

ROTARY DISTRICT 7230

FOUNDATION, INC.

Incorporated on July 24, 1991
pursuant to § 402 of the
New York Not-For-Profit
Corporation Law

By-Laws

Adopted August 30, 1991
As amended to July 13, 2006

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Article I

INTRODUCTION

Section 1.1 Application

(a) These by-laws are subject and subordinate to all of the terms and conditions of the certificate of incorporation which was filed with the New York Secretary of State on July 24, 1991 pursuant to the provisions of § 402 of the New York Not-For-Profit Corporation Law.

(b) They are to be interpreted and implemented so as to enable the corporation to obtain and maintain status as a charitable foundation pursuant to §501(c)3 of the Internal Revenue Code, as amended from time to time.

(c) In the absence of specific provisions of law, the certificate of incorporation, or these by-laws, Roberts Rules of Order, as amended, shall govern the proceedings of the corporation. The president shall serve as parliamentarian with the power to appoint a parliamentarian for a specific meeting.

Section 1.2 Mission and Purposes

(a) The mission of the foundation is three-fold:

- (1) to complement and not compete with the charitable efforts of the Rotary Foundation, the District Governor, and those of the clubs within the district and to act as a facilitator and resource for district clubs in establishing or maintaining their own charitable foundations.
- (2) to act as a conduit or bundler of funds generated in the district for various charitable projects, whether destined for the Rotary Foundation or District Governors in districts

effected by natural disasters or charitable organizations
(holding Internal Revenue Code § 501 (c)(3) status)
involved in those projects.

- (3) to hold the corpus of funds designated for a specific charitable purpose and to act as the custodian, investor and disbursing officer of those funds.

(b) The purposes of the foundation as stated in its certificate of incorporation are charitable and humanitarian: to act in accord with the goals of the Rotary Foundation of Rotary International; to work to further international peace and understanding; to reach out to men and women within the area of our district to engage their interest and participation in outreach programs to serve others in great need in whatever parts of the world that need arises; to solicit and receive funds for the support of projects in such areas as health, the relief of hunger, the betterment of community facilities, disaster relief, support of educational programs including scholarships, the construction of educational facilities, the exchange of students, and sending professionally qualified people as advisers to developing areas around the world.

Section 1.3 Definitions

As used herein the following terms shall mean unless the context clearly requires otherwise:

- (a) account - a banking account or broker account or a specific security or asset
- (b) board - the governing board of this entity be it denominated a board of directors or trustees
- (c) corporation or foundation - this entity

- (d) director or trustee - a member of the governing board of the corporation
- (e) district - Rotary District 7230 as defined by Rotary International
- (f) earmarked account or monies - monies donated for a specific purpose or project, to be held in segregated accounts when and if accepted by the board,
- (g) foundation or corporation - this entity
- (h) member - a Rotarian belonging to a Rotary club in the district
- (i) restricted account - donations to the foundation for a designated purpose, which shall be used only for that purpose and recorded separately, unless a change in purpose is requested by the donors and acceptable to the board, and which may be maintained in the commingled assets of the foundation. At the option of the board, the assets may be placed in one or more earmarked accounts or monies and then the income, including capital gains less capital losses, shall accrue to the restricted account.

Section 1.4 Venue

(a) The corporate office shall be located in the City of Rye, County of Westchester, State of New York, or such other location as may be designated by written resolution of the board and spread upon its minutes.

(b) The corporation may also have operating offices at such other places within or without the State of New York as the president or board may from time to time deem appropriate or the affairs of the corporation may require.

Article II

MEETINGS

Section 2.1 Annual Meeting

(a) An annual meeting of members shall be held for the election of trustees and the transaction of other business as determined by the board.

(b) The order of business shall be as follows:

- (1) Calling the meeting to order by the president.
- (2) Proof of notice of meeting or waiver thereof.
- (3) Determination of a quorum.
- (4) Reading of minutes of last annual meeting and all subsequent meetings of the board including any actions taken by the board pursuant to these by-laws by written consent and without a meeting.
- (5) Reports of the officers and committees..
- (6) Election of trustees.
- (7) Transaction of any other business.

