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ARTICLE I: LOCATION

Section 1.01 Principal Office.

The principal office of the Grand Rapids Area Community Foundation (“the Foundation”), for transacting business of the Foundation and for maintaining records of the Foundation, shall be located at such place as the Board of Directors (“the Board”) shall determine. The Board is granted full power and authority to change said principal office from one location to another.

Section 1.02 Other Offices.

The board may establish branch or subordinate offices at any time, at any place or places.

ARTICLE II: MEMBERS

Section 2.01 Members.

The Foundation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board.

Section 2.02 Associates.

Nothing in this Article II shall be construed as limiting the right of the Foundation to refer to persons associated with it as “members” even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of **Section 317A.401 of the Minnesota Statutes**. The Foundation may confer by amendment of its Articles of Incorporation (the “Articles”) or of these Bylaws some or all of the rights of a member, as set forth in the Law, upon any person or persons who do not have the right to vote for the election of Directors or on a disposition of substantially all of the assets of the corporation or on a merger or on a dissolution or on changes to the corporation’s Articles or Bylaws, but no such person shall be a member within the meaning of **Section 317A.401 of the Minnesota Statutes**.

ARTICLE III: BOARD

Section 3.01 Powers.

Subject to any limitations in the Articles, these Bylaws, or Board governance policies, and to comply with any applicable laws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, a management company or committees, however composed, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated in these Bylaws:

- (a) To select and remove any or all Directors, Officers, agents, attorneys, auditors, investment managers, custodians, and employees of the Foundation, as in its opinion are needed for the administration of the Foundation and to pay reasonable compensation for services and expenses thereof;
- (b) To assume obligations, enter into contracts, incur liabilities, borrow or lend money or otherwise use its credit, and secure any of its obligations, contracts, or liabilities by mortgage, pledge or other encumbrance of all or any part of its property and income.

(c) To modify or eliminate, without the approval of any participating trustee, custodian, or agent, any restriction, limitation, or condition on the distribution of funds, including their use for any specified purposes or their distribution to specific organizations, if they determine that such restriction, limitation or condition becomes by change of circumstances in effect, unnecessary, incapable of fulfillment, or inconsistent with the proper charitable, religious, scientific, literary, cultural or educational uses and purposes of the Greater Itasca Area;

(d) To exercise, in the best interest of the Foundation, the powers described in **Treasury Regulation, Section 1.170A-9(f)(11)(v)(B), (C), and (D)**, relating generally to modification and removal of gift restrictions and conditions and including the commencement of necessary legal actions consistent with applicable State law; and

(e) To obtain information and to take other appropriate steps with the view to seeing that each participating custodian or agent administers such funds of the Foundation in accordance with the provisions of **Treasury Regulation, Section 1.170A-9(f)(11)(v)(F)**.

Section 3.02 Number of Directors.

The number of Directors shall be not less than nine (9) and not more than seventeen (17) until changed by amendment of the Articles or these Bylaws.

Section 3.03 Selection and Term Limits.

(a) Except for such Directors serving pursuant to **Section 3.03(b)** below, the terms of office for each group of Directors shall be three (3) years and shall be staggered. The Directors in each group shall hold office until (1) adjournment of the Foundation's annual meeting held in the year designated for expiration, and (2) election of a successor or re-election. At each annual meeting of the Board, a number of Directors shall be elected by the entire Board equal to the number of Directors whose terms shall have expired at the time of such meeting, subject to any increase or decrease in the actual number of Directors pursuant to **Section 3.02** above.

No person shall be elected pursuant to this Section 3.03(a) to serve more than three (3) consecutive terms; provided, however, that (i) a person whose initial term of service as Director was less than three years may serve, at the discretion of the Board, one additional term of one or two years as long as such additional term would not result in more than nine (9) years of consecutive service on the Board or ten (10) consecutive years in the case of a person elected as the Chair of the Board; and (ii) a person serving as the Executive Director of the corporation, if such person is elected to serve as a Director of the corporation, shall be eligible to serve without term limitations.

In determining the number of years of consecutive service of any person as a member of the Board, any full calendar years of service shall be included; however, no partial calendar years of service shall be included. Upon completion of the maximum term of service, as described above in this **Section 3.03(a)**, no person may serve again for a one (1) year period of time.

