

BYLAWS OF ROTARY INTERNATIONAL **DISTRICT 5910, INC.**

ARTICLE I. NAME

The name of this organization shall be Rotary International District 5910, Inc. (the "Corporation"). The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Formation.

Section 1.1 **Registered Office and Agent.** The Corporation shall at all times maintain a registered office in the State of Texas and a registered agent at that address and may have other offices located within or without the State of Texas as the board of directors may determine.

ARTICLE II. PURPOSE AND RELATED MATTERS

The purposes of this organization are: (i) To encourage, promote, extend, and assist Rotary and autonomous Rotary clubs in District 5910, and (ii) To coordinate and generally direct the activities of Rotary International ("RI") in District 5910.

Section 2.1 **Fiscal Year.** The reporting period for the Corporation, shall be the fiscal year, ending on June 30 of each year. The board of directors is authorized to change the reporting year from time to time as it deems appropriate.

ARTICLE III. REGULATION OF CORPORATE ACTIVITIES AND DISTRIBUTIONS

Section 3.1 **Restricted Activities.** No substantial part of the Corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

Section 3.2 **Exempt Activities.** Notwithstanding any other provision of these bylaws, no trustee, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(4) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or an organization contributions of which are deductible under Section 170(c)(2) of the Code and Regulations as they now exist or as they may hereafter be amended.

Section 3.3 **Prohibited Distributions.** No part of the net earnings, properties or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of, or be distributable to, its members, directors, officers or other private person or individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Corporation's Certificate of Formation.

ARTICLE IV. OBJECT

The Object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster:

First. The development of acquaintance as an opportunity for service;

Second. High ethical standards in business and professions, the recognition of the worthiness of all useful occupations and the dignifying of each Rotarian's occupation as an opportunity to serve society;

Third. The application of the ideal of service in each Rotarian's personal, business, and community life;

Fourth. The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

ARTICLE V. MEMBERSHIP

The membership of Rotary International District 5910, Inc. shall consist of all Rotary Clubs located in the geographical area designated by Rotary International as District 5910 which continue to perform the obligations as set forth in the Constitution and the Bylaws of Rotary International.

Boundary Description approved for District 5910 by Rotary International on July 1, 1968: USA - Texas, that portion south of the northern boundaries of the counties of Shelby, Nacogdoches and Anderson and south of latitude 31degrees 47" in Cherokee County. East of the western boundaries of the counties of Anderson, Houston, Madison, Brazos and Grimes. North of the southern boundaries of Brazos, Grimes and Montgomery, and east of the western boundaries of the counties of Liberty, Chambers and Galveston.

ARTICLE VI. COMPLIANCE WITH CONSTITUTION AND BYLAWS

Rotary International District 5910, Inc. shall be bound by and comply with the Constitution and Bylaws of Rotary International (the "RI Bylaws").

ARTICLE VII. BOARD OF DIRECTORS

Section 7.1 **General.** Subject to these Corporation bylaws, the business and affairs of the Corporation shall be conducted and managed by and under the direction of the board of directors (the "Board") which shall have and may exercise all of the powers given by law to the Corporation.

Section 7.2 **Number and Tenure.** The Board shall consist of five (5) members, who shall be the District Governor ("DG"), District Governor Elect ("DGE"), and the three (3) most recent Past District Governors ("PDGs") who are available and willing to serve. No decrease in the number of directors through the amendment of these bylaws or otherwise, shall have the effect of shortening the term of any incumbent director.

Section 7.3 **Resignation and Removal of Directors and Vacancies.** A director may resign at any time by delivering notice to the Corporation and such resignation is effective when the notice is delivered unless the notice specifies a later effective date. Any vacancy in office resulting from any cause shall be filled by appointment by the Board in a manner consistent with the line of succession of PDGs referenced in Section 7.2 above. Each director shall hold office for the term for which he or she is appointed or until his or her successor is duly appointed and qualified, unless he or she is sooner removed from office, he or she resigns from office, or he or she otherwise fails or ceases to serve.

Section 7.4 **Meetings.** The Board shall meet annually, after the annual business meeting of District 5910, which has traditionally been held in April or May, provided that if such meeting is not held at the appropriate time, such meeting may be called, without statement of purpose, in accordance with the provisions for calling a special meeting. The notice of such specially called annual meeting shall state that it is to be held in lieu of the omitted annual meeting. Special meetings of the Board or any committee may be held between annual meetings at such time and at such place, within or without the State of Texas, as from time to time shall be determined by the Board or committee, as the case may be. Special Board meetings may be called by the chairperson or any two (2) or more directors. Notice may be given orally or in writing. If given in writing, it is effective when received or five (5) days after it is deposited in the mail if mailed with first-class postage pre-paid and addressed to the most current address on file with the Corporation. Neither the business to be transacted at, nor the purpose of, any annual or special Board meeting need be specified in the notice or any waiver of notice.

Section 7.5 **Quorum and Voting.** At all meetings of the Board or any committee thereof, a majority of the number of directors in office immediately before the meeting begins shall constitute a quorum for the transaction of business. If at any meeting of the Board or any committee thereof there shall be less than a quorum present, a majority of those present may adjourn the meeting without notice, other than an announcement at the meeting. The affirmative vote of a majority of the directors present at any meeting at which there is a quorum at the time of such act shall be the act of the Board or of the committee, except as might be otherwise specifically provided by statute or by the Certificate of Formation or these bylaws.

