

# **SECTION 200 POLICIES and PROCEDURES**

## **BYLAWS CUPERTINO ROTARY ENDOWMENT FOUNDATION**

### **TABLE OF CONTENTS**

#### **Article I Principal Office**

#### **Article II Purposes**

Section 1. Objectives and Purposes

#### **Article III Member Approval**

Section 1. Special Meeting for Initial Approval and Election

#### **Article IV Funding**

Section 1. Sources off Funding

Section 2. Who May Contribute

Section 3. Fundraisers

#### **Article V Membership**

Section 1. Membership

Section 2. Qualification of Members

Section 3. Voting and Other Rights of Members

Section 4. Fiscal Year

Section 5. Annual Meeting

Section 6. Special Meetings

Section 7. Quorum

Section 8. Liabilities of Members

#### **Article VI Directors**

Section 1. Number

Section 2. Designated Directors

Section 3. Elected Directors

Section 4. Director Election

Section 6. Duties

Section 7. Compensation

Section 8. Quorum

Section 9. Place of Meeting

- Section 10. Time of Meeting
- Section 11. Waiver of Notice and Consent to Holding Meetings
- Section 12. Action Without a Meeting
- Section 13. Conduct of Meeting
- Section 14. Indemnification by Endowment Foundation of Directors, Officers, Employees and Other Agents
- Section 15. Non-Liability of Directors
- Section 16. Removal and Resignation

## **Article VII Officers**

- Section 1. Number of Officers
- Section 2. Removal and Resignation
- Section 3. President
- Section 4. Vice President
- Section 5. Treasurer
- Section 6. Secretary

## **Article VIII Execution of Instruments, Deposits and Funds**

- Section 1 Execution of Instruments
- Section 2 Checks and Notes
- Section 3. Deposits
- Section 4. Gifts

## **Article IX Amendment of Bylaws**

## **Article X Dedication and Dissolution**

## **Article XI Self-Dealing Transactions**

# BYLAWS OF THE CUPERTINO ROTARY ENDOWMENT FOUNDATION

(Bylaws as fully restated July 30, 2012 / Rev 3.6.16 / Correction 1.24.17/Rev 3.117)

## ARTICLE I

### PRINCIPAL OFFICE

#### **Section 1. Principal Office**

The principal office for the transaction of the business of the Endowment Foundation is fixed and located at Cupertino, Santa Clara County, California. The Board of Directors may at any time or from time to time change the location of the principal office from one location to another in this county.

## ARTICLE II

### PURPOSES

#### **Section 1. Objectives and Purposes**

(a) To provide assistance or contributions exclusively for qualified charitable, scientific, educational or public purposes to organizations, individuals, or 501(c)(3) non-profit public benefit organizations, both local and international. "Local" shall be defined as primary, but not exclusively, the Cupertino area. "International" shall be defined as outside the United States and restricted to activities which are charitable and non-profit in nature.

**(Adopted at the Annual Meeting of the Endowment Foundation at the Rotary Club of Cupertino meeting on September 1, 2004)**

(b) To manage, control and administer Endowment Foundation assets prudently in accordance with the Articles of Incorporation or by these Bylaws or as required by law.

(c) To provide for contributions received for designated purposes (such as the Paul Harris Fund) which assets shall be deposited to and managed in accordance with the rules related to that individual fund.

## ARTICLE III

### MEMBER APPROVAL

#### **Section 1. Special Meeting for Initial Approval and Election**

- (a) The members of the Rotary Club of Cupertino California, Incorporated (Rotary Club of Cupertino) in good standing and entitled to vote must approve these Bylaws at a special meeting designated by the President of the Rotary Club of Cupertino. This must be done prior to the adoption of these Bylaws and prior to filing for incorporation in the State of California.
- (b) Upon approval of these Bylaws a slate of eleven (11) Directors shall be presented by the Rotary Club of Cupertino Board of Directors to the members of the Rotary Club of Cupertino for election. Terms will be designated in accordance with Article Six (6) Section Four (4)(a) of these Bylaws. Nominations for Director candidates will also be requested from the members during the special meeting.
- (c) Bylaw approval shall require a majority vote of those members present providing the quorum provisions of Article Five (5) Section Seven (7) are fully satisfied. Each member shall have one vote, with voting by ballot or voice vote at the meeting
- (d) The Director candidates receiving the highest number of votes shall be elected. Each member shall cast one vote, with voting by ballot or voice vote at the meeting.

