



## **DISTRICT 5240 BYLAWS**

**FEBRUARY 19, 2021**



## **1. Article 1 – Definitions**

As used in these District By-Laws, unless the context clearly indicates otherwise, the words in the articles shall have the following meanings:

AG – District 5240 Assistant Governor

Board - The District 5240 Board of Directors

Club – Any Rotary, Rotaract, or Interact Club which is a member of Rotary International

DB – Rotary District 5240 Bylaws

DCF – District Charitable Foundation

DG – District 5240 Governor who is also the District’s Chief Executive Officer and Chairperson of the District’s Board of Directors

DGD – District 5240 Governor Designate

DGE – District 5240 Governor Elect

DGN – District 5240 Governor Nominee

Director - A member of the District 5240 Board of Directors

District – District 5240 of Rotary International

DLPP – Rotary District 5240 District Leadership Plan and Policy Manual

DP – District 5240 Parliamentarian

DRFCC – District Rotary Foundation Committee Chair

DS – District 5240 Secretary

DT – District 5240 Treasurer

EAG – District 5240 Executive Assistant Governor

Group – Sub-regions within the Regions of the District

IPDG – District 5240 Immediate Past District Governor

Member – A Rotarian, Rotaractor, or Interactor who is an active Club member

Member Club – A Rotary, Rotaract, or Interact Club located in District 5240

MOP –Rotary International Manual of Procedure

PDG – District 5240 Past District Governor

PE – Club President Elect

RCP – Current Version of the Rotary Code of Policies

RFCP -- Current Version of the Rotary Foundation Code of Policies

Region – Areas within the District- defined in the DLPP

RI – Rotary International

RIB – Current Version of the Rotary International Bylaws

RIC – Current Version of the Rotary International Constitution

TRF – The Rotary Foundation

Year – Fiscal year



## **2. Article 2 - District Name and Description**

- 2.1 The name of this organization shall be Rotary International District 5240, Inc. (District).
- 2.2 The District is the association of Clubs within the boundaries of District 5240 as set by the board of Rotary International.

## **3. Article 3 - Authority, Governance, and Hierarchy**

- 3.1 Authority - The authority of the District comes from the:
  - Corporations Code of the State of California,
  - Rotary International Bylaws
  - The Rotary Code of Policies
  - The Rotary Foundation Code of Polices
- 3.2 Governance
  - 3.2.1 Where consistent with California State law, the administration of the District shall be according to the latest edition of the Governing Documents as defined in Article 3.3
  - 3.2.2 The District shall be led by the District Governor under the guidance and ultimate authority of the District Board of Directors ("Board") while operating in compliance with the Governing Documents.
- 3.3 Hierarchy
  - 3.3.1 The purpose, structure, responsibility, and staffing of the District shall be governed by the documents enumerated below, the authority for which is established by this section, and which documents in their entirety are incorporated by reference. The documents listed in the hierarchy below hereinafter will be known as the "Governing Documents." The documents listed in the hierarchy below as documents 2, 3, 4 and 5 hereinafter will collectively be known as the "Rotary International Governing Documents." The documents listed in the hierarchy below as documents 6, and 7 hereinafter will collectively be known as the "District Governing Documents."
    1. State of California Corporation Code
    2. Rotary International Constitution (RIC)
    3. Rotary International Bylaws (RIB)
    4. Rotary Code of Policies (RCP)
    5. Rotary Foundation Code of Policies (RFCP)
    6. District Bylaws (DB)
    7. District Leadership Plan and Policy Manual (DLPP)



- 3.3.2 In the event of any conflict between any of these documents above, the senior document (first on the above list) shall prevail and specifically:
- Whenever any conflict exists between the Rotary International Governing Documents and the State of California Corporation Code, the State of California Code shall take precedence and prevail.
  - Whenever any conflict exists between these District Bylaws and the State of California Corporation Code, the State of California Code shall take precedence and prevail.
  - Whenever any conflict exists between these District Bylaws and the Rotary International Governing Documents, the Rotary International Governing Documents shall take precedence and prevail.
  - Whenever any conflict exists between the District Bylaws and the other District Governing Documents, the District Bylaws shall take precedence and prevail