Section 7.6 **Waiver of Notice.** Any notice required by these bylaws, or by law, to be given to any officer or director or other person may be waived in writing, either before or after the event to which it relates. It shall be deemed waived with respect to any meeting, along with any objections to the time or place of such meeting by appearance at such meeting, except when such person attends a meeting solely for the purpose of stating, at the beginning of the meeting, any objection to the transaction of business.

Section 7.7 **Action Without Meeting.** Any action required to be taken or which may be taken at a meeting of the Board, or any committee may be taken without a meeting if a written consent or consents setting forth the actions so taken shall be signed by all of the members of the Board or the committee, as the case may be. Such consents shall be filed by the secretary of the Corporation with the minutes of the proceedings of the Board.

ARTICLE VIII. DISTRICT ORGANIZATION

As stated in The Rotary International Code of Policies, "A fundamental principle of RI is the substantial autonomy of the member clubs. The constitutional and procedural restrictions on clubs are kept to a minimum necessary to preserve the fundamental and unique features of Rotary. Within that provision there is the maximum flexibility in interpretation and implementation of RI policy, especially at the club level". The standard Rotary Club Constitution specifies the board of directors as the governing body of the club. Decisions of the board in all club matters shall be final, subject only to an appeal to the club. All decisions at the club level are the sole responsibility of the club board of directors. The District is organized to assist clubs in pursuing the object of Rotary within this context.

Section 8.1. **Appointment of Officers.** The DG shall serve as the chairperson of the Board which shall be the highest office of the Corporation. If a District Vice Governor ("DVG") is selected in accordance with Section 8.6 below, such DVG shall serve as the vice chairperson of the Board. In the event a DVG is not selected, the most immediate Past District Governor ("IPDG") shall serve as the vice-chairperson of the Board. In the absence of the chairperson of the Board or if the chairperson of the Board dies, resigns, is removed or is unable to act, or refuses to act, the vice-chairperson of the Board shall perform the duties of the chairperson of the Board and, when so acting, shall have all the powers of and be subject to all the restrictions upon the chairperson of the Board. A vice-chairperson of the Board shall perform such other duties as may be assigned to the vice-chairperson of the Board by the chairperson of the Board or by the Board. All other officers of the Corporation shall be selected in accordance with the Sections below. Each of such officers shall serve for a term of one year and shall hold office for the term of which he or she is appointed or until his or her successor is duly appointed and qualified, unless he or she is sooner removed from office, he or she resigns from office, or he or she otherwise fails or ceases to serve. All officers so elected shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The appointment of an officer does not itself create contract rights.

Section 8.2. **Resignation and Removal of Officers and Vacancies.** An officer may resign at any time by delivering notice to the Chairman of the Board and such resignation is effective when the notice is delivered unless the notice specifies a later effective date. The Board may remove any officer at any time with or without cause. Any vacancy in office resulting from any cause shall be filled by appointment by the Board unless otherwise filled in accordance with these bylaws.

Section 8.3. **Powers and Duties.** Each officer has the authority and shall perform the duties set forth below or, to the extent consistent with these bylaws, the duties prescribed by the Board or by direction of an officer authorized by the Board to prescribe the duties of other officers.

Section 8.4. **Delegation of Authority.** In case of the absence of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, any or all of the powers or duties of such officer to any other officer or to any director.

Section 8.5. **District Governor.** The chief administrative officer in the district shall be the DG. The DG is an officer of Rotary International. His/her duties and responsibilities are as designated in the RI

Bylaws and RI Manual of Procedure. The DG has direct supervision over the clubs in the District, and in this capacity the DG is to be a friendly advisor and counselor who is expected to uphold the RI Bylaws. In the exercise of their responsibility for the direct supervision of the clubs, the DG is charged with the particular duty of advancing the Object of Rotary and adhering to established policies and procedures as set forth in the constitutional documents and by the actions of the Board of Directors of RI.

Section 8.6. District Vice Governor. As stated in the RI Bylaws the nominating committee for governor may select a PDG, proposed by the DGE, to be DVG, who shall serve during the year following selection. If the nominating committee makes no selection, the DGE may select a PDG to be DVG. The role of the DVG is to replace the DG in case of a temporary or permanent inability of such DG to perform the governor's duties.

Section 8.7. District Governor-Elect. The DGE shall generally assist the DG as requested and fulfill all duties and responsibilities of the DGE as stated in the RI Bylaws and Manual of Procedure.

Section 8.8. District Governor-Nominee. The DGN shall also generally assist the DG as requested and fulfill all duties and responsibilities of the DGN as stated in the RI Bylaws and Manual of Procedure.

Section 8.9. Assistant Governors. As provided in the Rotary International "District Leadership Plan", as many Assistant Governors ("AGs") as deemed needed by the DG shall be appointed by the DG to serve a term of one (1) year to coincide with the term of the DG. They may continue in that capacity if asked by the next incoming DG but may serve no more than three (3) one (1) year terms consecutively. They must have been an active member of a club in the District for at least three (3) years, have served as president of a club for a full term and have demonstrated outstanding performance at the district level. They must agree to attend the AG training session, the District Conference and District Assembly, visit each club in his/her assigned area a minimum of once each quarter, attend the club assembly, help each club plan for the DG's club visit, encourage clubs to follow through on requests and recommendations of the DG and keep the DG informed on problems and progress within their assigned clubs.

Section 8.10. The District Treasurer. The District Treasurer shall be appointed by the DG to serve a term of one (1) year to coincide with the term of the DG. The District Treasurer shall oversee the collection of all funds and payment of all district obligations under the direction of the DG and the District Finance Committee ("Finance Committee"). He/she shall also serve as a voting member of the Finance Committee and carry out such additional duties set out in ARTICLE XI below. The District Treasurer shall be an active member of a club in the district and be a Certified Public Accountant licensed to practice in the State of Texas.

