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Rotary  
International  
District 5240,  
Inc.

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Bylaws

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Updated April 28, 2014

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**Rotary International District 5240, Inc.**  
**Amended and Restated**  
**Bylaws**  
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# Rotary International District 5240, Inc. Amended and Restated Bylaws

## *Article 1– Name and Authority*

1.1 **Name.** The name of this organization shall be Rotary International District 5240 (“District”).

1.2 **Authority.** The authority for the District comes from the Bylaws of Rotary International and the Corporations Code of the State of California.

1.3 **Incorporation.** The District was incorporated under the Corporations Code of the State of California on November 23, 1982. as a Nonprofit mutual benefit corporation and is organized under the non profit Mutual Benefit Corporation Law .

## *Article 2 – Office*

2.1 A District office shall be established and maintained as a centralized permanent office to provide continuity and safe keeping for the District records and database information; to aid in the efficient storage and dissemination of Rotary International (“RI”) forms, documents, and materials for the use of Board of Directors (“Board”), District Clubs and Rotary Officers; and to assist each successor District Governor (“DG”).

2.2 The district office is intended to be a continuing function of the District and shall function as a primary source of historical information and data for incoming District Governors.

2,3 The Board shall have the full power and authority to change the location from time to time.

## *Article 3 – Mission*

The purpose of the District is to support Rotary International, support its members in fulfilling the Object of Rotary, support its member clubs in developing vibrant organizations, expand Rotary to communities in the District, foster unity among Rotary clubs and the community in general, encourage member clubs to increase their membership base, help member

clubs to implement successful projects in their communities and in communities in other countries, develop leaders capable of serving in Rotary beyond the club level and encourage financial support of the Rotary Foundation.

## ***Article 4 – Members***

4.1 All Rotary clubs, as designated by Rotary International, shall be members of the District (“Member Clubs”).

4.2 The number of Member Clubs in the District shall be set by Rotary International.

4.3 Member Clubs shall pay dues to the District on a semi-annual basis and at rates per club member.

## ***Article 5 – Governance***

5.1 ***Administration.*** Where consistent with California law, the administration of the District shall be according to the RI Constitution and Bylaws, in particular Article 15 of the Bylaws (as printed in the 2010 Edition of the Manual of Procedure), and according to these Bylaws . Whenever any conflict may exist between these Bylaws and the RI Constitution and Bylaws , the RI Constitution and Bylaws shall take precedence and prevail. In the event of a conflict between the California laws and these Rotary bylaws, the State laws shall prevail.

5.2 ***Documentation.*** The purpose, authority, structure, responsibility, and staffing of the District shall be governed by the documents enumerated below in order of seniority (hereinafter collectively the “Governance Documents”), the authority for which are established by this section, and which documents are incorporated herein by reference in their entirety. In the event of any inconsistency or conflict between these documents, the senior document shall always prevail.

- a. District Bylaws
- b. District Operating Manual
- c. District Leadership Plan

### ***5.3 District Governance Organization***

The District shall be administered by the DG under the guidance of the Board.

**5.4 Board of Directors.** The governing body of the District shall be its Board. The Board shall consist of 5 voting members and 3 non-voting members as follows:

- a. Voting
  - i. District Governor. The DG shall serve as the Chairman of the Board and shall be the Chief Executive Officer of the District.
  - ii. Immediate Past District Governor (or most recent available)
  - iii. District Governor Elect (“DGE”)
  - iv. District Governor Nominee (“DGN”)
  - v. Director at Large who shall be
    - 1. A Rotarian in good standing in a Member Club in the District.
    - 2. A Past President of a Rotary Club.
    - 3. Nominated by the DG with whom he/she will serve and elected by majority vote of the other 4 members with the DG having two votes in the event of a tie.
- b. Non-Voting
  - i. District Governor Nominee Designate
  - ii. District Secretary
  - iii. District Treasurer

**5.5 District Governor.** The DG is an officer of Rotary International, functioning under the general control and supervision of the Rotary International Board of Directors. The DG is charged with the duty of furthering the Object of Rotary by providing leadership to and supervision of the clubs in the District. In addition to the detailed description of the DG’s responsibilities detailed in Duties of a Governor, in Section 15.090 of the Rotary Manual of Procedure, the DG shall publish a District Directory by July 1 of the Rotary year.

