Rotary
International
District 5240, Inc.

Bylaws

Revised
April 2018
Rotary International District 5240, Inc.  
Amended and Restated Bylaws  
April 2018

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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:
AA – Administrative Assistant
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 Int’l
COL-RR – Council on Legislation/Council on Resolutions Representative
DB – Rotary District 5240 Bylaws
DCF – District Charitable Foundation
DG – District 5240 Governor who is also the District’s Chief Executive Officer and Chairman 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’s Board of Directors
District – District 5240 of Rotary International whose jurisdiction is Member Clubs in Kern, San Louis Obispo, Santa Barbara, and Ventura Counties in California, USA
District Officer – A District 5240 DG, DGE, DGD, DGN, DT, or DS
DLP – Rotary District 5240 District Leadership Plan
DOM – Rotary District 5240 Operating Manual
DP – District 5240 Parliamentarian
DRFCC – District Rotary Foundation Committee Chair
DS – District 5240 Secretary
DSP – Rotary District 5240 District Strategic Plan
DT – District 5240 Treasurer
EAG – District 5240 Executive Assistant Governor
Group – Sub-regions within the Regions of the District as defined in the DOM
IPDG – District 5240 Immediate Past District Governor
MDNC – Member of the Zone’s RI Director Nominating Committee
Member – A Rotarian, Rotaractor, or Interactor who is an active Club member.
Member Club – A local Rotary, Rotaract, or Interact Club located in District 5240
MOP – Current Rotary International Manual of Procedure includes the RIB and RIC
P – Club President which is the Club’s Chief Executive Officer and the Club’s Chair of the Club’s Board of Directors
PDG – District 5240 Past District Governor
PE – Club President Elect
RCP – Current Version of the Rotary Code of Policies
Region – Areas within the District as defined in the DOM
RI – Rotary International
RIB – Current Version of the Rotary International Bylaws
RIC – Current Version of the Rotary International Constitution
Staff Personnel – Non-Officers including but not limited to EAGs, AGs, and the AA
TRF – The Rotary Foundation
Year – Fiscal year
Article 2 - District Name and Description

2.1 The name of this organization shall be Rotary International District 5240, Inc. (District) in conformance with RCP 17.020 or its successor document.

2.2 The District is the association of Clubs within District 5240 in conformance with RIB 16.010 or its successor document.

Article 3 – Authority, Governance and Hierarchy

3.1 Authority - The authority of the District comes from:
   a. The Corporations Code of the State of California,
   b. The RIB Article 16, and
   c. The RCP Chapter III

3.2 Governance
   a. Where consistent with California State law, the administration of the District shall be according to the latest edition of the Governing Documents: RIC, RIB, RCP, DB, DOM, and DLP, and in particular RIB Article 16 or its successor.
   b. The District shall be led by the District Governor (“DG”) under the guidance and ultimate authority of the District Board of Directors (“Board”) while operating in compliance with the Governing Documents.

3.3 Hierarchy
   a. 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 whose documents in their entirety are incorporated for reference. All of these documents listed in the hierarchy below hereinafter will be known as the “Governance Documents.” The documents listed in the hierarchy below as documents 2, 3 and 4 hereinafter will collectively be known as the “Rotary International Governance Documents.” The documents listed in the hierarchy below as documents 5, 6, and 7 hereinafter will collectively be known as the “District Governance Documents.”
      1. State of California Law
      2. RIC (Rotary International Constitution)
      3. RIB (Rotary International ByLaws)
      4. RCP (Rotary Code of Policies)
      5. DB (District Bylaws)
      6. DOM (District Operating Manual)
      7. DLP (District Leadership Plan)
   b. In the event of any difference between any of these documents above, the senior document (first on the above list) shall prevail and specifically:
      1. Whenever any conflict exists between the RIC, RIB, or RCP and the California State laws, the state laws shall take precedence and prevail.
      2. Whenever any conflict exists between these DB and the California State laws, the California State laws shall take precedence and prevail.
      3. Whenever any conflict exists between these DB and the RIC, RIB, or RCP, the RIC, RIB, or RCP shall take precedence and prevail.
      4. Whenever any conflict exists between the DOM or DLP or DSP and this DB, the DB shall take precedence and prevail
Article 4 - District Incorporation
4.1 The District was incorporated in conformance with the RCP then in effect 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 to maintain the relations of a District in RI.
4.3 Insofar as the provisions of the Corporate Law of the State of California, under which this corporation is incorporated, it shall be subject to the jurisdiction of RI.
4.4 This Corporation shall have the authority to adopt such DB, DOM, and DLP as may be consistent with the purposes enumerated herein and consistent with the Corporate Law of the State of California, under which this Corporation is incorporated.

