

# **Toledo Rotary Club Foundation Code of Regulations**



**Membership Approved**

January 27, 2014

**TABLE OF CONTENTS**

	<u>Page</u>
<b>ARTICLE I - PURPOSES OF THE FOUNDATION .....</b>	<b>1</b>
<b>ARTICLE II - MEMBERSHIP .....</b>	<b>1</b>
SECTION 1. MEMBERS .....	1
SECTION 2. ELECTIONS AND APPOINTMENTS .....	1
SECTION 3. MANNER OF ACTING OF CORPORATE MEMBER .....	1
SECTION 4. MATTERS REQUIRING APPROVAL OF THE CORPORATE MEMBER.....	1
SECTION 5. DUTIES OF THE CORPORATE MEMBER .....	1
<b>ARTICLE III - BOARD OF TRUSTEES .....</b>	<b>2</b>
SECTION 1. GENERAL POWERS.....	2
SECTION 2. NUMBER, ELECTION, AND TERMS OF TRUSTEES .....	2
(a) <i>Number and Categories of Trustees</i> .....	2
(b) <i>Terms and Term Limitations</i> .....	2
(c) <i>Qualifications</i> .....	3
(d) <i>Vacancies</i> .....	3
(e) <i>Compensation</i> .....	3
<b>ARTICLE IV - MEETINGS OF TRUSTEES .....</b>	<b>3</b>
SECTION 1. ANNUAL MEETING.....	3
SECTION 2. OTHER MEETINGS.....	3
SECTION 3. NOTICE OF MEETINGS.....	3
SECTION 4. QUORUM AND MANNER OF ACTING.....	3
SECTION 5. INFORMAL ACTION .....	3
<b>ARTICLE V - OFFICERS.....</b>	<b>3</b>
SECTION 1. TITLES, ELECTION, TERMS, AND COMPENSATION.....	3
SECTION 2. REMOVAL .....	4
SECTION 3. VACANCIES.....	4
SECTION 4. DUTIES .....	4
(a) <i>Chair</i> .....	4
(b) <i>Vice-Chair</i> .....	4
(c) <i>Secretary/Treasurer</i> .....	4
<b>ARTICLE VI - COMMITTEES.....</b>	<b>4</b>
SECTION 1. NUMBER, TERM, AND MEMBERSHIP .....	4
SECTION 2. MEETINGS.....	4
SECTION 3. STANDING COMMITTEES .....	4
<b>ARTICLE VII - FINANCIAL REPORTS .....</b>	<b>5</b>
SECTION 1. BOOKS AND FINANCIAL RECORDS .....	5
SECTION 2. REPORTS .....	5
SECTION 3. AUDIT .....	5
SECTION 4. SURETY BONDS .....	5
SECTION 5. FISCAL YEAR .....	5
SECTION 6. BUDGET .....	5

SECTION 7. REIMBURSEMENT FOR SERVICES BY CORPORATE MEMBER ..... 5

**ARTICLE VIII - INDEMNIFICATION; STANDARD OF CONDUCT..... 5**

SECTION 1. INDEMNIFICATION..... 5

SECTION 2. CONFLICTS OF INTEREST..... 6

SECTION 3. STANDARD OF CONDUCT ..... 6

**ARTICLE IX - AMENDMENTS ..... 6**

**ARTICLE I**  
**PURPOSES OF THE FOUNDATION**

The purposes of the Foundation shall be as provided in the Articles of Incorporation.

**ARTICLE II**  
**MEMBERSHIP**

**Section 1. Members.** The Foundation shall have one class of members, which class shall consist of one member, designated as the “Corporate Member.” That member shall be the Rotary Club of Toledo, Ohio, (Club) or any successor thereto. If a vacancy shall exist in the position of Corporate Member for any reason, the Trustees of the Foundation shall elect a new Corporate Member.

**Section 2. Elections and Appointments.** Annually, in April, the Club, through its Board of Directors, shall elect Trustees to succeed Trustees whose terms have expired, or are about to expire, and to fill any vacancies that have occurred.

