

BY- LAWS OF THE ROTARY CLUB OF WHEATON

Revised: July 2015
w/ Endowment Committee Added

Article I Definitions

- 1 Board: The Board of Directors of this club.
- 2 Director: A member of this club's Board of Directors
- 3 Member: A member, other than an honorary member, of this club.
- 4 Quorum: One-half of the club membership; a majority of directors for the Board
- 5 RI: Rotary International
- 6 Year: The 12-month period that begins on July 1.

Article II Board

The governing body of this club is the Board consisting at a minimum of president, immediate past president, president-elect, vice president (of programs), secretary and treasurer.

The governing body of this Club shall be the Board of Directors, consisting of fifteen members of this Club, namely, nine Directors elected in accordance with Article III, Section I, of these bylaws, the President, President-elect, Vice President of Programs, Secretary, Treasurer and the Immediate Past President.

Article III Election of Officers and Directors

SECTION I - At a regular meeting six weeks prior to the meeting for election of Officers, the presiding Officer shall ask for nominations by members of the Club for President, Vice President, Secretary, Treasurer, and nine members of the Board of Directors. The nominations shall be presented in writing to the President or the President-Elect, after obtaining the consent of the nominee, no later than three weeks prior to the Annual Meeting. Nominees must be members in good standing of this Club for a period of one year as of the date of elections. Nominees for the office of President must be a current or former member of the Board of Directors.

The President-Elect shall appoint a Nominations Committee of 3 members. It shall be the responsibility of the Nominations Committee to make certain that at least one member is nominated by members for each of the four officer positions and that at least nine members are nominated by members for the Board of Directors. The nominations duly made shall be voted for at the Annual Meeting in the following sequence:

1. President
2. President-elect

3. Vice President of Programs
4. Secretary
5. Treasurer
6. Board of Directors, as a group

At the Annual Meeting, prior to the elections, additional nominations for Officers may be made by Members from the floor. Following the election for the slate of candidates, the Nominating Committee shall count the ballots and announce the results without stating the count for any candidate.

A majority of the votes cast shall be declared elected to their respective offices.

The President elected in such balloting shall serve as a member of the Board of Directors as President-Elect for the year commencing on the first day of July next following the election as President, and shall assume office as President on the first day of July immediately following the year of service on the Board as President-Elect.

SECTION 2 - The Officers and Directors, so elected, together with the immediate Past President shall constitute the Board of Directors.

SECTION 3 -- A vacancy in the Board of Directors or any office shall be filled by action of the remaining Members of the Board. Should the President vacate the office, the Past President shall assume the Presidency.

SECTION 4 -- A vacancy in the position of any Officer-Elect or Director-Elect shall be filled by action of the remaining Members of the Board of Directors-Elect.

SECTION 5 - Terms of office for each role is one year.

Article IV Duties of Officers/Board

SECTION 1 - *President*. It shall be the duty of the President to preside at meetings of the Club and Board and to perform such other duties as ordinarily pertain to his office.

SECTION 2 - *Immediate Past President*. The Immediate Past President shall serve as a director.

SECTION 3 - *President-elect*. It shall be the duty of the President-Elect to serve as a member of the Board of Directors of the Club, to preside at meetings of the Club and Board in the absence of the President, and to perform such other duties as may be prescribed by the President or the Board. President-elect, also, will oversee all fundraising events, since all fundraising events are held to raise funds for the following year.

SECTION 4 - *Vice President of Programs*. It shall be the duty of the Vice President to serve as a member of the Board of Directors of the Club, to preside at meetings of the Club and Board, in

the absence of the President, and the President-elect and to perform such other duties as ordinarily pertain to his office. Vice President is also in charge of planning all weekly programs.

SECTION 5 - *Director*. A director shall attend club and Board meetings.

