

# **ROTARY DISTRICT 7500 FOUNDATION, INC.**

## **BY-LAWS**

### **ARTICLE I: NAME**

1. The name of the foundation shall be ROTARY DISTRICT 7500 FOUNDATION, INC. (referred hereinafter as "Foundation"). The principal office of the Foundation shall be in the State of New Jersey.
2. The Foundation shall designate a registered agent and office in accordance with law and shall maintain it continuously. Initially, the registered agent shall be Sanford D. Brown, Esquire, 257 Monmouth Road, Building A, Suite 103, Oakhurst, NJ 07755.
3. The Foundation shall be controlled by a Board of Trustees (also referred to hereinafter as "Board") which may determine from time to time to have offices in other places within the State. The Board shall be composed of Trustees (hereinafter referred to as "Trustees" or individually as "Trustee") who shall be selected as set forth in these By-laws.
4. These By-laws are intended to supplement the Articles of Incorporation for this Foundation which shall comply with the policies of Rotary International insofar as they apply to the administration of Districts.
5. District 7500 shall be referred to hereinafter as the "District".

### **ARTICLE II: PURPOSES**

1. General Purposes: The general purposes of the Foundation shall be to promote, foster, finance or perform charitable, scientific, literary and educational work.
2. Specific Purposes: The Foundation shall administer one or more funds. These shall be administered exclusively for and within the framework of the general purposes named herein. Within the scope of activities embraced by the general purposes of the Foundation, administration of the funds shall include:
  - (A) To make donations for charitable, philanthropic, benevolent and educational purposes accountable to the Foundation, as determined within the discretion of the Board acting within the limitations imposed upon the board for the By-laws and by the Articles of Incorporation of the Foundation.
  - (B) Taking ownership of the property of every kind and description to be added to said fund or funds. Title to such property shall be in the name of the Foundation. The responsibility for acquisition and disposal of said property shall rest with the Board, which shall determine the terms under which property shall be acquired or disposed of pursuant to this provision of the By-laws.
  - (C) To invest or pledge property or funds of the Foundation. The investment or pledging of the Foundation funds or property shall be the responsibility solely of the Board, subject to these By-laws. The Board shall pledge or invest the property or funds of the Foundation only for the general and specific purposes set forth in the Articles of Incorporation and By-laws. Any return from said investment or pledging of property shall be added to the funds of the Foundation and shall be disbursed solely for carrying out the purposes of the Foundation and not for the personal profit of any individual.
  - (D) To issue notes or obligations of the Foundation and secure the same with the property or funds of the Foundation. The issuance of said notes or obligations shall be the sole responsibility of the Board, subject to these By-laws, and shall be subject to the limitation that the issuance of notes or obligations, and the securing thereof, shall be permitted only

to the extent necessary to effectively carry on or perpetuate the work of the Foundation and the general and specific purposes thereof.

(E) To enter into such contracts in the name of the Foundation as may be necessary to carry on the purposes of the Foundation. No contracts shall be entered into by any member or Officer of the Foundation, on behalf of the Foundation, except by the specific decision and authorization of the Board. Contracts shall not be entered into, in the name of the Foundation, except as specifically approved in a given instance by the Board.

(F) To establish one or more offices to carry on the work of the Foundation.

3. Mission Statement: The Foundation is a non-profit organization formed for the purpose of receiving donations from any Rotarian, Club, the general public, or other organization for disaster relief or other humanitarian purposes, especially within Rotary District 7500. It may also serve as an aid to any clubs in the District by opening a sub-account for a club without a foundation to facilitate their dedicated purpose for the funds.

### **ARTICLE III: MEMBERSHIP AND DUES**

1. Members: The Foundation shall have one "corporate member", which shall be the District

2. Elections and Appointments: Annually, the District Governor-elect, with the formal consent of the trustees of the District, shall appoint Trustees of the Board to succeed Trustees whose terms have expired and to fill vacancies that have occurred and who shall constitute the Members of the Board.

3. Manner of Acting: The Foundation, except as otherwise provided herein, shall act by majority vote of its Board.

4. Matters Requiring Approval of the Corporate Member: The District Governor must formally approve the following actions of the Board:

(A) Expenditures from the property of the Foundation, except for:

(i) the necessary expenses of administration of the Foundation, and

(ii) expenditures of income or principal of gifts to the Foundation, which are prescribed by the terms of the gift or bequest, both of which require only the approval of the Board;

(B) Amendment or restatement of the Articles of Incorporation or the By-laws of the Foundation and subject to Article XIII of these By-Laws;

(C) Merger, consolidation, dissolution, or sale, lease, exchange, mortgage, or pledge of substantially all the assets of the Foundation and subject, where applicable, to Article XIII of these By-Laws;

5. There shall be no dues, initiation or admission fees, or assessments required as a condition of membership in the Foundation.