**Section 3. Manner of Acting of Corporate Member.** The Corporate Member (Club), except as otherwise provided herein, shall act by a two-thirds ( $\frac{2}{3}$ ) vote of its Board of Directors. Such action shall be communicated by written instrument signed by an officer of the Club to the Chairman or Secretary/Treasurer of the Foundation.

**Section 4. Matters Requiring Approval of the Corporate Member.** The Corporate Member (Club) must approve the following actions of the Trustees:

- (a) Transfers of any property of the Foundation other than are necessary for the administration of the Foundation or pursuant to the purposes of the Foundation;
- (b) Amendment or restatement of the Articles of Incorporation or the Code of Regulations;
- (c) Merger, consolidation, dissolution, or sale, lease, exchange, mortgage, or pledge of substantially all the assets of the Foundation;
- (d) All proposed programs, projects, or activities of the Foundation, before their promulgation or funding, for the purposes set forth in the Articles of Incorporation.

**Section 5. Duties of the Corporate Member.**

- (a) To encourage Club members to support the programs and projects of the Foundation through personal involvement and financial contributions.
- (b) To propose to the Trustees new programs, projects, or activities for the Foundation.
- (c) To meet at least annually with the Trustees of the Foundation and its investment advisors.

**ARTICLE III**  
**BOARD OF TRUSTEES**

**Section 1. General Powers.** Directors of this Foundation shall be known as Trustees. All business of the Foundation shall be managed by the Trustees, except certain matters which must also receive approval of the Club, as set forth in Section 4 of Article II. 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 Foundation by Chapter 1702 of the Ohio Revised Code for not-for-profit corporations; 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. The Trustees shall have the following specific duties:

- (a) Act as trustee under any trust created to furnish funds for any of the purposes for which this Corporation is formed, and receive, hold, administer, lend, and expend funds and property subject to such trust;
- (b) Enter into contracts;
- (c) Solicit, collect, receive, acquire, use, develop, expend, grant, hold, and lend money and property, both real and personal, received by gift, contribution, bequest, devise, or otherwise;
- (d) Sell and convert property, both real and personal, into cash;
- (e) Use the funds of this Corporation and the proceeds, income, rents, issues, and profits derived from any property of this Corporation for any purpose for which this Corporation was formed;
- (f) Purchase or otherwise acquire, invest in, own, hold, sell, assign, transfer, or otherwise dispose of, mortgage, pledge, or otherwise hypothecate or encumber, deal in and with real and personal property, shares, bonds, notes, debentures, or other securities or evidences of indebtedness of any person, firm, corporation, or association and, while the owner or holder thereof, exercise all rights, powers, and privileges of ownership.

**Section 2. Number, Election, and Terms of Trustees.**

(a) Number and Categories of Trustees. The number of Trustees shall be nine (9), except as may be modified by Section 2(b) hereafter. The Trustees shall be elected by a two-thirds ( $\frac{2}{3}$ ) vote of the Board of Directors of the Club at a meeting held in April of each year from nominees submitted to the Club Board by the Club Nominating Committee in March of each year. Three Trustees shall be nominated and elected each year in this manner (except for the first year after the adoption of this Code of Regulations). The Board of Trustees shall consist of the following categories: three (3) Past Presidents of the Rotary Club of Toledo; three (3) past Board Members of the Club; and three (3) members at large of the Club. One member of each category shall be elected to the Foundation's Board each year (except for the first year after the adoption of this Code of Regulations).

(b) Terms and Term Limitations. Trustees shall serve terms of three (3) years (except for the first year after incorporation and the adoption of this Code of Regulations, when three Trustees will be elected for three-year terms, three (3) for two-year terms, and three (3) for one-year terms). Such terms shall commence July 1 of the year following election and end June 30 of the third year after taking office (except for the first year after the adoption of this Code of Regulations) or when a successor takes office. No Trustee shall serve more than two (2) consecutive full terms. 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 election and qualification of a successor. However, should the Chair be elected during the final

year of that Trustee's final term, said Chair shall be allowed to serve an additional year with full authority as an additional Trustee.

