

Bylaws of the Grand Junction Horizon Sunrise Rotary Club (Implemented July 3, 2014)

Article 1 Definitions

1. The Club: Grand Junction Horizon Sunrise Rotary Club.
2. Board: The Board of Directors of the Grand Junction Horizon Sunrise Rotary Club.
3. Director: A member of this club's Board of Directors.
4. Member: A member, other than an honorary member, of this club.
5. Past President: A current member in good standing and former President of the Grand Junction Horizon Sunrise Rotary Club.
6. Quorum: One-third of the club membership; a majority of directors for the Board.
7. RI: Rotary International.
8. Fiscal Year: The 12-month period that begins on 1 July.
9. Honorary Member: Shall be defined in the Standing Rules.

Article 2 Board

The governing body of this club is the Board of Directors consisting of the President, Immediate Past President (IPP), President-Elect (PE), President-Elect Nominee (PEN) (once elected), Treasurer, Secretary, and a Member-at-Large. One vote per director is allowed during Board meetings. While all club members in good standing are encouraged to attend and participate at Board meetings, only votes cast by Directors will be accepted.

Article 3 Elections and Terms of Office

Section 1 — Two months prior to elections at the Annual meeting, the President shall order the club's Past Presidents to convene as a Nominating Committee to select a candidate for PEN.

Section 2 — Two months prior to elections at the Annual meeting, the Board shall select a slate of candidates for Secretary, Treasurer, and Member-at-Large.

Section 3 — During a regular club meeting one month prior to elections at the Annual meeting, members may nominate candidates for Secretary, Treasurer, and any open director positions. Candidates may be nominated and seconded by members from the floor.

Section 4 — The candidate who receives the most votes at the Annual meeting for each office is declared elected to that office.

Section 5 — A vacancy on the Board or any office shall be filled by appointment of the remaining members of the Board. In the event of a tie, the president shall take the vote to membership.

Section 6 — A vacancy of any Director-Elect position shall be filled by appointment of the remaining members of the Board-Elect. In the event of a tie, the president shall take the vote to membership.

Section 7 — Terms of office for each role are as follows:

- President — One Year
- President-Elect — One Year
- President-Elect Nominee — One Year
- Immediate Past President— One Year
- Treasurer — Two Years
- Secretary — Two Years
- Member-at-Large — One Year

Section 8 — There shall be no term limits for non-presidential positions. Non-consecutive presidential terms are allowed.

Section 9 — *Removal*. Any Director may be removed from the Board at any time by a two-thirds majority vote of membership.

Section 10 — All Board positions are voluntary. There is no compensation for any Board Members or Directors.

Article 4 Duties of the Board

Section 1 — *President*. The President shall preside at club and Board meetings.

Section 2 — *Immediate Past President (IPP)*. The IPP shall serve as a Director.

Section 3 — *President-Elect (PE)*. The PE shall prepare for their year in office, serve as a director, and attend High Country or other acceptable PETS training.

Section 4 — *President-Elect Nominee (PEN)*. The PEN shall prepare for their year in office and serve as a director upon election by the club.

Section 5 — *Treasurer*. The Treasurer shall oversee all funds and provide accounting of these funds as directed by Board. The Treasurer shall ensure that all tax-related forms are submitted.

Section 6 — *Secretary*. The Secretary shall keep membership and attendance records, Board meeting minutes, and make required submissions/postings to the District/RI website to keep membership and director information current.

Section 7 — *Member-at-Large*. This Director shall attend club and Board meetings.

Section 8 — Board members may perform additional duties as assigned.

Article 5 Meetings

Section 1 — *Annual Meeting*. An annual meeting of this club shall be held in October to elect the directors who will serve for the next Rotary year.

Section 2 — *Regular Meeting*. The regular weekly meetings of this club are held on Thursday at 7:15 AM. Reasonable notice of any change or cancellation of the regular meeting shall be given to all club members verbally, electronically, or in writing.

Section 3 — *Board Meetings*. Board meetings are held each month at a time/location agreeable to the majority of directors. Special meetings of the Board are called with reasonable notice by the President or upon the request of two Directors either verbally, electronically, or in writing.

Section 4 — *Club Day (Club Assembly)*. Club Day shall be held each month at a regular weekly meeting of this club and be dedicated to discussing the business of the club. Reasonable notice of any change or cancellation of Club Day shall be given to all club members verbally, electronically, or in writing.