Article 5 - District Association and Locality
5.1 Rotary International and Zone - The District is an extension of RI and in RI Zone 26 unless changed per RCP 17.010.4 or its successor document.
5.2 Locality - The District includes the Counties of Kern, San Luis Obispo, Santa Barbara, and Ventura in the State of California, United States of America.

Article 6 - District Organization
6.1 The District is organized Regions as defined in the DOM.
6.2 Each Region is further divided into Groups as defined in the DOM.
6.3 Any rearrangement of Regions or Groups shall require a majority vote of the Board.

Article 7 - District Office
7.1 The Board shall establish and maintain a mailing address, email address, and a phone as specified in the DOM.

Article 8 - District Purpose and Responsibilities
8.1 The Object of the District shall be the Object of Rotary per RIC Article 4 or its successor document.
8.2 The Mission of the District shall be the Mission of Rotary per MOP Part 1 “Guiding Principles” or its successor document.
8.3 The Values of the District shall be the Rotary 4-Way Test per MOP Part 1 “Guiding Principles”, the Rotarian Code of Conduct, per RCP 8.030.2, and the Rotary Core Values per RCP 26.010.2 or their successor documents.
8.4 The Guiding Purpose of District is:
   a. To organize the independent entity Member Clubs for administrative purposes,
   b. To support the Member Clubs in their pursuit of programs and activities that promote the Object of Rotary,
   c. To encourage, promote, extend, and supervise Rotary throughout the District,
   d. To coordinate and generally direct the activities of the District.
8.5 The Specific Responsibilities of the District are as specified in the DOM.

Article 9 - District Fiscal Year
9.1 The fiscal year of the District shall be July 1 through June 30 per RIB 18.010 or its successor document.

Article 10 - District Member Clubs
10.1 All Rotary Clubs, located or chartered within the District locality as defined in Article 5, shall be Member Clubs of the District.
10.2 The number of Member Clubs in the District shall be set by Rotary International per RIB 16.010 or its successor document.
Article 11 - District Board of Directors

11.1 Composition
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:

i. Voting
1. District Governor. The DG shall serve as the Chairman of the Board and shall be the Chief Executive Officer of the District.
2. Immediate Past District Governor (“IPDG”) or the most recent Past District Governor (“PDG”) who can serve who shall also serve as Vice Chairman of the Board
3. District Governor Elect (“DGE”)
4. District Governor Nominee (“DGN”)
5. 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 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.

ii. Non-Voting
1. District Governor Designate (“DGD”)
2. District Secretary (“DS”) who shall serve as the Secretary of the Board
3. District Treasurer (“DT”)

iii. Invited Members
1. 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
2. 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.
3. The District 5240 Parliamentarian is invited to all meetings of the Board of Directors to perform the functions of Parliamentarian during such meetings.

11.2 Responsibilities of the District Board
a. The Board’s responsibilities 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.

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

11.3 Procedures: The most current revision of “Robert’s Rules of Order” shall be used for parliamentary procedure in governing the District Board and District Annual Business (Legislation) Meetings in all cases to which it is applicable and in which it is not inconsistent with California Corporate law or the RIC and RIB.

Article 12 - District Officers

12.1 District Governor
a. Qualifications: At the time of taking office, the DG shall meet the qualifications of DG as set forth in RIB 16.080 or its successor document and complete Int’l Assembly.
b. Supervision: The DG is an officer of RI, functioning under the general control and supervision of the District Board of Directors and the RI Board of Directors.
c. 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 until June 30 of that fiscal year.
d. Duties and Responsibilities
i. The DG shall meet the duties detailed in Duties of a Governor, in RIB 16.090 and RCP 19.010 or their successor documents and be an Officer of RI.
ii. The DG shall serve as the Chairman of the Board of Directors and Chief Executive Officer of the District and as such shall perform such duties as required by California Corporate Law.
iii. The DG shall staff a District support team per the DLP and publish a District Directory by July 1 of the Rotary year in which they will serve as DG.
iv. The DG shall perform duties and responsibilities as specified in the DOM.

12.2 District Governor Elect
a. Qualifications: At the time of taking office, the DGE must continue to meet the qualifications of DGD and DGN as set forth in RIB 16.070 or its successor document.
b. Election: The DGE is elected by the annual Convention of Rotary International one prior to his/her year of service as DG.
c. 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 until June 30 of that fiscal year.
d. Duties and Responsibilities
i. The DGE shall attend the International Assembly of Rotary International.
ii. The DGE shall attend the Governor Elect Training Session (“GETS”) and the Zone Institute.
iii. The DGE shall plan, develop and preside over the PE Retreat, the district functions at PETS, and the District Training Assembly.
iv. The DGE shall perform such other duties as further defined in the RIP and DOM.