(b) Persons serving as Chair Elect, Chair and Past Chair shall serve as Director for so long as they hold those positions. A person shall be eligible to be elected as Chair of the Board pursuant to **Section 5.04** below as long as such election would not result in more than twelve (12) years of consecutive service on the Board, including a one (1) year term as Chair Elect and a one (1) year term as Past Chair.

Section 3.04 Interested Persons.

Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons. For purposes of this **Section 3.04**, an interested person is:

- (a) Any person being compensated by the corporation for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation or reimbursement paid to a Director as a Director; or
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Any violation of the provisions of this **Section 3.04** shall not affect the validity or enforceability of any transaction entered into by the corporation.

The Foundation shall not enter into any contract or transaction with

- (a) one or more of its Directors,
- (b) a trustee or Director of a related organization (within the meaning of **Section 317A.011, subd. (18)** of Minnesota Statutes, or
- (c) an organization in or of which a Director is an Officer or legal representative or has a material financial interest, unless the material facts as to the contract or transaction and as to the Director's interest are fully disclosed or known to the Board, and the Board authorizes, approves, or ratifies the contract or transaction in good faith by the affirmative vote of a majority of the Directors (without counting the vote of the interested Director), at a meeting at which there is a quorum without counting the interested Director.

Section 3.05 Vacancies.

- (a) Subject to the provisions of **Section 317A.341 of the Minnesota Statutes**, any Director may resign effective upon giving written notice to the Chair of the Board or the Secretary of the Board unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective.
- (b) Vacancies on the Board shall be filled in the same manner as the Director whose office is vacant was selected, provided that any vacancy to be filled by election by Directors may be filled by a majority of the remaining Directors, although less than a quorum, or by a sole remaining Director at any regular or special meeting of the Board. Each Director so selected shall hold office until the expiration of the term of the replaced Director and until a successor has been selected and qualified.
- (c) A vacancy on the Board shall be deemed to exist in case of the death, resignation or removal of any Director or an increase in the authorized number of Directors.
- (d) The Board may declare vacant the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or is in breach of fiduciary duty under State law. The Board may also remove any Director without cause if the removal is approved by a majority of the Directors then in office.

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(e) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

(f) Any Director who does not attend three (3) of the six (6) scheduled Board meetings in the April to March board year will be deemed to have resigned effective the third absence. Directors who resign from the Board under this **Section 3.05(f)** are eligible for re-instatement as provided above in this **Section 3.05(b)**. Failing such re-instatement, Directors resigning from the Board under this **Section 3.05(f)** may be eligible for reelection as above in **Section 3.03**, after a period of at least one (1) year.

Section 3.06 Rights of Inspection.

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Foundation.

ARTICLE IV: MEETINGS

Section 4.01 Place of Meeting.

Meetings of the Board shall be held at any place within or without the State of Minnesota that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 4.02. Annual Meetings.

The Board shall hold an annual meeting for the purposes of organization, selection of Directors and Officers, reports on the activities and financial condition of the Foundation, and the transaction of other business. Annual meetings of the Board shall be held on such dates and at such times as may be fixed by the Board.

Section 4.03. Regular Meetings.

The Board shall meet at least quarterly. At the annual meeting, the Board shall determine the date, place and time of regular meetings for the ensuing twelve (12) months. If a meeting is not held as so scheduled, notice of a rescheduled meeting must be given in accordance with **Section 4.05 below**, except the purpose or purposes need not be stated.

Section 4.04. Special Meetings.

Special meetings of the Board may be called at any time by (a) the Chair, or in his/her absence by the Chair Elect or Vice Chair, or (b) three (3) or more members of the Board. A person or persons entitled to call a special meeting of the Board may make a written request to the Secretary to call the meeting. The Secretary shall give notice of the meeting to be held and its purpose. If the Secretary fails to give notice of the meeting within seven (7) days from the day on which the request was made, the person who requested the meeting may fix the time and place of the meeting, and give notice in the manner provided in this **Section 4.04**.

Section 4.05 Notice of Meeting.

