

Essex Rotary Club of Essex, Vermont, Inc.

**Tax Exempt under
IRC 501 (c) (4)**

BY-LAWS

As of April 6, 2011

Amendment to the By-Laws of July 21, 1995

APPROVED:

At the meeting of the Board of Directors on March 1, 2011

 Date: March 1, 2011
President, Board of Directors

 Date: March 1, 2011
Secretary, Board of Directors

APPROVED:

At the meeting of the Membership April 6, 2011

 Date: April 6, 2011
President, Board of Directors

 Date: April 6, 2011
Secretary, Board of Directors

By-Laws of Essex Rotary Club of Essex, Vermont, Inc.

Article 1 Name of the Corporation

The name of this organization shall be **Essex Rotary Club of Essex, Vermont, Inc.** (Organization) [Chartered by Rotary International on June 4, 1966] {Incorporated July 21, 1995}, in the state of Vermont. The Organization shall be organized as a tax exempt Organization under the Internal Revenue Code 501 (c) (4).

Article 2 Office of the Corporation

The registered office of **Essex Rotary Club of Essex, Vermont, Inc.** shall be located at 3 Main Street, Essex Junction, VT 05452 and mail address shall be P.O. 8466 Essex, VT 05451-8466.

Article 3 Purpose of the Corporation

The Non-Profit Corporation Purpose is a follows:

- A. The purpose is to promote, organize and operate fund raising events for educational, charitable and recreational purposes, to receive and administer funds for educational, charitable and recreational purposes and to that end to take and hold by bequest, devise, gift, grant, purchase, lease, or otherwise, either absolutely or jointly with any other person, person, or corporation, any property, real, personal, tangible, or intangible, or any undivided interest therein, without limitation as to amount or value; to sell, convey, or otherwise dispose of any such property and to invest, reinvest, or deal with the principal or the income thereof in such manner as, in the judgment of the directors, will best promote the purposes of the Corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, these Articles of Association, the Bylaws of the Corporation, or any laws applicable thereto. This shall be organized and construed under 501 (C) (4) of the Internal Revenue Code.
- B. To operate exclusively for the promotion of social welfare the net earnings of which are devoted exclusively to charitable, educational or recreational purposes.
- C. Without limiting the generality of the foregoing, one of the principal purposes of the Corporation shall be the fostering of the goals of the Rotary International.

- D. In general, to do any and all acts and things, and to exercise any and all powers which it may now or hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of Vermont for the purposes of accomplishing any of the purposes of the Corporation.
- E. The purposes for which the Corporation is organized shall be confirmed to those which are strictly educational, charitable and/or recreational. No part of the net earnings shall insure to the benefit of any private shareholder or individual.
- F. The Corporation shall not engage nor shall any of its funds, property, or income be used in carrying on propaganda or otherwise attempting to influence legislation, nor shall the Corporation participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- G. Notwithstanding any other provision of these articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation.
- H. Upon the dissolution of the Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501 (c) (3) of the Internal Revenue code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed or shall be disposed of by the Superior Court of the County in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Article 4

Definitions

- 1. Board: The Board of Directors of this club.
- 2. Director: A member of this club's Board of Directors.
- 3. Member: A member, other than an honorary member, of this club.
- 4. RI: Rotary International.
- 5. Year: The twelve-month period that begins on 1 July.

Article 5

Board

The governing body of this club shall be the board consisting of at least three (3) and not more than nine (9) members of this club, namely, the president, immediate past president, president-elect (or president-nominee, if no successor has been elected), vice-president, secretary, treasurer, and the sergeant-at-arms. At the discretion of the board, in addition, two (2) directors may be elected in accordance with the election rule provided in these bylaws.