SECTION 6 - *Secretary*. It shall be the duty of the Secretary to keep the records of the membership, record the attendance at meetings, send out notices of meetings of the Club, Board and Committees, record and preserve the minutes of such meetings, make the required reports to Rotary International, including the semiannual reports of membership, which shall be made to the General Secretary of Rotary International on January 1st and July 1st of each year, and including prorated reports to the General Secretary on 1 October and 1 April of each Active and Past Service Member who has been elected to membership in the Club since the start of the July or January semiannual reporting period, the report of changes in membership, which shall be made to the General Secretary of Rotary International, the monthly report of attendance at the Club meetings which shall be made to the District Governor immediately following the last meeting of the month, collect and remit to Rotary International subscriptions to The Rotarian, and perform such other duties as usually pertain to this office.

SECTION 7 - *Treasurer*. It shall be the duty of the Treasurer to have custody of all funds, accounting for same to the Club annually and at any other time upon demand by the Board and to perform such other duties as required or needed that pertain to this office. Upon this officer's retirement from office said officer shall turn over to the successor, or to the President, all funds, books of accounts or any other Club property in their possession, following a complete audit by an independent auditor.

There shall be a service (philanthropy) fund kept separate from the general funds of the club. This fund shall be used for service projects, scholarships, and other philanthropy donations of the club. All philanthropy donations shall be reviewed by the Philanthropy committee. No funds from the Service Fund shall directly benefit any club member or an immediate family thereof.

Article V Meetings

SECTION 1 -- *Annual Meeting*: An Annual Meeting of this Club shall be held on the second Wednesday of December in each year at which time the election of Officers and Directors to serve for the ensuing year shall take place.

SECTION 2 -- The regular weekly meetings of this Club shall be held on Wednesday, at 12:10 PM. Due notice of any changes in or canceling of the regular scheduled meeting shall be given to all Members of the Club.

SECTION 3 - One-half of the Membership shall constitute a quorum at the Annual and Regular Meetings of this Club.

SECTION 4 - Regular Meetings of the Board shall be held on a regular monthly basis, the time and place to be determined by a consensus of the Members of the Board. Special meetings of the Board shall be called by the President whenever deemed necessary, or upon the request of two (2) Members of the Board, due notice having been given.

SECTION 5 - A majority of the Board shall constitute a quorum of the Board.

Article VI Fees and Dues

SECTION 1 - The Admission Fee, to be paid before the applicant can qualify as a member, should be the amount to equal the cost for Rotary International dues, District 6440 dues, Rotary Club of Wheaton Quarterly dues and \$100 for Sustaining Membership in the Rotary Foundation, plus the cost of the weekly meals for the quarter. Non-eating members will be assessed a quarterly facility fee.

SECTION 2 - The Membership Dues shall be payable quarterly the first day of July, and of October, and of January, and of April. The Club membership dues will be determined by a club vote.

SECTION 3 - For years in which this club hosts a Youth Exchange Student, with the approval of the Membership, a special assessment for the Wheaton Rotary Service Fund may be made to cover the costs of hosting the Student. The amount so approved will be payable quarterly along with the Membership Dues.

Article VII Termination

SECTION 1 - Non-payment of Dues

(a) *Process*: Any Member failing to pay dues within thirty (30) days after the prescribed time (60) days after billing date, shall be notified in writing by the Secretary at the Member's last known address. If the dues are not paid on or before ten (10) days of the date of notification, membership may be terminated, subject to the discretion of the Board.

(b) *Reinstatement*: The Board may reinstate the former Member to membership upon the former Member's petition and payment of all indebtedness to this Club. However, no former Member may be reinstated to Active Membership if the former Member's classification has been filled.

SECTION 2 -- Non-attendance

(a) *Attendance Percentages*: A Member must:

- (1) Attend or make up at least 60 percent of regular club meetings in each half of the year.

- (2) Attend at least 30 percent of this Club's regular meetings in each half of the year.
- (3) A make-up must be completed either two (2) weeks prior or two (2) weeks following a missed meeting.

If the Member fails to attend as required, the Member's membership shall be subject to termination unless the Board consents to such nonattendance for good cause.