Notice of the annual meeting or special meetings of the Board, stating the time and place of such meeting, shall be mailed via USPS or email not less than five (5) days nor more than thirty (30) days before the meeting, excluding the day of the meeting, to each Director at his/her address according to the last available records of the Foundation.

Section 4.06 Waiver of Notice.

Any Director may waive notice of a meeting before, at or after a meeting. Such waiver shall be filed with the person who has been designated to act as Secretary of the meeting, who shall enter it upon the records of the meeting. Without notice, any member of the Board, by his or her attendance at any meeting, shall be deemed to have waived notice thereof unless the Director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called and the Director does not participate in the meeting.

Section 4.07 Participation in Meetings by Conference Telephone, Electronic Video Screen Communication, or Other Communications Equipment.

Members of the Board may participate in a meeting, or a committee meeting, through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone pursuant to this **Section 4.07** constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) pursuant to this **Section 4.07** constitutes presence in person at that meeting if all of the following apply:

- (a) Each member participating in the meeting can communicate with all of the other members concurrently;
- (b) Each member is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- (c) The corporation adopts and implements some means of verifying both of the following:
 1. A person participating in the meeting is a Director or other person entitled to participate in the Board meeting, and
 2. All actions of, or votes by, the Board are taken or cast only by the Director and not by persons who are not Directors.

Section 4.08. Quorum and Voting.

(a) The presence of at least a majority of the current number of Directors constitute a quorum of the Board to transact business, except to adjourn as provided below in **Section 4.09**.

(b) At all meetings of the Board, each Director shall be entitled to cast one vote on any questions coming before the meeting.

(c) Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required by law, the Articles, or these Bylaws. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting, or a greater number required by law, the Articles, or these Bylaws.

(d) A Director who is present at a meeting of the Board when an action is taken is presumed to have assented to the action unless the Director votes against the action or is prohibited from voting on the action.

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(e) Electronic voting (e-voting) is permitted between regularly scheduled meetings for time-sensitive board actions concerning new funds and grants over \$10000.00. In accordance with **Section 317A.445 of the Minnesota Statutes**, an e-vote is effective when it has unanimous affirmative votes by all Directors voting. All e-votes will be recorded and maintained within the GRACF electronic filing system with follow-up verification for the official record at the next regular board meeting.

Section 4.09. Adjournment.

The Directors present at any meeting, although less than a quorum, may adjourn the meeting from time to time.

ARTICLE V: OFFICERS

Section 5.01. Officers.

The Officers of the Foundation shall be a Chair, a Chair Elect, a Vice Chair, a Secretary, a Treasurer, and such other Officers as the Board may from time to time designate. Such Officers shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected. Such Officers must be duly elected members of the Board in good standing, except as otherwise provided in this **Article V**.

Section 5.02. Removal and Resignation.

(a) Any Officer may be removed, either with or without cause, by the Board at any time or, except in the case of an Officer chosen by the Board, by any Officer upon whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the Officer under any contract of employment of the Officer.

(b) Any Officer may resign at any time by giving written notice to the Foundation, but without prejudice to the rights, if any, of the Officer under any contract to which the Officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.03. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 5.04. Chair.

The Chair shall be the chief volunteer Officer of the Foundation. He/she shall preside at all meetings of the Board. He/she shall have general supervision and direction of the affairs of the Foundation. He/she shall execute, on behalf of the Foundation, all contracts, deeds, conveyances and other instruments in writing which may be required or authorized by the Board for the proper and necessary transaction of the business of the Foundation. The Chair shall be an *ex officio* member of each committee. The Chair shall present, at each annual meeting of the Board, a full report on the transactions and affairs of the Foundation for the preceding year.

Section 5.05. Chair Elect.

The Chair Elect shall perform the duties of the Chair in the case of the latter's absence or disability. The execution by the Chair Elect, on behalf of the Foundation of any instrument, shall have the same force and effect as if it were executed on behalf of the Foundation by the Chair.

Section 5.06. Vice Chair.

The Vice Chair shall perform the duties of the Chair in the case of the absence or disability of the Chair and the Chair Elect. The execution by the Vice Chair, of behalf of the Foundation of any instrument, shall have the same force and effect as if it were executed on behalf of the Foundation by the Chair.