Section 2.2 Special meetings

(a) Special meetings of the members, for any purpose or purposes, may be called by the president upon his or her own initiative or at the request in writing by members entitled to cast ten (10%) percent of the total number of votes entitled to be cast at such meeting.

(b) The notice for such meetings shall comply with §2.3 of these By-Laws.

Section 2.3 Notice of Meetings

(a) Whenever members are required or permitted to take any action at a meeting, written notice shall state the place, date and hour of the meeting and, unless it is an annual meeting, indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also state the purpose or purposes for which the meeting is called.

(b) A copy of the notice of any meeting shall be given, personally or by mail, to each member entitled to vote at such meeting or to the president or secretary of his or her Rotary club. If the notice is given personally or by first class mail to a member, it shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting; if mailed to the president or secretary of his or her Rotary club, it shall be given not less than thirty (30) nor more than sixty (60) days before such date. If mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid.

(c) An affidavit of the secretary or other person giving the notice that the notice required by this section has been given shall, in the absence of fraud, be *prima facie* evidence of the facts therein stated.

(d) If any by-laws regulating an impending election of trustees is adopted, amended or repealed by the board, there shall be set forth in the notice of the next meeting of the members for the election of trustees the by-law so adopted, amended or repealed, together with a concise statement of the changes made.

(e) Notice may be served by publication, in lieu of mailing, in a newspaper published in the county in the state in which the corporate office of the corporation is located, once a week for three successive weeks next

preceding the date of the meeting, or in the official newsletter of the District Governor of the district mailed not less than fifteen (15) days prior to the meeting.

(f) The attendance of any member at a meeting without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such member.

(g) Notice of adjournment shall be required only to the extent provided in §2.4 of these by-laws.

Section 2.4 Adjournments

(a) The members present may adjourn a meeting despite the absence of a quorum. When a determination of members of record entitled to notice of or to vote at any meeting of members has been made, such determination shall apply to any adjournment thereof unless the board fixes a new record date for the adjourned meeting.

(b) When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting.

(c) If after the adjournment the board fixes a new record date for the adjourned meeting, or if there is still pending a proposed amendment to these by-laws, a notice of the proposal and the adjourned meeting shall be given to each member of record on the new record date entitled to vote at such meeting.

Section 2.5 Membership List

(a) A list or record of members entitled to vote, shall be produced at any meeting of members upon the request therefor of any member who has given written notice to the corporation at least ten (10) days prior to such meeting that such request will be made.

(b) If the right to vote at any meeting is challenged, the inspectors of election, or if none, the person presiding thereat, shall require such list or record of members to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list or record to be members entitled to vote thereat may vote at such meeting.

(c) Any person affirming that he or she is a member in good standing of a Rotary club within the district shall be entitled to vote, subject to challenge to be decided by the inspectors of election at any meeting.

Section 2.6 Quorum

(a) A quorum at the annual meeting or a membership meeting shall consist of at least one member from each of 10 (ten) Rotary clubs in the district.

(b) No proxies shall be allowed in determining a quorum.

(c) The members present may adjourn the meeting despite the absence of a quorum.

Section 2.7 Voting

(a) In any case in which a member is entitled to vote, such member shall have one vote.

(b) Except as otherwise required by law, trustees shall be elected as provided in § 3.4 by members entitled to vote in the election.

(c) Any other corporate action to be taken by vote of the members shall, except as otherwise required by law, be authorized by a majority of the votes cast at a meeting of members by the members entitled to vote thereon.

(d) No member shall vote by proxy and proxies shall not be counted in determining a quorum at a meeting of the membership.

Section 2.8 Elections

(a) The board in advance of any meeting of members, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a meeting of members may, and on the request of any member entitled to vote thereat shall, appoint one or more inspectors.

(b) In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the board in advance of the meeting or at the meeting by the person presiding thereat.

(c) Each inspector, before entering upon the discharge of his or her duties, shall make an oath to faithfully execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. An inspector shall not cast his or her vote at the meeting nor express an opinion on any matter in issue thereat.

(d) The inspectors shall determine the number of members of the corporation entitled to vote at the meeting, the existence of a quorum, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all members.