(c) Qualifications. Each Trustee shall be a member, and continue to be a member, in good standing during his or her term, of the Rotary Club of Toledo, Ohio, with broad experience in Rotary life, with executive and policy-making experience, and in areas of Rotary philanthropic activities. Expertise in financial management and/or investing should also be considered by the Nominating Committee.

(d) Vacancies. Any vacancy among the Trustees may be filled for the balance of the term by the Club Board of Directors.

(e) Compensation. All Trustees shall serve without compensation.

#### **ARTICLE IV** **MEETINGS OF TRUSTEES**

**Section 1. Annual Meeting.** The annual meeting of the Foundation Trustees shall be held during July of each year at such time and at such place within Lucas County, Ohio, as shall be designated by the Trustees. If necessary or desirable, the Trustees and the Directors of the Club may hold a joint meeting at any mutually agreeable time and place.

**Section 2. Other Meetings.** There shall be such other meetings of the Trustees as may be called from time to time, at least quarterly, by the Chair of the Trustees or by the majority of the Trustees by written notice to the other Trustees.

**Section 3. Notice of Meetings.** Notice of meetings shall be mailed at least ten (10) days before the meeting date or given to the Trustees by personal delivery or telephone at least six (6) days before the meeting date.

**Section 4. Quorum and Manner of Acting.** A majority of Trustees then qualified and acting shall constitute a quorum for the transaction of business at any Trustees' meeting, and any matter requiring action by the Trustees may be decided by a majority vote of the Trustees present, unless otherwise provided by statute or in this Code of Regulations.

**Section 5. Informal Action.** Any action, which may be taken at a meeting of the Trustees, may be taken without a meeting if a consent in writing, setting forth the action so taken shall be signed by all of the Trustees entitled to vote on the matter. Trustees may also participate in and act at any meeting of the Trustees through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person.

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

**Section 1. Titles, Election, Terms, and Compensation.** A Chair, Vice-Chair, and Secretary/Treasurer shall be elected by the Trustees from the Board of Trustees for a term of one (1) year or until a successor is elected and qualified. The officers will be elected no later than December 31st of the then-current Rotary year and the terms of office of the newly elected officers shall commence the first day of the then-next Rotary year.

**Section 2. Removal.** Any officer may be removed, with or without cause, by the Trustees at any meeting of the Trustees.

**Section 3. Vacancies.** Any vacancy in an office may be filled by the Board of Trustees of the Foundation.

**Section 4. Duties.**

(a) **Chair.** As the highest officer of the Foundation, the Chair provides regular oversight and direction for the operations and activities of the Foundation. The Chair may delegate any powers of the office to other Trustees or officers of the Foundation. The Chair may act in emergency matters for the Trustees when the Trustees are not in session or cannot be easily called into session, so long as such action is in harmony with the Constitution and By-Laws of the Club and the Articles of Incorporation of the Foundation and this Code of Regulations.

(b) **Vice-Chair.** The Vice-Chair shall act on behalf of the Chair between meetings of the Trustees when delegated by the Chair to do so or when, for any reason, the Chair is unable to act.

(c) **Secretary/Treasurer.** The Secretary/Treasurer shall be the chief administrative and financial officer of the Foundation, subject to the direction of the Trustees and the Chair, and shall be responsible for the implementation of the Trustees' policies and for general management and administration of the Foundation. The Secretary/Treasurer may delegate various functions to the Club Executive and the Club staff.

(d) In addition to the foregoing enumerated duties and powers, the several officers of the Foundation shall perform such other duties and exercise such other powers in accord with the Articles of Incorporation and this Code of Regulations, as the Trustees may from time to time delegate or determine, or as may be assigned to them by the Chair or any other superior officer. Any officer acting on behalf of the Trustees shall report such action to the Trustees at their next meeting.

**ARTICLE VI**  
**COMMITTEES**

**Section 1. Number, Term, and Membership.** The Trustees shall establish committees as they may from time to time determine is in the best interest of the Foundation. No committee shall have and exercise the authority of the Trustees. The Chair shall appoint the members of the committees, subject to the approval of the Foundation Board, and the members shall serve for a term of one (1) year. The Chair shall designate the Chair, Vice-Chair, and Secretary of each committee. Each committee shall consist of at least two (2) Trustees and it may include other members of the Club.