Section 8.11 District Secretary. The District Secretary shall be appointed by the DG to serve a term of one (1) year to coincide with the term of the DG. The District Secretary shall assist the DG as requested and shall carry out any duties set out in these bylaws for this office. The District Secretary shall be an active member of a club in the district. The District Secretary shall attend all meetings of the Board and shall record all votes and minutes of all proceedings in books to be kept for that purpose, and shall perform, or cause to be performed, like duties for the standing committees when required. The District Secretary shall give, or cause to be given, any notice required to be given of any meetings of the Board and of the standing committees when required. The District Secretary shall cause to be kept such books and records as the Board or the chairperson of the Board may require. The District Secretary shall perform such other duties as may be incident to the office of a secretary of a corporation or as may be assigned to him or her by the Board or the chairperson of the Board.

Section 8.12. Representative to Council on Legislation and Council on Resolutions. In the manner provided in the RI Bylaws and in Section 9.2 below, a Representative and an Alternate Representative to serve a three (3) year term on the Council on Legislation and Council on Resolutions shall be selected.

Section 8.13. **Immediate Past District Governor.** The IPDG shall serve as an officer of the district. He/she shall assist the DG as requested and carry out any duties set out in these bylaws.

Section 8.14. **College of Governors.** All PDGs, including those who may have served in other Districts and who are current members of Rotary clubs in District 5910, and all past officers of RI who reside in District 5910 are automatically members of the College of Governors (COG). The COG has no authority; its purpose shall be to assist the DG in such manner as may be requested. Meetings are held on call. The COG shall select one of its members to serve as moderator of the COG.

Section 8.15. **Timing of Selection of Officers by District Governor.** In order to properly prepare for his/her year as DG, the appointment of officers set forth above shall be made by such DG during his/her DGE year, preferably by December 31 of such Rotary year. The DG should consult with the DGE and DGN and appropriate committee chairpersons in making such appointments.

Section 8.16. **Contract Assistance.** The DG, with the concurrence of the Finance Committee, may contract for services as needed to further the goals of the district.

ARTICLE IX. DISTRICT COMMITTEES

The work of the District is accomplished through a carefully organized and administered committee structure. Committees may be created for structure and leadership of various RI programs. In each instance, the committee chairperson and/or co-chairpersons shall be appointed by the DG and may serve in the capacity of chairperson for multiple years with the primary responsibility to advise, counsel and assist the DG and the Rotary clubs within the District in advancing the Object of Rotary. Although appointed for multiple years, in each instance the chair serves at the pleasure of the DG and may be replaced prior to the expiration of term. During any year of service by the chairs, a co-chair or chair elect may be appointed to ensure continuity. All positions related to these various committees are voluntary.

Section 9.1. **District Governor Nominating Committee.** The qualifications of candidates for DG and the procedure utilized for selecting such candidate are set out in said RI Bylaws. The District shall select a nominee for DG between twenty four (24) and thirty six (36) months prior to such nominee taking office as DG. For the purpose of complying with the RI Bylaws in selecting a DG A nominating procedure shall be utilized for such selection as hereinafter set forth.

- (a) **Membership and Chairperson.** The DG Nominating Committee shall consist of the IPDG, who shall serve as the chairperson of the committee, plus one (1) Rotarian from each area of the district represented by an AG. These members shall be active members of a club in the district and shall be well-informed about Rotary and Rotarians in the district. In order to help ensure that they are well informed, they shall have served a full term as a club president prior to their service on the committee. Additionally, they should be active at the district level as evidenced by their attendance at district events.
- (b) **Voting.** A majority vote of those committee members present at the meeting of the DG Nominating Committee shall be required to select the nominee for such year. The chairperson may participate in the discussions concerning the selection of the nominee but may only vote in the event of a tie. In the event that the IPDG is unable to serve in the capacity indicated, the first available PDG in reverse order of service shall serve as convener and chairperson of the DG Nominating Committee.
- (c) **Election Timetable and Certification.** The DG shall issue on or before November 1st of such DG's year of service, a request to all clubs in the district for proposals of individuals to be designated as the next DGN. Proposals shall be made by completing and having the candidate and the club secretary sign the Governor-Nominee Data Form provided by the District and forwarding it to the DG by a date set by the DG but no later than December 31st of such year. The DG Nominating Committee in making its selection shall not be limited to proposals made by clubs and may request that alternative candidates complete and submit the Governor-Nominee Data Form. Immediately after this date, all proposals shall be forwarded to the chairperson of the DG Nominating Committee who in turn shall immediately forward the

proposals and any supporting documentation to all committee members. The DG Nominating Committee shall meet to select the nominee on a date set by the Nominating Committee chairperson but no later than March 31st of the current DG's year of service. Prior to such meeting the DG Nominating Committee may request that all candidates be present at a meeting of the DG Nominating Committee to be interviewed concerning their qualifications for the position. Within 24 hours after making the selection the Chair of the DG Nominating Committee shall notify the DG of the DG Nominating Committee's selection. Within 72 hours of such notification, the DG shall publish the name and club of the designated nominee to all clubs in the District. Notwithstanding the selection made by the DG Nominating Committee, any club in the District may challenge the selection by proposing once again a candidate whose name had previously been duly proposed to the current DG Nominating Committee. To be valid such challenge must be made and concurred with in accordance with the provisions of the RI Bylaws. If no valid challenge candidate applications are timely received, the DG shall declare the selection of the DG Nominating Committee to be designated as the next DGN and shall so notify all clubs in the District.