12.3 District Governor Nominee
a. Qualifications: At the time of taking office, the DGN must continue to meet the qualifications of DGD as set forth in RIB 16.070 or its successor document.
b. 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.
c. Duties and Responsibilities: i. The DGN shall attend the Governor Nominee Training Session (“GNATS”) and the Zone Institute,
ii. The DGN shall meet the responsibilities detailed in Responsibilities of the Governor-nominee in RCP 19.020 or its successor document,
iii. The DGN shall perform such duties and responsibilities as specified in the DOM.

12.4 District Governor Designate
a. Qualifications: At the time of nomination and taking office, the DGD shall meet the qualifications of DGD as set forth in RIB 16.070 or its successor document.
b. Selection Process: The DGD selection process shall be as in this DB Article 15.
c. 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 until June 30 of that fiscal year.
d. Duties and Responsibilities: The DGD shall perform such duties and responsibilities as set forth in the RIB and the DOM.

12.5 District Treasurer (DT)
a. Qualifications: At the time of selection, the DT shall have met the required qualifications in the DLP’s Job Description.
b. Selection Process: The DT shall be appointed by the DG with Board approval.
c. Assumption of Office and Term: The DT shall take office as DT on July 1 in the fiscal year in which the DG that appointed he/she is serving as DG. The DT shall serve for 1 year until June 30 of that fiscal year.
d. Duties and Responsibilities: The DT has District financial administrative and accounting responsibilities as outlined in the DLP’s Job Description and DOM.

12.6 District Secretary (DS)
a. Qualifications: At the time of selection, the DS shall have met the required qualifications in the DLP’s Job Description.
b. Selection Process: The DS shall be appointed by the DG with Board approval.
c. Assumption of Office and Term: The DS shall take office as DS on July 1 in the fiscal year in which the DG that appointed him/her serves. The DS shall serve for 1 year until June 30 of that fiscal year.
d. Duties and Responsibilities
   i. The DS shall be the Secretary of the corporation pursuant to California Law.
   ii. The DS shall be a member of the District Resolutions Committee as further defined in Article 16.3.
   iii. The DS shall perform the duties and responsibilities outlined in the DLP’s Job Description to include but not limited to recording of minutes the District Business Assembly and Board Meetings.

Article 13 - District Staff (Non-Officer)
The DG, the DGE, and DGN shall have the right to appoint Staff Personnel as listed in the DOM and detailed in the DLP. The Staff Personnel below shall be appointed as indicated.

13.1 District Parliamentarian (DP)
a. Qualifications: At the time of selection, the DP shall have met the required qualifications in the DLP’s Job Description.
b. Selection Process: The DP shall be appointed by the DG with Board approval.
c. Assumption of Office and Term: The DP shall take office as DP on July 1 in the fiscal year in which the DG appointed him/her serves. The DP shall serve for 1 year until June 30 of that fiscal year.
d. Duties and Responsibilities
   i. The DP shall have District Board, District Business Assembly, and DGD Selection Meeting procedural conformance monitoring and advising as outlined in the DLP’s Job Description as defined in Articles 15.
   ii. The DP shall not hold any other District Office during their term as DP.

13.2 Executive Assistant Governors (EAGs).
a. Qualifications: At the time of selection, the EAGs shall have met the required qualifications in the DLP’s Job Description and served as an AG for a minimum of 1 fiscal year.
b. Selection Process: Each EAG shall be appointed by the DGE and will serve in the Rotary Year in which the DGE serves as DG.
c. Assumption of Office and Term: The EAGs shall take office as EAGs on July 1 in the fiscal year in which the DG that appointed them serves. The EAGs shall serve for 1 year until June 30 of the fiscal year for which they were appointed.
d. Duties and Responsibilities: The EAGs shall provide guidance and support to all AGs and Regional Staff Representatives within their Region including interface and administrative responsibilities as outlined in the DLP’s Job Description.

13.3 Assistant Governors (AG)
a. Qualifications: At the time of selection, the AGs shall have met the required qualifications in the DLP’s Job Description and served as a Club President for a year.
b. Selection Process: The AGs shall be appointed by the DGE and shall serve in the Rotary Year in which the DGE serves as District Governor.
c. Assumption of Office and Term: The AGs shall take office as AGs on July 1 in the fiscal year in which the DG that appointed them serves. The AGs shall serve for 1 year until June 30 of the fiscal year for which they were appointed.
d. Duties and Responsibilities: The AGs shall provide guidance and support to all Clubs and Club Presidents within their Group including interface and administrative responsibilities as outlined in the DLP’s Job Description.