(b) *Consecutive Absences:* Unless otherwise excused by the Board for good and sufficient reason, each Member who fails to attend or make up four consecutive regular meetings shall be informed by the Board that the Member's non-attendance may be considered as a request to terminate membership in this Club. Thereafter, the Board, by a majority vote, may terminate the Member's membership.

SECTION 3- Other Causes

(a) *Good Cause:* The Board may terminate the membership of any Member who ceases to have the qualifications for membership in this Club or for any good cause by a vote of not less than two-thirds of the Board Members, at a meeting called for that purpose.

(b) *Notice:* Prior to taking any action under subsection (a) of this section, the Member shall be given at least ten (10) days written notice of such pending action and an opportunity to submit a written answer to the Board. The Member shall have the right to appear before the Board to state the Member's case. Notice shall be by personal delivery or by registered letter to the Member's last known address.

(c) *Filling Classification:* When the Board has terminated the membership of a Member, as provided for in this section, this Club shall not elect a new Member under the former Member's classification until the time for hearing any appeal has expired and the decision of this Club or of the arbitrators has been announced.

Rights to Appeal, or Arbitrate, Termination

(a) *Notice:* Within seven (7) days after the date of the Board's decision to terminate membership, the Secretary shall give written notice of the decision to the Member. Within fourteen (14) days after the date of notice, the Member may give written notice to the secretary of the intention either to appeal to the Club or to arbitrate.

(b) *Date of Hearing of Appeal:* In the event of an appeal, the Board shall set a date for the hearing of the appeal at a regular Club meeting to be held within twenty-one (21) days after receipt of the notice of appeal. At least five (5) days written notice of the meeting and its special business shall be given to every Member. Only Members shall be present when the appeal is heard.

(c) *Arbitration:* In the event of a request for arbitration, each party shall appoint an arbitrator and the arbitrators shall appoint an umpire. Only a Member of a Rotary Club may be appointed as umpire, or as arbitrator.

(d) *Appeal*: If an appeal is taken, the action of the Club shall be final and binding on all parties and shall not be subject to arbitration.

(e) *Decision of Arbitrators, or Umpire*: If arbitration is requested, the decision reached by the arbitrator, or if they disagree, by the umpire, shall be final and binding on all parties and shall not be subject to appeal.

SECTION 5 - *Board Action is Final*: Board action shall be final if no appeal to this Club is taken and no arbitration is requested.

SECTION 6 - *Resignation*: The resignation of any Member from this Club shall be in writing, addressed to the President or Secretary. The resignation shall be accepted by the Board if the Member has no indebtedness to this Club.

SECTION 7 - *Forfeiture of Property interest*: Any person whose Club membership has been terminated, in any manner, shall forfeit all interest in any funds or other property belonging to this Club.

Article VIII Method of Voting

The business of the club is conducted by voice vote or show of hands except for the election of officers and directors, which is conducted by ballot. If there are no contested positions, a voice vote or show hands may be used. The Board may provide a ballot for a vote on a specific resolution.

Article IX Committees

SECTION 1 - The President shall, subject to the approval of the Board, appoint the following standing Committees:

- Club Service Committee
 - Vocational Service Committee
 - Community Service Committee
 - International Service Committee
 - Ways and Means Committee
 - Membership Committee
 - Public Relations Committee
 - Rotary Foundation Committee
 - New Generations Committee
 - Philanthropy Committee*
 - Nominating Committee*
- (*Denotes the committees are not part of the Board)

SECTION 2 – The President shall be an *ex officio* member of all committees and, as such, shall have all the privileges of membership.

SECTION 3 – Except where special authority is given by the Board, committees shall not take action until a report has been made and approved by the Board. The president or the Board shall refer additional business to a specific committee as needed.

SECTION 4 – Each chair shall be responsible for regular meetings and activities of the committee, shall supervise and coordinate the work of the committee, and shall report to the Board on all committee activities.

SECTION 5 - Philanthropy Committee

There shall be a service (philanthropy) fund kept separate from the general funds of the club. This fund shall be used for service projects, scholarships, and other philanthropy donations of the club. All philanthropy donations shall be reviewed by the Philanthropy Committee. No funds from the Service Fund shall directly benefit any club member or an immediate family thereof.