Section 5 — *Permitted Attendance by Other Means of Communication*. Any director may participate in a meeting by any means of communication by which all directors participating may communicate with each other simultaneously. Any director participating in a meeting by such method shall be considered present in person at the meeting. The board may vote on and approve a single motion by electronic vote, as required between meetings.

Article 6 Fees and Dues

Section 1 — A one-time application fee of \$50.00 shall be paid with submittal of the application for membership. Should the applicant not be approved by the Board, the application fee shall be refunded to the applicant.

Section 2 — Membership dues shall consist of RI per capita dues, subscription fees to *The Rotarian* or Rotary regional magazine, district per capita dues, club annual dues, and cost of

meals at regular meetings. Membership dues shall be payable in accordance with the policies of the club as established by the Board.

Section 3 — Membership dues shall be invoiced on a quarterly basis to members.

Section 4 — Changes to membership dues shall be changed by a vote of membership, unless issued by RI or the District.

Article 7 Method of Voting

The business of this club at a regular meeting is conducted by voice vote or show of hands except for the election of Directors, which is conducted by ballot during the Annual Meeting. The President and Immediate Past-President shall tally the ballots and the results will be announced prior to meeting's end. The Board may provide a ballot for a vote on a specific resolution.

Article 8 Committees

Section 1 — It is the responsibility of the Board to create/maintain committees that will actively care for the health of the club and each of its members, the financial wellbeing of the club, and to meet the club's goals for service in conjunction with the mission of RI.

Section 2 — The President shall be an *ex officio* member of all committees.

Section 3 — Except where special authority is given by the Board, committees shall not take action until a report has been made and approved by the Board. The president or the Board shall refer additional business to a specific committee as needed.

Section 4 — Each committee chair shall be responsible for activities of the committee, shall supervise and coordinate the work of the committee, and shall report to the Board on committee activities.

Article 9 Finances

Section 1 — Prior to each fiscal year, the Board shall prepare an annual budget of estimated income and expenditures.

Section 2 — The Treasurer shall deposit club funds in financial institution(s) designated by the Board, in accordance with RI requirements. The Treasurer shall have the authority to receive information on all bank accounts owned and operated by the club and shall be the custodian of the club checkbooks and credit cards.

Section 3 — Bills shall be prepared for payment by the treasurer. The President and PE shall be listed as signers on all bank accounts. Checks less than \$2,500 shall be signed by the President or PE. Checks over \$2,500 shall be signed by both the President and PE.

Section 4 — The President is authorized to open bank accounts and enter into contracts, agreements, insurance policies, make application on tax matters, and generally conduct business on behalf of the club.

Section 5 — A thorough annual review by a third party of all financial transactions shall be completed by a qualified person as determined by the Board.

Section 6 — An annual financial statement of the club shall be provided to club members at the start of a new fiscal year.

Section 7 — The fiscal year is from 1 July to 30 June.

Article 10 Method of Inducting Members

Section 1 — Following the Membership Committee's general process, the Membership Chair or their designee shall propose a candidate's name to the Board.

Section 2 — The Board shall ensure that the candidate meets all of Rotary's membership requirements.

Section 3 — Should any member have an objection regarding a prospective member, they shall contact the president, immediate past president, or Membership Chair prior to the next Board meeting.

Section 4 — The Board shall approve or reject the candidate's membership at the next Board meeting. After which, the Board shall notify the proposer of its decision.

Section 5 — If the decision of the Board is favorable, the prospective member will be inducted at a regular club meeting.

Article 11 - Community, National, and International Affairs

Section 1 — *Proper Subjects.* The merits of any public question involving the general welfare of the community, the nation, and the world are of concern to the members of this club and shall be proper subjects of fair and informed study and discussion at a club meeting for the enlightenment of its members in forming their individual opinions. However, this club shall not express an opinion on any pending controversial public measure.

Section 2 — *No Endorsements.* This club shall not endorse or recommend any candidate for public office and shall not discuss at any club meeting the merits or demerits of any such candidate.

Article 12 Resolutions

Any resolutions or motions to commit the club membership or club funds to any position or action shall first be reviewed and approved by the Board. If resolutions or motions are first offered at a club meeting, they shall be sent to the Board without discussion.