Section 5.07. Secretary.

The Secretary shall keep or cause to be kept a record of all proceedings of the meetings of the Board in a book to be kept for that purpose and certified to such proceedings. The Secretary shall give or cause to be given all notices of meetings of the Board and all other notices required by law or by these Bylaws, and in the case of the Secretary's absence or refusal or neglect to do so, any such notice may be given by the Chair or Chair Elect. The Secretary shall be the custodian of all books, correspondence and papers relating to the business of the Foundation, except those of the Treasurer. He/she shall join with the Chair in the execution on behalf of the Foundation of all contracts, deeds, conveyances and other instruments in writing which may be required or authorized to be so executed by the Board for the proper and necessary transaction of the business of the Foundation. The Secretary shall prepare and present or cause to be prepared and presented to the Board such reports as it may desire and request at such time or times as it may designate.

Section 5.08. Treasurer.

The volunteer Treasurer of the Foundation shall not be responsible for maintaining the day-to-day books of account of the Foundation. This responsibility shall be delegated to a member of the staff. The Treasurer present a report of the Foundation's financial transactions and status to the Board at its annual meeting, and shall from time to time make such other reports to the Board as it may require.

Section 5.09. Assistant Secretary/Treasurer.

The Board may elect an Assistant Secretary and/or Assistant Treasurer who shall perform the duties and assume the responsibilities as above set forth under general direction of the Secretary, Treasurer or Chair. Such Assistant Secretary and/or Treasurer need not be a member of the Board.

Section 5.10. Executive Director.

The Board may, in its sole discretion, employ an Executive Director who shall be the sole employee of the Board and the chief operating Officer of the Foundation. The Executive Director shall be responsible for the general active management of the business of the Foundation and see that the orders and resolutions of the Board are carried into effect. The Executive Director may hire, supervise, manage, and dismiss employees as he/she deems appropriate, and have other such powers and perform other such duties as may from time to time be granted or delegated to this office by the Board or the Chair. Such person shall not be a voting member of the Board. If there is no Executive Director, such duties, as required, shall be performed by the Chair.

Section 5.11. Additional Powers of Officers.

Any Officer of the Foundation, in addition to the powers conferred upon him/her by the Bylaws (including specifically the authority to execute on behalf of the Foundation, contracts, deeds, conveyances, and other instruments in writing, which may be required or authorized by the Board for the proper and necessary transaction of the business of the Foundation), shall have such additional powers and perform such additional duties as may be prescribed by the Board.

Article VI WORK GROUPS (Committees, Task Forces, and Advisory Panels)

Section 6.01. Establishment and Dissolution.

(a) The Board may from time to time establish and authorize one or more Work Groups to assist the Board in its work.

(b) The Board shall establish such Work Groups by voting approval of a resolution (“the Charter”) that specifies whether the group is a standing committee, a task force, or an advisory panel, as well as the leadership, participants, assignment(s), products and reports, and accountabilities of the Work Group. Each such Work Group shall consist of two or more Directors and shall be presided over by a Director selected by the Board. An individual who is not a Director may serve as a member of any Work Group as provided in **Section 317A.241 of the Minnesota Statutes**.

(c) The terms “standing committee,” “task force,” and “advisory panel” shall mean any Work Group established by the Board that is authorized to bring information, options, and considerations to the Board for action. Notice of, and procedures for, meetings of Work Groups shall be as prescribed by the chair of each such Work Group, and meetings of Work Groups may be called by the Board or the chair of the Work Group. In the absence of established standards for notice of, and procedures for, meetings of Work Groups, the provisions of these Bylaws applicable to the notice of, and procedures for, meetings of the Board shall apply to each meeting of a Work Group.

(d) The Board may dissolve any Work Group at any time, as it deems appropriate. In addition:

1. The Board shall review and revise its Standing Committees and Advisory Panels at least every three (3) years; and
2. Task Forces shall dissolve upon the completion of the assigned task(s) and the Board’s acceptance of the group’s final report.

Section 6.02. Accountability and Responsibility

All committees shall be accountable to, and responsible to, the Board. No Work Group has the authority to make decisions on behalf of the Board, and no action taken by any Work Group shall be in effect unless approved by the Board. Because no Work Group may make decisions on behalf of the Board, there is no requirement of a quorum.

