

BY-LAWS
OF
VALLEY CITY BARNES COUNTY PUBLIC LIBRARY FOUNDATION

1.
NAME AND LOCATION

The name of the corporation is VALLEY CITY BARNES COUNTY PUBLIC LIBRARY FOUNDATION. The office of the corporation shall be as specified in the Articles of Incorporation.

2.
PURPOSE

Section 1. The purpose of this foundation shall be:

- a. To encourage understanding and appreciation of the work and the role of the Valley City Barnes County Public Library in the community;
- b. To encourage literacy in the community;
- c. To attract bequests and gifts of books, manuscripts, money, materials, or equipment, which are beyond the resources of the Library, and to develop a program of planned giving to the Library;
- d. To serve as a medium through which citizens of the community may become acquainted with each other, and share their enthusiasm for books and other library materials;
- e. To encourage volunteer support for the Library's purposes and activities;
- f. To support the freedom to read as expressed in the Bill of Rights of the American Library Association;
- g. To facilitate technological changes in the Library's dissemination of information;
- h. To facilitate the education of the public regarding local culture, history, environment, and lifestyle;
- i. To support appreciation for and development of the Library staff.

Section 2. Mission Statement: The Valley City Barnes County Public Library Foundation, supports and advocates for the Valley City Barnes County Public Library's work as the information center of the community and its role in encouraging literacy. The Foundation seeks to generate current and long-term funding.

Overall, the foundation is organized exclusively for charitable, religious, educational, and scientific purposes under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

3.

MEETINGS OF INCORPORATORS

At the first meeting of the incorporators called to elect the initial Foundation, a minimum of 5 directors shall be elected, at least one of whom is from the Valley City Barnes County Library Board of Directors and is chosen by the Valley City Barnes County Library Board. The Library Director will be an ex-officio non-voting member of the Foundation Board. The initial Foundation shall by lot determine which two or more shall serve for two years, and the remainder shall serve a three year term. After the two year terms are completed, all terms will be three and shall be staggered so that close to one-third are elected each year.

Each director may only serve two 3 year terms. After one year as a non-board member, the person may be elected for a further 2 terms.

4.

FOUNDATION BOARD

The government and management of the foundation shall be vested in the Foundation Board.

The Foundation shall meet at least quarterly per year. The date of such meetings will be set by the president or in her/his absence by the vice president. Notice of the time and place of all meetings may be made by phone, written notice, email or any digital means. A majority of the members of the Foundation shall constitute a quorum and the act of the majority of the Board present at a meeting at which a quorum is present shall be the act of the Foundation.

The annual meeting of the Foundation shall be held in November of each year. The Foundation at its annual meeting shall reorganize and elect the officers. Any active member may

submit nominations for the Foundation in writing to the Secretary. Prior to the annual Meeting, a nominating committee shall be appointed by the Board President consisting of 3 active non-Board members and 2 Board members who shall consider the nominations received, consider additional nominees as needed, and recommend a slate of nominees to the Board no later than 45 days prior to the Annual Meeting.

Vacancies in the Foundation occurring between elections shall be filled by a vote of the majority of the remaining members of the Foundation Board for the balance of the year.

All appropriations from the funds of the Foundation shall be made by the Foundation and there shall be an audit of the books when directed by the Foundation.

5.

OFFICERS

President. It shall be the duty of the president to take charge of the foundation; to preside at all meetings of the foundation, and of the Foundation, and to call special meetings and foundation meetings. The president, together with the secretary, shall sign all agreements and contracts made by the foundation, upon the approval of the Foundation.

The president shall coordinate the work of the committees of the foundation and shall appoint such standing committees and other committees as may be needed in the conduct the office.

Vice-President. It shall be the duty of the vice president to assist the president in the discharge of the duties of the office and in the absence of the president to assume the duties and officiate in the place of the president.

Secretary. It shall be the duty of the secretary to keep the minutes of the meetings of the foundation and of the Foundation and to supervise all reports and documents connected with the business of the foundation, and to supervise keeping of the roll of membership.

The secretary shall supervise the correspondence of the foundation, prepare and issue notices of all meetings of the foundation and Foundation.

Treasurer. The treasurer shall have charge of the funds of

the foundation and shall keep record of all receipts and disbursements and shall render a written report when requested by the president or Foundation. Disbursements shall be made only upon approval by the Foundation. The Foundation shall have the power whenever they deem it necessary to appoint an acting treasurer. The funds shall be deposited in the name of the foundation in a bank approved by the Foundation. All disbursements by check shall be signed by the treasurer or the president or another designated officer or member of the Foundation.