(e) On request of the person presiding at the meeting or any member entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

Section 2.9 Record Date

For the purpose of determining the members entitled to vote at any meeting of members or any adjournment thereof, or for the purpose of determining members entitled to receive any distribution or the allotment of any rights, or for the purpose of any other action by the members, the board may fix, in advance, a date as the record date shall not be more than fifty (50) days before the date of such meeting.

Article III

BOARD OF TRUSTEES

Section 3.1 Powers

The affairs of the corporation shall be managed by its board which shall have the power to delegate authority to the officers of the corporation subject to guidelines and its oversight.

Section 3.2 Number of trustees

(a) The number of trustees, exclusive of *ex-officio* trustees, constituting the board shall be twelve. The District Governor, the District Governor-Elect, the District Governor-Nominee, and the District Governor-Designate, (as may be in office at the time) and the immediate past District Governor of the district shall be *ex officio* members of the board with the rights, duties and powers noted in (e) below.

(b) The twelve (12) members of the board shall be divided into three (3) classes of trustees with each class containing four (4) trustees. Each class shall take office on July first and have the same three (3) year term of office with each class being known by the year that its term expires.

(c) Except for the *ex officio* trustee positions, vacancies occurring in the board for any reason may be filled by vote of a majority of the trustees then in office regardless of their number.

(d) Except for the *ex officio* trustee positions, a trustee elected to fill a vacancy shall hold office until the next annual meeting at which the election of trustees in his or her class is in the regular order of business and until his or her successor is duly elected and qualified.

(e) *Ex officio* trustees shall hold their office in the corporation co-extensive with their term of office in the district. They shall have all of the rights, duties and powers of a trustee, except that they shall not have the power to vote; **provided, however**, that the District Governor shall be entitled to vote at a meeting of the board if it is necessary to break a previous tie vote of the board and then only on the third vote on the resolution.

Section 3.3 Nomination and Qualification of Trustees

(a) Each Trustee (except for *ex officio* trustees) shall be at least twenty-one years of age and a member of the corporation. The *ex officio* trustees shall be qualified by virtue of their qualification to hold the office that they hold in the district.

(b) at least 60 days before the annual meeting of the foundation the president shall appoint a committee on nominations (hereinafter referred to as such) to propose a slate for the election of members as trustees for the next class to be elected and the filling of vacancies at the annual meeting.

(c) the charge of the committee shall be to propose a slate that, to the maximum extent possible, complements the trustees who will continue in office and would create a board that reflects the diversity of the membership.

(d) the report of the committee on nominations shall be circulated to the board of trustees with the notice of the annual meeting or announced at the meeting of the board immediately preceding the annual meeting.

Section 3.4 Election

(a) At each annual meeting the committee on nominations shall propose a slate of members to be elected to fill the class of trustees whose term expires at that annual meeting, to fill vacancies in any class whose term has not expired, and to fill newly created positions in any class. Each trustee shall be elected for the term of the class to which he or she is elected and serve until his or her successor has been duly elected and qualified; provided, however, that the term of office of any trustee who becomes eligible for *ex officio* status shall expire when he or she becomes eligible for *ex officio* status and a vacancy shall be created in his or her class of trustees.

(b) In addition to the slate proposed by the committee on nominations, nominations may be made from the floor and, in any event, speeches shall be limited to the reporter of the committee's slate, and the nominator and seconder, if any, with a pre-announced time limit in the discretion of the presiding officer.

(c) If the number of nominees for any class or vacancy is equal to the positions to be fill then the ballot shall be by voice vote; otherwise the vote shall be by written ballot. Each member shall have one vote for each position to be filled on the ballot; provided, however, that he or she can cast only one vote for any one candidate on the ballot.

(d) When there is a requirement for written ballots, all nominees for the same class shall be on the same ballot and the ones receiving the highest number of votes shall be elected until all available positions in that class are filled. In the event of a tie vote the candidates receiving a number of votes higher than the tie shall be elected. A run-off election for those positions at and below the tie will be held with the members having one vote for each position to be filled.

Section 3.5 Meetings

(a) The first meeting of each newly elected board shall be held, with or without notice, immediately after the annual meeting and if a quorum is not present adjourned to the office of the corporation.