Section 6.03. Term Limits.

For any Work Group other than the Governance Committee, appointments shall expire at the close of the annual meeting next following the date of appointment or as soon thereafter as a successor has been appointed. Unless otherwise provided, the Chair or the chair of the Work Group may reappoint individuals to additional terms or to fill unexpired terms and vacancies.

Section 6.04: Standing Committees

Standing committees of the board exist to assist the board in specific aspects of its work. The Board may establish, dissolve, replace, or redirect any Board standing committee, as it deems appropriate.

(a) **Governance Committee:** A standing committee on Governance shall consist of the Board Officers and the immediate past Chair. The Board Chair may appoint additional Board members with the approval of the Board.

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The Governance Committee shall be responsible for the health and functioning of the board, specifically accountable to:

1. Ensure effective governance of the Foundation, including updating of policy and proposing amendments to the Bylaws;
2. Develop and implement an annual Board agenda. This agenda will address the strategic priorities that must be achieved in the coming year and will be presented to the Board for approval at the annual meeting;
3. Conduct annual performance assessments of each Director and the Board as a whole;
4. Facilitate, at least annually, a review of the work performance of the Executive Director by the Board; *and*
5. Recommend for approval by the Board compensation for the Executive Director and key staff.
6. Conduct monthly review of GRACF financial statements to ensure sound financial practices are in place and potential issues recognized and dealt with in a timely manner. (approved by board 12.20.2016)

(b) Finance and Stewardship Committee. A standing committee on Finance and Stewardship shall consist of members appointed by the Board and shall *generally* include Directors with specific financial skills and attributes, or are beyond their initial two (2) years of Board service. Officers of any trustee, fiscal agent or other investment manager of the Foundation may be an official member of the Finance and Stewardship Committee provided they fully disclose any conflict of interest and abstain from discussion and voting on such items.

The Finance and Stewardship Committee shall be responsible for the health and functioning of the fiscal affairs of the Foundation, specifically accountable to:

1. Develop, recommend, and maintain investment policies, procedures and practices for optimizing risk and returns on the Foundation's invested assets.
2. Provide oversight of trustees, fiscal agent, attorneys, and other investment managers of the Foundation;
3. To review at least semi-annually, these policies, procedures and practices, and the performance of trustees, fiscal agents and other investment managers, and bring to the Board options for action;
4. Submit to the Board, not later than October of each calendar year, an operating budget for the following calendar year;
5. Facilitate, review, and report or have reported to the Board an annual audit of the Foundation's operating statements and financial management policies and procedures; *and*
6. Provide oversight of annual distribution determinations from endowment funds.

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7. Provide oversight of Gift Acceptance policy, procedures and decisions.

(c) **Community Impact Committee.** A standing committee on Community Impact shall consist of members appointed by the Board and will *generally* include Directors in their initial two years of board service.

The Community Impact Committee shall be responsible for the activities of the Foundation impacting community issues and the public perception, specifically accountable to:

1. Investigate the needs and merits of potential recipients of the funds of the Foundation, which may be distributable at the discretion of the Board, and to recommend distribution of such funds in accordance with its best judgment. No discrimination or bias shall be made in any such distribution on account or race, color, creed, religion, gender, age, disability, marital status, public assistance status, national origin, or sexual orientation of the individuals to be benefited;
2. Provide oversight of the marketing of the Foundation to interested agencies and to the general public within the Greater Itasca Area;
3. Conduct community outreach and education to interested agencies and to the public regarding the value of the Foundation to the common good; and
4. Develop and conduct an annual appeal for operational financial support of the Foundation.

(d) **Board Development Committee.** A standing committee on Board Development shall consist of members appointed by the Board and will *generally* include Directors in their final two years of board service.

The Board Development Committee shall be responsible for the professional development and quality management of the board, specifically accountable to:

1. Design and maintain an ongoing process for developing and vetting potential new Directors so as to provide the Board with a list of nominees for election not later than ten (10) days prior to each Annual Meeting;
2. Design and facilitate processes for onboarding new Directors; and
3. Develop and facilitate an annual Board learning plan, within the context of the Board's annual agenda, to enhance the Board's capacity to govern the Foundation.