- (d) Election at District Conference or by Ballot. If the DG Nominating Committee cannot agree on a candidate, or if a valid challenging candidate is nominated, the chairperson of the committee shall inform the DG as soon as such information is known. The DG shall notify all clubs in the District of all remaining validated candidates made to the DG Nominating Committee. The notice shall include the name and club of each candidate. The notice shall state that the nominee will be elected by club ballot or at the District Conference in accordance with the RI Bylaws.
- (e) Publication of Notices. Publication and notices hereunder shall be made to the appropriate party by letter, e-mail or facsimile, provided the selected method is predicted to meet the timing requirements set forth herein. Publication and notice to a club shall be made to such club's president.
- (f) Selection of District Vice Governor. The DG Nominating Committee shall also have the authority to select the DVG as provided in Section 8.6 above.

Section 9.2. RI Council Representative Nominating Committee. The RI Council on Legislation regularly meets every three (3) years and the RI Council on Resolutions meets annually by electronic means. The qualifications of candidates for District Representative and Alternate to serve on the Councils and the procedure utilized for selecting such candidates are set out in the RI Bylaws. For the purpose of complying with the RI Bylaws in selecting its Representative and Alternate Representative a district nominating committee procedure shall be used as hereinafter set forth.

- (a) Membership and Chairperson. The Representative Nominating Committee shall consist of all PDGs residing in the District; provided, however, that a candidate for Representative shall be excluded. The committee shall select its chairperson from among its members.
- (b) Voting. A majority vote of those committee members present at the meeting of the Representative Nominating Committee shall be required to select the Representative and Alternate for such term.
- (c) Election Timetable and Certification. The DG shall issue on or before January 1st in the year two years before the Council on Legislation, a request to all clubs in the District for proposals of qualified individuals to be designated as the Representative to the Councils. The Representative Nominating Committee shall select the best qualified candidate who is available to serve and not be limited to those names submitted by clubs in the District. The Representative and an Alternate shall be selected by June 30th in the year two years before the Council on Legislation and the three year term shall commence the following July 1st.

Section 9.3. District Finance Committee. The District Finance Committee (hereafter 'Finance Committee') is responsible for managing and authorizing the expenditure of all District Funds, preparing a proposed budget for presentation to the District and properly accounting for and reporting all financial matters pertaining to the District. In addition, the Finance Committee is charged with managing the District's liquid investments, if any, in a manner that will protect the value of the investments against inflation, as well

as protect the corpus of investments against market risk as deemed appropriate by the Finance Committee. The finances of the District shall be handled by the Finance Committee in accordance with the provisions of ARTICLE XI below.

The Finance Committee shall have no more than eight voting members, four of whom shall be the current DG, the current DGE, the current District Treasurer and the IPDG. The DG shall appoint an additional PDG to serve as Chair of the Finance Committee (DFC) who may serve more than one year. Three additional voting members-at-large shall be appointed by the DG who is encouraged to make the committee as representative of the entire District as possible. In this regard, The DG shall strive to achieve a balanced representation according to geographic areas and size of clubs. The three at-large-members shall serve three-year terms and shall not succeed themselves. The terms of the at-large-members shall be staggered so that one member shall rotate off the committee and one new member shall be appointed each year. Vacancies for unexpired terms shall also be filled by the current DG. The DGN and DGND and the Finance Committee Secretary shall be non-voting members of the Finance Committee.

Section 9.4. District Membership Committee. The DG shall appoint a District Membership Chair (DMC) and/or Co-Chair who may also serve as the District Extension Chair. The DMC position is a three (3) year appointment, at the will of each subsequent DG upon their taking office. The Membership Committee is tasked with expanding membership, strengthening clubs and developing new Rotary Clubs.

Section 9.5. District Public Image Committee. The DG shall appoint a District Public Image Chair (DPIC) who may serve for more than one year. The Public Image Committee is tasked with strengthening the image of Rotary with a fresh, modern, and inspiring look.

Section 9.6. District Rotary Foundation Committee. The DG shall appoint a District Rotary Foundation Chair (DRFC). The DRFC position is a three (3) year appointment in accordance with RI guidelines, at the will of each subsequent DG upon their taking office. The Foundation Committee is tasked with promoting, educating and furthering the mission of The Rotary Foundation and of monitoring the operation of the District Charitable Foundation which has been set up as a Section 501(c)3 corporation.

Section 9.7. District Training Committee. The DG shall appoint a District Training Chair (District Trainer) who may serve for more than one year. The Training Committee is tasked with developing and presenting effective educational and motivational materials, meetings, and seminars to enhance the ability of Rotarians in the District to lead their clubs and committees.

Section 9.8. District Rotary Youth Exchange Committee. The DG shall appoint a Rotary Youth Exchange (RYE) Chair, who may serve for more than one year. Funding of outbound exchange students is by fee charged to the participating student's family. Host Clubs for inbound students will provide the RI required monthly allowance for ten months. Other funding of inbound exchange students is covered by the District RYE funds provided by the District each Rotary year. The District RYE Chair will appoint the District Committee members for the Rotary year. The District RYE program is governed by the rules of Rotary International, the US Department of State, and the Council on Standards for International Educational Travel (CSIET). All authorized expenses for the program are submitted with receipts by the District RYE Chair to the RYE Committee Treasurer for reimbursement following normal expense approval procedures.

