

BY-LAWS

Of

SALISBURY ROTARY CLUB FOUNDATION, INC. (Adopted May 29, 2018)

ARTICLE 1 NAME, PURPOSES, MISSION, LOCATION, CORPORATE SEAL AND FISCAL YEAR.

Section 1.1 Name and Purposes. The name and purposes of the corporation shall be set forth in the articles of the organization. Notwithstanding any other provision of these by-laws, the Foundation is organized for one or more of the purposes specified in Section 501 ©(3) of the Internal Revenue Code and shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501©(3) of the Internal Revenue Code.

Section 1.2 Mission Statement. The mission of the Foundation is to receive funds from donors and other sources and to use these funds for local, national and international charitable projects, including the provision of scholarships pursuant to our Scholarship, Welcome Home, Back to School for Health and similar programs designed to permit qualified students to extend their education. The Foundation is to operate separate and distinct from the Rotary Club of Salisbury.

Section 1.3 Location. The principal office of the corporation in the State of Connecticut shall initially be located at 326 Main Street, Lakeville, Connecticut.

Section 1.4 Corporate Seal. The Directors may adopt and alter the seal of the corporation.

Section 1.5 Fiscal Year. The fiscal year of the corporation shall, unless otherwise decided by the Directors, be from July 1st through June 30th.

ARTICLE 2 MEMBERS AND QUORUM

Section 2.1 Number and Qualification. The members of the corporation shall be all of the members of the Rotary Club of Salisbury then in good standing.

Section 2.2 Quorum. A quorum for all purposes, e.g. elections and amendments to the by-laws, shall be one third of the membership.

ARTICLE 3 PERSONAL LIABILITY

The members, directors and officers of the corporation shall not be personally liable for any debt, liability, or obligation of the corporation. All persons, corporations, or other entities contracting with, or having any claim against the corporation, may look only to the funds and property of the corporation for the payment of any such contract or claim, or of any money that may be otherwise become due or payable to them from the corporation.

ARTICLE 4 ELECTION OF OFFICERS AND DIRECTORS

Section 4.1 The Board of Directors of the Foundation shall consist of the following members: a President and, if available, an immediate past President *ex officio*, who has both voice and vote. In the event an immediate past President is not available or willing to serve, a Director shall be elected by the foundation membership as a substitute. Initially, the members shall elect a President and six Directors, two for a three-year term, two for a two-year term and two for a one-year term. Henceforth, upon the expiration of the current President's three-year term, a new President shall be nominated and elected by the foundation membership, and, in addition, two Directors, each serving a term of three years, shall be nominated and elected annually, all of said elections to take place at the regular meeting during which the Rotary Club of Salisbury elects its Officers and Directors. Only members of the Rotary Club of Salisbury for at least 2 (two) years shall be eligible for nomination as President or Directors of the Foundation.

- a. All nominations shall thereupon be voted on at the Club's last meeting in June of each year and the candidates securing the highest number of votes of those members present shall be declared elected.
- b. In the event of a vacancy on the Board, the members shall, at a regular meeting, elect a Director to serve the remaining term of the vacancy.
- c. The President's term is to be three years, and he or she may not be re-elected to that position.

Section 4.2 The new Board of Directors shall meet in July and shall elect from their members a Secretary and a Treasurer.

ARTICLE 5 BOARD OF DIRECTORS

Section 5.1 The Board of Directors shall constitute the governing body of this Foundation. It shall have general control over all officers and committees and may, for good cause, declare any office vacant. It shall constitute a board of appeal from the ruling of all officers and actions of all committees. Appeal may be taken from any decision of the Board of Directors to the membership of the Foundation and such appeal shall be determined by a two-thirds vote of the members present at any regular meeting, and notice of such appeal having been given by the secretary to all members of the Foundation at least 5 (five) days in advance of such meeting.

Section 5.2 The Board of Directors shall receive recommendations for the awarding of financial grants pursuant to charitable programs developed by the Salisbury Rotary Club and determine whether such grants meet the financial

solvency and stability criteria it shall establish for the funds held by the Foundation.

ARTICLE 6 DUTIES OF OFFICERS

Section 6.1 President. It shall be the duty of the President to preside at meeting of the Foundation and the Board of Directors and to perform such other duties as ordinarily pertain to the officers of a corporation.

Section 6.2 Secretary. It shall be the duty of the Secretary to keep all records of the membership, record the attendance at the meetings, send out notices of meetings of the Foundation, board and committees, record and preserve the minutes of such meetings.

Section 6.3 Treasurer. It shall be the duty of the Treasurer to have custody of all funds, accounting for same to the Foundation at its annual meeting and at any time upon demand by the Board of Directors and to perform such other duties as pertain to the office. It shall also be the treasurer's duty to disburse any charitable grants, scholarships, or gifts made from those funds. Upon retirement from office, he or she shall turn over to his or her successor or to the President all funds, books of account, or any other Foundation property in his or her possession.

Section 6.4 Additional Officers. The Membership may elect additional officers as may be appropriate, including a Vice President, an Assistant Secretary, or an Assistant Treasurer.