#### **4. Article 4 - District Incorporation**

- 4.1 The District was incorporated under the Corporations Code of the State of California on November 23, 1982, as a Nonprofit Mutual Benefit Corporation.
- 4.2 The Corporation's purpose shall be charitable, benevolent, and to encourage, promote, and extend the District Object and perform the responsibilities of a District in Rotary International
- 4.3 Insofar as the provisions of the Corporate Law of the State of California, under which this corporation is incorporated permit, the District shall be subject to the jurisdiction of Rotary International.
- 4.4 This Corporation shall have the authority to adopt such District Governing Documents as may be consistent with the purposes enumerated herein and in compliance with the State of California Corporation Law under which this Corporation is incorporated.

#### **5. Article 5 - District Association and Locality**

- 5.1 Rotary International and Zone - The District is an extension of Rotary International.
- 5.2 Locality - The boundaries of the District and the Zone to which it belongs are established by Rotary International as further described in the District Leadership Plan and Policy Manual.

#### **6. Article 6 - District Organization**

- 6.1 The District is organized into Regions each of which may be overseen by an Executive Assistant Governor .
- 6.2 Each Region is further divided into Groups each of which is overseen by an Assistant Governor .
- 6.3 Any rearrangement of Regions or Groups shall require a majority vote of the Board



## **7. Article 7 - District Office**

- 7.1 The Board shall establish and maintain a mailing address, email address, and a phone number for the District.

## **8. Article 8 - District Purpose and Responsibilities**

- 8.1 The Purpose of the District is to strengthen and support clubs
- 8.2 The Object, Mission, and Values of the District shall be those of Rotary International and The Rotary Foundation as specified in the Rotary International Governing Documents.
- 8.3 The Specific Responsibilities of the District are as specified in these bylaws and the Rotary International Governing Documents.

## **9. Article 9 - District Fiscal Year**

- 9.1 The fiscal year of the District shall be the same as the Rotary International fiscal year.

## **10. Article 10 - District Member Clubs**

- 10.1 All Rotary Clubs and Rotaract Clubs located or chartered within the District boundaries as established by Rotary International shall be Member Clubs of the District.
- 10.2 The number of Member Clubs in the District shall be governed by Rotary International in accordance with the Rotary International Bylaws

## **11. Article 11 - District Board of Directors**

### **11.1 Composition**

- 11.1.1 The governing body of the District shall be the District Board of Directors. The Board shall consist of 5 voting members:

- District Governor. The District Governor shall serve as the Chairperson of the Board and shall be the Chief Executive Officer of the District.
- Immediate Past District Governor or the most recent Past District Governor who can serve who shall also serve as Vice-Chairperson of the Board
- District Governor Elect
- District Governor Nominee
- Director at Large who shall be:
  - A Rotarian in good standing in a Member Club in the District
  - A Past President of a Rotary Club.
  - Nominated by the District Governor with whom he/she will serve and elected by majority vote of the Board of Directors with the District Governor having two votes in the event of a tie.



11.1.2 The District Board of Directors shall include three non-voting members

- District Governor Designate
- District Secretary who shall serve as the Secretary of the Board
- District Treasurer

11.1.3 The Board of Directors shall have four non-voting attendees:

- The District Rotary Foundation Committee Chair shall be invited to all meetings of the Board of Directors and report on the status of Rotary Foundation grants and fundraising activities within the District
- The President of the District Charitable Foundation shall be invited to all meetings of the Board of Directors and shall report on the activities and status of the District Charitable Foundation.
- The District 5240 Parliamentarian is invited to all meetings of the Board of Directors to perform the functions of Parliamentarian during such meetings.
- The Vice-Governor shall be invited to all meetings of the Board of Directors to ensure that they are current with District operations in the event they are called upon to serve as District Governor.

11.2 Responsibilities of the District Board

11.2.1 The responsibilities of the Board shall be consistent with California Corporate law and include overall fiduciary responsibility for the administration of the District. The Board shall ensure that good stewardship is maintained for all funds received from Member Clubs and members and from Rotary International and The Rotary Foundation.