### **ARTICLE IV: BOARD OF TRUSTEES**

1. Board of Trustees: The Board of Trustees of the Foundation shall consist of the following:

(A) The immediate past Governor of the District

(B) Six members of the District. .

2. Conditions of Board Membership: The immediate past Governor of the District shall automatically be considered a member of the Board. Appointment of other Board members shall be pursuant to ARTICLE III, Section 2, and as per this ARTICLE IV.

3. Terms of Membership on the Board of Trustees:

(A) The immediate past Governor of the District shall serve as a member of the Board. The term shall begin on July 1<sup>st</sup> when he/she becomes immediate past Governor and shall end the following June 30<sup>th</sup>.

(B) The terms of the six other members of the original Board shall begin at the time of their selection as Trustees of the Foundation. Each of these six Trustees shall be divided equally from each county in the District, and shall be a Rotarian in good standing with any Rotary club(s) for at least ten (10) years with a minimum of five years with any Club(s) within the District. The intention is to have two Trustees rotate in and out each year. Therefore, initially two Trustees shall be appointed for one year, two Trustees shall serve for two years and two Trustees shall serve for three years. At the conclusion of these terms, all successor Trustees shall be appointed for a three year term.

(C) Succession: No Trustee may succeed himself for more than one complete successive term. An appointment to complete the unexpired term of another Trustee shall not count as a term in calculating succession under this rule. Regardless of the above, no Trustee shall serve for more than six (6) consecutive years, except that if his/her final term exceeds the six years, he/she may serve out to the end of that term. Barring death, resignation, removal, or failure of qualification, each Trustee shall hold office for the term for which the Trustee is selected or until the selection and qualifications of a successor.

(D) Salaries and Emoluments: There shall be no salaries, emoluments, remuneration or compensation of any kind for service as a member of the Board.

4. General Powers: Directors of the Foundation shall be known as Trustees. All business of the Foundation shall be managed by the Trustees, except certain matters must also receive approval of the District, as set forth in Article III. In managing the affairs of the Foundation, the Trustees shall be authorized to exercise all powers as are now or may hereinafter be granted to the corporation by the New Jersey General Not for Profit Corporation Act (N.J.S.A. 15A:1 et seq.), or any successor legislation adopted by the State of New Jersey; except that such powers may be exercised only in furtherance of the purposes of the Foundation as stated in its Articles of Incorporation and consistent with its status as a corporation described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended.

5. Resignation: Any Trustee may resign verbally at a Board meeting or by letter addressed to the Foundation's Secretary, and such Trustee's resignation shall take effect when indicated and without formal acceptance.

6. Removal: Any Trustee who fails to continue to qualify as set forth under this Article shall forfeit the office of Trustee at the time of such failure, and no further action by the District or the remaining Trustees of the Board shall be necessary to affect such forfeiture. A Trustee whose office is forfeited pursuant to this action shall be replaced in accordance with Section 7 of this Article. If a Trustee becomes disabled, to the extent such Trustee is unable to discharge adequately the duties of the office, as determined by the Board and the District Governor, such Trustee shall forfeit the office upon such determination, and be replaced as provided in Section 7 of this Article. For good and sufficient cause, and upon notice to all the Trustees of the Foundation and the Trustee of the Board of concern (who shall be given an opportunity to be heard), a Trustee may be removed by the vote of the Board of the Foundation. Such removal shall be effective upon ratification of the District Governor.

7. Vacancies: Any vacancy among the trustees caused by death, resignation, failure of qualification, disability, or removal may be filled for the balance of the term by the District Governor. Successor Trustees shall have all powers and discretions and shall be charged with duties identical to those conferred upon the original Trustees.

#### **ARTICLE V: OFFICERS**

1. The Officers of this Foundation shall be as follows:

- (A) Chairperson: The Chairperson of the Foundation (also referred to as "Chair") shall be the immediate past Governor of the District.
- (B) Vice Chairperson: The Vice Chairperson of the Foundation (also referred to a "Vice Chair") shall be elected by the Board from among their number at the annual meeting of the Board.
- (B) Secretary: The Secretary of the Foundation (referred to as "Secretary") shall be elected by the Board from among their number at the annual meeting of the Board.
- (C) Treasurer: The Treasurer of the Foundation (referred to as "Treasurer") shall be elected by the Board as a non-voting member (therefore not one of the seven members of the Board described in these By-laws) of the Board who shall be a CPA and a member of a District Club. He or she cannot be the Treasurer of the District at the same time as being the Treasurer of the Foundation.

#### **ARTICLE VI: TERMS OF OFFICERS**

1. The term of office of the Chair, Vice Chair, Secretary and Treasurer of the Foundation shall be one year. The Vice Chair, Secretary and Treasurer of the Foundation may be re-elected to succeeding terms, during their service on the Board.