The two (2) additional board members are to serve as board members on the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Article 6

Election of Directors and Officers

Section 1 – At a regular meeting one month prior to the meeting for election of officers, the presiding officer shall ask for nominations by members of the club for president-elect (if the positions needs to be filled due to a vacancy), vice-president, secretary, treasurer, and two (2) additional directors. The nominations may be presented by a nominating committee (chaired by the club secretary) or by members from the floor, by either or by both as a club may determine. The nominations committee shall consist of the chair (club secretary) and at least two (2) members appointed by the president. The nominations names shall be placed on a ballot in alphabetical order under description of duties and responsibilities of each office and shall be voted for at the annual meeting. The candidates for president-elect, vice-president, secretary, and treasurer receiving a majority of the votes shall be declared elected to their respective offices. The two (2) candidates for director receiving a majority of the votes shall be declared elected as directors. The current president-elect shall assume the position of president on the first day of July next following the election, and shall serve as an officer during that year. On 1 July immediately following that year, the president-elect shall assume office as president.

Section 2 – The officers and directors shall constitute the board. Within one week after their election, the directors-elect shall meet and confirm some member of the club to act as sergeant-at-arms and member of the board, as nominated by the incoming president.

Section 3 – A vacancy in the board or any office shall be filled by action of the remaining directors.

Section 4 – A vacancy in the position of any officer-elect or director-elect shall be filled by action of the remaining directors-elect.

Article 7

Duties of Officers

Section 1 – *President*. It shall be the duty of the president to preside at meetings of the club and the board and to perform other duties as ordinarily pertain to the office of president. The President is to serve as a board member on the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Section 2 – *Immediate Past President*. It shall be the duty of the immediate past president to serve as a director, in the absence of the president to preside at meetings of the club and the board and to perform such other duties as may be prescribed by the president or the board. The Immediate Past President is to serve as a board member on the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Section 3 – *President-elect.* It shall be the duty of the president-elect to serve as a director and the board, in the absence of the president and the immediate past president to preside at meetings of the club and the board and to perform such other duties as may be prescribed by the president or the board. In addition, the Vice-President is to serve as chair of the membership committee.

In addition, the President-elect is to serve as chair of the service projects/charities committees. The President-Elect is to serve as a board member of the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Section 4 – *Vice-President.* It shall be the duty of the vice-president and, in the absence of the president, the immediate past president and the president-elect to preside at meetings of the club and the board and to perform other duties as ordinarily pertain to the office of vice-president.

In addition, the Vice-President is to serve as chair of the membership committee. The Vice-President is to serve as a board member of the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Section 5 – *Secretary.* It shall be the duty of the secretary to keep membership records; record attendance at meetings; send out notices of club, board, and committee meetings; record and preserve the minutes of such meetings; report as required to Rotary International, (and Rotary International District) including the semiannual reports of membership on 1 January and 1 July of each year, which shall include per capita dues for all members and prorated dues for active members who have been elected to membership in the club since the start of the July or January semiannual reporting period; report changes in membership; provide the monthly attendance report, which shall be made to the district governor within 15 days of the last meeting of the month; collect and remit Rotary International official magazine subscriptions; and perform other duties as usually pertain to the office of secretary.

In addition, the Secretary is to serve as chair of the nominating committee. The Secretary is to serve as a board member of the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Section 6 – *Treasurer.* It shall be the duty of the treasurer to have custody of all funds, accounting for it to the club annually and at any other time upon demand by the board, and to perform other duties as pertains to the office of treasurer and cause to be prepared Annual Financial Statements; recommended that the Annual Financial Statements be prepared in accordance with Generally Acceptable Accounting Principles (GAAP) in the United States. In addition, the treasurer shall cause to be filed all reports to the Vermont Secretary of State, Vermont Tax Department and Internal Revenue Service. The treasurer shall collect and maintain all books and records necessary in the event of an audit and/or legal proceedings by the United States of America, State of Vermont, Rotary International and Rotary District. Upon retirement from office, the treasurer shall turn over to the incoming treasurer or to the president all funds, books of accounts, or any other club property.

In addition, the Treasurer is to serve as chair of the budget task force.

The Treasurer is to serve as a board member of the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Section 7 – *Sergeant-at-Arms.* The duties of the sergeant-at-arms shall be such as are usually prescribed for such office and other duties as may be prescribed by the president or the board.