11.2.2 The Board shall ensure the Governing Documents are followed and maintained.

11.2.3 The most current revision of "Robert's Rules of Order" shall be used for parliamentary procedure in governing District Board Meetings and District Annual Business Meeting in all cases to which it is applicable and in which it is not inconsistent with California Corporate law or the Rotary International Governing Documents

## **12. Article 12 - District Officers**

12.1 District Governor (DG)

12.1.1 Qualifications: At the time of taking office, the DG shall meet the qualifications of set forth in the Rotary International Bylaws.

12.1.2 Supervision: The governor is the officer of Rotary International the district, functioning under the general control and supervision of the board.

12.1.3 Assumption of Office and Term: The DG shall take office as DG on July 1 of the fiscal year following their term as DGE. The DG shall serve for 1 year through June 30 of that fiscal year.



12.1.4 Duties and Responsibilities

- The DG shall perform the Duties of a Governor as specified in the Rotary International Bylaws.
- The DG shall serve as the Chairperson of the Board of Directors and Chief Executive Officer of the District and as such shall perform such duties as required by State of California Corporation Code. The DG cannot delegate their responsibility as Chairperson of the Board during their year of service.
- The DG shall perform such other duties and responsibilities as specified in the District Leadership Plan and Policy Manual.

12.2 District Governor Elect (DGE)

12.2.1 Qualifications: At the time of taking office, the DGE must meet the qualifications of DGD and DGN as set forth in the Rotary International Bylaws.

12.2.2 Election: The DGE is elected by the annual Convention of Rotary International one year prior to his/her year of service as DG.

12.2.3 Assumption of Office and Term: The DGE shall take office as DGE on July 1 of the fiscal year following the Rotary International convention of election and their term as DGN. The DGE shall serve for 1 year through June 30 of that fiscal year.

12.2.4 Duties and Responsibilities

The duties and responsibilities of the District Governor Elect shall be as specified in the District Leadership Plan and Policy Manual

12.3 District Governor Nominee (DGN)

12.3.1 Qualifications: At the time of taking office, the DGN must meet the qualifications of DGD as stated in the Rotary International Bylaws.

12.3.2 Assumption of Office and Term: The DGN shall take office as DGN on July 1 of the fiscal year following their term as DGD. The DGN shall serve for 1 year until June 30 of that fiscal year.

12.3.3 Duties and Responsibilities:

The duties and responsibilities of the District Governor Nominee shall be as specified in the District Leadership Plan and Policy Manual

12.4 District Governor Designate DGD

12.4.1 Qualifications: At the time of nomination and taking office, the DGD shall meet the qualifications of DGD as set forth in the Rotary International Bylaws.

12.4.2 Selection Process: The district has selected the Nominating Committee Procedure for selecting the DGD as specified in the Rotary International Bylaws and further defined in Article 15 of these District Bylaws.

12.4.3 Assumption of Office and Term: The DGD shall take office as DGD 2 weeks after selection, if uncontested, or 2 weeks after settlement, if contested, in the fiscal year he/she is selected. The DGD shall serve through June 30 of that fiscal year.



**12.4.4 Duties and Responsibilities:**

The duties and responsibilities of the District Governor Designate shall be as specified in the District Leadership Plan and Policy Manual

**12.5 District Treasurer (DT)**

The District Treasurer serves as the Chief Financial Officer of the District. The qualifications, selection process, assumption and term of office and duties of responsibilities shall be as specified in the District Leadership Plan and Policy Manual.

**12.6 District Secretary (DS)**

The District Secretary shall be the Secretary of the Corporation pursuant to the California Corporation Code. The qualifications, selection process, assumption and term of office and duties of responsibilities shall be as specified in the District Leadership Plan and Policy Manual

**13. Article 13 - District Staff (Non-Officer)**

13.1.1 The DG, the DGE, and DGN shall have the right to appoint Staff Personnel as listed in the District Leadership Plan and Policy Manual. The Staff Personnel below shall be appointed as indicated.

**13.2 District Parliamentarian**

13.2.1 Duties and Responsibilities: The District Parliamentarian shall perform duties and responsibilities in support of the District Board, District Business Meeting, District Ballot by Mail, and DGD Selection Meeting specified in the District Leadership Plan and Policy Manual.

13.2.2 The District Parliamentarian shall not hold any other district office during their term as District Parliamentarian.