## ARTICLE IV

### FUNDING

#### **Section 1. Sources off Funding**

Sources of Endowment funding include, but are not limited to Rotary Club of Cupertino fundraisers, grants, subscriptions, contributions, bequests, memorials, gifts and other activities as determined by the Board of Directors.

#### **Section 2. Who May Contribute**

Contributions or gifts to the Endowment Foundation may be received from members or nonmembers of the Endowment Foundation.

#### **Section 3. Fundraisers**

If deemed appropriate by the Board of Directors, this Endowment Foundation may establish, maintain and govern fundraising programs from various sources in the community and/or external sources.

**ARTICLE V**  
**MEMBERSHIP**

**Section 1. Membership**

The membership of this Endowment Foundation shall be known as Members.

**Section 2. Qualification of Members**

The members of this Endowment Foundation shall be persons who from time to time are Members of, and entitled to a vote in, the Rotary Club of Cupertino.

**Section 3. Voting and Other Rights of Members**

Each member of this Endowment Foundation shall be entitled to one vote.

**Section 4. Fiscal Year**

The fiscal year for this Endowment Foundation shall conform with the fiscal year of the Rotary Club of Cupertino commencing on July 1 and ending on June 30.

**Section 5. Annual Meeting**

The annual meeting of the Members of this Endowment Foundation shall be held on the 3<sup>rd</sup> Wednesday of June, 2012 at the time and place of the regular weekly meeting of the Rotary Club of Cupertino, and subsequently the annual meeting of the Members of this Endowment Foundation shall be held on the 3<sup>rd</sup> Wednesday of March beginning in 2013 at the time and place of the regular weekly meeting of the Rotary Club of Cupertino, or at any other time and place determined by a resolution of the Board of Directors. No notice of any such annual meeting need be given if it is held on the 3<sup>rd</sup> Wednesday of March, 2013, and ongoing at the time and place of the regular weekly meeting of the Rotary Club of Cupertino; otherwise written notice of the time and place of the annual meeting shall be sent to each Member by mail, charges prepaid addressed to them at their address as it is shown on the records of the Rotary Club of Cupertino or by publication in the weekly Rotator, the newsletter of the Rotary Club of Cupertino. Any mailed notice shall be mailed or delivered at least five days before the date of the meeting. Notice given through the Rotator shall be published in an issue and sent by electronic mail to all members at least ten days before the date of the meeting. The Rotator form of notice shall be mailed to those Members who do not receive electronic mail.

**(Adopted at the specially called Meeting of the Endowment Foundation at the Rotary Club of Cupertino meeting on May 16, 2012)**

### **Section 6. Special Meetings**

Special meetings of the Members of the Endowment Foundation for any purpose or purposes may be called at any time by the President of the Endowment Foundation or by any two Directors. Written notice of the time and place of special meetings of the Members shall be given in the same manner as for annual meetings of the Members.

### **Section 7. Quorum**

A quorum for any meeting of the Members shall be 20% of the Members. (Adopted at 3.15.17 Annual Mtg.)

### **Section 8. Liabilities of Members**

No person who is now, or who later becomes a Member of this Endowment Foundation, shall be personally liable to its creditors for any indebtedness or liability, and any and all creditors of this Endowment shall look only to the assets of this Endowment Foundation for payment.