Section 6.05. Task Forces.

Board task forces help the Board to achieve a specific task in a limited timeframe (as examples only: preparation of the Foundation's annual report, special events, Board retreats, and strategic planning). The Board may establish, dissolve, replace, or redirect any Board task force, as it deems appropriate.

Section 6.06. Advisory Panels.

Board advisory panels help the Board to consider, understand, and connect with people and ideas important to the Board's work. The Board may establish, dissolve, replace, or redirect any Board advisory panel, as it deems appropriate. An advisory panel shall typically comprise individuals

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who are outstanding or influential in the particular locations, cultures, or disciplines, or who possess the life experience, or technical or professional skills, needed by the Board.

ARTICLE VII: FEES and COMPENSATION

Section 7.01. Expense Reimbursement.

Directors and members of Work Groups shall serve without compensation, but all necessary expenses incurred by them in the performance of their duties shall be reimbursed by the Foundation.

Section 7.02. Loans.

Notwithstanding the foregoing, the Foundation shall not lend money to or guarantee the obligation of a Director, Officer, or employee of the Foundation or a related organization, or of the spouse, parents, children and spouses of children, brothers and sisters or spouses of brothers and sisters of the director, officer, or employee, unless the loan or guarantee may reasonably be expected, in the judgment of the board, to benefit the corporation. The Officers and Directors who make a loan in violation of this **Section 7.02** or assent to it are jointly and severally liable for its repayment.

Section 7.03. Advances.

The Foundation may advance money to a Director, Officer, or employee of the Foundation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, if in the absence of any such advance, such Director, Officer, or employee would be entitled to be reimbursed for such expenses by the Foundation. Subject to the provisions of the above **Article III Board, Section 3.04 Interested Persons**, nothing contained in these Bylaws shall be construed to preclude any Director from serving the Foundation in any other capacity as an Officer, agent, employee or otherwise, and receiving compensation therefore.

ARTICLE VIII: TRUSTEES, FISCAL AGENTS, and OTHER INVESTMENT MANAGERS.

The Foundation may designate such trustees of revocable trusts, fiscal agents, investment advisors, custodians, or other investment managers as the Board deems appropriate. The Board may at any time discontinue the use of the services of any such trustee, fiscal agent, investment advisors, custodian or other investment manager.

ARTICLE IX: FISCAL YEAR.

The fiscal year of the Foundation shall be the calendar year.

ARTICLE X: DISTRIBUTION OF PRINCIPAL AND INCOME

Section 10.01 Income Distribution.

The Foundation shall distribute a portion of net income accruing to it from any and all sources, after payment of all reasonable charges and expenses in connection therewith, in accordance with the spending policy adopted by the Board as contained in the Foundation's policy manual, for the public, educational, cultural and charitable purposes for which this Foundation was organized.

Section 10.02. Distribution of Principal (Endowed Funds).

It shall be the policy of the Foundation that the principal of any funds, title to which is vested in this Foundation, may be expended in such amounts and at such times as the Board may deem advisable provided, however, that the principal of any such fund, which is subject to any restriction, condition, limitation or trust that is inconsistent with the foregoing, shall be expended only if, by vote of two-thirds (2/3) of all the members of the Board (without the necessity of approval of any trustee, agent or custodian), it is determined that such restriction, limitation, or condition becomes, by a change of circumstances, in effect unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Greater Itasca Area, unless otherwise directed by a court of competent jurisdiction.

Section 10.03. Distribution of Principal (Non-endowed Funds).

With the approval of two-thirds (2/3) of all of the members of the Board, all or any part of the principal of any trust fund, title to which is not vested in this Foundation, but disposition of which is discretionary with this Foundation, may be used for any public, educational, cultural and charitable purpose for which the Foundation is organized, provided such distribution or use is not contrary to any restrictions, limitations or conditions imposed with respect to such fund, subject to the power to provide or eliminate under **Article III Board, Section 3.01 Powers, subparagraph (e)**.

Section 10.04. Exception to Limitations on Expenditure of Principal.