**13.3 Executive Assistant Governors (EAGs)**

If included by the District Governor, the qualifications, selection process, assumption and term of office and duties of responsibilities of the Executive Assistant Governors shall be as specified in the District Leadership Plan and Policy Manual

**13.4 Assistant Governors (AG)**

The qualifications, selection process, assumption and term of office and duties of responsibilities of the Assistant Governors shall be as specified in the Rotary International Governing Documents and the District Leadership Plan and Policy Manual





13.5 Vice Governor (VG)

13.5.1 The nominating committee for governor (Article 15) shall select one past governor proposed by the DGE who shall serve as vice-governor during the year following selection.

13.5.2 The role of the vice-governor is to serve as District Governor in case the District Governor shall not be able to perform the duties of District Governor.

13.5.3 The Vice Governor shall be a non-voting invited guest at all meetings of the District Board of Directors.

13.5.4 The qualifications, assumption and term of office and duties and responsibilities of the Vice Governor shall be as specified in the Rotary International Governing Documents and the District Leadership Plan and Policy Manual

**14. Article 14 - District Director, Officer and Staff Compensation and Reimbursement**

14.1 The District shall be authorized to contract for the services of an Administrative Assistant. The Administrative Assistant must meet the requirements and be able to perform the duties specified in the District Leadership Plan and Policy Manual.

14.2 Except for the Administrative Assistant, no District Board Director, Officer, or Staff Personnel shall be entitled to compensation for services rendered.

14.3 The District Governor is entitled to receive reimbursement of certain expenses from Rotary International and the District as specified in the approved District budget associated with the DG term of service as DGN, DGE, DG, and IPDG.

14.4 District Officer and Staff Personnel may be entitled to reimbursement from the District for expenses listed in the approved District budget for their year of service. They may also be eligible for reimbursement or advancement of special expenses with approval of the DG in accordance with the District Leadership Plan and Policy Manual and the approved District budget.

**15. Article 15 - District Governor Designate Application, Nomination and Selection by Nominating Committee**

15.1 Method of Selection of the DGD: The method of selection for DGD is the nominating committee procedure as defined in the Rotary International Bylaws

15.2 DGD Nominating Committee Composition

15.2.1 The DGD Nominating Committee shall include the prior two Past District Governors with the PDG with the longest tenure since year of service as the non-voting DGD Nominating Committee Chair (Chair) and the Immediate Past District Governor serving as the Voting DGD Nominating Committee Vice-Chair ( Vice-Chair). Should neither of these PDGs be available, the DG shall appoint Past District Governors to fill the vacancies on the DGD Nominating Committee.



- 15.2.2 The DGD Nominating Committee shall include as voting members the Assistant Governors (“AGs”) who are serving during the current Rotary year. AGs unable to fulfill this obligation shall immediately notify the Chair and the District Governor. The following hierarchy shall be used to replace any AG unable to serve with a voting alternate:
- The Immediate Past AG of the Group
  - A Club President from the Group elected by a majority of the current Club Presidents from that Group,
  - A Club Immediate Past President from the Group elected by a majority of the current Club Presidents from that Group.
- 15.2.3 The Chair and the DG shall be notified of any selected alternate to the AG as a DGD Nominating Committee member no later than 3 days prior to the DGD Nominating Committee selection meeting. If the Chair and the DG are not notified within the specified timeframe, the Group will not be represented at the DGD Nominating Committee selection meeting.
- 15.2.4 The DGD Nominating Committee shall include the District Parliamentarian as a non-voting member. The District Parliamentarian shall be present during all deliberations of the DGD Nominating Committee. The District Parliamentarian shall monitor procedures and practices of the DGD Nominating Committee. The District Parliamentarian is authorized and required to terminate DGD Nominating Committee deliberations should they prejudice fairness or compliance with Governing Documents. In the event of such a termination of DGD Nominating Committee deliberations, the DG is directed to reconvene the Committee under the control of the Vice-Chair.
- 15.2.5 Of the eligible AGs, or their alternates as noted above, and the Vice-Chair (jointly called "Electors"), a quorum shall consist of a simple majority of Electors. These Electors must be present when the DGD Nominating Committee convenes and when the vote is taken to select a DGD.
- 15.2.6 The Chair 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
- 15.3 The policies and procedures for nominating, applying, selecting, and confirming the District Governor Designate are described in the District Leadership Plan and Policy Manual.