13.4 Vice Governor

The nominating committee for governor shall select one available past governor proposed by the DGE, to be named vice-governor who shall serve during the year following selection. The role of the vice-governor will be to replace the governor in case of temporary or permanent inability to continue in the performance of the governor’s duties. The selection and responsibilities of the Vice Governor shall be as specified in MOP Section 6.120.1 or its successor and in the DOM

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

14.1 The District shall be authorized to obtain the services of an Administrative Assistant as described in the DOM and detailed in the DLP.
14.2 With the exception of the Administrative Assistant, no Board Director, Officer, or Staff Personnel shall be entitled to compensation for services rendered.
14.3 The DG 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.
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 DOM.

Article 15 - District Governor Designate (DGD) Application, Nomination, and Selection by Nominating Committee

15.1 Method of Selection of the DGD

The method of selection for DGD shall be as set forth in RIB 14.020.1 and the nominating committee procedure” shall be used.

15.2 DGD Nominating Committee Composition
a. The DGD Nominating Committee for DGD duty and terms of reference, including DGD Nominating Committee member selection, shall be as set forth in RIB 14.020.2 and if this DB’s defined DGD Nominating Committee member selection, including the alternate member selection hierarchy, cannot be satisfied, then DGD Nominating Committee member selection shall be as set forth in RIB 14.020.3.

b. The DGD Nominating Committee shall include prior two Past District Governors with the PDG with the longest tenure since year of service as the non-voting DGD Nominating Committee Chair (herein after in this DB Article 15 called “Chair”) and the immediate Past District Governor serving as the Voting DGD Nominating Committee Vice-Chair (herein after in this DB Article 15 called “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.
c. The DGD Nominating Committee shall also include all the Assistant Governors (“AGs”) who are serving in their offices during the current Rotary year as voting members. AGs unable to fulfill this obligation shall immediately notify the Chair and
the DG. The following hierarchy shall be used to replace any AGs unable to serve with a voting alternate:
   i. The Immediate Past AG of the affected Group, and if unable to serve then;
   ii. A Club President from the sitting affected Group elected by a majority of the current Club Presidents from that Group, and if none are able to serve then;
   iii. A Club Immediate Past President from the affected Group elected by a majority of the current Club Presidents from that Group.

d. 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.

e. The DGD Nominating Committee shall also include the District Parliamentarian as a non-voting member. The District Parliamentarian shall be present during all deliberations of the DGD Nominating Committee. The DP shall monitor procedures and practices as this DB and the associated RIB Article 14 sections prescribe them. In the performance of his/her duties, he/she is authorized and required to terminate DGD Nominating Committee deliberations should they, in his/her judgment, 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.

f. 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.

g. 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.

15.3 Nominations by Clubs for DGD

a. The DGD nomination procedure shall be in compliance with RIB 14.020.4.

b. The DG shall, before July 15 of each year, advise each Club in the District with a notice that sponsoring club certified nominations for the position of DGD will be accepted through October 1 and that the Application with the Statement of Service Form for DGD applicants defined in the DOM will be available from the DG, the Chair, or the District website. The notice shall also advise each Club of the date, time, and location of the DGD Nominating Committee DGD selection meeting.

c. At the time of their nomination, the nominee from any club shall have meet the qualifications of DGD as set forth in RIB 16.070 or its successor document. The nominee shall also have served in a leadership position in District 5240 (including but not limited to EAG, AG, Committee Chair) for a minimum of one year prior to their nomination.

d. The sponsoring club shall have the responsibility for:
   i. If by regular surface mail, preparing 15 copies of the Application and Statement of Service Form defined in the DOM, which shall include two original 3” x 4” minimum to 5” x 7” maximum color head-and-shoulders photos of the Candidate, then mailing the completed application documents to the Chair no later than October 1.
   ii. If by e-mail, preparing the Application and Statement of Service Form, which will include a 3” x 4” minimum to 5” x 7” maximum color head-and-shoulders digital photo of the Candidate, then emailing the completed application documents to the Chair no later than October 1.
iii. Assigning a Club member to be a Presenter to make an oral presentation of the Club’s nominated DGD Candidate to the DGD 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. If an Elector happens to be from the same Club as a Candidate, that Elector should not be the Presenter.

15.4 Selection by DGD Nominating Committee of DGD

a. The DGD selection procedure shall be in compliance with RIB 14.020.5.

b. The DGD Nominating Committee Chair shall have the following responsibilities:

i. Before July 15th of each year, to make and promulgate arrangements for a DGD Nominating Committee selection meeting to be held after October 1st and before October 31st of each year.

ii. To prepare for the DGD Nominating Committee selection meeting:

1. Describe the specific duties of a DG to any interested DGD candidates via an informational meeting with PDGs,

2. Clarify the role of DG to Electors before applications of nominated DGD candidates are sent to Electors. This will be accomplished in coordination with the Chair and Vice Chair, and approved by the Parliamentarian prior to this information is disseminated to the Electors.