Nothing in the above **Section 10.02 Distribution of Principal (Endowed Funds)** and **Section 10.03 Distribution of Principal (Non-endowed Funds)** shall prohibit the Board from expending any part or all of the principal amount of a gift at any time, for operating or other purposes, if so authorized or instructed by the donor, his/her representative or otherwise by the terms of the gift.

ARTICLE XI: FUNDS OF THE FOUNDATION

Section 11.01. Direction.

The funds of the Foundation are conserved or allocated in accordance with these Bylaws under the direction of the Board.

Section 11.02. Types of Funds.

The Foundation shall administer five basic types of funds:

- (a) **Unrestricted** - The distribution of income and/or principal is entirely within the discretion of the Board to meet the community's most pressing problems as each year's changing conditions warrant;
- (b) **Designated** - The donor(s) specifies the community organization(s) or institution(s) which donor(s) wish(es) to assist with gifts of income and/or principal;
- (c) **Field of Interest** - The donor(s) specifies the special charitable field of interest donor(s) wishes to assist;
- (d) **Donor Advised** - The donor(s) or his/her family, or an advisor, makes regular recommendations to the Board as to specific grants to specific organizations; *and*
- (e) **Scholarship** - The donor(s) establish a fund for the purpose of providing scholarships and other charitable awards to individuals.

Section 11.03. Methods of Gifts.

Donors may make gifts to the Foundation by naming or otherwise identifying the Foundation, whether or not a trustee, custodian or agent is designated to receive the property contributed. Gifts shall vest in the Foundation upon receipt and acceptance by it, in accordance with Board policy.

Section 11.04. Designation of Trustee, Custodian or Agent.

A donor may designate one or more trustee, custodian, investment manager, or agent to have custody of and administer the investment of a gift, and, if more than one, the portions of the gift to be held and administered as to investment by each. All gifts shall be subject to the powers of removal vested in the Board. In case of failure of a donor to designate a trustee, custodian or agent to accept custody of a gift, the Board may in each case so far as necessary designate one or more custodians, investment manager, or agents to have custody of and administer the investment of the gift, and if more than one, the portions to be so held and administered by each. The Foundation may enter into agreements with custodians, investment managers, or agents having custody of funds of the Foundation, specifying additional terms of such custody.

Section 11.05. Acceptance of Foundation's Articles and Bylaws.

Each donor, by making a gift to the Foundation, accepts and agrees to all the terms of the Articles of Incorporation, Bylaws and the contract, and provides that the fund so created shall be subject to the provisions for presumption of donor's intent, for modification of restrictions or conditions, and for amendments and termination, and to all other terms of the Articles of Incorporation and Bylaws of the Foundation and any trust, custodian or agency agreement between the Foundation and trustees, custodians, investment managers, or agents having custody of the funds of the Foundation each as from time to time amended.

Section 11.06. Non-charitable Interest.

If a gift is made to a trustee in trust to make income or other payments to the Foundation, followed by payments to any individuals or for non-charitable purposes, it shall not be treated as a component but rather only the payments to the Foundation shall be regarded as Foundation funds, subject to its Articles of Incorporation and these Bylaws, and then only when the Foundation becomes entitled to their use. If a gift is made to a trustee in trust to make income or other payments for a period of life or lives or term of years, to any individuals or for non-charitable purposes, followed by payments to the Foundation, it shall be treated similarly until all such non-charitable interest expire and the fund becomes a component fund of the Foundation. The Board may take such actions as it from time to time deems necessary or desirable to further the Foundation's interest in any such funds, whether components or non-components, or to protect its right to receive payments from such funds.

Section 11.07. Donor Restrictions.

Any donor may, with respect to a gift made by such donor to the Foundation and within such limits of policy as the Foundation from time to time may declare in writing, give directions in the instrument of gift or transfer as to (i) field of charitable purposes or particular charitable organizations or purposes to be supported, (ii) manner of distribution including amounts, times, and conditions of payments and whether from principal and/or income, and (iii) a name as a memorial or otherwise for a fund given, or addition to a fund previously held, or anonymity for the gift.

Section 11.08. Common Investment of Gifts.