(b) Regular meetings of the board may be held without notice at such time and place as scheduled by the board in advance or announced at a prior meeting.

(c) Special meetings or any adjournment thereof shall be held upon notice to each trustee mailed or given personally at least ten (10) days prior to the time appointed for the meeting.

Section 3.6 Quorum and voting

(a) Five (5) members of the board shall constitute a quorum for the transaction of all business.

(b) Except as otherwise provided by law, the vote of a majority of the trustees present at the time of a vote, if a quorum is present at such time, shall be the action of the board.

(c) A majority of the trustees present, whether or not a quorum is present, may adjourn a meeting to another time and place.

(d) Every trustee entitled to vote at a meeting of the board or to express consent or dissent without a meeting may authorize another member to act for him by proxy. Every proxy must be in writing and signed by the trustee. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the trustee executing it, except as otherwise provided by law.

Section 3.7 Action without meeting

(a) Whenever under the Not-For-Profit Corporation Law trustees are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all of the trustees entitled to vote thereon.

(b) Upon unanimous consent (without objection by any member entitled to vote) a vote may be taken by E-mail initiated by either the President, Secretary or Clerk of the foundation. Failure of any voting member to respond (by any means) within ten (10) days of the E-mail initiating the vote shall be recorded as an abstention.

(c) A memorandum of the action shall be preserved in the corporate minute binder in sequence with the minutes of meetings of the board and membership.

Section 3.8 Removal or resignation

(a) Any or all of the trustees may be removed for cause by a majority vote of the members present at a meeting called for that purpose. The removal of trustees may not be effected unless and until they are advised of the grounds for cause and given an opportunity to be heard and present witnesses and documents in their own defense.

(b) Any trustee may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective, but no resignation shall discharge any accrued obligation or duty of the trustee.

Article IV

OFFICERS

Section 4.1 Titles

(a) The officers of this corporation shall be a president, one or more vice presidents (if appointed), a secretary, a treasurer, one or more assistant secretaries or assistant treasurers (if appointed) and a clerk.

(b) Any two or more offices may be held by the same person, except the offices of president and secretary.

(c) Except for the president, an office holder need not be a trustee but must be a member.

Section 4.2 Appointment

All officers shall be appointed by the board to hold office at the pleasure of the board and shall serve indefinitely and until his or her successor has been duly appointed and qualified.

Section 4.3 President

(a) The president shall preside at all meetings of members and at all meetings of the board and serve as parliamentarian with the power to appoint a parliamentarian.

(b) He shall be an *ex officio* member of all standing committees and shall, in general, supervise and manage all of the business and affairs of the corporation.

(c) The president shall have the power to execute all contracts and instruments of conveyance in the name of the corporation, to sign checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees, subject to the approval of the board.

(d) He shall perform all the duties usually incident to the office of president.

Section 4.4 Vice Presidents

(a) Vice presidents, as appointed from time to time, shall discharge such duties as determined by the board or as delegated by the president.

(b) The board may by resolution designate an executive vice president and/ or otherwise designate a line of succession in the event of the temporary absence or disability of the president.

Section 4.5 Secretary and Assistant Secretaries

(a) The secretary shall take and keep the minutes of all meetings of the board, and the minutes of all meetings of the members, and also, unless otherwise directed, be the repository for the minutes of all meetings of committees in books provided for that purpose.

(b) He or she shall give, or cause to be given, notice of all meetings of members and trustees, and all other notices required by law or by these by-laws, and in case of the secretary's absence, delegation, or refusal so to do, any such notice may be given by the clerk or any person thereunto directed by the president or by the trustees or members upon whose requisition the meeting is called.

(c) An assistant secretary shall have such duties as indicated by the board at the time of appointment, or thereafter, but nevertheless shall be subordinate to the secretary. In the event of the absence or disability of the secretary, one of them may be designated by the president to serve in the place or stead of the secretary.

Section 4.6 Treasurer and Assistant Treasurers

(a) The treasurer shall have custody and oversight and supervision of all accounts, securities, evidences of indebtedness and other valuable documents of the corporation; when necessary or proper the treasurer shall indorse on behalf of the corporation for collection checks, notes and other obligations and shall deposit the same to the credit of the corporation in such bank or banks or depository as the board or its finance committee may designate.