Section 9.9. District Rotary Youth Leadership Awards Committee. The DG shall appoint a Rotary Youth Leadership Award (RYLA) Chair, who may serve for more than one year. RYLA shall be held once per Rotary year and shall be scheduled to avoid conflict with other District or major Rotary International events. RYLA will be held at a facility within the District. The RYLA Chair shall be responsible for filling additional RYLA committee appointments as needed, in consultation with and by approval of the DG and having been duly vetted. Each year the RYLA Chair and their committee will produce a document providing anticipated expenses for the coming year's event. All authorized expenses are submitted to the RYLA Committee Treasurer for reimbursement following normal expense approval procedures.

Section 9.10. **District Conference Committee.** In accordance with Section 10.8 below, the DG shall appoint a District Conference Committee Chair.

Section 9.11. **District Resolutions and Bylaws Committee.** The Resolutions and Bylaws Committee shall be responsible for monitoring, reporting and suggesting actions to comply with legislation and resolutions issued by the RI Councils on Legislation and Resolution, in addition to reviewing any proposed amendments to these Bylaws or resolutions made to address items not covered thereby. The Representative selected in accordance with Section 9.2 above shall serve as the chairperson of this committee.

Section 9.12. **Other District Committees.** In addition to those specific committees required in these Bylaws, the DG shall appoint such other committees as are necessary for the proper management and functioning of district activities. A chairperson should be named for each committee appointed. Subcommittees (ad hoc) can be appointed based on recommendation of committee chair and in concert with the DG.

Section 9.13. **Timing of Selection of Committee Chairpersons by District Governor.** In order to properly prepare for his/her year as DG, the appointment of committees and chairpersons set forth above shall be made by such DG during his/her DGE year, preferably by December 31st of such Rotary year. The DG should consult with the DGE and DGN and appropriate committee chairpersons and should attempt to fully represent the District in making such appointments.

ARTICLE X. DISTRICT MEETINGS

The District is required in accordance with RI Bylaws, or may otherwise deem it beneficial, to hold or participate in certain meetings and training sessions during the year. Such meetings may be held jointly with other Districts and may, at the discretion of the DG in consultation with the appropriate committees, be held virtually, in whole or in part, rather than in person.

Section 10.1. **Rotary International Convention.** The DG and DGE are expected to attend the Rotary International Convention. Covered expenses for this travel include direct approach travel expense (coach airline, including partners if flying or IRS allowed mileage rate in effect at time of travel), hotel for days required to be in attendance at the International Convention, and registration fee (including partner). An annual budget will be approved to partially offset the expense of attendance.

Section 10.2. **Rotary Zone Institute.** The DG, DGE and DGN are required to attend the annual Rotary International Zone Institute. Covered expenses for this travel include direct approach travel expense (coach airline, including partners if flying or IRS allowed mileage rate in effect at time of travel), hotel for days required to be in attendance at Zone Institute, and registration fee (including partner). An annual budget will be approved to partially offset the expense of attendance.

Section 10.3. **Rotary Multi District Training Institute.** Rotary Multi District Training Institute exists to provide a regional training experience for upcoming District Leadership Team Members with a centrally located event serving various Rotary districts of Texas & Oklahoma. The RMDTI board is formed by an appointment member from each included district. Attendance at RMDTI is requested but not required for DGEs and DGNs as part of the progression of the Governor line. District Foundation, Membership, Public Image and Training Leaders and committee members are strongly encouraged to attend. Training for District Secretary and Treasurer are typically offered at RMDTI as well.

Section 10.4. **State of the District.** At the middle of the rotary year, the DG shall provide a State of the District report. The report may be presented as a speech or a meeting that all Rotarians can attend, or some other appropriate format.

Section 10.5. **Vibrant Club Workshop (Foundation/Membership/Public Image).** The District conducts an informational training session where club presidents, club membership committee chairs, club

Rotary Foundation committee chairs, and other interested Rotarians are provided an opportunity to learn how membership, the Foundation, and public image work together to help fulfil Rotary's Action Plan.

Section 10.6. **Pre-PETS Meeting.** The District conducts an informational training session prior to Lonestar PETS each year for Presidents-Elect. This is to prepare the incoming president for the much more comprehensive training that they will be receiving later at PETS. The DGE and the District Trainer plan and conduct Pre-PETS, with the active and collaborative involvement of AGs and other District officers and chairs.

Section 10.7. **PETS Meeting.** President Elect Training Seminar (PETS) is a leadership development and education program whose primary purpose is to provide incoming club presidents and AGs with the necessary skills, knowledge and motivation to create or maintain effective clubs as defined by RI. The District has joined with the other Districts in Texas and Oklahoma to stage a multi-district PETS (Lonestar PETS) in January, February or March of each year. The DGE of each participating District is responsible for planning and conducting PETS. The training sessions are divided between those provided to each District separately and those provided jointly to AGs, Presidents-Elect and Presidents-Nominee by Rotary trainers from throughout the area. This provides the incoming officers with an opportunity to get well acquainted with their own District leaders, while simultaneously having an opportunity to gain a broader understanding of Rotary through interactions with Rotarians from throughout the region. In accordance with article 11, section 5(c) of the standard club constitution, Presidents-Elect are required to attend PETS unless excused by the DGE, in which case, such excused President-Elect shall send a club representative to PETS in his or her place.