**5.6 Successor Governors**

a, **District Governor Elect**

- i. The DGE shall be nominated following the procedure in Section 13.020 of the Manual of Procedure and Article 6 of these Bylaws. The DGE is elected by the annual Convention of Rotary International one year prior to his/her year of service as DG and shall take office as DGE on July 1 of the year following that RI Convention. He/She shall work with the District Governor, and is responsible for:
  - 1. attending the International Assembly of Rotary International;
  - 2. attending the Zone Institute/GETS (Governor Elect Training Session);

3. planning, developing and presiding at PETS and the District Assembly;
4. performing all other duties as inherent in his/her responsibility as District Governor-Elect; and
5. Attending the Rotary International Convention when possible.

ii. **Term.** DGE will serve for 1 year commencing July 1<sup>st</sup> of the year immediately after having served as DGN.

iii. **Qualifications.** At the time of taking office, the DGE must continue to have the qualifications set forth below for the District Governor Nominee Designate (“DGND”). Further, he/she must have successfully completed the duties of the DGN.

b. **District Governor Nominee**

i. **Nomination.** The District Governor Nominee(s) shall be nominated following the procedure in Section 13.010 of the Manual of Procedure and Article 6 of these Bylaws. He/she shall assume office on July 1 of the year he/she is nominated. He/She shall work with the DG, the DGE and other district leaders assisting as necessary and preparing for his/her year of service.

ii. **Term.** DGN will serve for 1 year commencing July 1<sup>st</sup> of the year immediately after having been selected as DGND.

iii. **Qualifications.** At the time of taking office, the DGN must continue to have the qualifications set forth below for the DGND.

iv. **Staffing.** The DGN is encouraged to start appointing people to fill the positions in the District Governance organization chart. These staff appointees are encouraged to work with their counterparts on the staff of the current DG to help provide continuity to the administration of the District.

v. **Duties.** As an incoming officer of RI, the DGN should

1. Begin to prepare for the role of governor
2. Foster continuity by working with past, current, and incoming District leaders to support effective clubs
3. Attend District meetings when possible, at the invitation of the DG or DGE
4. Participate in District committees or other activities, as may be suggested by the DG or DGE
5. Attend DGN training sessions and seek other training if available
6. Attend training in leadership skills

vi. **Assignments.** The DG and DGE should provide the DGN:

1. The opportunity to request specific responsibilities or assignments in connection with District committees or district organization

2. Invitations to attend as an observer any or all District meetings
3. A proper introduction at the District conference and an opportunity to be part of the organizing committee as an observer
4. The opportunity to participate in all strategic planning efforts and long-term appointments in the District

c. ***District Governor Nominee Designate***

- i. Term. DGND will serve until June 30 of the year in which selected as Nominee Designate.
- ii. Qualifications. As set forth in the RI Manual of Procedures.
- iii. Selection Process. The selection process shall be as set forth in Article 6 of these Bylaws.

5.7 ***District Rotary Foundation Chair (DRFC)***. The DRFC shall be appointed in accordance with the policies of The Rotary Foundation.

5.8 ***Others***. The DG and the DGE and DGN shall have the right to appoint officers, committees or staff, as provided in the Governance Documents, to assist them during their year as DG in accordance with these Bylaws and the Governance Documents.

5.9 ***Administrative Aide***. The DG shall have the authority to hire an Administrative Aide to assist the Governor as required. When a vacancy occurs in the Administrative Aide position, a replacement shall be selected by the current Board. The Administrative Aide shall be an employee of the District with primary duties and responsibilities as stated in the Leadership Plan. The DG, in conjunction with the Board, shall review the performance of the Administrative Aide annually before the thirty first day of December. Recommended salary and/or fringe benefit adjustments as deemed appropriate will be approved by the Board. Approved changes and/or modifications will then be referred to the District Treasurer for inclusion in the next year's budget for the District with any adjustment to take effect on the first day of the new Rotary fiscal year.

5.10 ***Compensation***. With the exception of the Administrative Aide, no governor, officer, director, or staff of the District shall be entitled to compensation for services rendered. DG's are entitled to receive reimbursement of certain expenses from Rotary International and District officials may be entitled to reimbursement from the District for certain expenses as approved by the Board.

## ***Article 6 – District Governor Nomination & Election***

6.1 The nominating procedure for DGND shall be as described in the Rotary International Bylaws, the Rotary International Manual of Procedure and as provided herein.