(b) Any assistant treasurer shall have care, custody and control of such funds and such duties as indicated by the board in their appointment, or thereafter, but nevertheless shall be subordinate to the treasurer.

(c) The treasurer or subordinate assistants shall receive and give or cause to be given receipts and acceptances for moneys to the corporation and shall pay out of the funds on hand all just debts of the corporation of whatever nature upon maturity of the same; the treasurer shall enter or cause to be entered in books of the corporation to be kept for that purpose full and accurate accounts of all moneys received and paid out on account of the corporation, and whenever required by the president or the board or its finance committee, shall render a statement of accounts.

(d) The treasurer or subordinate assistants shall keep or cause to be kept such other books as will show a true record of the expenses, losses,

gains, assets and liabilities of the corporation and its specific fund for which directly responsible or as a supervisor; shall at all reasonable times exhibit his or her books and accounts to any trustee of the corporation upon application at the office of the corporation during business hours; shall perform all other duties and acts incident to the office of treasurer or assistant treasurer.

(e) The treasurer and assistant treasurers, if any, shall give the corporation security for the faithful performance of his or her duties in such sum and with such surety as the board may require.

Section 4.7 Clerk

(a) The clerk shall have charge of the corporate minute binder and shall have custody of the seal of the corporation and affix the same to all instruments requiring it when authorized by the president or board and attest to the same.

(b) He or she may use the title of Assistant Secretary and in general, perform all the duties incident to the corporate existence of the corporation and make all filings with the Secretary of State and other agencies having taxing or supervisory jurisdiction.

(c) In the event that no clerk is appointed or there is a vacancy in the office, the secretary shall perform the foregoing duties until a clerk is appointed.

Section 4.8 Vacancies

If any office becomes vacant, the board may appoint any qualified member to fill such vacancy, who shall hold office for the unexpired term of his or her predecessor and until his or her successor is duly elected or appointed and qualified.

Article V

EXECUTIVE AND OTHER COMMITTEES

Section 5.1 Executive committee

(a) There shall be an executive committee consisting of the president, vice president(s), if any, the secretary, the treasurer and the clerk of the corporation which shall have all the authority of the board, except as to the matters prohibited by section 712 of the Not-for-Profit Corporation Law.

(b) The executive committee may designate other committees consisting of at least three or more trustees as well as members of the foundation, which to the extent provided in such resolution, shall have all the authority of the board, except as to the matters prohibited by section 712 of the Not-for-Profit Corporation Law.

(c) The appointment and composition of the committee on nominations shall be in the sole and absolute discretion of the president and in default of appointment within the time provided for herein the board shall constitute the same.

Section 5.2 Compensation

(a) Members of committees shall not receive any monetary compensation for their services.

(b) By resolution, the board may fix an allowance to cover the expenses of committee meetings to be paid to the chairman thereof, subject to an accounting and refund of any unused monies.

(c) Nothing herein contained shall be construed to preclude any member of a committee from serving the corporation in any other capacity and receiving compensation therefor or submitting a voucher for reim-

bursement of his or her ordinary and necessary expenses incurred in the discharge of his or her duties. Any expense items shall require the prior authorization of the chairman of the committee or the board, as the case may be.

Article VI

TRUSTEES AND OFFICERS

Section 6.1 Scope of authority

No trustee, officer, member or committee of the corporation shall initiate, foster, or carry on any kind or manner of activity which may commit the corporation to a policy, measure, attitude or expense, until the plan, project or work shall have been studied and approved by the board.

Section 6.2 Compensation

(a) Trustees and officers shall not receive any salary, as such, for their services.

(b) By resolution, the board may fix a stipend to cover the expenses of attendance at each regular or special meeting of the board and of any committee of the board;

(c) Nothing herein contained shall be construed to preclude any trustee or officer from serving the corporation in any other capacity and receiving compensation therefor or submitting a voucher for reimbursement of his or her ordinary and necessary expenses.