Any officer may be removed by a majority of the Foundation at a meeting called for such purpose, after 10 days notice to the Foundation.

6.

COMMITTEES

The president shall designate and appoint the membership to such committees as are deemed necessary or appropriate to the efficient conduct of the foundation, provided, however, the Chair of such committees must be a member of the Foundation.

A. The 4 officers of the Foundation shall serve as the Executive Committee. The Executive Committee shall have all the powers of the Foundation inbetween full Board meetings on issues of minor consequence, general agreement, emergency or routine housekeeping issues. All actions taken by the Executive Committee shall be recorded in minutes and reported to the full Board.

B. Friends of the Valley City Barnes County Public Library will be a separate autonomous committee who will have charge of of their funds but will report to the Board at the annual meeting and present their budget at that time. Any fundraising activity will be coordinated with the Foundation Board.

7.

AMENDMENT OF BYLAWS

Amendments of Bylaws may be adopted at any meeting of the Foundation. Proposed changes or additions to the bylaws must be distributed to the Foundation at least ten days prior to the meeting at which they are presented for adoption. Bylaws may be adopted or amended upon the affirmative vote of two-thirds of the Foundation.

8.

ACCOUNTING YEAR

The accounting year of the corporation shall begin on January 1, and end on December 31, of each year.

9.

PROVISION FOR FEDERAL INCOME TAX EXEMPTION AND DISSOLUTION

- A. No part of the net earnings shall inure to the benefit of, or be distributed to, directors, officers, or other private persons, except that the foundation shall be authorized and empowered to pay reasonable compensation for services rendered.
- B. No substantial part of the activities of the foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office.
- C. In the event of dissolution of the corporation, the Foundation shall, after paying or making provisions for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such foundation or foundations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt foundation or foundations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Foundation shall determine. The Foundation also may distribute all assets to the federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by the District Court of the county in which the

principal office of the corporation is then located, exclusively for such purposes or to such foundation or foundations, as said court shall determine, which are organized and operated exclusively for such purposes.

10.

CONFLICT OF INTEREST

The following is the Conflict of Interest requirements of the foundation:

1. Purpose. The purpose of the conflict of interest provision to protect this tax-exempt foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Foundation or might result in a possible excess benefit transaction. This provision is intended to supplement but not replace any applicable state and federal laws governing conflict of interest application to nonprofit and charitable foundations.

2. Definitions.

A. *Interested Person.* Any director, principal office, 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.

B. *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement,

2. A compensation arrangement with the Foundation or with an entity or individual with which the Foundation has a transaction or arrangement, or

3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

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. Under paragraph 2.B., above, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Procedures.

A. *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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

B. 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, she/he shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, she/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the Foundation 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation'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.

D. Violations of the Conflicts of Interest Policy.

1. If the governing board or 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.

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

4. Records of Proceedings.

The minutes of the governing 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 governing board's or 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 connect with the proceedings.
- #### 5. Compensation.
- A. A voting member of the governing board who receives compensation, directly or indirectly, from the Foundation 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 the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
 - C. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- #### 6. Annual Statements.

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

A. Has received a copy of the conflicts of interest policy,

B. Has read and understands the policy,

C. Has agreed to comply with the policy, and

D. Understands the Foundation 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.

7. Periodic Reviews.

To ensure the Foundation 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, and the result of arm's length bargaining.

B. Whether partnerships, joint ventures, and arrangements with management foundations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

8. Use of Outside Experts.

When conducting the periodic reviews as provided for in paragraph 7, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

11.

GIFTS OR DONATIONS

The Board may accept, on behalf of the corporation, any contribution, bequest, grant or device for the general purposes or for any special purpose of the corporation.

The donor may designate whether the gift is for endowment purposes. Only the income from such endowment funds will be spent.

12.

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Foundation.

The undersigned Secretary of the corporation certifies that the foregoing Bylaws were duly adopted by the Foundation of said corporation on the ____ day of _____, 2017, at a duly called and constituted meeting of the Foundation, and that they do now constitute the Bylaws of said corporation.

, Secretary

CERTIFICATION

The undersigned certifies that she is the duly elected and qualified secretary of VALLEY CITY BARNES COUNTY PUBLIC LIBRARY FOUNDATION and that the attached is a true and correct copy of the BY-LAWS of VALLEY CITY BARNES COUNTY PUBLIC LIBRARY FOUNDATION.

Dated this _____ day of _____.

, Secretary