The Sergeant-at-Arms is to serve as a board member on the Rotary Club Charities of Essex, Vermont, Inc. Board of Directors.

Article 8

Meetings

Section 1 – *Annual Meeting.* An annual meeting of this club shall be held during the month of December in each year, at which time the election of officers and directors to serve for the ensuing year shall take place. The annual meeting date is to be announced by the president, in consultation with the board of directors, no later than the last regular meeting in October of each year

Section 2 – The regular weekly meetings of this club shall be determined by the Board of Directors.

Due notice of any changes in or canceling of the regular meeting shall be given to all members of the club. All members excepting an honorary member (or member excused pursuant to the standard Rotary club constitution) in good standing in this club, on the day of the regular meeting, must be counted as present or absent, and attendance must be evidenced by the member's being present for at least fifty (50) percent of the time devoted to the regular meeting, either at this club or at any other Rotary club, or as otherwise provided.

Section 3 – One-third of the membership shall constitute a quorum at the annual and regular meetings of this club.

Section 4 – Regular meetings of the board may be held as determined by the Board of Directors annually in July. Special meetings of the board shall be called by the president, whenever deemed necessary, or upon the request of two (2) directors, due notice having been given.

Section 5 – A majority of the directors shall constitute a quorum of the board.

Article 9

Fees and Dues

Section 1 – The admission fee may be established annually at the first regular meeting in July of each year to be paid before the applicant can qualify as a member, except as provided Rotary standards.

Section 2 – The membership dues (dues may differ by type of membership) for active members, senior active members and/or other class of membership, as determined by the board, shall

be established per annum annually at the first regular meeting in July of each year, payable semiannually on the first day of July and of January, with the understanding that a portion of each semiannual payment shall be applied to each member's subscription to the Rotary International official magazine.

Article 10 Method of Voting

The business of this club shall be transacted by *viva voce** vote except the election of officers and directors, which shall be by ballot. The board may determine that a specific resolution be considered by ballot rather than by *viva voce* vote.

(*Note: *Viva voce* vote is defined as when club voting is conducted by vocal assent.)

Article 11 Avenues of Service

The Avenues of Service are the philosophical and practical framework for the work of this Rotary club. They are Club Service, Vocational Service, Community Service, International Service, and New Generations Service. This club will be active in each of the Avenues of Service.

Article 12 Committees

Club committees are charged with carrying out the annual and long-range strategic goals of the club. The president, president-elect, vice-president, and immediate past president should work together to ensure continuity of leadership and succession planning. When feasible, committee members should be appointed to the same committee to ensure consistency. The president-elect is responsible for appointing committee members to fill vacancies, appointing committee chairs, and conducting planning meetings prior to the start of the year in office. It is recommended that the chair have previous experience as a member of the committee. Standing committees should be appointed as follows:

- **Membership (chaired by the Vice-President)**
This committee should develop and implement a comprehensive plan for the recruitment and retention of members.
- **Public Image**
This committee should develop and implement plans to provide the public with information about Rotary and to promote the club's service projects and activities.
- **Service Projects**
This committee should develop and implement educational, humanitarian, and vocational projects that address the need of its community locally, nationally and internationally.

- The Rotary Foundation

This committee should develop and implement plans to support The Rotary Foundation through both financial contributions and program participation.

Additional ad hoc committees may be appointed as needed.

- (a) The president shall be *ex officio* a member of all committees, except the audit committee, and, as such, shall have all the privileges of membership thereon, except the audit committee.
- (b) Each committee shall transact its business as is delegated to it in these bylaws and such additional business as may be referred to it by the president or the board. Except where special authority is given by the board, such committees shall not take action until a report has been made and approved by the board.
- (c) Each chair shall be responsible for regular meetings and activities of the committee, shall supervise and coordinate the work of the committee, and shall report to the board on all committee activities.