1. The Philanthropy Committee shall consist of three (3) at large members of the club. The members shall have been members of the club for at least two years and shall serve three-year staggered terms. They shall not serve more than two consecutive terms. The President-Elect with the consent of the sitting Board will appoint a member to the committee at the May Board Meeting. The President and President-Elect will be ad-hoc members of the committee. The committee will elect one of the at-large members as a chair.
2. The Philanthropy Committee shall develop and utilize an application form for donations from the philanthropy funds of the club. All requests for the disbursement of philanthropy funds shall be made to the committee for its recommendation.
3. The Philanthropy committee shall review all requests for donations in a timely manner and make a recommendation to the Board. The Board may approve for disbursement any recommended donations for up to \$500. If the Board concurs with the recommendation of a donation for an amount greater than \$500, it shall be discussed and voted upon by the club at a regular club meeting.

SECTION 6 – Ways and Means Committee

1. The Ways and Means Committee shall consist of three at-large members of the club. The members shall have been members of the club for at least two years and shall serve three (3) years staggered terms. They shall not serve more than two consecutive terms. The President-Elect with the consent of the sitting Board will appoint a member to the committee at the May Board Meeting. The President and President-elect will be Ad Hoc members of the committee. The committee will elect one of the at-large members as Chair.

2. This committee shall devise and carry out plans to raise funds in support of Club and Rotary projects with the understanding that all such efforts must be approved by the Board after being discussed at a regular meeting of the Club.
3. Once a fund-raising activity is approved, the President shall appoint a chair for said particular fund-raising activity. The Chair shall supervise and coordinate the work of any committees that the Chair may appoint for said particular fund-raising activity.
4. The Chair of the Ways and Means Committee shall be responsible for the collection and disbursement of the monies raised by the activity and shall provide a Treasurer's Bond in accordance with Article XI, Section 4 of these bylaws. The net proceeds from the fund-raising activity shall be given to the Club Treasurer within 30 days of the conclusion of the fund-raising effort which shall be deposited into the appropriate club fund.

SECTION 7 - Permanent Endowment Fund Committee

Purpose: The Permanent Endowment Fund is established for providing members and friends the opportunity to make charitable gifts to the Wheaton Rotary Club that will become a permanent endowment of financial support.

Governing Body: A Permanent Endowment Fund Committee will administer the Fund and be comprised of Immediate Past President, President, and At-Large members from the club. The At-Large members should be elected at an annual meeting with three-year terms (staggered) and a maximum of 6 years in succession. At-Large members of the Permanent Endowment Committee may not serve on the Philanthropy Committee.

The committee should meet at least twice a year. Each year at the first meeting of the Committee, a Secretary and a Treasurer should be elected by a quorum of the committee. The Immediate Past President shall serve as Chair.

The committee may select a "Financial Advisor" who shall have the privilege of voice, but not vote, when attending meetings.

Responsibilities of the Permanent Endowment Fund Committee:

1. Encourage unrestricted gifts to the Fund
2. Bear fiduciary responsibility for the investment and management of the Fund including the authority to liquidate any gifts, which are received in a form other than cash.
3. For that reason, the Committee may wish to adopt operating By-Laws consistent with these responsibilities
4. Present at least one program annually to inform the membership of the opportunities for giving through the Fund.
5. Prepare appropriate marketing material to promote the Fund.

6. Attempt to ensure that the promotion of gifts to the Fund do not detract from normal financial support of the Club.
7. Provide periodic financial reports to the Board and/or membership
8. Deem whether a gift that is restricted or for a designated purpose is appropriate for the Fund.
9. Keep records of all gifts received and distributions from the Fund.
10. Have the Fund audited annually.
11. Respect the wishes of donors regarding confidentiality.

Investment of the Permanent Endowment Fund

The Fund's investment objectives are:

1. To conserve and protect the principal
2. To maintain capital growth of the principal
3. To encourage investment in companies, institutions and corporations that make a positive contribution toward the realization of the goals of Rotary.