## **16. Article 16 - District Committees**

- 16.1 The DG, DGE and DGN shall form committees and appoint members as defined in the District Leadership Plan and Policy Manual to assist in their year serving as DG. Standing District Committees shall be in place at the beginning of the Rotary Year.
- 16.2 The District Committees and the purpose, responsibilities, and member selection and term of service for each committee are described in the District Leadership Plan and Procedures Manual.



## **17. Article 17 - District Meetings**

- 17.1 The District shall sponsor, organize, and conduct District Meetings each fiscal year for educational/training, motivational, social, and recognition purposes as specified in the Rotary Governing Documents and the District Governing Documents. The meetings may be in-person or via electronic means. Exceptions to this article shall be in accordance with direction provided by Rotary International. The following meetings are required:
- District Conference
  - District Training Assembly
  - President Elect Training Seminar (PETS) District Breakouts
  - District Step Down and Recognition
- 17.2 The purpose, objectives, participants, and organization of District meetings is described in the District Leadership Plan and Policy Manual.

## **18. Article 18 - District Recognition**

- 18.1 The District shall provide objective recognition to Member Clubs upon their successful accomplishment of specific goals during the Rotary year and to specific Rotarians of the Member Clubs
- 18.2 The district recognition for clubs and individual Rotarians is described in the District Leadership Plan and Procedures Manual

## **19. Article 19 - District Finances**

- 19.1 Fiduciary Responsibility: As further set forth in the Governing Documents, the Board is responsible in a fiduciary capacity for the financial affairs of the District.
- 19.2 Operating Budget: The DGE, with the assistance of the District Treasurer and District Finance Committee, shall prepare an annual operating budget for financing the administration and development of Rotary within the District for the next Rotary fiscal year.
- 19.3 Other budgets: The DGE, DT and DRFCC shall prepare a review of other funds administered by the District, including but not limited to District Designated Funds budget for funding the administration and development of Rotary grants within the District for the next Rotary fiscal year.
- 19.4 The process for preparing, approving, and monitoring District budgets is described in the District Leadership Plan and Policy Manual
- 19.5 District Dues
- 19.5.1 Approval of the annual per capita District dues for the next Rotary fiscal year, as recommended by the Board, shall take place at the same time as presentation of the District Budget.



- 19.5.2 A three-fourths majority of the of the Member Club Presidents-Elect present and voting is required to change the per capita District dues. If a three-fourths majority is not obtained, the per capita assessment shall remain unchanged from the prior year'
- 19.5.3 Payment: The annual District per capita assessment shall be paid in two payments by all Rotary Clubs in the District based on the total of active members on the last day of June and the last day of December of each year as recorded at Rotary International. The District Treasurer shall provide invoices to the clubs for each half-yearly assessment. Invoices shall be paid no later than sixty days after receipt.
- 19.5.4 Upon notification by the District Governor that a Club has failed for more than six (6) months to pay its per-capita assessment, that Club, by action of the Rotary International Board of Directors, is subject to suspension of Rotary International services and termination of membership in Rotary International.
- 19.6 Reserve Fund: A District Reserve Fund shall be established and maintained by the District. The term "District Reserve Fund" as used herein shall be in addition to any special accounts maintained by the District committees for their own purposes
- 19.6.1 The District Reserve Fund shall be managed by the District Treasurer who shall be responsible for annually reviewing the Fund level and adjust as appropriate.
- 19.6.2 The District Governor, with concurrence of the Board, may determine that an emergency exists within the District, or within its operations or activities, that warrants expenditure from the Reserve Fund.
- 19.6.3 The requirements for the Reserve Fund are described in the District Leadership Plan and Policy Manual
- 19.7 End-of-Year Excess Fund Disposition
- 19.7.1 At the beginning of the Rotary year, the Chair of the Finance Committee shall determine the amount of unexpended funds from the year just concluded.
- 19.7.2 The Board shall determine the disposition of all or a portion of the excess unexpended funds. Options include but are not limited to:
- Place the excess in the District Reserve Fund until this fund is at or above its required minimum,
  - Designate a portion of the funds to the District Charitable Foundation
  - Maintain the excess above the minimum District Reserve Fund requirements
  - Retain the funds in the Operating Account to be used to offset expenses in the next Rotary fiscal year
  - Return funds to the clubs in the district
- 19.8 Bonding: The District Treasurer shall be required to be bonded in an amount approximating not less than the total Funds of the District.