Section 10.8. **District Conference.** A conference of Rotarians in the District shall be held each year at such time and place as selected in the manner hereinafter set forth, provided that the dates selected are not in conflict with those of the District Training Assembly, the RI Assembly or the RI Convention. The DGN shall be responsible for planning the District Conference to be held in the year in which he or she is DG, including the proposal of a time and place. The DG, DGN and a majority of current club presidents shall agree upon the time and place of such DGN's Conference following a presentation at the District Conference that occurs two (2) years prior to such future Conference. After consultation with the DGN the DG shall then appoint a Conference Chair for such DGN's District Conference, who, together with a host club, if one is selected, shall appoint necessary and appropriate committees to plan and implement the Conference. While it is not a requirement for the Conference to be hosted by a Rotary club, it is preferable. If more than one Rotary club desires to individually host the Conference, and the DG and DGN concur, each club shall make the presentation referenced above and the club presidents shall select the host club. If a club offers and is selected to host the Conference, such club shall be financially responsible for the Conference and shall execute all necessary contracts. The DGN, in the year in which he or she becomes DGE, shall propose an amount to be included in the budget for his or her DG year in support of his or her District Conference. In the event no host club is selected, the District will assume the financial responsibility of holding the Conference. The District Conference may be held conjointly with two (2) or more Districts and/or outside of the boundaries of the District subject to the approval of the Board of Directors of RI, in accordance with the RI Bylaws.

Section 10.9. **District Legislation Meeting.** The District may hold a district legislation meeting at a time and place set by the DG to consider and adopt recommendations on matters important to the District such as those set forth in ARTICLE XIII below.

Section 10.10. **District Training Assembly.** The District Training Assembly is a training meeting for incoming club leadership including, but not limited to, club presidents, treasurers and secretaries, and any other interested Rotarians. The District Training Assembly is to be held at a time and place designated by the DGE following PETS but not later than May 31. The DGE and District Trainer shall plan and conduct the Assembly.

ARTICLE XI. FINANCES

Section 11.1. **The District Operating Fund.** The Finance Committee shall establish the District Operating Fund for the financing of district sponsored projects and the administration and development of Rotary in the District as provided in District Finances of the RI Bylaws. The financing of The District Operating Fund shall be primarily provided by all the clubs in the district by way of a per capita levy on the members of the clubs.

Section 11.2. **The District Reserve Fund.** The Finance Committee shall maintain a Reserve Fund that is at least 50% but no more than 75% of the previous five-year running average of actual District dues received. The Finance Committee shall evaluate the Reserve Fund and adjust it, if necessary, annually during the budget development process. Should the Reserve Fund be depleted for cause (emergency, disaster relief, etc.), the Finance Committee shall include in its budget development process, cost savings, dues or dues increase, limited assessments, donation campaigns, or some combination thereof to restore the Reserve Fund to the minimum level as soon as reasonably possible.

Section 11.3. **Surplus Funds.** All accumulated monies saved during the course of conducting District business that are in excess of the needed Reserve Funds shall be considered Surplus Funds. These monies shall be made available for budgeting purposes in future years as well as for District charitable activities, or as otherwise determined to the best use by the Board, so long as such funds are used to promote and further the ideals of Rotary. Surplus funds shall be spent on approved Rotary expenditures.

Section 11.4. **Finance Committee Organization.** The Finance Committee meetings shall be called by the DFC as required to maintain fiscal control within the District. The District Treasurer shall be prepared to present a current financial report in all called meetings. Following the appointment of the District Treasurer, the DG, in consultation with the Finance Committee, the RYE Committee Chairperson and the RYLA Chairperson shall appoint separate treasurers ("Committee Treasurers") for RYE and RYLA. In the event the District is required to host the District Conference pursuant to Section 10.7 above, a District Conference Committee Treasurer shall also be appointed for such event. The DG, in consultation with the DFC, shall also appoint a Finance Committee Secretary, who shall record all actions pertaining to the Finance Committee in the permanent records thereof. A quorum of the Finance Committee shall consist of five members.

Section 11.5. **Budget Preparation and Approval.** The DGE, with the concurrence of the Finance Committee, shall prepare a budget of District expenditures and income for the coming Rotary year with a designated per capita levy. The amount of the levy shall be set, and the proposed budget approved, i) at the District Assembly or at PETS by three-fourths of the incoming club presidents, including any representatives designated under article 11, section 5(c) of the standard club constitution or ii) at the District Conference by a majority of the Electors present and voting. The proposed budget shall be submitted to the clubs in the District by faxing, e-mailing or mailing a copy of the budget to each club president-elect at least thirty (30) days prior to the District Assembly, PETS or District Conference where approval is to be sought as determined by the DGE. All items in the Operating Fund shall be identified separately in the budget with estimated income and expenses for each. Surplus Funds may be utilized as a source of revenue in preparing a balanced proposed budget.

Section 11.6. **Dues.** Payment of the per capita levy approved at PETS, District Assembly or District Conference is mandatory on all clubs of the district and is due and payable on the next July 1st following the meeting in which it was adopted. The levy of each club shall be determined on membership as reported by the club to RI on January 1st preceding the budget year. If a club has failed to pay the levy for more than six (6) months after the July 1st due date, the DG shall certify such non-payment to the Board of Directors of RI requesting the suspension of all services of RI to the club while the levy remains unpaid. All District service shall also be suspended during such period of non-payment.

Section 11.7. **Depository for Funds.** District funds shall be held in one (1) or more bank accounts in the name of the District. The District Treasurer shall maintain District accounts in institutions guaranteed

by FDIC and approved by the Finance Committee. The District Treasurer and two (2) or more District Rotarians appointed by the Finance Committee shall be signatories on each of these accounts. Two signatures are required to sign checks or withdraw funds; provided, however, properly approved and budgeted payments in amounts less than five thousand dollars (\$5,000) shall only require one signature. The District Treasurer shall cause to be opened and maintained separate District bank accounts for the use of each of RYLA, RYE and the District Conference Committee (if applicable).