## ARTICLE VI

### DIRECTORS

#### **Section 1. Number**

The Endowment Foundation shall have up to fifteen (15) Directors consisting of five (5) "Designated Directors" and up to ten (10) "Elected Directors". Collectively they shall be known as the Board of Directors. Designated Directors, shall hold office during such time as they hold the designated office. The number may be changed by amendment of this Bylaw, or by repeal of the Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

**(Adopted at the Annual Meeting of the Endowment Foundation at the Rotary Club of Cupertino meeting on March 16, 2016.)**

#### **Section 2. Designated Directors**

The Designated Directors shall be the immediate past president the current president, the President Elect, the Club SDO (Strategic Development Officer) of the Rotary Club of Cupertino and CREF's Administrator provided the Administrator is not receiving compensation for their work as Administrator. **(Adopted at the Annual Meeting of the Endowment Foundation at the Rotary Club of Cupertino meeting on March 16, 2016.)**

#### **Section 3. Elected Directors**

Except as provided below for the initial term of the first Elected Directors, the term of office for Elected Directors of this Endowment Foundation shall be two (2) fiscal years or longer until his or her successor is elected and qualifies. Successors for such directors whose terms of office are then expiring shall be elected at the annual meeting of the Members nearest expiration of such terms.

#### **Section 4. Director Election**

(a) The first year, two (2) Elected Directors shall be elected for a two year term, and two (2) Elected Directors shall be elected for a three year term. Thereafter, two (2) Elected Directors will be elected on alternate years for a two year term, thus staggering terms for continuity. If and when the number of Board elected directors is increased by two or more, the newly elected directors shall be assigned to 2 year and 3 year terms by random selection in order to maintain the balance of term expiration dates. No Director will serve more than three (3) successive terms. No person who has served three successive terms shall be reappointed to the Board sooner than 12 months after the prior service has terminated. **(Adopted at the specially called Meeting of the Endowment Foundation at the Rotary Club of Cupertino meeting on May 16, 2012.)**

(b) Should there be a vacancy on the Board of Directors between elections, the balance of the Directors shall fill the vacancy by majority vote.

(c) On or before the annual meeting each year, the Board of Directors shall present to the Members its nominees to fill all vacancies in the offices of Elected Directors upon the expiration of

terms of office in that year. Members may nominate candidates in writing to the Board of Directors prior to the regular annual meeting. Any member may nominate a candidate from the floor during the regular annual meeting. **(Adopted at the specially called Meeting of the Endowment Foundation at the Rotary Club of Cupertino meeting on May 16, 2012)**

(d) At each regular annual meeting of Members, the Board of Directors shall conduct an election by the Members for the Elected Directors. The candidates receiving the highest number of votes shall be elected. Each Member shall cast one vote, with voting by ballot or voice vote at the meeting.

### **Section 5. Powers**

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action requiring or permitted to be taken or approved by the Directors, if any, of this Endowment Foundation, the activities and affairs of this Endowment Foundation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

### **Section 6. Duties**

It shall be the duty of the Directors to:

(a) Conduct, manage and control the affairs and business of the Endowment and perform any and all duties imposed on them collectively or individually by law, by Articles of Incorporation of this Endowment, or by these Bylaws.

(b) Appoint and remove, employ and discharge and except as otherwise provided in these Bylaws, by law or by the Articles of Incorporation, prescribe the powers, duties and fix the compensation, if any, of agents and employees of the Endowment Foundation.

(c) Supervise all officers, agents and employees of the Endowment Foundation to assure that their duties are performed properly.

(d) Meet at such times and places as required by these Bylaws.

(e) Register their addresses with the Secretary of the Endowment Foundation, and notices of meetings mailed or communicated to them at such addresses shall be valid notices.

### **Section 7. Compensation**

The Directors shall receive no compensation for their services as Directors. They shall be allowed reasonable advancement or reimbursement for expenses incurred in the performance of their regular duties as specified in Section 6 of this Article.

### **Section 8 Quorum**

A majority of the Directors shall constitute a quorum for the transaction of business.

### **Section 9. Place of Meeting**

(a) Regular meetings of the Board of Directors shall be held at any place, within or without of the state, that has been designated from time to time by resolution of the Directors or by written consent of all the Directors. In the absence of this designation, regular meetings shall be held at the principal office of the Endowment Foundation.