19.9 Banking and Accounts Payable Authorizations: The Board may authorize bank accounts to be established for cash funds to be expended and deposited as required. The District Governor and District Treasurer shall be included as signors on every District fund. All accounts will utilize dual signatures ~~as appropriate.~~

19.10 Insurance

The District may purchase and maintain such insurance coverage as the Board deems appropriate.

## **20. Article 20 - Service Projects**

20.1 Service Project Support to Clubs

20.1.1 District Club Service, Community Service, International Service, Vocational Service, and Youth Service committee members as well as Global Grant and District Grant Staff shall make themselves available to assist and provide advice to the Member Clubs on local, regional, national, and international service projects.

20.1.2 The District Governor shall ensure that local support exists in each Region as required to support the Clubs in that region. The District Staff shall encourage, support, and facilitate the Clubs to develop, fund, implement, and ensure sustainability of service projects.

20.2 District Service Projects

20.2.1 The District will not directly engage in sponsoring service projects utilizing funds originating from the assessments that Clubs pay to the District and/or block District Grant DDF money received from RI tied to Club giving other than as specified in Article 20.2.2 below.

20.2.2 Projects recommend by the District that will utilize DDF funds shall be included in the operating and/or DDF budgets per Article 19 and shall be presented to the Member Club Presidents-Elect at the same time as the District Budget is approved may be directed by the District.

## **21. Article 21 - Statements, Minutes, Reports and Bulletins**

21.1 District Financial Statements

21.1.1 Quarterly District Financial Reports shall be completed by the District Treasurer for all District finances and shall be presented and reviewed at each quarterly Board meeting. District Quarterly Financial Reports shall be published on the District website.

21.1.2 A report from the Audit Committee shall be presented by the Audit Committee Chair as a resolution and voted on at the following fiscal year's District Annual Business Meeting.

21.2 Board Meeting Minutes

21.2.1 District Board Meeting Minutes shall be completed by the District Secretary for all District Board Meetings and shall be presented and voted on at each subsequent quarterly Board meeting.



21.2.2 Approved District Board Meeting Minutes shall be published on the District website.

21.3 District Governor Rotary International Reports

21.3.1 Reports shall be compiled by the District Governor as requested or required by Rotary International or Zone 26/27 and shall be submitted by the required deadline.

21.4 Monthly District Governor Bulletins

21.4.1 The District Governor shall compile and publish a monthly bulletin to the Member Club Rotarians.

21.5 Monthly District Rotary Foundation Committee Bulletins

21.5.1 The District Rotary Foundation Committee Chair shall compile a monthly bulletin that will be presented to the Member Club Rotarians as a part of the District Governor Bulletin or as a separate monthly communication.

## **22. Article 22 - District Conduct for Working with Youth Policy**

22.1 The District shall strive to create and maintain a safe environment for all youth who participate in Rotary activities.

22.2 To the best of their ability, District Rotarians, District Rotarians' spouses and partners, and other volunteers must safeguard the children and young people they encounter and protect them from physical, sexual, and emotional abuse.

22.3 The District shall appropriately address any allegations that one of its members, involved in Rotary related programs, has violated youth protection laws, including reporting illegal activities to the appropriate law enforcement agency

22.4 The District policies associated with Working with Youth are described in the District Leadership Plan and Policy Manual.

## **23. Article 23 - District Abuse and Harassment Prevention Policy**

23.1 The District shall have a zero-tolerance policy toward abuse and harassment.

23.2 The District Abuse and Harassment Prevention Policy shall comply with California State Law and Rotary International Governing Documents.

23.3 The District shall appropriately address any allegations that one of its members, involved in Rotary related programs, has violated this abuse and harassment policy or local laws, including reporting illegal activities to the appropriate law enforcement agency

23.4 The District policies associated with the District Abuse and Harassment Prevention Policy are described in the District Leadership Plan and Policy Manual.



