

# **Friends of the Romeo District Library**

## ***Constitution and By-Laws***

### **Article I**

#### **Name**

The name of the organization shall be the Friends of the Romeo District Library, hereinafter referred to as the FRDL.

### **Article II**

#### **Purpose**

It is the purpose of the FRDL to promote and support the mission of the Romeo District Library through fundraising, public relations, service and activities.

### **Article III**

#### **Membership and Dues**

Section 1: Any individual, organization, public or private, with interest in the above purposes may become a member of the FRDL upon payment of annual dues.

Section 2: The Board of Directors shall establish categories of membership, dues and fees.

Section 3: Memberships shall run from January 1 through December 31. Dues will not be prorated.

### **Article IV**

#### **Officers**

Section 1: Officers of the organization shall be nominated and elected by members of the organization at the Annual Meeting of the FRDL as hereinafter provided. Such officers shall serve for a period of one (1) year. Officers shall serve no more than two (2) consecutive terms in a specific office unless otherwise approved by the Board.

Section 2: Officers shall include a President, Vice President, Secretary and Treasurer.

Section 3: The President shall

- a) Preside at all meetings of the organization
- b) Appoint committees
- c) Serve as ex-officio member of all committees except the Nominating Committee
- d) Call meetings of the Board at such times as seems advisable
- e) Call special meetings of the Board of the membership on the written request of not less than five (5) members of the Board
- f) Have the authority to sign checks in addition to the Treasurer
- g) Appoint annually an ad-hoc committee to audit the organization's accounts

Section 4: The Vice President shall perform the duties of the President in absence of the President, or in the event of his/her inability to act.

**Section 5:** The Secretary shall

- a) Attend all meetings of the Board and the membership and keep a true and accurate record of all proceedings
- b) Keep a complete and up-to-date list of the names and phone numbers of all members of the Board and the general membership
- c) Give notice of all meetings of the Board
- d) Carry on the correspondence of the organization as instructed by the Board or the President
- e) Maintain by-laws and other records on file and make them available for inspection and/or copying by any member of the Board
- f) File duplicate copies of all minutes, by-laws and records at the library
- g) At the end of the term of office, deliver all past minutes and records of the organization to the newly elected Secretary

**Section 6:** The Treasurer shall

- a) Deposit all funds of this organization in such depository and under such conditions as the Board directs
- b) Keep an account of all monies received or expended by, or on behalf of, this organization
- c) Make major disbursements only upon order of the Board
- d) Upon leaving office, deliver all monies, property and records to his/her successor, the President or the Vice President
- e) Present a financial statement at each annual meeting

**Article V**

**Board of Directors**

**Section 1:** The direction of affairs of this organization shall rest with the FRDL Board, the President serving as Chairperson.

**Section 2:** The Board of Directors shall consist of not less than five (5) nor more than eleven (11) persons. Directors shall be elected by the membership at its annual meeting and vacancies shall be filled in the manner specified in Section 5 below. The Director or Assistant Director of the Library shall serve as an ex-officio member of the Board of Directors.

**Section 3:** A majority of the members of the FRDL Board shall constitute a quorum for the transaction of business.

**Article VI**

**Meetings**

**Section 1:** The Annual Membership Meeting of the FRDL shall be held prior to June 1 of each year at a time and place to be determined by the President. Such annual meetings shall be held for the conduct of business as herein required.

**Section 2:** The President may call special meetings. Notice of such meetings must be made to the membership not less than seven (7) days, nor more than twenty-one (21) days prior to the

designated date of such meeting. A majority of the Board shall constitute a quorum for the transaction of business.

Section 3: The Board of Directors shall meet a minimum of six (6) times per year; dates to be determined by the Board.

**Article VII**  
**Nomination for Office**

At least thirty (30) days prior to the date designated for the annual meeting each year, the President, with the advice and consent of the Board of Directors, shall appoint a Nominating Committee consisting of three (3) board members. The Nominating Committee shall prepare a slate of officers and directors and present same to the Annual Membership Meeting. At the Annual Membership Meeting, additional nominations may be made from the floor. When more than one (1) person is to fill an office or place on the Board of Directors, elections shall be by the largest number of votes cast by members present. The proposed slate shall be included in the Notice of the Annual Membership Meeting.

**Article VIII**  
**Contracts and Audits**

Section 1: No officer or member of the FRDL shall have the authority to make or execute any contract; or to incur any indebtedness, obligation or liability, in the name of, or on the behalf of, the FRDL, without prior knowledge and approval of the Board of Directors.

Section 2: An audit of the financial records of the FRDL shall be performed within thirty (30) days of the end of the fiscal year by a committee constituted of the President and two (2) members of the Board of Directors other than the Treasurer.

Section 3: For the purposes of budgeting, the fiscal year of the FRDL shall be January 1 through December 31.