No gift shall be required to be separately invested or held except to prevent tax disqualification, or it is required by law. In the absence of contrary instructions from its donors, directions for naming a fund as a memorial otherwise may be satisfied either by keeping under such name accounts reflecting appropriately in the interest of such fund in each common investment or by

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commingling the fund with others but referring in the Foundation's literature and other commemorative communications to the gift at the time it was received by the Foundation.

Section 11.09. Non-profit Contribution.

It shall be possible for any non-profit organization recognized as exempt under **Section 501(c)(3) of the Internal Revenue Code of 1986**, as now or hereafter amended, to make a contribution to a designated fund of the Foundation for investment and administration for the organization's own benefit.

Section 11.10. Assignment of General Contributions.

All gifts, donations, contributions and grants which are received by the Board in the name of the Foundation without specific designation as to purpose shall be directed, assigned or distributed to the Unrestricted (Operating) Fund.

Section 11.11. Representation of Shares of Other Corporations.

The Executive Director, or any other Officer or Officers authorized by the Board or the Executive Director, are each authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by such Officer in person or by any other person authorized to do so by proxy or power of attorney duly executed by said Officer.

ARTICLE XII: MISCELLANEOUS

Section 12.01. Amendment of Bylaws.

The Board may amend these Bylaws to include or omit any provision that could be lawfully included or omitted at the time such amendment is made. Written notification of Bylaw amendment including proposed language and vote will follow notice of **Section 4.05** above. Bylaws voted upon at a single meeting of the Board and shall be adopted at such meeting upon receiving more than seventy-five percent (75%) of the vote of the quorum present and entitled to vote.

Section 12.02. Indemnification of Officers, Directors and Employees.

To the full extent permitted by any applicable law, this Foundation shall indemnify each person made or threatened to be made a party to any threatened, pending or completed civil, criminal, administrative, arbitration or investigative proceeding, including a proceeding by or in the right of the Foundation, by reason of the former or present capacity of the person as:

- (a) A Director, Officer, employee or member of a Work Group of this Foundation; or
- (b) A Director, Officer, partner, trustee, employee or agent of another corporation or employee benefit plan, who while a Director, Officer or employee of this Foundation, is or was serving the other corporation at the request of the Foundation or whose duties as a Director, Officer or employee of this Foundation involve or involved such service to the other corporation, against judgments, penalties, fines, (including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan), settlements, and reasonable attorneys' fees and disbursements, incurred by the person in connection with the proceeding.

Indemnification provided by this Section shall continue as to a person who has ceased to be a director, Officer, employee or committee member, shall inure to the benefit of the heirs, executors

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and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this section. Any indemnification realized other than under this section shall apply as a credit against any indemnification provided by this section.

Section 12.03. Insurance.

The Foundation may, to the full extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or a member of a Work Group of this Foundation against any liability asserted against such person and incurred by such person in any such capacity.

Section 12.04. Non-discrimination.

The Foundation shall provide equal opportunity to all people without regard to race, color, creed, religion, gender, age, disability, marital status, public assistance status, national origin, or sexual orientation in regarding to membership on the Board, employment by the Foundation, or any other action or activity of the Foundation to include granting activities.

Section 12.05. Annual Statement of Certain Transactions and Indemnifications.

(a) The Foundation shall furnish annually to its Directors a statement of any covered transaction or indemnifications described below, if such covered transaction or indemnification took place. A covered transaction under this **Section 12.06** is a transaction in which the Foundation was a party, and in which either of the following interested persons had a direct or indirect material financial interest:

1. Any Director or Officer of the Foundation, or its parent or subsidiary; or
2. Any holder of more than ten percent (10%) of the voting power of the Foundation, its parent or its subsidiary.

(b) The statement required by this **Section 12.06** shall describe briefly:

1. Any covered transaction (including compensation of Officers and Directors) during the previous fiscal year involving more than \$50,000, or which was one of a number of covered transactions in which the same interested persons had a direct or indirect material financial interest and which transactions in the aggregate involve more than \$50,000;
2. The names of the interested persons involved in such transactions, stating such person's relationship to the Foundation, the nature of such person's interest in the transaction, and, where practicable, the amount of such interest; provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and
3. The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director of the Foundation.

Approved by the Board of Directors on December 20, 2016

Signed: *"Original Signed; Sonja Merrild"*

Secretary