



Bylaws of McPherson County Community Foundation

Adopted: August 12, 2015

ARTICLE I – PURPOSE

The McPherson County Community Foundation, Inc. (“Corporation”) serves the common good for its residents, building strong communities by engaging people in philanthropy and developing a permanent endowment to provide resources, now and for generations to come.

ARTICLE II – MEMBERSHIP

The Corporation shall have no members.

ARTICLE III – TERRITORY

The Corporation shall serve as the community foundation to the residents of McPherson County and to residents of other contiguous counties.

ARTICLE IV – FISCAL YEAR

The fiscal year for the Corporation will be from September 1 to August 31.

ARTICLE V – BOARD OF DIRECTORS

The management and control of the assets and activities of the Corporation shall be vested in the Board of Directors (“Board”).

Section 1. Number and Qualifications

The Board shall consist of no less than ten (10) directors and no more than sixteen (16) directors who shall be elected by the Board at its annual meeting. The Board should represent community interests and other skills and knowledge as would be advantageous in carrying out the work of the Corporation.

Section 2. Term

Directors shall be elected for three (3) year terms. Directors shall be eligible for reelection only to a maximum of three (3) full three (3) year terms. As closely as possible, the Board will be divided into three classes so that the terms of no more than one-third of the directors shall expire in one year.

No person may serve as a director for a period exceeding ten (10) consecutive years. Upon completion of a continuous period of service as a director, no person may again serve as a director until expiration of one fiscal year.

Section 3. Vacancies

Vacancies shall be filled by the Board by a vote of the Board until the next annual meeting when the seat will be available for election.

Section 4. Attendance

Directors with unexcused absences from more than 50% of Board meetings shall constitute an automatic removal from the Board.

Directors who are unable to attend any meeting in person may be considered present if participating by conference telephone or similar communication equipment by which all persons participating in the meeting may hear each other and the names of all the participants are divulged to all participants.

Section 5. Authority

The Board shall have full power and control over all business and affairs of the Corporation and shall make such rules, regulations and policies with reference thereto as may be deemed necessary and which are not inconsistent with the provisions of the Articles of Incorporation and these By-laws.

The Board shall have the power to select new directors, to elect the officers of the Corporation, to suspend or expel directors, to employ the President/Chief Executive Officer and fix his or her compensation, and to do all things which it may deemed proper and expedient to carry out and promote the goals and purposes of the Corporation.

ARTICLE VI – OFFICERS

Section 1. Officers

All officers shall be elected from the Board of Directors, except that an employee of the Corporation may be an officer and not a director. No employee of the Corporation shall be eligible for membership on the Board, even though the employee is an officer.

At the Annual Meeting of the Corporation, the Board shall elect the following officers: Chair, Vice Chair and Treasurer nominated and elected by the Board of Directors. The term of each

office shall commence immediately. Elected officers will serve a term of one year and are eligible to serve for more than one term.

Section 2. Chair

The Chair shall preside at all meetings of the Board, shall have the power to call Special Meetings of the Board, shall (consistent with these By-laws) have the power to appoint all committees, shall be an ex-officio member of all committees, shall require timely and appropriate reports from all committees and officers and shall in general perform all duties of chair of a not-for-profit corporation.

Section 3. Vice Chair

The Vice Chair shall assist the Chair whenever called upon to do so and shall perform the work of the Chair, whenever the Chair shall be unable by reason of absence or incapacity. The Vice Chair shall oversee the recording and keeping of the minutes of all meetings of the Board, shall have charge of all records, papers and other documents of the Corporation, shall keep an accurate list of the directors and shall send out all notices required to be sent out under these By-laws.

Section 4. President/Chief Executive Officer

The Board shall employ a President who shall be the chief executive and chief administrative officer of the Corporation and who shall receive salary and other remuneration as may be fixed from time to time by the Board. The Board shall also fix the period and conditions of employment of said President and for the purposes of this article may enter into such contracts as may be necessary. The President shall have the duty and responsibility of supervising the day-to-day operations of the Corporation including hiring and supervision of all personnel, assisting in the preparation of an annual budget and such other functions as the Board may determine.

Section 6. Treasurer

The Treasurer shall oversee the receipt and dispersal of all monies of the Corporation, shall oversee the keeping of accurate books of account, shall supervise planning of budgets for the Corporation, and shall make general and detailed reports when required by the Board, funding institutions and/or governmental authorities.

Section 7. Vacancies

If the office of Chair becomes vacant between Annual Meetings, the Vice Chair shall assume the office of Chair. If any other office becomes vacant between Annual Meetings, the Chair shall appoint another director to serve in that capacity for the remainder of said term.

ARTICLE VII- MEETINGS

Section 1. Meetings

Meetings of the Board of Directors shall be held at least once each quarter or at such other times as the Board shall determine.

Section 2. Annual Meeting

The Corporation shall hold an Annual Meeting each August for the purpose of electing new directors, electing officers and adopting an annual budget.

Section 3. Special Meetings

Special Meetings may be held at any time when called by the Chair or the majority of directors.

Section 4. Quorum

One-third of the Board of Directors shall constitute a quorum. Passage of a motion requires a simple majority of the directors present. In the absence of a quorum, no formal action shall be taken except to adjourn the meeting to a subsequent date.

Section 5. Notice of Meetings and Special Meetings

Oral or written notice of the date, time, and place of each regular and special meeting of the Board of Directors shall be communicated, delivered, or mailed by the Secretary of the Corporation, or by the person or persons calling the meeting, to each member of the Board of Directors at least two (2) days before the date of the meeting.