Section 6.3 Related transactions

(a) No contract or other transaction between this corporation and one or more of its trustees or officers, or between this corporation and any other corporation, firm, association or other entity in which one or more of its

trustees are trustees or officers, or have a substantial financial interest, shall be either void or voidable for that reason alone or by reason alone that such trustee or trustees or officer or officers are present at the meeting of the board, or of a committee thereof, which authorizes such contract or transaction, or that his or her or their votes are counted for such purpose:

(1) If the material facts as to such trustee's or officer's interest in such contract or transaction and as to any common trusteeship, officership or financial interest are disclosed in good faith and the board authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested trustee or officer; or

(2) If the material facts as to such trustee's or officer's interest in such contract or transaction and as to any such common trusteeship, officership or financial interest are disclosed in good faith or known to the members entitled to vote thereon, if any, and such contract or transaction is authorized by vote of the members.

(3) If there was no disclosure, knowledge or vote as provided in (1) and (2) above, the corporation may avoid the contract or transaction unless the party or parties thereto establish affirmatively that the contract or transaction was fair and reasonable to the corporation at the time it was authorized by the board or its executive committee or the members.

(b) Common or interested trustees may be counted in determining the presence of a quorum at a meeting of the board, its executive committee or members which authorizes such contract or transaction.

Section 6.4 Indemnity

If a trustee or officer of the corporation is made a party to any civil or criminal action or proceeding in any matter arising from the performance by

such trustee or officer of his or her duties for or on behalf of the corporation, then, take the full extent permitted by law, the corporation, upon affirmative vote of the board of trustees, a quorum of trustees being present at the time of the vote who are not parties to the action or proceeding, shall:

(a) Advance to such trustee or officer for all sums found by the board, so voting, to be necessary and appropriate to enable the trustee or officer to conduct his or her defense, or appeal, in the action or proceeding; and

(b) Indemnify such trustee or officer for all sums paid by him or her in the way of judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees actually and necessarily incurred, in connection with the action or proceeding, or appeal therein, subject to the proper application of credit for any sums advanced to the trustee or officer pursuant to clause (1) of this section.

Article VII

FINANCIAL

Section 7.1

(a) The fiscal year of the corporation shall begin the first day of January and terminate on the thirty-first day of December of each calendar year. The corporation shall keep its books on a cash basis and to the maximum extent possible cast its balance sheet in the format of fund accounting.

(b) The acceptance of earmarked monies, as hereinafter provided, shall be in the discretion of the board, and in its discretion may be placed in segregated accounts and assets with any interest, dividends or capital gains or losses accruing to the individual restricted account. All other assets of the

foundation shall be commingled with the interest, dividends, capital gains or losses on these commingled assets accruing to the unrestricted account. No disbursements will be made from a restricted account for the general expenses of the foundation unless those expenses have been incurred in the administration of the restricted account or its program or project.

(c) All monies are to be accepted and administered in accordance with the *Guidelines for Programs and Funding*, adopted by the Board of Trustees at its meeting of September 19, 2004, attached thereto as Appendix "A" and as amended by resolution of the board from time to time.

(d) No monies will be accepted or any account established or money disbursed from any account (current or newly established) unless the account has been approved by the board and a description of the account added to the *Designation of Accounts* attached thereto as Appendix "B" and as amended by resolution of the board from time to time.

(e) acknowledging the fact that a program, project or disaster may be in an area outside the jurisdiction of the United States of American and not subject to its tax laws and/or that an Internal Revenue Code § 501(c)(3) entity may not otherwise be available, upon specific resolution of the board disbursements may be made to either:

- (1) the District Fund of the District Governor(s) of the Rotary International district(s) that may be impacted by the program, project or disaster, or the segregated account established in that district by the District Governor or the appropriate Rotary Club under Rotary International regulations for the sole purpose of funding the program, and, in all cases, subject to the oversight of Rotary

International or The Rotary Foundation, subject to the
"Guidelines for Programs and Funding; or

- (2) an entity with an Internal Revenue Service determination letter under §§ 509(a)(1), 509(a)(2), or 509(a)(3) or § 4942 of the Internal Revenue Code; or
- (3) the segregated account of a foreign entity which, if it were subject to the Internal Revenue Code, would be deemed likely to qualify for § 501(c)(3) status but for the fact that it is a foreign entity.
- (4) any other entity permitted by the Internal Revenue Service in a written opinion letter.