## **24. Article 24 - District Conflict of Interest Policy**

- 24.1 The District shall maintain a conflict of interest policy to protect District's interest when it is contemplating entering a transaction or arrangement that might benefit the private interest of an Officer or a Board Director of the District.
- 24.2 This policy shall comply with all US government, State of California laws, Rotary Governing Documents and District Governing Documents.
- 24.3 The District policies associated with Conflict of Interest are described in the District Leadership Plan and Policy Manual.

## **25. Article 25 - District Whistle Blower Policy**

- 25.1 The District is committed to lawful and ethical behavior in all activities. It requires its Directors, Officers, and Employees, if any, to conduct themselves in a manner that complies with all applicable laws and regulations.
- 25.2 The district shall maintain a Whistle Blower policy to protect the District's interest when a discrepancy in behavior is detected and reported.
- 25.3 The Whistle Blower policy shall comply with all US government, State of California laws, Rotary Governing Documents and District Governing Documents
- 25.4 The District policies associated with the Whistle Blower Policy are described in the District Leadership Plan and Policy Manual.

## **26. Article 26 - Disputes with District**

- 26.1 Should any dispute, other than as to a decision of the Board, arise between any current or former Member Club or its Club Officers, Club Board, or Club Members and this District, any District Officer, or the District Board, on any account whatsoever which cannot be settled under the procedure already provided for such purpose, the dispute shall, upon a request to the District Secretary by any of the disputants, either be resolved by mediation or settled by arbitration.
- 26.2 The district shall maintain a Dispute Resolution policy. This policy shall comply with all US government, State of California laws, Rotary Governing Documents and District Governing Documents.
- 26.3 The District policies for Dispute Resolution are described in the District Leadership Plan and Policy Manual.

## **27. Article 27 - District Board and Officer Indemnification**

- 27.1 Every person who is, or has been a District Board Director and/or District Officer shall be indemnified and held harmless by the District, from and against all costs and expenses which may be imposed upon or reasonably incurred by him/her in connection with, or arising out of any claim, action, suit, or proceeding in which he/she may be involved by reason of his/her being or having been a District Board Director or District Officer at the time such costs and expenses are imposed or incurred.



- 27.2 The district shall maintain a Board and Officer Indemnification policy to protect the Directors and Officers of the District.
- 27.3 This policy shall comply with all US government, State of California laws, Rotary Governing Documents and District Governing Documents
- 27.4 The District Board and Officer Indemnification processes and policies are described in the District Leadership Plan and Policy Manual.

## **28. Article 28 - District Bylaw Amendments or Corporate Dissolution**

### 28.1 Bylaw Amendment Proposals

- 28.1.1 Proposed corporate dissolution or amendment(s) to these Bylaws must be submitted by a Club or the District Board of Directors and filed with the District Secretary no less than 60 days prior to the voting deadline. The District Governor shall assign review and processing of bylaw amendments or corporate dissolution to the appropriate District committee as described in the District Leadership Plan and Policy Manual
- 28.1.2 All final proposals must be signed by 2 or more proposing District Rotarians and certified by either a current Club President and a Club Secretary and/or by the Board Chairperson and Board Secretary and returned to the District Secretary.
- 28.1.3 The final signed proposal shall be presented at the next regularly scheduled Board of Directors Meeting in New Business.
- 28.1.4 The Board shall vote on an official position statement capturing whether the Board supports or does not support the proposal. This opinion along with the proposal shall be shared with all member clubs.
- 28.1.5 The District Governor shall ensure the final proposal and Board opinion are sent to all clubs by mail or e-mail that will also include a ballot and a form for certification of Club Electors at least 30 days prior to the voting deadline which shall be specified.
- 28.1.6 The Clubs via Club Electors shall vote prior to or on the voting deadline date.

### 28.2 Approval of District Bylaw Amendments

- 28.2.1 The corporate dissolution or an amendment to the District Bylaws may occur only by an affirmative two-thirds (2/3) vote of the Club Electors who are entitled to vote, provided the proposed amendments have been sent to the clubs 30 days prior to the voting deadline.
- 28.2.2 No proxy voting will be allowed for voting on corporate dissolution or proposed amendment(s) to these District Bylaws.
- 28.2.3 Proposed corporate dissolution or District Bylaw amendment(s) may be approved by mail, email or electronic ballot at any time throughout the Rotary year via a solicitation or by mail, e-mail or approved electronic ballot prior to and/or secret ballot at the Annual District Business Meeting held in conjunction with the District Conference. Such vote must be in writing and the results shall be announced to all Clubs and the Board by email within 2 weeks following the voting deadline. After these 2 weeks the dissolution or amendment shall go immediately into effect.