Section 6. Waiver of Notice

Notice may be waived in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. Attendance at or participation in any meeting of the Corporation's Board of Directors shall constitute a waiver of notice of such meeting.

Section 7. Action by Written Consent

Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by each director or all committee members, as the case may be, and such written consent is included in the minutes or filed with the corporate records reflecting the action taken.

ARTICLE VIII – LIABILITY & INDEMNIFICATION

If a current or former director or officer of the Corporation is made a party to any civil or criminal action or proceeding in any matter arising from the performance by such director or officer of his or her duties for or on behalf of the Corporation, then, to the full extent permitted by law, the Corporation, upon an affirmative vote of the Board, a quorum being present at the time of the vote who are not parties to the action or proceeding, shall:

- (1) Advance to such current or former director or officer all sums found by the Board to be necessary and appropriate to enable the director or officer to conduct his or her defense, or appeal, in the action or proceeding, and
- (2) Indemnify such current or former director or officer for all sums paid by him or her in the way of judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees actually and necessarily incurred, in connection with the action or proceeding, or appeal therein, subject to the proper application of credit for any sums advanced to the director or officer to clause (1) of this paragraph.

The Board of Directors is authorized and empowered to purchase insurance covering the Corporation's liabilities and obligations under this Article and insurance protecting the Corporation's directors, officers, employees and other persons.

ARTICLE IX – COMMITTEES

Section 1. Appointment

The Chair shall appoint annually the chairpersons and members of all standing committees subject to the limitations connected with membership of the Executive Committee.

Section 2. Standing Committees

The Standing Committees of the Corporations shall be as follows: Executive Committee, Governance Committee and Finance Committee.

Section 3. Executive Committee

The Chair shall appoint an Executive Committee, consisting of the officers of the Corporation who are not employees. The President/Chief Executive Officer may serve as an ex-officio non-voting member. The Chair may invite others to attend an Executive Committee meeting and to participate in discussion on a non-voting basis.

The Executive Committee shall have the full authority to act on behalf of the Board of Directors, except as limited by law, between regular meetings of the Board of Directors. All actions taken by the Executive Committee shall be reported to the Board of Directors at its next meeting.

Section 4. Governance Committee

The Governance Committee oversees the identification and recruitment of directors; submits a slate of directors and officers for election at the Corporation's annual meeting; identifies board education and training opportunities; and generally ensures that the Corporation and its board are managing the Corporation in the best interests of community and meeting their fiduciary responsibilities.

Section 5. Finance Committee

The Finance Committee shall review all audit reports, prepare and submit for Board approval annual budgets, and set investment policy. The Finance Committee shall be responsible for hiring, compensating and overseeing the work of the Corporation's auditor and all investment managers and consultants.

To the extent possible, at least one member of the Finance Committee shall be a person with financial expertise. All members of the Finance Committee shall be independent and have no real or perceived conflicts of interest.

The Finance Committee shall be responsible for ensuring that a Whistleblower Policy is instituted. A confidential report of suspected financial or accounting misdeeds can be made directly to an officer of the Corporation, who will have no obligation to divulge the identity of the person raising the complaint to any other person employed by or associated with the Corporation

Section 6. Ad Hoc Committees

The Chair may create on an ad hoc basis such additional special committees as deemed necessary and appoint the chairs and members of said committees.

Section 7. Limitations of Committee

No committee shall incur any obligations or liabilities of the Corporation without authority conferred upon it specifically to do so.

ARTICLE X – RECEIPTS & DISTRIBUTIONS OF FUNDS

Section 1. Receipts.

The Board may accept charitable contributions from individuals, corporations, partnerships, and estates in the form of cash, securities, real property, tangible assets, rents and royalties, and mineral rights.

Section 2. Donor Restrictions

The Board may accept charitable gifts from donors which have restrictions regarding being classified as permanent endowments, or regarding the use of the funds to a particular charity or field of interest, as long as they are consistent with the purposes of the Corporation.

Section 3. Variance Clause

The Board may modify any restriction or condition on the distribution of funds for any specialized charitable purpose or to specified organizations if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with charitable needs of the community.

Section 4. Distributions of Grants

The Board shall from time to time approve the distributions of funds to other charitable entities qualified as tax-exempt under §501(c)(3) of the Internal Revenue Code to further the purposes of the Corporation and to make policies concerning the same. The Corporation may distribute funds to organizations not designated as §501(c)(3) organizations after a full expenditure responsibility review to validate that all funds will be used exclusively for charitable purposes.

ARTICLE XI – CONFLICTS OF INTEREST

Section 1. Compensation and Loans

No director shall receive any compensation for his or her services to the Corporation. No loan of Corporation funds shall be made to any Director, Officer, or Employee at any time.

Section 2. Conflicts and Related Parties

Each member of the Board of Directors shall, at least annually, report and certify that he or she has no business relationship or involvement which would cause benefit to ensure to the director as a result of any payments made by the Corporation for services or products. If such a benefit does ensure to a director, the details of such relationship and benefit shall be fully disclosed to the Board.

ARTICLE XII– AMENDMENTS

These By-laws may be amended by the directors at any Annual Meeting or Special Meeting of the directors called for that purpose provided that written notice of the proposed amendment has been given at least fifteen (15) days in advance of said meeting.