6.2 Composition of the Nominating Committee (*update April 28, 2014*)

a. The District Nominating Committee (“Committee”) shall include the two (2) most recent available Past District Governors (“PDG”), with the most senior PDG serving as the non-voting chair and the junior PDG serving as the voting vice-chair. In the event that either cannot serve, the DG will appoint an available PDG as a replacement. The Committee will also include the Assistant Governors who are serving in their offices during the current Rotary year. Assistant Governors unable to fulfill this obligation shall immediately notify the Committee Chair and the District Governor. The immediate past Assistant Governor of the affected Group will be requested to assume the position on the Committee. If the immediate past Assistant Governor of the affected Group is not available, the sitting Group itself will select, by consensus, a current club president from the Group to represent the Group on the Committee. The Committee Chair and the District Governor shall be notified of the selected Committee member no later than 7 days prior to DGND Committee selection meeting. If the Committee Chair and the District Governor are not notified within the specified timeframe, the Group will not be represented at the DGND Committee selection meeting.

b. Of the eligible Assistant Governors or their duly appointed replacement as noted above and Voting PDG [e.g. electors], a quorum shall consist of a simple majority of electors. These electors must be present when the Committee convenes and when the vote is taken. Proxies are not allowed and will not be counted.

c. The chair of this Committee normally serves in a non-voting capacity except in the event of a tie vote in which case the chair will cast the tie-breaking vote.

6.3 The District Parliamentarian shall be present during all deliberations of the Committee.



- a. The District Parliamentarian shall monitor procedures and practices as the Bylaws and the provisions of this Section may prescribe them. In the performance of his/her duties, he/she is authorized and required to terminate Committee deliberations should they, in his/her judgment, prejudice fairness or compliance with appropriate regulations.
- b. In the event of such a termination of Committee deliberations, the DG is directed to reconvene the Nominating Committee under the control of the vice-chair.

6.4 The DG or the Chair of the Committee, if so directed, shall before July 15th of each year, advise each club in the District that applications for the position of DGND will be accepted through October 1 and that Statement of Service Forms, attached hereto as Exhibit "A" and incorporated herein by reference, will be available from the Governor, the Chair or the District website; and advise each club of the date, time and location of the meeting of the Nominating Committee. Applications received by the DG shall be forwarded to the Chair of the Committee.

6.5 The sponsoring club shall have the responsibility for:

- a. If by regular surface mail, preparing and mailing 15 copies of all application documents which will include two original 3" x 4" minimum to 5" x 7" maximum, black and white, head and shoulders photos of the candidate; and the candidate's completed Statement of Service form. The other photos may be Xerox-type reproductions.
- b. If by e-mail, preparing the application documents, which will include a 3" x 4" minimum to 5" x 7" maximum black and white, head and shoulders photo of the candidate, then sending the completed application documents to the DG no later than October 1 .
- c. Assigning a club member to make an oral presentation of the club's candidate to the Nominating Committee at the time of the interview. Unless a member of the candidate's home club presents the candidate, he/she will not be eligible to appear before the Committee.

6.6 The Chair of the Nominating Committee shall have the following responsibilities:

- a. Before July 15th of each year, to make and promulgate arrangements for a Committee meeting to be held after October 1st and before October 31st of each year.
- b. To send copies of all the candidate applications and Statement of Service forms to each member of the Committee no later than ten days prior to the convening of the Committee meeting.

- c. To preside over the meeting so as to:
  - i. Verify the original copy of a sponsoring club's nomination resolution, signed by the club president and the club secretary.
  - ii. Verify that each candidate meets the formal requirements for nomination, in accordance with paragraph 15.070 and 15.080 of the RI Bylaws.
  - iii. Clarify the specific duties of a DG.
  - iv. Enable each candidate to reveal his or her intentions and ambitions.
  - v. Allow an overall summary of each candidate's qualifications and suitability.
  - vi. Conduct the meeting of the Committee in a dignified, responsible manner in harmony with the principles of Rotary.
  - vii. Supervise the election of the DGND utilizing a secret ballot vote. A majority vote of the members assembled for the purpose is required to elect the DGND.
  - viii. Advise the DG immediately of the Committee decision prior to public announcement.

6.7 No one besides Committee members and the District Parliamentarian shall be permitted to be present during the deliberations of the Committee leading to the selection of the DGND.

6.8 No one besides the Committee members, the District Parliamentarian and the candidate shall be permitted to be present during each candidate's interview by the Committee.

6.9 At all times during its deliberations to select a DGND, the Committee is precluded from considering and/or discussing or giving any weight whatsoever in its selection of the DGND to any of the following factors:

- a. Whether or not the candidate has been such a candidate in prior years.
- b. The location within the District of the club which nominated the candidate.
- c. The number of Past District Governor's or the recentness of service of any Past District Governor from any of the clubs that have proposed a candidate for selection as DGND.
- d. The age, sex, religion, race, national origin, sexual preference or marital status of any candidate.

6.10 After the DGND has been selected and the Chair has notified the DG, the procedure to be followed shall be as prescribed in the RI Bylaws.