Article 13

Audit Committee

Section 1 - Audit Committee/Audit Chairperson

- a. The Audit Committee shall consist of three (3) members and shall be elected by the Members at the annual meeting. No member of the Board of Directors shall serve on the Audit Committee during the same fiscal year. The Audit Committee shall elect the Audit Committee Chairperson.
- b. The Audit Committee shall be the Audit Committee of the Rotary Club Charities of Essex, Vermont, Inc.
- c. **Audit Committee.**

This Committee:

- 1) Shall be chaired by the Audit Committee Chairperson.
- 2) Shall have the duties and responsibility to review and/or audit the financial books and records of the Organization, as the Committee deems necessary.
- 3) Upon approval of the Board, may hire one or more consulting and/or accounting firms to perform independent review and/or audit functions for the Organization and of the Organization.
- 4) May review decisions of the Board, Committees and/or Officers and report their findings and recommendations to the appropriate level, as they deem necessary.
- 5) May report to proper authorities any illegal acts suspected and/or confirmed.
- 6) May attend any and/or all meetings of the Board, Committees and Officers. However, because of their independent status, they have rights to speak, but shall not be considered in the quorum requirements nor have the right to vote, except at the Annual Meeting of the Membership.

Article 14

Duties of Committees

The duties of all committees shall be established and reviewed by the president for his or her year. In declaring the duties of each, the president shall reference appropriate RI materials and the Avenues of Service when developing plans for the year.

Each committee shall have a specific mandate, clearly defined goals, and action plans established by the beginning of each year for implementation during the course of the year. It shall be the primary responsibility of the president-elect to provide the necessary leadership to prepare a recommendation for club committees, mandates, goals, and plans for presentation to the board in advance of the commencement of the year as noted above.

Article 15

Leave of Absence

Upon written application to the board, setting forth good and sufficient cause, leave of absence may be granted excusing a member from attending the meetings of the club for no longer than twelve months.

Article 16

Finances

Section 1 – Prior to the beginning of each fiscal year, the board shall prepare a budget of estimated income and expenditures for the year, which shall stand as the limit of expenditures for these purposes, unless otherwise ordered by action of the board. The budget shall be broken into two separate parts: one in respect of club operations and one in respect of charitable/service operations. The budget task force, chaired by the treasurer, should present the preliminary budget to the board prior to June 30 of each year.

Section 2 – The treasurer shall deposit all club funds in a bank, named by the board. The club funds shall be divided into two separate parts: club operations and service projects.

Section 3 – All bills shall be paid by the treasurer or other authorized officer only when approved by two other officers or directors.

Section 4 – A thorough review of all books and records by the audit committee shall be made once each year.

Section 5 – Officers having charge or control of club funds shall give bond as required by the board for the safe custody of the funds of the club, cost of bond to be borne by the club.

Section 6 – The fiscal year of this club shall extend from 1 July to 30 June, and for the collection of members' dues shall be divided into two (2) semiannual periods extending from 1 July to 31 December, and from 1 January to 30 June. The payment of per capita dues and RI official magazine subscriptions shall be made on 1 July and 1 January of each year on the basis of the membership of the club on those dates.

Article 17

Method of Electing Members

Section 1 – The name of a prospective member, proposed by an active member of the club, shall be submitted to the board in writing, through the vice-president to the club secretary. A transferring or former member of another club may be proposed to active membership by the former club. The proposal shall be kept confidential except as otherwise provided in this procedure.

Section 2 – The board shall ensure that the proposal meets all the classification and membership requirements of Rotary.

Section 3 – The board shall approve or disapprove the proposal within 30 days of its submission and shall notify the proposer, through the club secretary, of its decision.

Section 4 – If the decision of the board is favorable, the prospective member shall be informed of the purposes of Rotary and of the privileges and responsibilities of membership, following which the prospective member shall be requested to sign the membership proposal form and to permit his or her name and proposed classification to be published to the club.

Section 5 – If no written objection to the proposal, stating reasons, is received by the board from any member (other than honorary) of the club within seven (7) days following publication of information about the prospective member, that person, upon payment of the admission fee (if not honorary membership), as prescribed in these bylaws, shall be considered to be elected to membership.

If any such objection has been filed with the board, it shall vote on this matter at its next meeting. If approved despite the objection, the proposed member, upon payment of the admission fee (if not honorary membership), shall be considered to be elected to membership.