Article 13 Amendments

These Bylaws may be amended at any regular club meeting. Changing the club bylaws requires that written or electronic notice be sent to each member 10 days before the meeting, that a quorum be present for the vote, and that two-thirds of the votes support the change. Changes to these bylaws must be consistent with the Standard Rotary Club Constitution, the RI Constitution and Bylaws, and the Rotary Code of Policies.

Article 14 Standing Rules

Day-to-day operating policies and procedures shall be established as Standing Rules. Standing Rules may be modified by a majority vote during a regularly scheduled Board meeting. The secretary shall be responsible for updating, maintaining, and distributing the Standing Rules.

Article 15 Avoiding Conflict of Interest

All members shall be familiar with Conflict of Interest provisions included as Attachment A.

Article 16 Whistleblower Protection

It is the policy of this club to encourage all members to come forward and report financial or other misconduct, including illegal practices or violations of organizational policies. It is therefore the policy of this club that, with respect to any good faith report made to other members of the club or the club's directors, no such persons shall retaliate against such whistleblower and will, to the best of their ability, protect the confidentiality of the whistleblower.

Article 17 Limitation of Liability of Directors

Pursuant to the grant of authority at § 7-128-402(1) C.R.S., this club hereby eliminates liability of its Directors in the following circumstances: Directors shall have no liability to the club or its members for monetary damages for breach of fiduciary duty as a Director; except that this provision shall not eliminate the liability of a Director to the club or to its members for monetary damages for any breach of the Director's duty of loyalty to the club or to its members, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, or any transaction from which the director directly or indirectly derived an improper personal benefit.

CERTIFICATE OF ADOPTION

I certify that I am the Secretary of the Grand Junction Horizon Sunrise Rotary Club, a Colorado nonprofit corporation. The foregoing Bylaws have been adopted as the Bylaws of the Grand Junction Horizon Sunrise Rotary Club as of the 3rd day of July, 2014. Further these Bylaws, as of the date of this Certificate, have not been repealed, altered, amended, restated, or superseded, and remain in full force and effect.

DATED July 3, 2014



Miquette Gerber
Secretary, Grand Junction Horizon Sunrise Rotary Club

Attachment A

Duty of Loyalty and Conflicting Interest Transactions

Nonprofit corporations are created under state law (“the Colorado Revised Nonprofit Corporation Act”), and for the most part, it is state law that determines how they may (or must) be governed.

Conflicts of interest, which implicate the fiduciary duty of loyalty, easily can arise for directors and officers in a variety of ways, such as approval of an officer’s compensation or engaging a director’s company to perform services. Under CRNCA, a conflict of interest transaction means a contract, transaction, or other financial relationship between the nonprofit and one of its directors, or between the nonprofit and someone related to a director (“related party”), or between the nonprofit and another business for which the director is a director or officer or has a financial interest.

A related party includes a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, or an estate or trust in which the director or a related party has a beneficial interest. In addition, a related party includes any entities for which a related party serves as an officer or director, or in which a related party has a financial interest.

The mere existence of a conflict is not prohibited, and CRNCA provides that a conflict of interest transaction is not voidable if (i) there is disclosure of material facts as to the conflict of interest to the board of directors or any board committee delegated authority over the matter (or voting members, if applicable), and the transaction is approved by the affirmative vote of a majority of disinterested directors (or voting members, if applicable), or (ii) the transaction is fair to the nonprofit corporation.

Nonprofit corporations should take this a step further and develop a conflict of interest policy that clarifies that directors and officers have an affirmative duty to disclose conflicts of interest on an ongoing basis, and that lays out the process for approving and documenting such transactions. Essentially, the following steps should apply:

- The material facts regarding the individual’s relationship or interest in the matter should be fully explained to the board of directors (or to any members entitled to vote on the transaction);
- While the individual with the conflict can make a presentation and respond to questions, he or she should leave during deliberation, debate and voting, and should not attempt to exert personal influence regarding the matter;
- A majority of disinterested board members (or the members entitled to vote) should authorize the conflicting interest transaction by a vote; and
- Information related to the vote should be recorded in the meeting minutes, including the name of the individual with the conflict, the disclosure of material facts, the fact that the individual was not present during deliberation and voting, the names of board members present for deliberation and voting, and that the nonprofit decided to enter into the transaction for its own benefit.

Separate and apart from Colorado law on conflicts of interest, a nonprofit will need to comply with additional federal tax law restrictions (and any the restrictions of any other applicable laws or regulations, e.g., federal grant guidelines).