Section 7.2 Signatories and banking

(a) Except as provided for specifically earmarked accounts herein all checks, drafts, notes or other obligations of the corporation may be signed by the president, secretary, treasurer or clerk if under the sum of \$5,000.00, and for an expense or disbursement in the normal course of the corporation's affairs. If otherwise, then two signatures will be required. Any bank or payee shall be entitled to rely on the authority of any one officer to execute a negotiable instrument unless the bank or payee has knowledge or notice of the lack of the drawer's authority.

(b) All monies of the corporation shall be deposited from time to time to the credit of the corporation in such accounts and banks, trust companies or other depositories as the board may by written resolution designate.

(c) The board may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these by-laws, to enter into any contract or execute and deliver any instrument in the name of

and on behalf of the corporation, and such authority may be general or confined to specific instances.

(d) No officer or agent of this corporation shall pledge the credit of the corporation for any sum of money without express authority by resolution of the board. But this section shall not apply to the Executive Committee in the exercise of the duties conferred upon them by these by-laws.

(e) The board may establish one or more restricted accounts, each for a specific purpose. The specific purpose, objective and criteria for each account shall be set forth in a resolution of the board and shall designate it as under the care, custody and control of either the treasurer or an assistant treasurer for that account. A restricted account established by the board may be maintained in individual accounts of a banking or financial institution and not commingled with other monies of the corporation. If assigned to an assistant treasurer, that person shall be the primary signatory on that restricted account and shall have possession of all check or bank books, endorsing stamps and the like.

Section 7.3 Annual report

The board shall publish and submit to the members at the annual meeting of the members, a statement of the financial condition of the corporation, including a balance sheet showing the assets, liabilities and fund balances of the corporation, a statement of the purposes of any restricted accounts, a recapitulation of its investments, and an operating statement covering the preceding fiscal year. The statements need not be certified by independent public accountants.

Article VIII

MISCELLANEOUS

Section 8.1 Seal

(a) The corporate seal shall be circular in form and have inscribed thereon the name of the corporation, the year of its organization, and at least the words "Corporate Seal" and "New York."

(b) The clerk shall be in charge of the seal and it may be used by causing it or a facsimile to be affixed or impressed or reproduced in any other manner. If and when so directed by the board or the president, a duplicate of the seal may be kept and used by the secretary, assistant secretary, treasurer or assistant treasurer.

Section 8.2 Waiver of Time

(a) Whenever, under these by-laws the corporation or the board or any committee thereof is authorized to take any action after notice to any person or persons or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time, if at any time before or after such action is completed the person or persons entitled to such notice or entitled to participate in the action to be taken or, in the case of a member, by his or her attorney-in-fact, submit a signed waiver of notice of such requirements.

(b) Whenever any notice or communication is required to be given to any person by these by-laws and communication with such person which is then unlawful under any statute of the State of New York or of the United States or any regulation, proclamation or order issued under said statutes, then the giving of such notice or communication to such person shall not be required

and there shall be no duty to apply for license or other permission to do so. Any affidavit, certificate or other instrument which is required to be made or filed as proof of the giving of any notice or communication required under these by-laws shall, if such notice or communication to any person is dispensed with under this paragraph, include a statement that such notice or communication was not given to any person with whom communication is unlawful.

(c) Whenever any notice or communication is required or permitted by these by-laws to be given by mail, it shall, except as otherwise expressly provided in these by-laws, be mailed to the person to whom it is directed at the address designated by him for that purpose or, if none is designated, at his or her last known address. Such notice or communication is given when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States mail. Such mailing shall be by first class mail except where otherwise required by these by-laws.

Article IX

Amendments

These by-laws may be amended, repealed or adopted by a majority of the entire board and also by the members at the time entitled to vote in the election of trustees provided; however, that any by-law so adopted by the members may be amended or repealed only by the members. The membership meeting at which the by-law is to be amended, repealed or adopted must be on notice, notwithstanding any other provision herein, and the notice shall contain a resume of the proposal or if practical the text in legislative format.