exam Scholarship	School Districts 156 & 12	USD	\$2,500.00	\$2,500.00
Vocational Youth or Adult	Vocational Program or McHenry Co. Workforce Development	USD	\$1,500.00	\$1,500.00
Scholarships - 4 YR College	4 Yr College or University to be determined.	USD	\$6,000.00	\$6,000.00
			Total:	\$10,000.00

EXPECTED INCOME

List all anticipated income for this project, this includes funds contributed by The Sponsoring Club, Cooperating Organizations, Partnering Rotary Clubs, and the District Matching Grant. Click the "Add Project Financing" button to add each contributor and the amount of their expected contribution.

Project Expenses and Project Revenues must be equal.

Description	Funding Source	Amount	%
Rotary Club of McHenry Foundation	Club/Other	\$6,250.00	62.50 %
Clubs eligible funding based on contributions	District Grant	\$3,750.00	37.50 %
Total:		\$10,000.00	100.00 %

LOCAL CLUB PARTNERS

List any partnering clubs within the District. Note that only one grant application needs to be made by the main sponsoring club.

There's no Sponsoring Clubs specified for this application.

COOPERATING ORGANIZATIONS

If there are organizations other than Partnering Rotary Clubs involved in your project, please provide the following information:

- 1) Identify the Cooperating Organizations
- 2) What is the role of the Cooperating Organization (ie funding, implementation assistance, etc.)

High School guidance counselors and administrative staff get the word out regarding youth scholarships (and we do a press release for local paper) and they identify students for RYLA and AP Scholarship test fees.

McHenry County Workforce Development Committee refers adults in training programs that need additional assistance and they handle the distribution of funds for qualified expenses.