- 28.2.4 The District Secretary shall be responsible for updating the District Bylaws and making them available to the District Rotarians within 2 months after an addition, deletion, and/or change is made by an affirmative vote per this section.
- 28.2.5 The minutes of the Board shall record the total number of valid affirmative and negative votes submitted by the Club Electors
- 28.3 Club Electors
- 28.3.1 The number of electors from each club (Club Electors) shall be as specified in the Rotary International Bylaws
- 28.3.2 Only Club Electors may vote on corporate dissolution or proposed amendment(s) to the District Bylaws . Votes will be submitted on pre-prepared ballots cast by mail, e-mail or approved electronic means before or cast by secret ballot at the Annual District Business Meeting or submitted by mail or e- mail ballot during a solicitation.
- 28.4 Ballots
- 28.4.1 Club Electors need not be present at the Annual District Business Meeting or at a solicitation to have their vote count. Mail or e-mail ballot votes shall be counted if they:
- Include a written certification of their selection as a Club Elector signed by their Club President and Club Secretary, on a form provided with the ballot
  - Include a written and signed ballot indicating an affirmative or negative vote, as appropriate, and signed by the Club Elector
  - Are timely received and qualified by the District Parliamentarian at least twenty-four (24) hours in advance of the Annual District Business Meeting or solicitation voting deadline in which the corporate dissolution or proposed amendment(s) to the District Bylaws were to be considered.

## **29. Article 29 - District Leadership Plan and Policy Manual Amendments**

- 29.1 Amendment(s) to the District Leadership Plan and Policy Manual may be approved by majority vote of the Board of Directors
- 29.2 Amendments to the DLPP proposed by a member of the Board of Directors shall be distributed by the District Governor in advance of the meeting at which the amendment will be submitted for approval.
- 29.3 Amendments to the DLPP may be proposed by member clubs.
- 29.3.1 The amendment – including the section of the DLPP being amended, the proposed changes or additions to the text, and the reason for recommending the amendment – shall be approved by the club board of directors, signed by the president and secretary of the club, and forwarded to the District Resolutions committee
- 29.3.2 The District Resolutions Committee will review the proposed amendment. As needed, the Resolutions Committee will communicate with the proposing club for additional clarification



- 29.3.3 The District Resolutions Committee shall notify the District Governor of the receipt of the amendment
- 29.3.4 The District Resolutions Committee will use its best efforts to have a recommendation on the proposed amendment by the next meeting of the Board of Directors following its receipt
- 29.3.5 The District Resolutions Committee will notify the proposing club of the action of the Board of Directors
- 29.4 Approved amendments to the DLPP shall be included in the minutes of the meeting of the Board of Directors at which it was approved.
- 29.5 Unless otherwise noted in the amendment, amendments to the DLPP become effective at the time of approval by the Board of Directors.
- 29.6 The District Secretary is responsible for updating the DLPP and maintaining a history of changes.
- 29.7 The current version of the DLPP, including all amendments, will be posted on the District 5240 website.

### **30. Article 30 - District Resolutions**

- 30.1 Proposed resolutions, in the form of motions which allow the District to make official decisions about key matters shall be submitted in the same manner as District Bylaw Amendments per Article 28.
- 30.2 Resolutions may include but are not limited to:
  - Approving the Annual District Finance Report
  - Approving the Audit Committee report for District finances
  - Selecting a member and alternate for the Nominating Committee for the Zone 26 RI Director
  - Selecting a representative and alternate for the RI Council on Resolutions and for the RI Council on Legislation,
- 30.3 Resolution approval shall occur in the same manner as District Bylaw Amendments except that only a majority affirmative vote is required for passage or rejection.
- 30.4 The Board Minutes shall serve as the sole method of documenting all Resolution outcomes.

### **31. Article 30 - District Bylaws Implementation**

- 31.1.1 Amended and Restated Bylaws shall become immediately effective upon their adoption