#### **ARTICLE VII: COMPENSATION**

1. The Trustees of the Foundation shall serve without compensation, salaries or emoluments of any kind.

#### **ARTICLE VIII: DUTIES OF OFFICERS**

1. Chairperson: The Chair of the Foundation shall preside at meetings of the Board and shall perform such other duties as ordinarily pertain to his/her office. He/she shall make an annual report to the board of trustees of the District. Bond may be posted by the Chair at the discretion and expense of the Board.

2. Vice Chairperson: The Vice Chair shall act of behalf of the Chair when delegated by the Chair or to do so when the Chair is unable. This includes presiding at meetings of the Board when the Chair is absent. Bond may be posted by the Vice Chair at the discretion and expense of the Board.

3. Secretary: It shall be the duty of the Secretary to keep the records of membership of the Board; to record the attendance at meetings; to send out notices of meetings of the Board or of the Foundation generally or of any committees of the Foundation; to record and preserve the minutes of such meetings; to prepare an annual report of the activities of the Foundation during the year immediately preceding said report; and to perform such other duties as ordinarily pertain to his/her office. Bond may be posted by the Secretary at the discretion and expense of the Board.

4. Treasurer: It shall be the duty of the Treasurer to have custody of all funds of the Foundation, property and securities, accounting for the same to the Board at the end of each fiscal year and at any other time upon demand of the Board; and to perform such other duties as pertain to his/her office. He/she shall maintain current accounts and records of said funds, including full itemization of all receipts and

disbursements of the Foundation and the circumstances surrounding the same. He/she shall file all the tax returns and reports on a timely basis as required by law. Upon his/her leaving office, he/she shall turn over to his successor or to the Chair of the Foundation all funds, books of account, or any other club property in his possession. Bond may be posted by the Treasurer at the discretion and expense of the Board of Trustees. The Treasurer shall maintain the Foundation checking and savings accounts which shall require the signatures of the Chair and/or other designated Trustees for withdrawals. The Foundation shall maintain a double entry set of books on QuickBooks, or future versions thereof, on an ongoing basis. All disbursements must be approved by a majority of the Board. The records of the Foundation are to be transferred on July 1 to the incoming Treasurer, if there is a change of Treasurers, including all existing checking and savings accounts which are to be maintained on a permanent basis. The Treasurer shall provide to the Trustees comparative cash basis financial statements seven (7) days prior to all scheduled meetings for their review and comment. The Foundation's annual cash basis financial statements shall be provided to the Board for review whenever possible. The Treasurer shall file all Federal and State filings as required, when required.

#### **ARTICLE IX: ADMINISTRATION**

1. The affairs of the Foundation shall be administered solely by the Board. Meetings shall require the attendance of at least four Trustees. The Board shall act in the discharge of this responsibility by resolution(s) reached at meetings of the Board. To be binding, said resolutions must be voted upon and approved by a minimum of four of the Board members present.

#### **ARTICLE X: MEETINGS**

1. Annual Meeting. The Board will hold its annual meeting before July 31st of each new term for the election of Foundation Officers and to conduct such other business as may come before the Board. Other meetings of the Board may be called at the discretion of the Chair, or upon the request of any three members of the Board.

2. Telephone Meetings. Trustees may participate in meetings of the Board by means of a conference telephone or similar communication equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.

3. Action without a Meeting. Any action of the Board may be taken without a meeting if consent in writing including by email, setting forth the action so taken signed by all of the Trustees is filed in the minutes of the Board. Such consent shall have the same effect as a unanimous vote.

4. Notice and Waiver. Notice of any special meeting of the Board shall be given at least three (3) days prior thereto by written notice delivered personally or by fax or email transmittal with confirmation to each Trustee at his/her address.

5. Quorum and Voting. A minimum of four Trustees in office shall constitute a quorum for the transaction of business. The vote of at least four Trustees present at a meeting at which a quorum is present shall constitute the action of the Board. If less than a quorum is present, then a majority of those Trustees present may adjourn the meeting from time to time without notice until a quorum is present.

6. Presumption of Assent. A Trustee who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting because of an asserted conflict of interest.

#### **ARTICLE XI: COMMITTEES**

1. The Chair of the Board shall in his/her discretion appoint such committees as he/she finds necessary and desirable in the administration of the general affairs of the Foundation and in respect to the disbursement of the funds of the Foundation. Membership on said committees shall be selected from the Board, provided, however, that the Chair shall have the authority to designate a committee member from the general membership of the District with specific approval of the Board.

## **ARTICLE XII: RESOLUTIONS AND APPROVALS**

1. Except as otherwise specifically provided in the Articles of Incorporation and in these By-laws, any resolution, approval or determination by the Board can be made at a regular business meeting of the Board or at the annual meeting. A quorum shall in any event be required for the taking of any action by the Board. At least four Trustees of the Board shall constitute a quorum.