3. Send copies of all the received Candidate Applications and Statement of Service Forms to each Elector of the Committee no later than ten days prior to the DGD Nominating Committee selection meeting,

4. Verify the original copy of a sponsoring Club’s DGD candidate nomination resolution, signed by the Club President and Club Secretary,

5. Verify that each DGD Candidate meets the formal requirements for nomination, in accordance with RIB 16.070,

6. Confirm a Presenter from the sponsoring Club for each DGD candidate will be at the selection meeting.

7. Prepare a list of questions agreed to by the DG and DGD Nominating Committee Vice-Chair covering sufficiently the complete breadth of the responsibility of the office of DG to be individually assigned to and asked by the same one Elector of each DGD candidate.

8. Document the selection process and distribute to all members of the DGD Selection Committee.

c. To preside over the DGD Nominating Committee selection meeting so as to:

i. Brief the Electors on the selection meeting agenda and standardized process before DGD Candidates enter the meeting,

ii. Allow an overall summary of each DGD Candidate’s qualifications to the Electors before the DGD Candidates’ interviews,

iii. Limit each DGD Candidate’s overall maximum time window on the agenda uniformly including their Presenter,

iv. Introduce each DGD Candidate’s Presenter to the DGD Nominating Committee and limit their allowed presentation time,

v. Ensure no one besides the DGD Nominating Committee Chair, Electors, the DP, and the Candidate is present during each DGD Candidate’s interview,

vi. Introduce each DGD Candidate to the DGD Nominating Committee,

vii. Enable each DGD Candidate to reveal his or her intentions and ambitions at the start of their interview,
viii. Orchestrate Elector standardized questioning of each DGD Candidate and limit the DGD Candidate’s overall interview time,
ix. Enable each DGD Candidate to summarize their key points at the end of their interview and limit their allowed closure time,

x. Ensure no one besides the DGD Nominating Committee Chair, Electors, and the DP is permitted to be present during the deliberations of the DGD Nominating Committee leading to the selection of the DGD,
xii. Ensure at all times during the deliberations to select a DGD, the DGD Nominating Committee is precluded from considering and/or discussing or giving any weight in its selection of the DGD to any of the following factors:
1. Whether the DGD Candidate has been such a Candidate in prior years,
2. The location within the District of the Club which nominated the DGD Candidate,
3. The number of Past District Governors or the recentness of service of any Past District Governor from any of the Clubs that have proposed a DGD Candidate for selection as DGD,
4. The age, sex, religion, race, national origin, sexual preference, or marital status of any Candidate,
xiii. Supervise the selection of the DGD utilizing a secret ballot vote from the Electors, xiv. Require a majority vote of the Electors assembled to select the DGD and enable the DP to disclose the number of votes for each DGD Candidate to the Electors if a majority is not obtained in the first vote or as necessary,
xv. Yield to the governing document related advice supplied by the DP and if in disagreement then involve the DG and DGD Nominating Committee Vice-Chair with the DP to arrive at a decision, and
xvi. Advise the DG immediately of the DGD Nominating Committee decision prior to public announcement.

15.5 DGD Nominating Committee Inability to Select DGD: In the event that the DGD Nominating Committee is unable to select a DGD from the Candidates, the procedure for selection shall default to that defined in RIB 14.020.7 or its successor document.

15.6 Club Challenge of DGD Selection: In the event that an authorized Club challenges the DGD Nominating Committee’s selection of a DGD, the procedure for handling the challenge shall be as defined in RIB 14.020.8-12 or its successor document.

15.7 Club Notification of DGD Selection: After the DGD has been selected by the DGD Nominating Committee and the DGD Nominating Committee Chair has notified the DG, the procedure to be followed is as in the RIB 14.020.6 or its successor document.

Article 16 - District Committees

16.1 The DG, DGE and DGN shall form committees and appoint members as defined in the DOM to assist in their year serving as DG. Standing District Committees shall be in place each Rotary Year.

16.2 DGD Nominating Committee: A DGD Nominating Committee shall be formed to select a DGD as further defined in Article 15.

16.3 Resolutions Committee

a. A Resolution Committee shall be formed to accept Club and Board proposals as well as to develop on behalf of the Board DB amendments, DOM amendments, DLP amendments, and resolutions.
b. A five person Resolutions Committee shall be comprised of one committee member appointed by each of the following IPDG, DG, DGE, and DGN as well as a PDG also appointed by the DG. The appointed PDG shall serve as Chair of the Resolutions Committee. No PDG may serve more than 3 consecutive years on the Resolutions Committee.

c. The Resolutions Committee shall meet as required and its Chair shall report any activities of the Resolutions Committee at each District Board meeting. Draft amendments to the Governing Documents and/or draft resolutions shall be published after each Resolutions Committee meeting and supplied to the District Board. The Resolutions Committee Chair shall also submit DB amendment proposals at the District’s Annual Business Meeting held at the District Conference and submit the for approval by a Bylaw Amendment motion to the Electors. The Resolutions Committee Chair shall also review DOM and/or DLP amendments proposals at the District’s Board meetings and submit them for approval by an Operating Manual Amendment motion or District Leadership Plan Amendment motion from the Board.