**Article IX**  
**Limitation of Personal Liability of Volunteer Directors**

Section 1: No volunteer director of the organization shall be personally liable to the organization or its members for monetary damages for breach of the director's fiduciary duty; provided, however, this provision shall not eliminate or limit the liability of a director for any of the following:

- a) A breach of the director's duty of loyalty to the organization or its members
- b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law
- c) A violation of Section 551(1) of the Michigan Nonprofit Organization Act
- d) A transaction from which the director derived an improper personal benefit
- e) An act or omission occurring before the date the document is filed
- f) An act or omission that is grossly negligent

Section 2: The term "volunteer director" shall have the same definition as set forth in Section 110(2) of the Michigan Nonprofit Organization Act, as the same presently exists or may hereafter be amended.

Section 3: Any repeal or modification of this Article shall not adversely effect any right or protection of a volunteer director of the organization existing at the time of, or for or respect to, any acts or omissions occurring before the effective date of such repeal or modification.

Section 4: The organization hereby assumes any and all personal liability of a volunteer director to any person other than the organization or its members for monetary damages for all acts or omissions of the director occurring on or after the effective date of the adoption of this provision (upon filing with the Michigan Department of Commerce).

**Article X**  
**Amendments**

Amendments to these by-laws ay be made at the annual meeting of the general membership by a two-thirds (2/3) vote of those present; after public notification of the meeting.

**Article XI**  
**Parliamentary Procedure**

Robert's Rules of Order Revised, when not in conflict with these by-laws, shall govern the proceedings of this organization.

**Article XII**  
**Dissolution**

In the event of dissolution, all assets, real and personal, shall be conveyed to the Romeo District Library; and if, at the time of termination, the Romeo District Library is not in existence, no longer qualified or unable to accept the assets, distribution shall be made to such organizations as are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code or the corresponding provisions of a future United States law.

Encl  
Conflict of Interest Policy and Form

Amended 4/17/2018

**Friends of the Romeo District Library  
(FRDL)  
Conflict of Interest Policy**

**For Directors, Officers and Members of a Committee  
with Board Delegated Powers**



**Article I—Purpose**

1. The purpose of this Conflict of Interest policy is to protect the FRDL’s interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the Friends or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
3. This policy is also intended to identify “independent” directors.

**Article II—Definitions**

1. **Interested person** —Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial interest**---A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which FRDL has a transaction or arrangement,
  - b. A compensation arrangement with Friends or with any entity or individual with which FRDL has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FRDL is negotiating a transaction or arrangement.
3. **Independent Director**—A director shall be considered “independent” for the purposes of this policy if he or she is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the director—
  - a. is not, and has not been for a period of at least three years, an employee of Friends or any entity in which FRDL has a financial interest;

- b. does not directly or indirectly have a significant business relationship with FRDL which might affect independence in decision-making;
- c. is not employed as an executive of another corporation where any of FRDL executive officers or employees serve on that corporation's compensation committee; and
- d. does not have an immediate family member who is an executive officer or employee of Friends or who holds a position that has a significant financial relationship with FRDL.

### **Article III—Procedures**

1. **Duty to Disclose** — In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee.

2. **Recusal of Self** — Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he/she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. **Determining Whether a Conflict of Interest Exists** — After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.

#### **4. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the Board or Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chairperson of the Board or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or Executive Committee shall determine whether FRDL can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in FRDL's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

#### **5. Violations of the Conflicts of Interest Policy**

- a. If the Board or Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV – Records of Proceedings**

The minutes of the Board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Executive Committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V – Compensation**

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists, in accordance with this policy.

- a. A voting member of the Board who receives compensation, directly or indirectly, from FRDL for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Friends for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from FRDL, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI – Annual Statements**

1. Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and

- d. Understands FRDL is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
2. Each voting member of the Board shall annually sign a statement which declares whether such person is an independent director.
3. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
4. The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

#### **Article VII – Periodic Reviews**

To ensure FRDL operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to FRDL written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

#### **Article VIII – Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, FRDL may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.



February 2011

**Friends of the Romeo  
District Library  
Board Member Conflict of Interest  
Disclosure Form**



Date: \_\_\_\_\_

Name: \_\_\_\_\_

A conflict of interest, or an appearance of a conflict, can arise whenever a transaction, or an action, of the Friends of the Romeo District Library conflicts with the personal interests, financial or otherwise, of that of a board member, or an immediate family member of a board member, or that the board member's employer (collectively "your personal interests"). Please describe below any relationships, transactions or positions you hold (volunteer or otherwise); or circumstances that you believe could create a conflict of interest, now or in the future, between the Friends of the Romeo District Library and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report.

\_\_\_\_\_ I have the following conflict of interest, or potential conflict of interest, to report:

1. \_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_

3. \_\_\_\_\_  
\_\_\_\_\_

I have reviewed the Friends of the Romeo District Library Conflict of Interest of Policy and I understand that it is my obligation to disclose a conflict of interest, or appearance of a conflict, to the Chair of the Board when a conflict, or appearance of a conflict, arises; and that for transactions in which I have a conflict, I will abstain from any vote on the matter involving the conflict.

Signature: \_\_\_\_\_