## **ARTICLE XIII: BY-LAWS AMENDMENTS AND DISSOLUTION**

1. These By-laws may be reviewed from time to time for necessary and timely revision by the Board. Upon the approval of such revision by the Board, the revision shall be transmitted to the board of trustees of the District for their subsequent approval. Revisions to the By-laws shall be effective upon their approval by the board of trustees of the District, provided, however, that any By-laws that are inconsistent with the provisions of the constitution or By-laws of the District shall not be effective until approved by the council on legislation of the District.

2. Dissolution of the Corporation shall be determined by (1) the vote of five members of the Board of Trustees; and (2) a vote of the majority of the Clubs of the District at any meeting of the general membership of the District with written notice of the proposed dissolution being given to the members of the District at least one month before the date of the District meeting at which the matter is to be considered.

3. Distribution of Assets--Trustees and Officers: In the event of dissolution, for whatever reason, no Trustee or Officer shall be entitled to receive any portion of the assets.

4. Distribution of Assets--General: In the event of a dissolution, for whatever reason, the Board shall, by resolution adopted at or immediately prior to such dissolution, direct the method of distributing all of the net assets to and among (and only to and among) one or more organizations operated exclusively for educational, literary, scientific or charitable purposes which at the time qualify as exempt organizations under the Internal Revenue Code, or any amendments or supplement thereto, or the provisions of any future revenue law of the United States, to be selected by the Board..

## **ARTICLE XIV: NON-PROFIT OPERATION**

1. The Foundation will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Foundation will be distributed to its Trustees or Officers without full consideration. No Trustee of the Foundation shall have any vested right, interest or privilege in or to the assets, property, functions or activities of the Foundation.

## **ARTICLE XV: GRANT POLICY**

1. The following persons are ineligible for any award or grant from the Foundation:

- (A) A Rotarian, with the specific exemption of all volunteer services as identified by the Trustees;
- (B) An employee of a club, district or other Rotary entity, or of Rotary International;
- (C) A spouse, a lineal descendant (child or grandchild by blood and any legally adopted child), a spouse of a lineal descendant, or an ancestor) parent or grandparent by blood) or any person in categories (A) or (B).

#### **ARTICLE XVI: THE FOUNDATION FUND**

1. The Foundation fund shall be comprised of:

(A) Principal; and

(B) Return, interest or profits upon the principal. The Treasurer shall, in his/her books of account, show at all times the amount of money in said corpus and the amount constituting profits, interests or returns thereupon. Disbursements for donations, gifts or operation expenses of the Foundation shall be solely from the profits, returns or interests realized from the principal. The principal shall be kept intact and shall be used only for investment purposes as determined by the Board. Upon acquisition of any funds or property, the Board shall determine whether said funds constitute part of the principal, and the Treasurer shall so note his/her books of account accordingly.

(C) Proceeds from fundraising events: The Foundation may create additional principal or operation fund accounts from the proceeds of various Rotary fundraising events.

#### **ARTICLE XVII: SEAL**

1. The seal of the Foundation shall consist of two concentric circles having between them the words ROTARY DISTRICT 7500 FOUNDATION, INC. and in the center the words CORPORATE SEAL 2014.

#### **ARTICLE XVIII: PROXIES**

1. There shall be no proxy voting. All votes required of the Board shall be cast in person or as permitted by ARTICLE X of these By-laws.

#### **ARTICLE XIX: DEPOSIT OF FUNDS**

1. The funds of the Foundation shall be deposited in such banks or other financial institutions as determined by the Board. Withdrawals shall be by check, on countersignature of any two of the following Officers: Chair, Vice Chair, or Treasurer.

#### **ARTICLE XX: INSPECTION OF RECORDS**

1. The records of the Foundation shall be open for inspection at any time, upon ten (10) days' notice of a demand, by any member of the Foundation.

#### **ARTICLE XXI: FISCAL YEAR AND AUDIT**

1. The fiscal year of the Foundation shall begin on July 1st of each year. The need for an accounting audit can be made annually at the end of the fiscal year by the Board. If such an audit is performed, this report to the Chair and to the Board shall be no later than August 15th of each year.

2. The Board may choose not to use the services of an outside certified public accountant to review the records of the Foundation, but may use the services of an internal committee of the District to review all accounting records.

#### **ARTICLE XXII: DISTRIBUTION OF BY-LAWS**

1. A copy of the By-laws and all amendments thereto, shall be furnished by the Secretary to each member of the Board, and to the Governor of the District, upon request.

### **ARTICLE XXIII: RULES OF PROCEDURE**

1. The rules of procedure at meetings of the Foundation shall be according to Roberts Rules of Order, so far as applicable and when not inconsistent with these By-laws.

Adopted: January 26, 2015