16.4 Finance Committee

a. A Finance Committee shall be formed to develop an annual District budget and to review quarterly financial reports and actual versus budget performance.

b. An eight person Finance Committee shall be comprised of the DG, DGE, DGN, and DGD or their appointee and the DT as well as the District 5240 Foundation Chair as an ex-officio member. The Finance Committee member appointed by the current DG shall serve as the chair of the Finance Committee during the term of office of the DG.

c. The Finance Committee shall meet at least once per quarter and its Chair shall report at each District Board meeting. Minutes following an agenda shall be published and approved after each Finance Committee meeting and provided to the District Board. A District level P&L and Balance Sheet shall also be published and approved after each Finance Committee meeting including budget versus actual income and expense for each major area or event and supplied to the District Board.

16.5 Audit Committee

a. An Audit Committee shall be formed to review and report on all financial accounts of the District including but not limited to the District general operating account, the District Foundation account, the District DRFC grant account, the District Conference account, the District RYLA account, and the District PRLS account. This Audit Committee composition and responsibilities shall be as set forth in RIB 16.060.4 or its successor document.

b. A five person independent Audit Committee comprised of a non-IPDG Chair who is a PDG appointed by the DG along with 4 other non-Finance Committee Members.

c. The Audit Committee shall meet at least once per year and its Chair shall provide a report on the previous fiscal year’s financial account audit at a District Board meeting occurring within the first 3 months of the fiscal year following the fiscal year audited. The Audit Committee Chair shall also deliver a report at the District’s Annual Business Meeting Conference, submit the report for acceptance by Resolution to the Electors, and communicate report to RI.

16.6 Council of Governors

a. A Council of Governors shall exist to offer advice, counsel, and assistance upon request to the DG, DGE, DGN, and DGD on matters affecting the District.

b. The Council of Governors shall be comprised of any current, past, and officially elected future governors and officers of RI residing in and currently a Club Member within the District and desiring to participate.
The IPDG or the most recent PDG shall serve as the Council Chair.
c. The Council of Governors shall meet at least once per year at the District Conference. The meetings shall also serve as an opportunity for the DG to inform Council of Governor committee members regarding any items of interest or news involving the District or RI.
d. Additional Council of Governors meetings may be scheduled at the request of the chair or the DG.

Article 17 - District Meetings
17.1 It shall be the responsibility of the District to sponsor, organize, and conduct District Meetings per fiscal year for educational/training, motivational, social, and recognition purposes as specified in the DOM. The following meetings are required:
a. District Conference as set forth in RIB 16.040 or its successor document.
b. District Training Assembly as set forth in RIB 16.020 or its successor document.
c. President, PE, and PEN Mid-terms.
d. President Elect Training Seminar (PETS) District Breakouts as set forth in RIB 16.030 or its successor document.

17.2 District Board of Director Meetings
The Board shall meet at a minimum quarterly. District Regular and Special Board meetings may be conducted electronically by telephone and/or the internet utilizing procedures as set forth by the Board.

17.3 District Annual Business (Legislation) Meeting
a. The required District Annual Business (Legislation) Meeting of the Member Clubs shall be held in conjunction with the District Conference as set forth in RIB 16.040.3 and 16.050. Applicable items of business including but not limited to:
i. Annual District Financial Statement and Report of the previous fiscal year approval as set forth in RIB 16.060.4 or its successor document,
ii. Report of the Audit Committee as in RIB 16.060.4 or its successor document,
iii. Council on Legislation and Council on Resolutions District Member and alternate election as set forth in RIB 9.070 or alternately as set forth in RIB 9.080 (or their successor documents) if the election is unable to occur at the District Annual Business (Legislation) Meeting,
iv. Council on Legislation District endorsement of a proposed Club RI enactment as set forth in RIB 7 or its successor document,
v. Council on Resolutions District endorsement of a proposed Club RI resolution as set forth in RIB 8 or its successor document, and Zone RI Director Nominating Committee District Representative and Alternate election as set forth in RIB 13.020 or its successor document.
vi. Such other business as directed by the DG or the Board of Directors.

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 as further defined in the DOM.

Article 19 - District Finances
19.1 Fiduciary Responsibility: As further set forth in the Governance 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 DT 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.
The budget is subject to preliminary approval by the Board and final approval by Member Club Presidents-Elect in accordance with the DOM.

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 a DDF budget for funding the administration and development of Rotary grants within the District for the next Rotary fiscal year. This information shall be presented to the Member Club Presidents-Elect at the same time as the District Budget is presented as per Article 19.2 and as specified in the DOM.