Section 6 – Following the election, the president shall arrange for the new member's induction, membership card, and new member Rotary literature. In addition, the president or secretary will report the new member information to RI and the president will assign a member to assist with the new member's assimilation to the club as well as assign the new member to a club project or function.

Section 7 – The club may elect, in accordance with Rotary, honorary members proposed by the board.

Article 18

Resolutions

The club shall not consider any resolution or motion to commit the club on any matter until the board has considered it. Such resolutions or motions, if offered at a club meeting, shall be referred to the board without discussion.

Article 19
Order of Business

Meeting called to order*.
Introduction of visitors.
Correspondence, announcements, and Rotary information.
Committee reports if any.
Any unfinished business.
Any new business.
Address or other program features.
Adjournment.

(*All meetings shall be held in accordance with the *Roberts Rules of Order.*)

Article 20
Amendments

These bylaws may be amended at any regular meeting, a quorum being present, by a two-thirds vote of all members present, provided that notice of such proposed amendment shall have been delivered (U.S. First Class mail, or facsimile or e-mail) to each member at least ten (10) days before such meeting. No amendment or addition to these bylaws can be made which is not in harmony with Rotary and with the constitution and bylaws of Rotary International.

Article 21
Meetings by Any Means of Communication

The Board of Directors shall have the power to permit any and all members of the Board or Committee Members to participate in any regular or special meeting of the Board or Committee by any means of communication by which all Board or Committee Members participating can simultaneously hear or otherwise communicate to each other during the meeting. A Board or Committee Member participating in a meeting by this means is deemed to be present at the meeting.

Article 22
Action without a Meeting

The Board may act without a meeting, if written consent setting forth the action so taken is obtained from all Board Members. This consent, if obtained, shall be considered a unanimous vote. Written consent may be obtained via Letter, Fax and/or E-Mail.

Article 23
Prohibitions against Sharing in the Organizations Earnings

No member, Board Member, Officer or Employee of or Member of a Committee or Person connected with **Essex Rotary Club of Essex, Vermont, Inc.** or any there Private Individual shall receive at any time any of the net earning or pecuniary profits from the operations of the Organization provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Organization effecting any of its purposes as shall be fixed by the Board; and no such person or persons shall be entitled to share in the distribution of any of Organization's assets upon dissolution of the Organization shall be deemed to have expresses, consented and agree that upon such dissolution or winding up of the affairs of the Organization whether voluntary or involuntary, the assets of the Organization after debts have been satisfied, then remaining in the hands of the Board may determine or as may be determined by a court of competent jurisdiction upon application of the Board, exclusively to charitable, religious, scientific testing for public safety, literary, or education organization which then qualify under the provisions of Section 501 (c) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

Article 24
Indemnifications of Board of Directors Members, Officers, and Committee Members

In any situation where the Board of Director Member or Officer or Committee Member acted in good faith; and in a manner believed to be in or not opposed to the interest of the **Essex Rotary Club of Essex, Vermont, Inc.**, the Organization shall indemnify every Board of Director Member or Officer or Committee Member against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually or reasonable incurred by the Board Member or Officer or Committee Member. This indemnification shall cover any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative other than action by or in the right of the Organization which arises because the person was a Board Member or Officer or Committee Member of the Organization. In any criminal matter, the indemnification shall extend to any criminal action or proceeding if the Board Member or Officer or Committee Member has no reasonable cause that his conduct was unlawful. The indemnify required by the articles shall be in addition to any other rights to which the Board Member or Officer or Committee Member might be entitled under Resolution adopted by the Membership after notice. The indemnification shall continue as to a person who has ceased to be a Board Member or Officer or Committee Member, and shall inure to the benefit of his/hers heirs, executor, and administrator.

Article 25
Dissolution

In the event of dissolution of the **Essex Rotary Club of Essex, Vermont, Inc.** remaining assets after satisfaction of all obligations of the Organization shall be distributed for the purpose within the scope of the Internal Revenue Code 501 or amendments thereof.