(b) Special meetings of the Directors may be held either at a place designated or at the principal office.

(c) Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another.

### **Section 10. Time of Meeting**

(a) The regular meetings of the Directors shall be held quarter-annually on a day determined by the Directors, provided that this day may be changed by arrangement one month in advance for good cause.

(b) Special meetings of the Directors shall be called by the President, whenever deemed necessary or upon the request of two (2) Directors, 48 hour notice having been given.

### **Section 11. Waiver of Notice and Consent to Holding Meetings**

The transactions of any meetings of the Directors, however called and noticed and wherever held, shall be as valid as though they had been transacted at a meeting held after regular call and notice, if a quorum is present and if either before or after the meeting each of the Directors not present signs a written waiver of notice or a consent to hold the meeting or an approval of the minutes. All such waivers consents, or approvals shall be filed with the Endowment Foundation records or made a part of the minutes of the meeting.

### **Section 12. Action Without a Meeting**

Any action by the Directors may be taken without a meeting if all Directors, individually or collectively, consent in writing to this action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

### **Section 13. Conduct of Meeting**

(a) Meetings of the Board of Directors shall be presided by the President of the Endowment Foundation or, in his or her absence, by the Vice President of the Endowment Foundation or, in the absence of each of these persons, by a Chairman chosen by a majority of the Directors present at the meeting. The Secretary of the Endowment Foundation shall act as Secretary of all meetings of the Board, provided that in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

(b) Meetings shall be governed by Roberts' Rules of Order as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this Endowment Foundation, or with provisions of law.

**Section 14. Indemnification by Endowment Foundation of Directors, Officers, Employees and Other Agents**

To the extent that a person who is, or was, a Director, officer, employee or other agent of this Endowment Foundation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceedings brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the Endowment Foundation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding. If such a person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this Endowment Foundation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law. Nothing contained in this Article shall prohibit the Endowment Foundation from purchasing and maintaining insurance on behalf of any officer, Director, employee, or agent of the Endowment Foundation against any liability asserted against or incurred by any such persons in such capacity or arising out of such person's status whether or not the Endowment Foundation has the power to indemnify said persons against such liability under the provisions of this Article or under the provisions of Section 5238 of the California Nonprofit Corporation Law; provided however, that this Endowment Foundation shall have no power to purchase or maintain such insurance to indemnify any of said persons of the Endowment Foundation for a violation of any self-dealing transaction.

**Section 15. Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Endowment Foundation.

**Section 16. Removal and Resignation**

Any Director may be removed, either with or without cause, by the majority vote of the membership, at any time, or at the discretion of the Board of Directors upon a Director missing two successive Board meetings without good cause. Any officer or Director may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Endowment Foundation. Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## ARTICLE VII

### OFFICERS

#### **Section 1. Number of Officers**

The officers of this Endowment Foundation shall be a President, a Vice President, a Treasurer and a Secretary. Each such officer shall be elected by the Board of Directors at its last meeting of each fiscal year to serve for the next fiscal year, and must be a member of the Board of Directors and may, but need not be, an officer of the Rotary Club of Cupertino. The Board of Directors may appoint or elect other officers. **(REV. and approved by CREF BOD 7.16.14 and at CREF's Annual Mtg 3.18.15)**

#### **Section 2. Removal and Resignation**

Any officer may be removed, either with or without cause, by the majority vote of the Board at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Endowment Foundation, Any such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **Section 3. President**

Subject to the control of the Directors, the President shall have general supervision, direction, and control of the business and affairs of the Endowment Foundation. He or she shall preside at all meetings as may be prescribed from time to time by the Directors.

#### **Section 4. Vice President**

In the absence or disability of the President, the Vice President shall perform all the duties of the President and in so acting shall have all powers of the President. The Vice President shall have such other powers and perform such other duties as may be prescribed from time to time by the Directors.