19.4 District Dues
   a. Approval: 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 per 19.2.
   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.
   b. 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 DT shall provide invoices to the clubs for each half-yearly assessment. Invoices shall be paid no later than sixty days after receipt. 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 Rotary International Board of Directors, is subject to suspension of Rotary International services and termination of membership in Rotary International.

19.5 Reserve Fund: A District Reserve Fund shall be established and maintained by the District in the minimum amount of $30,000. The term “District Reserve Fund” as used herein shall be in addition to any special funds accounts maintained by the District for such programs as such special fund accounts as PRLS, RYLA, or District Conference funds. The District Reserve Fund shall be managed by the DT who shall be responsible for annually reviewing the Fund level and making adjustments, as appropriate. The DG, 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 Fund.

19.6 End-of-Year Excess Fund Disposition
   At the beginning of the Rotary year, the Chair of the Finance Committee shall determine the amount of unexpended funds. The Finance Committee shall submit a recommendation to the Board as to how the excess unexpended funds are to be disposed of, at a minimum, for the disposition of all or a portion of the excess unexpended funds:
   i. Place the excess in the District Reserve Fund until this fund is at or above its required minimum,
   ii. Designate a portion of the funds to the District Charitable Foundation
   iii. Maintain the excess above the minimum District Reserve Fund requirements
   iv. Retain the funds in the Operating Account to be used to offset expenses in the next Rotary fiscal year

19.7 Bonding: The DT shall be required to be bonded in an amount approximating not less than the total Funds of the District as defined in the DOM.

19.8 Banking and Accounts Payable Authorizations: Subject to DOM and the reporting requirements imposed in this DB’s Article 25.1, the Board may authorize bank
accounts to be established for cash funds to be expended and deposited as required. The DG and the DT shall be included as signors on every District fund. All accounts will utilize dual signatures whenever possible.

19.9 Insurance
The District may purchase and maintain such insurance coverage as the Board deems appropriate as defined in the DOM.

Article 20 - Service Projects
20.1 Club Service Project Support
District Club Service, Community Service, International Service, Vocational Service, and Youth Service as well as Global Grant and District Grant Staff shall make themselves available, to the extent possible, to assist and provide advice to the Member Clubs on local, regional, national, and international service projects. The DG should ensure that local support exists in each Region via Sub-Staff where required. This District Staff shall encourage, support, and facilitate the Clubs in developing, funding, carrying out, and insuring the sustainability of service projects.

20.2 District Service Projects
a. 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 APF giving with the exception of any projects that were included in the operating and/or DDF budgets presented to and accepted by the Member Club Presidents-Elect as per Article 19.2 and 19.3.

Article 21 - Statements, Minutes, Reports and Bulletins
21.1 District Financial Statements
a. Quarterly District Financial Reports shall be completed by the DT, as defined in the DOM, for all District finances and shall be presented and reviewed at each quarterly Board meeting. District Quarterly District Financial Reports shall be published on the District website.
b. 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
District Board Meeting Minutes shall be completed by the DS, as defined in the DOM for all District Board Meetings and shall be presented and voted on at each subsequent quarterly Board meeting. Approved Quarterly District Board Meeting Minutes shall be published on the District website.

21.3 DG RI Reports
RI Reports shall be compiled by the DG for any District activity requested by RI or the Zone and shall be submitted to RI and/or the Zone by its requested deadline.

21.4 Monthly DG Bulletins
The DG shall be responsible for compiling and publishing a monthly bulletin to the Member Club Rotarians.

21.5 Monthly DRFC Bulletins
The DRFCC shall be responsible for compiling and publishing a monthly bulletin to the Member Club Rotarians.

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, especially District 5240’s RYLA.
To the best of their ability, District Rotarians, District Rotarians’ spouses and partners, and other volunteers must safeguard the children and young people they come into contact with and protect them from physical, sexual, and emotional abuse. The District shall appropriately address any allegations that one of its Members, involved in Rotary related youth programs, has violated youth protection laws, including reporting illegal activities to the appropriate law enforcement agency.

**Article 23 - District Abuse and Harassment Prevention Policy**
23.1 The District shall have a zero-tolerance policy toward abuse and harassment. The District Abuse and Harassment Prevention Policy shall be in compliance with California State Law and RI Governing Documents and documented in the DOM.

**Article 24 - District Conflict of Interest Policy**
24.1 The district shall establish a conflict of interest policy to protect this District’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or a Board Director of the District. This policy shall comply with all US government, State of California laws and RI Governing Documents and shall be documented in the DOM.