**Section 2. Meetings.** Committees shall meet at such times and places and upon such notice as may be determined by the Chair of the committee. A majority of the membership of the committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 3. Standing Committees.** The Foundation shall have a Development Committee, a Governance Committee and an Investment Committee, in addition to any other committee established by the Trustees.

**ARTICLE VII**  
**FINANCIAL REPORTS**

**Section 1. Books and Financial Records.** The Trustees shall provide for the keeping of accurate books and records of the receipts, expenditures, investments, properties, and all other assets of the Foundation to the end that all property received by the Foundation shall be devoted exclusively to the purposes set forth in the Articles of Incorporation.

**Section 2. Reports.** The Trustees shall at least quarterly notify the Directors of the Club of the status of Foundation appropriations and also of the amount of money that may be available to further the purposes of the Foundation.

**Section 3. Audit.** The Foundation, as an administration expense, shall annually, engage the auditors employed to audit the accounts of the Club to audit the accounts of the Foundation. Such auditor shall distribute the report of the audit to the Trustees and the Directors of the Club.

**Section 4. Surety Bonds.** The Trustees shall determine the necessity and amount of surety bonds for any persons working on Foundation activities and provide in the administration budget of the Foundation for the cost of such bonds.

**Section 5. Fiscal Year.** The fiscal year of the Foundation shall be the same as the fiscal year of the Club.

**Section 6. Budget.** Each year, the Trustees shall adopt a budget of the succeeding fiscal year, which they may revise in the succeeding fiscal year if necessary.

**Section 7. Reimbursement for Services by Corporate Member.** The Foundation shall reimburse the Club for the cost of all administrative expenses.

**ARTICLE VIII**  
**INDEMNIFICATION; STANDARD OF CONDUCT**

**Section 1. Indemnification.** Each person who at any time is or shall have been a Trustee, officer, employee, or agent of the Foundation shall be indemnified by the Foundation against expenses, judgments, decrees, fines, penalties, or amounts paid in settlement in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, to which he or she is or may be made a party by reason of being or having been such a Trustee, officer, employee, or agent, provided a determination shall have been made by the Club: (a) that such Trustee, officer, or employee was not, and has not been adjudicated to have been negligent or guilty of misconduct in the performance of his or her duty to the Foundation of which he or she is a Trustee, officer, or employee, (b) that he or she acted in good faith in which he or she reasonably believed to be the best interest of such Foundation, and (c) that, in any matter the subject of a criminal action, suit, or proceeding, he or she had no reasonable cause to believe that his or her conduct was unlawful. The foregoing right of indemnification shall not be deemed exclusive of other rights to which any Trustee, officer, employee, or agent may be entitled in any capacity as a matter of law or under any regulations, agreement, vote of the Member or Trustees, or otherwise. If authorized by the Trustees, the Foundation may purchase and maintain insurance against liability on behalf of any such person(s) to the full extent permitted by law in effect at the time of the adoption of these Regulations or as the same may be changed from time to time.



**Section 2. Conflicts of Interest.** The Foundation shall not enter into contracts or transactions between the Foundation or a related corporation and a trustee of the Foundation or between the Foundation and an organization in which a trustee of the Foundation is a director, officer, or legal representative or has a material financial interest, except in accord with the provisions of the Ohio Revised Code as now enacted or hereinafter amended. Nothing contained herein shall preclude any transaction between the Foundation and the Rotary Club of Toledo.

**Section 3. Standard of Conduct.** Each trustee and officer shall discharge his or her duties as a trustee or officer in good faith, in a manner which the trustee or officer reasonably believes to be in the best interests of the Foundation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

## **ARTICLE IX** **AMENDMENTS**

Amendments to this Code of Regulations shall be made only at a regular meeting of the Club, a quorum being present, by a two-thirds ( $\frac{2}{3}$ ) vote of all members present, provided that notice of such proposed amendment shall have been given to each member of the Club at least ten (10) days before such meeting.