6.11 In the event that the Committee is unable to select a DGND, the procedure for selection shall default to the RI Manual of Procedures.

### ***Article 7 – Meetings, Education & Training***

7.1 It shall be the intent of the District to sponsor, organize and conduct four (4) quarterly meetings annually as further set forth in the Governance Documents. Through the annual District Leadership Plan, the DG shall use his/her best efforts to utilize these meetings as efficiently as possible so as to minimize the impacts of District related meetings for Member Clubs.

7.2 The Board shall meet quarterly in conjunction with the quarterly District meeting. Board meetings may be conducted electronically utilizing procedures as set forth by the Board.

7.3 While business meetings may be scheduled as a part of each quarterly meeting agenda, the required Annual District Business Meeting of the members shall be held in conjunction with the District Conference.

### ***Article 8 – Awards***

8.1 As further defined in Article 7 of the District Operating Manual, the District shall provide objective recognition to Member Clubs upon their successful accomplishment of specific goals during the Rotary year. Such goals shall be communicated to incoming club presidents at PETS each year.

8.2 The DG may also present subjective awards each year as provided in the Governance Documents. Subjective awards may include the following:

- a. Samuel L. Green District 5240 Service Above Self Award
- b. John Padilla Humanitarian of the Year Award
- c. Rotarian of the Year Award

### ***Article 9 – Financial***

9.1 As further set forth in the Governance Documents, the Board is responsible in a fiduciary capacity for the financial affairs of the District.

9.2 The Board, with the assistance of the District Treasurer, shall cause to be prepared an annual operating budget for financing the administration and development of Rotary within the District which will be subject to preliminary approval by the Board and final approval by Member Clubs at PETS. After the

Board has approved the tentative budget, it shall cause this budget to be sent to each club president elect, who will be voting on it at PETS, no less than 30 days prior to PETS.

9.3 Approval of the per capita levy for the following Rotary year, as recommended by the Board, shall take place at PETS by a three-fourths vote of the incoming club presidents in attendance at the PETS meeting.

9.4 The semi-annual District per capita assessment shall be paid by all Rotary Clubs in the District to the District Treasurer based on the total of active (including Rule of 85) members , as of the first day of July and the first day of January of each year as such totals are reported to RI. This assessment shall be paid in two installments, one by July 31<sup>st</sup> each year and the other by January 31<sup>st</sup> each year. Payment of the assessment is mandatory. Upon notification by the DG that a Club has failed for more than six (6) months to pay its per-capita assessment, that Club, by action of the RI Board of Directors, is subject to suspension of Rotary International services and termination of membership in Rotary International. Approval of the per capita levy and the budget for the following Rotary year, as recommended by the Board, shall take place at PETS by a three-fourths (3/4) vote of the incoming club presidents in attendance at the PETS meeting. If three-fourths (3/4) majority is not obtained, the per capita assessment shall remain unchanged from the prior year.

9.5 The District is responsible to assess per capita dues on the Member Clubs and for collection and utilization of those funds.

9.6 A District Reserve Fund shall be established and maintained by the District in the amount of \$20,000 to defray unexpected losses of the District. The term "District Reserve Fund" as used herein shall be deemed to include all funds on hand for all programs as of June 30 of each year less unpaid liabilities. This includes, without limitation, such special fund accounts as PRLS, RYLA, District Assembly and/or District Conference funds. Money in this Fund will be augmented, to the extent necessary, by excess funds from prior year's activities, including any surplus remaining from the District Conference. The Fund shall be managed by the District Treasurer who shall be responsible for annually reviewing the Fund level and making adjustments, as appropriate. The DG, with concurrence of the Board, shall determine if an emergency exists within the District, or within its operations or activities, that warrants expenditure from the Fund.

9.7 At the beginning of the Rotary year, the new DG shall determine the amount of unexpended funds within 45 days after the end of the year. He/she shall then submit a plan to the Board as to how the unexpended funds are to be utilized. The DG shall have the option to send all or portion of unexpended funds to: 1)

the District 5240 Charitable Foundation; 2) to maintain the Reserve Fund balance of \$20,000 as stated in section 9.6 of these Bylaws; or 3) return to Member Clubs. The Board shall consider this plan at their next quarterly meeting to approve or modify the plan. If the plan submitted stipulates that the unexpended funds in excess of the required reserves are to be sent to the District's Foundation for the benefit of the clubs, then such a plan will be deemed as having been approved by the Board without the need for a meeting on this topic.

9.8 The District Treasurer shall be required to be bonded in an amount not less than \$100,000 in the performance of his/her duties.