ARTICLE 7 MEETINGS

Section 7.1 Annual Meetings. The annual meeting of this Foundation shall be held on the first day in July of each year on which the Salisbury Rotary Club meets, at which time the newly elected Directors will be inducted into office. Reports of offices and committees will be given at this time.

Section 7.2 Board of Directors Meetings. Regular meetings of the Board of Directors shall be held quarterly or more often at the President's discretion. Special meetings of the Board of Directors shall be called by the President as deemed necessary, or upon request of two members of the Board, due notice of at least seven days having been given.

Section 7.3 Board of Directors Quorum. A majority of the Directors shall constitute a quorum of the Board of Directors.

ARTICLE 8 METHOD OF VOTING

The business of this organization shall be transacted by voice vote or the show of hands.

ARTICLE 9 COMMITTEES

Section 9.1 The President shall appoint committees or taskforces to carry out Foundation goals as appropriate.

ARTICLE 10 FINANCES

Section 10.1 The treasurer shall deposit all funds of the foundation in some bank or other investment vehicle to be named by the Board of Directors.

Section 10.2 All bills—including grants, scholarships, and gifts—shall be paid only by checks signed by the Treasurer. A thorough audit by a certified public accountant or other qualified person shall be made once each year of all the Foundation's financial transactions if more than \$50,000 is raised during that fiscal year.

Section 10.3 Officers having charge of control of funds shall give bond as may be required by the Board of Directors for the safe custody of the funds of the Foundation, cost of bond to be borne by the Foundation.

Section 10.4 At the beginning of each Fiscal year the Board of Directors shall prepare or cause to be prepared a budget of estimated income and estimated expenditures 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 10.5 All Foundation funds shall be used for Foundation purposes only. No funds shall be used to support the operating budget of the Rotary Club of Salisbury.

Section 10.6 All grants, scholarships, and gifts made by the Foundation are to be awarded on the qualification and merits of the applicant with no discrimination on the basis of race, creed, gender or other irrelevant qualities. No grant, scholarship, or gift shall be made to any individual member of the Foundation or to a member's immediate family.

Section 10.7 No part of the net earnings of the Foundation shall inure to the benefit of any member, Director, or Officer of the Foundation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Foundation) except as a grant, scholarship, or gift meeting the charitable criteria established by the Foundation, and no member, Director, Officer, or any private individual shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Foundation.

ARTICLE 11 POWERS CLAUSE

The Board of Directors shall have the following specific duties:

- a. To hold, invest, manage, and administer all funds and property of the Foundation. In furtherance of this responsibility, in addition to the powers otherwise granted by statute or these bylaws, the Directors are authorized to do the following:
 - i. To sell, lease, transfer, or exchange all or any part of the property of the Foundation at such prices and upon such terms and conditions and in such manner as they may deem best.

- ii. To execute and deliver any proxies, powers of attorney, or agreements that they may deem necessary or proper and that may be permitted by law;
- iii. To invest and reinvest in such loans, securities, or real estate as they may deem suitable for the investment of Foundation Funds.
- iv. To determine whether money or property coming into their possession shall be held as unrestricted funds for the accomplishment of the general purposes of the Foundation or shall be held as restricted or endowment funds for the accomplishment of specific purposes, and to charge or apportion expenses or losses to restricted or unrestricted funds as they deem just and equitable;
- v. To select and employ suitable agents and attorneys, including the employment of investment managers to who may be delegated such powers in managing and investing the funds of the corporation as the Directors may deem advisable, and as the laws of the jurisdiction may permit, and to pay their reasonable compensation and expenses.

ARTICLE 12 RESOLUTIONS AND SUBSCRIPTIONS

Section 12.1 No resolution or motion to commit this Foundation on any matter shall be considered by the Foundation until it has been considered by its Board of Directors. If the Board refuses the request, it may be appealed to the Foundation meeting as a whole. Having received the recommendations of the Board, the Foundation may then proceed to take such action as may seem proper to the majority of those members present.

Section 12.2 Any appeal to the Foundation or to its members, for charitable or other subscriptions shall be handled in accordance with the procedure prescribed in Section 12.1 of this Article.

ARTICLE 13 DISSOLUTION

At any regular meeting or at a special meeting called for such purpose a quorum being present, by a three-quarters vote of all members present the Foundation may be dissolved, provided that such notice of a proposed dissolution shall have been mailed to each member at least ten days before such meeting.

Upon vote of dissolution all assets remaining, after satisfying all liabilities, shall be gifted without consideration at the discretion of the Board sitting as such at the time of dissolution, to an IRS Code Section 501 (c) (3) organization(s) or to the federal, state or local government for a public purpose, subject to the approval of a Judge of the Superior Court of Connecticut. The decision of the Board shall be final and binding upon members and former members.

ARTICLE 14 AMENDMENTS

These by-laws may be amended at any regular meeting of the Foundation, a quorum being present, by a two-thirds vote of all members present, provided that notice of such proposed amendments shall have been mailed or e-mailed to each member at least ten days before such meeting. No amendment shall be adopted that would prevent the Foundation from qualifying as an exempt organization under Section 501© (3) of the Internal Revenue Service Code.