**Article 25 - District Whistle Blower Policy**
25.1 The District is committed to lawful and ethical behavior in all of its activities. It requires its Directors, Officers, and Employees, if any, to conduct themselves in a manner that complies with all applicable laws and regulations. The district shall establish a Whistle Blower policy to protect the District’s interest when a discrepancy in behavior is detected and reported. This policy shall comply with all US government, State of California laws and RI Governing Documents as documented in the DOM.

**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 DS by any of the disputants, either be resolved by mediation or settled by arbitration. The district shall establish a Dispute Resolution policy. This policy shall comply with all US government, State of California laws and RI Governing Documents and shall be documented in the DOM.

**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. The district shall establish a Board and Officer Indemnification policy to protect the Directors and Officers of the District. This policy shall comply with all US government, State of California laws and RI Governing Documents and shall be documented in the DOM.

**Article 28 - District Bylaw Amendments or Corporate Dissolution**
28.1 Proposals
   a. 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 DS no less than 60 days prior to the voting deadline. The DG shall assign this to the Resolutions Committee to finalize it with the proposing Club or Board.
All final proposals must be signed by 2 or more proposing District Rotarians and certified by either a common Club President and a Club Secretary and/or by the Board Chairman and Board Secretary and returned to the DS. The final signed proposal shall be presented at the next regularly scheduled Board of Directors Meeting in New Business. The Board shall vote on an official position statement capturing whether the Board supports or does not support the proposal and this opinion shall be shared with the clubs along with the proposal. The Resolution Committee shall ensure the final proposal and Board opinion is are sent to all clubs by mail or e-mail that includes a ballot and a form for certification of Club Electors at least 30 days prior to the voting deadline which shall be specified. The Clubs via Club Electors should vote prior to or on the voting deadline date.

b. Proposed amendment(s) to the DOM and DLP shall be submitted to the Resolutions committee 60 days before a vote, and shall be promulgated to the membership 30 days prior to a vote by the Board of Directors. The Board of Directors may approve changes to the DOM and DLP via a majority vote. Said vote may take place at any regular board meeting, or via mail if the Board approves a mail vote at a regular meeting.

28.2 Approval

a. The corporate dissolution or an amendment to these DB 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 by the Resolutions Committee.

b. Proposed corporate dissolution or DB amendment(s) may be approved only by mail or e-mail ballot at any time throughout the Rotary year via a solicitation or by mail or e-mail ballot prior to and/or secret ballot at the Annual District Business (Legislation) 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.

c. The Resolutions Committee shall be responsible for updating the DB and making it available to the District Rotarians within 2 months after an addition, deletion, and/or change is made by an affirmative vote per this section. No proxy voting (Non-Club Elector voting on behalf of a Club Elector) will be allowed for voting on corporate dissolution or proposed amendment(s) to these DB.

d. 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

e. Club Electors are to be determined in accordance with RIB Article 16.050.1. Each Club may select and certify, at least one Club Elector. Any Club with a membership of more than 25 shall be entitled to one (1) additional Club 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 voting deadline.

28.4 Voting Procedures: Only Club Electors may vote on corporate dissolution or proposed amendment(s) to these DB properly brought to the District Clubs. Votes will be submitted on pre-prepared ballots either cast by mail or e-mail before or cast by secret ballot at the Annual District Business (Legislation) Meeting or submitted by mail or e-mail ballot during a solicitation.
28.5 Ballots: Club Electors need not be present at the Annual District Business (Legislation) Meeting or at a solicitation to have their vote count. Mail or e-mail ballot votes shall be counted if they:
   a. 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
   
   b. Include a written and signed ballot indicating an affirmative or negative vote, as appropriate, and signed by the Club Elector
   c. Are timely received and qualified by the District Parliamentarian at least twenty four (24) hours in advance of the Annual District Business (Legislation) Meeting or solicitation voting deadline in which the corporate dissolution or proposed amendment(s) to these DB were to be considered.

**Article 29 - District Resolutions**

29.1 Proposals: Proposed resolutions, in the form of motions which allow the District to make official decisions about key matters including but not limited to:
   a. Approving the Annual District Finance Report
   b. Approving the Audit Committee report for District finances
   c. Selecting a member and alternate for the Nominating Committee for the Zone 26 RI Director
   d. Selecting a representative and alternate for the RI Council on Resolutions and for the RI Council on Legislation, shall be submitted in the same manner as DB Amendments per this DB Article 28.

29.2 Approval: Resolution approval shall occur in the same manner as DB Amendments per this DB Article 28. except that only a majority rather than a two-thirds affirmative vote is required for passage or rejection. Additionally, the Resolutions Committee shall have no need to update any documentation and the Board Minutes shall serve as the sole method of documenting all Resolution outcomes.

**Article 30 – District Bylaws Implementation**

These Amended and Restated Bylaws shall become immediately effective upon their adoption in accordance with the DB Article dealing with “District Bylaw Amendments or Corporate Dissolution” as currently existing prior to their approval.