

Bylaws of the Rotary Club of League City
Foundation Board - May 2019

Article 1 Definitions

1. Board: The Board of Directors of this Foundation.
2. Director: A member of The Rotary Club of League City Foundation Board.
3. Member: A member, other than an honorary member of the Rotary Club of League City.
4. RI: Rotary International, an Illinois Corporation.
5. Year/Rotary Year: The twelve-month period that begins on 1 July.
6. Foundation: The 501c(3) corporation known as the Rotary Club of League City Foundation.
7. Club: The Rotary Club of League City. The Club is a tax exempt charitable corporation under Rotary International's 501c(4) status.
8. Foundation: The Rotary Club of League City Foundation is a charitable corporation chartered in the State of Texas. The Rotary Club of League City Foundation is a tax deductible, charitable corporation.

Article 2 Board

The governing body of this corporation shall be the board consisting of all past presidents of the club who are members of the club in good standing, and the current president and the current president-elect of the Rotary Club of League City.

Article 3 Appointment of Directors

Section 1 - Appointment - At the first regular meeting in July, the immediate past president of the Club will take over as the Foundation Club President.

Section 2 - Terms - The President of the Foundation shall serve a one-year term. The directors, who will consist of the current club president, current president-elect and past presidents of the club who are members in good standing will serve on the board.

Section 3 - Qualifications - Each director will be a past president, current club president, current club president-elect, and a member in good standing of the Rotary Club of League City.

Section 4 - Vacancy - A vacancy in the board may be filled by action of the remaining board.

Section 5 - Resignation - Any board member may resign by letter addressed to the president of the Foundation. His or her resignation shall take effect when indicated and without the need of formal acceptance.

Article 4 Duties of Directors

Section 1 - President - The president shall be the senior ranking officer of the Foundation and shall supervise all the operations and activities of the Foundation. The president shall appoint the members of all committees and shall be a member of all committees.

Section 2 - Treasurer - The treasurer shall have charge and custody of, and be responsible for all funds and securities of the Foundation; receive and give receipts for moneys due and payable to the Foundation from any other source; deposit all moneys in the name of the Foundation in banks or other depositories as provided in the By-laws or as directed by the Foundation Board.

Article 5 Meetings

Section 1 - Annual Meeting - An annual meeting of this foundation shall be held on the 3rd Wednesday of June.

Section 2 - Regular Meetings - Regular meetings of the board shall be held on the 3rd Wednesday of the month in October, January, and April.

Section 3 - Board Quorum - A majority of the Board shall constitute a quorum of the board.

Article 6 Accounts

The Rotary Club of League City Foundation shall maintain an account and any and all other accounts separate from the operating account of The Rotary Club of League City.

Article 7 Method of Voting

The business of this foundation board shall be transacted by *viva voce* vote. The board may determine that a specific resolution be considered by ballot rather than by *viva voce* vote. Ballots may also be distributed electronically.

Article 8 Finances

Section 1 - Budget - Expenditure of funds is planned through a Foundation Budget prepared by the current Club President-elect prior to the April Foundation Board meeting. This budget shall be reviewed by the foundation and club boards jointly.

Section 2 - Depository - The treasurer shall deposit all foundation funds in a bank, or other depository, named by the board.

Section 3 – Payments - All requests for payments, that have been authorized and approved as a budget expense shall be paid by the treasurer or president of the foundation board. Any request for payment that is not an authorized budget expense must be approved by the foundation board.

Section 4 – Review - A thorough review of all financial transactions of the previous fiscal year shall be done by a review committee by September 30th of each year. The review committee shall consist of (total of four) Rotary Club of League City members who are appointed by the presidents of The Club and The Foundation (2 each). The results of the review will be presented to the Boards of both organizations. The review committee members shall not be members of The Club or The Foundation Boards.

Section 5 - Fiscal Year - The fiscal year of the Foundation shall extend from July 1 to June 30.

Article 9 - The Relationship between the Rotary Club of League City and The Rotary Club of League City Foundation

Section 1 - Funds - All charitable funds received by the Club or Foundation shall be deposited in the Foundation account. Non-charitable contributions and club dues shall be deposited into the Club operating account.

Section 2 - Budgeting - Before the beginning of a new Rotary Year on July 1st, the boards serving after that date shall meet in joint session to hear the Club's President Elect suggestions for expenditures for the next Rotary year. The President Elect will work with the boards to obtain a consensus budget for the next Rotary year. This budget **MUST** be approved by the third Wednesday in June.

Section 3 - Project Selection and Approval - At the first meeting of the boards in a new Rotary year, the new Presidents of each entity will present a budget for the projects to their respective boards. Approval of the proposed budget is required from each of the entity's boards.

Section 3.1 - Projects - Any project not addressed by the approved budget shall be presented to the Club and Foundation board for approval.

Section 3.2 - Approval - Both boards must approve any projects funded by the Rotary Club of League City Foundation.

Section 3.3 - Resolution of Disputes - Should the two boards fail to independently agree on a project, then the first attempt at resolution is to convene a joint meeting between the two boards, chaired by the President of the Club. If this joint meeting does not result in a resolution, then the dispute is to be referred to a Dispute Resolution Committee as defined below. The decision of the Dispute Resolution Committee will be binding on both boards.

Section 4 - Dispute Resolution Committee - The Dispute Resolution Committee shall consist of 5 members of The Club who are not members of either board. Three members will be appointed by the Club Board and two members by the Foundation Board.

Article 10- Indemnity

The Foundation shall indemnify and hold harmless each person who is or shall be a trustee or officer against expenses, including, without limitation, attorney's fees disbursements and costs actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceedings, whether civil or criminal, in connection with any appeal therein, in which he or she is a party by reason of being or having been a trustee or officer of the Foundation and against the judgments, fines or penalties, resulting from such action, suit or proceeding, when the settlement appears to be in the best interest of the Foundation except for any matters to which he or she may be finally adjudged to be guilty of gross negligence or misconduct in the performance of his or her duties of the Foundation.