

Bylaws

Salida Sunrise Rotary Charitable Fund, Inc.

Salida, Colorado

Article 1. Definitions

1. **Name:** The name of this corporation is Salida Sunrise Rotary Charitable Fund, Inc. In these bylaws, any reference to the Charitable Fund is a reference to the Salida Sunrise Rotary Charitable Fund, Inc.
2. **Board:** The board of directors of this Charitable Fund.
3. **Director:** A member of this Charitable Fund's board of directors.
4. **Fiscal Year:** The twelve-month period that begins on 1 January and ends 31 December.
5. **Principal Address:** The principal address of the corporation is P.O. Box 1044, Salida, CO 81201 in Chaffee County, State of Colorado. This address may be changed by the board of directors as required.

Article 2. Nonprofit Purposes

Section 1. IRC Section 501(c)(3) Purposes. This public charity corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes. The specific objective and purpose of this corporation shall be to benefit charitable programs in Chaffee County, Colorado and elsewhere, specifically including, but not limited to, a focus on service to local youth, education, the environment, community service and international projects. This corporation is the charitable funding vehicle for much of the work of the Salida Sunrise Rotary Club in Salida, Colorado.

Article 3. Board of Directors

Section 1. Directors. The corporation shall have at least three (3) and no more than nine (9) directors and collectively they shall be known as the board of directors. It is recommended that the directors include the past president, current treasurer and the Budget and Finance Committee chairperson of the Salida Sunrise Rotary Club.

Section 2. Election of Directors. New directors shall be elected by the board of directors in the fourth quarter of the Charitable Fund's fiscal year and at any time there is a vacancy resulting from a resignation or removal.

Section 3. Term of Office. Unless otherwise specified, directors will be elected to serve on the board for two (2) years. Terms for the directors should be staggered to provide for continuity at the board level from year to year. Any director shall be eligible to serve without limitation on the number of terms, provided he or she continues to meet the qualifications required by Section 4.

Section 4. Qualifications. Directors shall be of the age of majority in this state. Any member of the Salida Sunrise Rotary Club of Salida, Colorado may serve as director of this

corporation.

Section 5. Powers. Subject to the provisions of the laws of Colorado and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

Section 6. Duties of Directors. It shall be the duty of all directors of the Charitable Fund to:

- Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers and agents of the corporation;
- Supervise all officers and agents of the corporation to assure that their duties are performed properly;
- Meet at such times and places as required by these bylaws;
- Register their addresses with the secretary of the corporation, and notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.

Section 7. Compensation. The directors shall serve without compensation, except that they shall be reimbursed for their actual expenses properly incurred on behalf of the corporation.

Section 8. Vacancies. Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may be removed, either with or without cause, by the board of directors, at any time and as permitted by and in accordance with the laws of this state.

Any director may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of 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. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the board of directors. A person elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office.

Section 9. No Director Liability. The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 10. Indemnification by Corporation of Directors and Officers. The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Section 11. Insurance For Corporate Agents. Except as may be otherwise provided

under provisions of law, the board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

Article 4. Officers

Section 1. Officers. On the board of directors, there will be a minimum of three officers defined: a president, secretary and treasurer. Other officers may be determined from time to time by the board of directors.

Section 2. Election of Officers. Officers shall be elected by the board of directors in the fourth quarter of the Charitable Fund's fiscal year and at any time there is a vacancy resulting from a resignation or removal. When possible, the president shall be the past president of the Salida Sunrise Rotary Club and the treasurer shall be the treasurer of the Salida Sunrise Rotary Club.

Section 3. Term of Office. Unless otherwise specified, officers will be elected to serve for one (1) year. Any officer shall be eligible to serve without limitation on the number of terms, provided he or she continues to meet the qualifications required by Section 4.

Section 4. Qualifications. Any director on the board of the Salida Sunrise Rotary Charitable Fund, Inc. of Salida, Colorado may serve as an officer of this corporation.