Section 11.8. Approval of Expenses. District funds shall only be disbursed in accordance with budget authorization. Upon submission of paid receipts, and approval by the DG, expenses shall be reimbursed to the person indicated on the budget as the responsible person for the budget item, or payment may be made directly to a vendor when authorized in writing by a person responsible for an item and approved in writing by the DG. The district will accept reimbursement requests or vendor's invoices for the Rotary year until July 31st, following the end of such Rotary year (but urges all such submissions to be timely). In the instance of an on-going activity at the end of the Rotary year (such as RYE) a budget balance may be carried over to the following year. In the event a separate bank account has been established for a District Committee as permitted above, the Chairperson of such District Committee, in addition to the DG, shall be authorized to approve any expenditures from such accounts.

Section 11.9. Financial Records and Monthly Reports. The District Treasurer shall cause to be kept careful, accurate and detailed records of all receipts and expenditures of District Funds and shall prepare the following monthly reports; (i) balance sheet; (ii) income and expense statement reflecting "this month" and "year to date" receipts and expenditures of budgeted items and comparison with budget; and (iii) accounts receivable (until balance is -0-). All reports shall be supplied to the Finance Committee no later than the 15th of the month following the report date. Following its review, the Finance Committee shall forward a copy to the Board. The Finance Committee shall have the authority, upon a showing of good cause, to amend the District budget during a budget year, but in no event may expenditures exceed the total expenditures approved by the club Presidents-Elect at the District Assembly, PETS or District Conference without the approval of three-fourths (3/4ths) of the now club presidents voting by written ballot. The District Treasurer shall maintain a separate accounting of all monies allocated to the various District Committees and District projects. Such funds may include, but are not limited to, RYLA, RYE, Disaster Relief, Foundation Dinners, Vocational or Cultural Exchange, Interact, Rotaract, District Conference, and other District Committees. Such funds shall be used only for the purpose for which they were specified and as approved in the budget by the Finance Committee. Requests from these District Committees to transfer their surplus funds for operations in subsequent years shall be honored. In the event that a separate bank account is opened for such fund and a Committee Treasurer is appointed as permitted herein, the Committee Treasurer responsible for such fund shall transmit to the District Treasurer within ten (10) days after the end of each month a full accounting of the activities of such District Committee, including monthly financial statements, listing of all income and disbursements, copies of all bank statements and, if requested, paid invoices. No District monies shall be provided to any District Committee unless the District Treasurer has received the accounting and statements set forth herein for the current year and, if applicable, the accounting and statements for the previous year. Each District Committee that desires to raise or expend money on behalf of the District shall submit its District Committee approved budget to the DGE in time to be included in the budget preparation process outlined in Section 11.5 above.

Section 11.10. Annual Statement and Report of District Finances. By June 30th of the Rotary year following his or her year of service as DG, the IPDG must provide each club an independently reviewed annual statement and report of district finances ("Annual Statement") and, following adoption as hereinafter set forth, cause the Finance Committee to transmit a copy of said Annual Statement to RI.

- (a) Adoption. The Annual Statement must be adopted (i) at a District meeting to which all clubs are entitled to send a representative or (ii) at the request of the IPDG, by a Club Ballot conducted by the DG. In either case, the Annual Statement shall be sent to the clubs at least thirty (30) days before the requested vote for adoption.

- (b) Review. The required review may be conducted by either a qualified accountant or a district audit committee. An audit committee must:
 - i) Have a least three active members be selected in accordance with established District procedures;
 - ii) Include at least one member who is a PDG or an independent, financially literate person;
 - iii) Not include any current governor, treasurer, signatory of district bank accounts, or member of the Finance Committee.
- (c) Content of Annual Statement. The Annual Statement and Report shall include but not be limited to details of:
 - i) all sources of the District funds (RI, The Rotary Foundation, District and club);
 - ii) all funds received by or on behalf of the district from fundraising activities;
 - iii) grants received from The Rotary Foundation or funds of The Rotary Foundation designated by the District for use;
 - iv) all financial transactions of District committees;
 - v) all financials of the DG by or on behalf of the District;
 - vi) all expenditures of the District's funds; and
 - vii) all funds received by the DG from RI.

Section 11.11. Tax Filing. Each year the District Treasurer who has served as treasurer for the DG who has completed a period of time for which a tax filing (State and/or Federal) is required, shall prepare, or have prepared, the District Federal and State Tax Returns by the due dates of the returns, including any requested extensions. Such Tax Returns shall be submitted to the Finance Committee at least thirty (30) days prior to filing the returns. The Finance Committee shall review the Tax Returns and approve the filing of the tax returns prior to the filing date.

Section 11.12. Investing Guidelines. The Finance Committee shall be the Investment Committee for the District Reserve Funds and any other District Funds which are expected to be held for periods longer than a year. It shall determine the type, length and place of investments and manage the funds. Except for brief periods when funds are being collected or disbursed, all funds shall be kept in interest bearing accounts. Such accounts shall be fully covered by FDIC or be U.S. Government bonds, bills or notes not longer than five (5) years in maturity.

Section 11.13. District Foundation. The District has formed a separate non-profit corporation for the purpose of collecting and disbursing funds exclusively for the charitable endeavours of the District in accordance with Section 501 (c) (3) of the United States Internal Revenue Code. The finances of this corporation will be managed by the Board and officers of said corporation but will be provided to the District Treasurer for inclusion in the District's consolidated monthly and annual reports.

ARTICLE XII. VOTING AND ELECTOR SELECTION

All voting on District matters shall be in accordance with the provisions of these District Bylaws and the RI Bylaws.