9.9 Subject to the check-writing limitations and the reporting requirements imposed in these Governance Documents, the DG may authorize bank accounts and cash funds to be established and maintained as required. The DG and the District Treasurer shall be included as signors on every District fund. All accounts will require dual signatures.

### ***Article 10 – Rotary Service Projects***

10.1 District personnel shall make themselves available, to the extent possible, to assist and advise Member Clubs on local, national and international service projects.

10.2 District efforts are to be used to encourage, support and facilitate the member clubs in developing, funding and carrying out service projects. The District will not directly engage in sponsoring such projects.

### ***Article 11– Records & Reports***

11.1 As further defined in these Governance Documents, the DG and District Treasurer shall be responsible for completion and presentation of Quarterly Statements and Reports of District Finances which shall be presented at the quarterly board meetings, published in the District newsletter, and presented at the Annual Business Meeting.

11.2 The DG shall be responsible for compiling and submitting reports, as required, to Rotary International.

## ***Article 12 – Implementation***

12.1 These Amended and Restated Bylaws shall become effective upon their implementation in accordance with the Bylaws of District 5240 as currently existing.

## ***Article 13 – Amendments or Corporate Dissolution.***

13.1 Proposed corporate dissolution or amendments to either these Bylaws or the District Operating Manual must be filed with the Resolutions Committee no later than 60 days prior to the Annual District Business Meeting held in conjunction with the District Conference.

13.2 The corporate dissolution or an amendment to these Bylaws may occur only by an affirmative two-thirds (2/3) vote of the Club Electors which are entitled to vote, provided the proposed amendments have been sent to the clubs 30 days prior to the voting deadline. Proposed corporate dissolution or Bylaw amendments can be ratified by either mail ballot or by secret ballot at the Annual District Business Meeting. Such vote must be in writing and the results shall be announced at a business meeting at the first District quarterly meeting following the voting deadline. No proxy voting will be allowed for voting on corporate dissolution or proposed amendments to these bylaws. Ballots shall be maintained in the District Office for review and inspection for a period of two years after the voting deadline. The process for proposing resolutions are as further set forth in these Governance Documents.

- a. ***Club Electors.*** Club Electors are to be determined in accordance with Section 15.050.1 of the RI Bylaws. Each Club may select, certify, at least one elector. Any club with a membership of more than 25 shall be entitled to one (1) additional elector for each additional twenty-five (25) or major fraction, (i.e., 13 or more) thereof, of its members, based on the membership as of the last day of the month preceding the Business Meeting.
- b. ***Voting procedures.*** Only Club Electors may vote on resolutions properly brought to the Annual District Business Meeting. Votes will be submitted on pre-prepared ballots either cast at the Business Meeting or submitted by proxy.
- c. ***Proxies.*** Club Electors need not be present at the Business Meeting to have their vote count. Proxy votes shall be counted if they:
  - i. Include a written certification of their selection as a Club Elector signed by their club president and club secretary;

- ii. Include a written and signed ballot indicating an affirmative or negative vote, as appropriate, and signed by the Club Elector;
  - iii. Are timely received and qualified by the District Parliamentarian at least twenty four (24) hours in advance of the Business Meeting in which this resolution was to be considered.
- d. ***Quorum for Resolutions not changing the Bylaws.*** A quorum shall be deemed to have been achieved with votes, either in person or by proxy, submitted by at least 50% of the Member Clubs in the District. If a quorum is not established the resolution shall not be approved, however it may be resubmitted for consideration at a successive Business Meeting by re-submitting the resolution to the Resolutions Committee.

## ***Article 14 – Other Items***

14.1 ***Insurance and Indemnification.*** The District may purchase and maintain such Directors and Officers coverage and liability coverage as the DG and Board deem appropriate.

14.2 ***Fiscal Year.*** The fiscal year of the District shall be July 1 through June 30.

14.3 ***Parliamentary Authority.*** The most current revision of “Robert’s Rules of Order” shall be used in governing the District in all cases to which it is applicable and in which it is not inconsistent with the Constitution and Bylaws of Rotary International.

14.4 ***Continuity.*** These Bylaws are intended to serve as a guide that will provide continuity in the operation of Rotary International District 5240, Inc. as well as provide for the protection and proper use of funds which have been provided by the Rotarians and Clubs in Rotary International District 5240, Inc.

14.5 ***Four Way Test.*** It should be kept in mind by all who are concerned with these Bylaws or who have occasion to use them that ours is a voluntary organization that tolerance is to be exercised in all matters. The guiding influence should always be the Object of Rotary, as incorporated in Article 4 of the Constitution of Rotary International, and the things we think, say, and do should be measured by the Four Way Test.