Section 5. Duties of President. The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. The president shall preside at all meetings of the board of directors. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

Section 6. Duties of Vice President. If a vice president is elected, then in the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

Section 7. Duties of Secretary. The secretary shall:

- Certify and maintain on the Salida Sunrise Rotary Club's website a copy of these bylaws as amended or otherwise altered to date.
- Post on the Salida Sunrise Rotary Club's website, or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names

- of those present or represented at the meeting, and the proceedings thereof.
- Post on the Salida Sunrise Rotary Club's website, or at such other place as the board may determine, any significant documents and records of the Charitable Fund.
- See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.
- In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Section 8. Duties of Treasurer. The treasurer shall:

- Have charge and custody of, and be responsible for, all funds and securities of the corporation. Ensure that appropriate financial systems and controls are in place.
- Oversee and present budgets, accounts and financial statements to the board of directors monthly and as requested. Present regular reports on the Charitable Fund's financial position.
- Deposit, or cause to be deposited by a bookkeeper, all funds in a timely manner in the name of the corporation in such banks or depositories as shall be selected by the board of directors.
- Share documentation about all contributions to the appropriate program committee(s).
- Disburse, or cause to be disbursed by a bookkeeper, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.
- Maintain, or cause to be maintained by a bookkeeper, adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
- Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.
- Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. Ensure required IRS forms are filed. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Article 5. Meetings

Section 1. Regular Meetings. The Charitable Fund board will meet at least quarterly. Two of those meetings will be held on the day of the Salida Sunrise Rotary Club meetings when there are proposed funds disbursements brought forward by the Salida Sunrise Rotary Club Budget and Finance committee. The other two meetings will occur outside of the Salida Sunrise Rotary Club's normal Wednesday meeting, however they will be open to all members of the club.

At a meeting of directors held in the fourth quarter of the fiscal year, directors shall be elected by the board of directors. Voting for the election of directors shall be by written ballot. Each director shall cast one vote per candidate, and may vote for as many candidates as the number of candidates to be elected to the board. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected to serve on the board. The board will also elect officers to serve for the following fiscal year.

Section 2. Special Meetings. Special meetings of the board of directors may be called by the president, the vice president (if defined), the secretary, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of

the board.

Section 3. Quorum. A majority of the directors shall constitute a quorum of the board. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

Article 6. Execution of Instruments and Financials.

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 corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer or agent shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or 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, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by either the treasurer or the president of the corporation, or by such other officer or agent as duly authorized by the board of directors. Two signatures will be required on expenditures over \$1000.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 4. Gifts and Contributions. The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

Section 5. Budget. Prior to the beginning of each fiscal year, the Salida Sunrise Rotary Club Budget and Finance Committee along with the Charitable Fund treasurer shall prepare a budget of estimated income and expenditures for the year

Section 6. Review. A thorough review of all financial transactions by a qualified person shall be made once each year.

Section 7. Accounting Codes. There will be account codes to distinguish the monies associated with each major fund category and/or project.

Article 7. Corporate Records and Reports.

Section 1. Maintenance of Corporate Records. The Charitable Fund shall maintain in its official recordkeeping:

- 1) Minutes of all meetings of directors, committees of the board, and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- 2) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- 3) A copy of the corporation's articles of incorporation and bylaws as amended to date.

Section 2. Directors' Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 3. Right To Copy And Make Extracts. Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 4. Periodic Report. The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state within the time limits set by law.

Article 8. IRC 501(c)(3) Tax Exemption Provision

Section 1. Limitations on Activities. No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501 (h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement. No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets. Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 4. Private Foundation Requirements and Restrictions. In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

Article 9. Conflict of Interest and Compensation Approval Policies

Section 1. Purpose of Conflict of Interest Policy. The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

- 1) **Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- 2) **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
 - b) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
 - c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures.

- 1) **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

- 2) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- 3) **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The president of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- 4) **Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article 10. Amendment of Bylaws. Except as otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

ADOPTION OF BYLAWS

The above stated bylaws of the Salida Sunrise Rotary Charitable Fund, Inc. were approved by the current board of directors on Monday, March 6, 2017, and constitute a complete copy of the bylaws of the corporation.