#### **Section 5. Treasurer**

The Treasurer shall receive and safely keep all funds of the Endowment Foundation and deposit them in the bank or banks or other depositories that may be designated by the Directors; shall disburse or cause to be disbursed the funds of the Endowment Foundation as may be directed by the Board of Directors, taking proper vouchers for such disbursements; shall keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses; and shall prepare, or cause to be prepared, the financial statements to be included in any required reports. An annual report (or more frequently if deemed appropriate by the Directors) shall be prepared by the treasurer, and shall be available to all members upon written request. The treasurer shall oversee the preparation and filing of required federal and state tax forms.

The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Directors.

#### **Section 6. Secretary**

The Secretary shall keep a full and complete record of the proceedings of the Board of Directors, shall keep the seal of the Endowment Foundation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such as may be necessary or proper, shall supervise the keeping of the records of the Endowment Foundation, and shall discharge such other duties of the office as prescribed by the Directors.

### **ARTICLE VIII EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

#### **Section 1. Execution of Instruments**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Endowment Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Endowment Foundation, as such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Endowment Foundation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose in any amount.

#### **Section 2. Checks and Notes**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, and orders for the payment of money, shall be signed by the President, Vice President, Treasurer or Secretary. However, for checks in the amount of One Thousand (\$1000) or more, the signature of any two of the above officers shall be required.

#### **Section 3. Deposits**

All funds of the Endowment Foundation shall be deposited from time to time to the credit of the Endowment Foundation in such banks, trust companies or other depositories as the Board of Directors may select.

#### **Section 4. Gifts**

The Board of Directors may accept on behalf of the Endowment Foundation any contribution, gift, bequest, or devise for the charitable or public purposes of this Endowment Foundation.

**ARTICLE IX  
AMENDMENT OF BYLAWS**

These Bylaws may be amended or replaced and new Bylaws adopted by the vote of a majority of the Members at any Members' meeting with a quorum present.

**ARTICLE X  
DEDICATION AND DISSOLUTION**

The property of this Endowment Foundation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this Endowment Foundation shall ever inure the benefit of any Director or officer thereof, or to benefit of any private persons. On the dissolution or winding up of the Endowment Foundation, its assets remaining after payment of, or provision for the payment of, all debts and liabilities of this Endowment Foundation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Internal Revenue Code Section 501(c)(3).

**ARTICLE X1  
SELF-DEALING TRANSACTIONS**

**Section 1.**

Any duality of interest, possible conflict of interest or "self-dealing transactions" on the part of any Director shall be disclosed to the other Directors of the Endowment Foundation and made a matter of record when appropriate or when the transaction becomes a matter of Endowment Foundation action.

**Section 2.**

No transaction in which a Director has a material financial interest shall be approved unless and until the Endowment Foundation does all of the following things and enters a record of said things upon the written minutes of the meeting at which said things were done:

- (a) Makes a finding that the Endowment Foundation is entering into a transaction for its own benefit.
- (b) Makes a finding that the transaction is fair and reasonable to the Endowment Foundation at the time the Endowment Foundation enters into the transaction.
- (c) Prior to consummating the transaction or any part thereof, the Endowment Foundation authorizes or approves the transaction in good faith by a majority of the Directors then in office without counting the vote of the interested Director or Directors and with the knowledge of the

material facts concerning the transaction and the Director's interest in the transaction. No action by a committee of the Endowment Foundation shall satisfy this requirement.

(e) Prior to authoring or approving the transaction, the Endowment Foundation considers and in good faith determines after reasonable investigation under the circumstances that the Endowment Foundation cannot obtain a more advantageous arrangement with reasonable effort under the circumstances or the Endowment Foundation in fact cannot obtain a more advantageous arrangement with reasonable effort under the circumstances.

**Section 3.**

The foregoing requirements shall not be construed as preventing the interested Endowment Director from briefly stating his position in the matter, nor from answering pertinent questions of other Directors, since his knowledge may be of great assistance.

**Section 4.**

Any new Member of the Endowment Foundation shall be advised of this policy upon entering on the duties of the office.