- a) General. Every active member in good standing of a club in the District who is present at the District Conference, District Assembly, PETS or other location where voting is taking place, shall be entitled to vote on all matters, except for:
 - i) Selection of a DGN;
 - ii) Election of a member of the nominating committee for RI director;
 - iii) Selection of members of the DG Nominating Committee;
 - iv) Election of the Representative to Councils of Legislation and Resolutions;
 - v) Approval of the per capita levy and District budget;
 - vi) Adoption of the Annual Statement;
 - vii) Amendment of these District Bylaws; and
 - viii) Selection of the location and date of the District Conference;
- b) Electors. Each club shall select and certify to the DG prior to any vote requiring Electors, one (1) Elector for every twenty-five (25), or major fraction thereof, of its members, honorary members excepted, provided that each club in the District in good standing shall be entitled to

- at least one (1) Elector. Each Elector shall be an active member of the club from which he/she is elected.
- c) **Voting Requirement.** A simple majority vote of those present and voting shall be required for the election of any individual or the passage of any item unless a different vote is required by these District Bylaws or the RI Bylaws.
 - d) **District Club Ballot.** Any decision or election that these Bylaws or the RI Bylaws authorize at a District meeting may, at the request of a club member in good standing, be the subject of a poll by Electors or a Club Ballot following the procedures for voting for such item as near as possible to the procedure set out for voting in such manner by the RI Bylaws.

ARTICLE XIII. AMENDMENTS AND RESOLUTIONS

Section 13.1. **Amendment Proposals.** Amendments to these Bylaws may be proposed by any club in good standing in the District by a club resolution, or, independently, by the District Resolutions and Bylaws Committee. Any proposal to amend these Bylaws shall be delivered to the DG who shall refer any such proposal made by a club to the Resolutions and Bylaws Committee for review. The Resolutions and Bylaws Committee shall summarize each amendment proposal and make a recommendation for or against its adoption. Such summary and recommendation shall be returned to the DG within thirty (30) days of the referral mentioned above.

Section 13.2. **Notice and Voting.** Upon receipt of the summary and recommendation of the proposed amendment, the DG shall set the matter for a vote at a legislation meeting convened for such purpose. The DG shall send or cause to be sent a copy of the proposed amendment, summary and recommendation to all club presidents and secretaries and shall post them on the District website at least thirty (30) days prior to the called legislation meeting. Voting on the amendment of these Bylaws shall be by all Rotarians in good standing at such meeting in accordance with these Bylaws and the RI Bylaws. Amendments shall require a majority vote for passage.

Section 13.3. **District Resolutions.** Items not covered by these Bylaws, but which need immediate consideration, may also be addressed by temporary District resolutions proposed by a club or by the District Resolutions and Bylaws Committee. Any proposed District resolution shall be delivered to the DG who shall refer any such proposal made by a club to the Resolutions and Bylaws Committee for review. The Resolutions and Bylaws Committee shall summarize each temporary District resolution and make a recommendation for or against its adoption and shall return such report to the DG and the DG shall thereafter convene a meeting to consider such proposal. The DG shall send or cause to be sent a copy of the proposed resolution, summary, and recommendation to all club presidents and secretaries and shall post them on the District website at least thirty (30) days prior to the called meeting. An emergency resolution may be introduced by the Resolutions and Bylaws Committee at the District Conference or a called legislation meeting without the required thirty (30) days' notice. Voting on the proposed resolution shall be by all Rotarians in good standing at such meeting in accordance with these Bylaws and the RI Bylaws. Resolutions shall require a majority vote for passage: provided, however, an emergency resolution introduced at a meeting without notice shall require a three-fourths (3/4) majority vote for passage.

Section 13.4. **Enactment and Resolution Proposals to RI.** (i) Enactments are legislation seeking to amend the constitutional documents of RI and are to be considered by the Council on Legislation. Enactments may be proposed by a club or the District provided they be endorsed by the District at the District Conference or a District legislation meeting. (ii) Resolutions are expressions of opinions issued by the Council on Resolutions. Resolutions may be proposed by a club or the District provided they be endorsed by the District at the District Conference or a District legislation meeting. (iii) All proposals for enactments or resolutions shall be referred to the Resolutions and Bylaws Committee for review, summarization, and recommendation. (iv) Such summary and recommendation shall be returned to the DG within thirty (30) days of the referral mentioned above and the DG shall thereafter convene a meeting to consider endorsement of such proposal. (v) The report of the Resolutions and Bylaws Committee shall be sent to all club presidents and secretaries and shall be posted on the District website at least thirty (30) days prior to the meeting at which District endorsement is sought.

ARTICLE XIV. MISCELLANEOUS

Section 14.1. **District Liability.** General Liability Insurance for districts in the United States and its territories and possessions will be provided through RI. Each district will be assessed an amount sufficient to fund the insurance coverage and related administrative expenses. Additional insurance may be purchased by the District, including liability insurance for the Board.

Section 14.2. **District Directory.** The DG shall, on or before taking office for his or her year of service, cause to be published a District Directory listing appropriate district and club officers and containing such other information as necessary for the effective management of the District. The Directory should include PDGs and Roll of Fame Honourees. The District Directory shall be distributed electronically to the president and secretary of each club in the District as well as to PDGs, AGs, current DGs in the local Zone and District committee chairpersons as determined by the DG. Those requesting printed copies of the District Directory may be charged a fee determined by the DG to cover the costs of printing, binding and mailing such requested copy.

Adopted: 15 April 2023

Effective: 1 July 2023