Distributions from the Permanent Fund

The Committee shall consider distributions on an annual basis using the following criteria:

Annual Income Distributions – The Committee shall determine income eligible for distribution by using the spending rate method. The spending rate method applies a pre-determined rate based on the market value of the fund at a specific point in time. The committee may adjust the spending rate annually as it deems appropriate to fulfill the permitted uses but in no event shall the spending rate percentage be lower than 3% or higher than 5% of the Fund market value as of June 30 of each year. That amount shall be transferred to a Fund Distribution account as cash to be used for the following year. It is at the Committee's discretion as to how best to raise the necessary cash by selling assets held in the Endowment Fund. If there are restricted funds in the Endowment Fund, distributions from those restricted funds must be calculated separately. The Committee may distribute an amount less than the full amount of eligible funds if there are inadequate requests or unspent money from a prior year.

The Committee shall not make distributions that support propaganda or other attempts to influence legislation on behalf of any candidate for public office.

Dividends, interest and capital gains shall be reinvested.

Ten-Year Distribution of the Principal of the Unrestricted Fund

Principal shall not be used or encumbered during the first ten years of the Fund. Thereafter, during each subsequent ten-year period up to 10% of the principal of the Unrestricted Fund may be used or encumbered. Such a use may only occur once during that 10-year period and must be determined by the Committee.

Ways to Give

1. The primary emphasis on the Fund is to encourage members and friends to consider a once-in-a-lifetime gift above and beyond their current contributions. Most often, such a gift will be part of a person's estate plan.
2. Bequests
3. Testamentary Trust
4. Life Income Trust
5. Gift of Life Insurance
6. Gift of Real Estate
7. Gift of Securities
8. Gifts of Cash
9. Gifts in Honor of or in Memory of

Amendments to Permanent Endowment Fund Section

This Section may be amended by a $\frac{3}{4}$ favorable vote by the members of Wheaton Rotary Club at an annual meeting with proper notice of said amendment in accordance with Section XIV of these By-Laws.

Dissolution of the Permanent Endowment Fund

The Fund will only be dissolved in the event of the complete dissolution of the Rotary Club of Wheaton at which time the assets will be liquidated to settle any outstanding debts of the club with the remaining cash (if any) to be disbursed to the Rotary International Foundation. If Restricted Funds are included in the assets of the Permanent Endowment Fund, these too, will be liquidated and disbursed to the Rotary International Foundation.

Article X Leave of Absence

Upon written application to the Board, setting forth good and sufficient cause, leave of absence may be granted excusing a Member from attending the meetings of the Club for a specified length of time and payment of meals. Dues are still required to be paid.

(Note: Such leave of absence does operate to prevent a forfeiture of membership; it does not operate to give the Club credit for the Member's attendance. unless he attends a regular meeting of some other Club, the excused member must be recorded as absent except that absence authorized under the provision of Article. VIII, Sec. 2(b) of the Standard Club Constitution is not computed in the attendance record of the Club.)

Article XI Finances

SECTION 1 - Prior to each fiscal year, the Board shall prepare an annual budget of estimated income and expenditures.

SECTION 2 - The Treasurer shall deposit all funds of the Club in some bank to be named by the Board.

SECTION 3 - Bills are paid by the treasurer or another authorized officer when approved by two other officers or directors.

SECTION 4 - Members having charge or control of club funds shall secure a treasurer's bond for the safe custody of the funds of the Club, cost of bond to be borne by the Club.

SECTION 5 - The fiscal year of this Club shall extend from July 1st to June 30th, and for the collection of Member's dues shall be divided into four (4) quarterly periods extending from July 1st to September 30th and from October 1st to December 31st and from January 1st to March 31st and from April 1st to June 30th. The payment of per capita dues and magazine subscriptions to Rotary International shall be made on July 1st and January 1st of each year on the basis of the membership of the Club on those dates.

SECTION 6 - At the beginning of each fiscal year the Board shall prepare or cause to be prepared a budget of estimated income and estimate expenditure for the year, which, having been agreed to by the Board, shall stand as the limit of expenditures for the respective purposes unless otherwise ordered by action of the Board.

SECTION 7 – An annual audit shall be conducted of all club funds. An audit committee of 3 members may be appointed by the club President.

Article XII Method of Electing Members

SECTION 1 - *Active Members (including additional Active Members).*

(1) The name of a prospective member proposed by a member of the Club or by the Membership Committee shall be submitted to the Board.

(2) The Board shall consider and approve or disapprove the recommendations of the Membership Committee and shall then notify the Sponsor of its decision.

(3) If the decision of the Board is favorable, the Sponsor, together with one or more members of the Membership Committee, shall inform the prospective member of the purposes of Rotary and of the privileges and responsibilities of membership in the Club, following which the prospective member shall be requested to complete and submit an application for membership.

(4) Upon permission for the perspective member name(s) and proposed classification, it will be emailed to the Club.

(5) If no written objection to the proposal, stating reasons, is received by the Board from any member of the Club within two (2) weeks following publication of the name of the prospective member, the prospective member, upon payment of fees set forth by the Board of Directors, shall be considered to be elected to membership.

If any objection has been filed with the Board, it shall be considered the same at any regular or special meeting of the Board and shall ballot on the proposed member. If no negative vote is cast by the members of the Board in attendance at such regular or special meeting, the proposed member upon payment of the prescribed fees, shall be considered to be elected to membership.

(6) The member shall be formally introduced as a new member at a regular meeting of the Club.

SECTION 2 – *Shared Membership: (including additional Shared Members or Friends of Rotary)*

1. Shared Membership shall have one active member and up to five (5) shared members (Friends of Wheaton Rotary) from the same organization or company. The individuals comprising a shared membership must be a single entity in Wheaton/Warrenville.
2. The entity must be approved, initially by the Board, and consequently by the club membership.
3. Each member and Friend of Wheaton Rotary must individually be approved by the club.
4. One designated member of the shared membership entity will be considered the active member of the club.
5. The active member will be the billed member.
6. For attendance purposes, any member of the shared membership will credit the entity membership. Only one attendance credit will be given regardless of how many shared members attend.
7. A Friend of Wheaton Rotary, that attends a meeting in addition to the designated member, will be expected to pay for lunch or be considered a guest of the designated member.
8. The designated member or one of the Friends of Wheaton Rotary will be expected to participate in all service projects and fundraising activities of the club.
9. A Rotary pin and badge will be provided to the designated member as well as each Friend of Wheaton Rotary.

SECTION 2 - *Honorary Members:* Honorary Members are exempt from quarterly dues. The name of a proposed candidate for this kind of membership shall be submitted to the Board in writing and the election shall be in the same form and manner as prescribed for the election of an Active Member, provided, however, that such proposal may be considered at any regular or special meeting of the Board and that the Board may at its discretion waive any of the steps as set forth in Section 1 of this Article and proceed to ballot on the proposed Member. If no negative vote is cast by the members of the Board in attendance at the regular or special meeting, the proposed member shall be considered duly elected.

Resolutions and Miscellaneous

SECTION 1 - *Resolutions*: No resolution or motion to commit this club on any matter shall be considered by the club until it has been considered by the board. Such resolutions or motions, if offered at a club meeting, shall be referred to the board without discussion.

SECTION 2 - *Fund Raising*: The raising of funds for the support of Club projects shall require the prior approval of the Board of Directors. In no instance shall a Member of the Club solicit the purchase of his own product or service as an individual fund raising effort in support of any Club or Rotary project, without the prior approval of the Board.

Article XIV Amendments

These By-Laws may be amended at any regular meeting, a quorum being present, by a two-thirds vote of all Members present, provided that notice of such proposed amendment shall have been emailed to each Member at least two weeks before such meeting. No amendment or addition to these By-Laws can be made which is not in harmony with the Club Constitution and with the Constitution and By-laws of Rotary International.