

# LINCOLN COUNTY ECONOMIC DEVELOPMENT FOUNDATION

## BYLAWS

### ARTICLE I: General Matters

#### Section 1: Organization.

This organization shall be known as the Lincoln County Economic Development Foundation (EDF). The EDF is a Kansas non-for-profit corporation organized and operated as a publicly supported nonpartisan charity exempt from federal income tax, through the provisions of section 501(c)(3) of the Internal Revenue Code (IRC) to help Lincoln County, Kansas, residents to develop their community. The EDF Employee Identification Number is 48-1207971. It has a December 31 fiscal year end.

#### Section 2: Offices.

Offices for the transaction of EDF business shall be designated by the EDF Board of Trustees (Board).

#### Section 3: Registered office and registered agent.

By resolution complying with Kansas law at that time, the Board may change the EDF agent and office registered with the Secretary of the State of Kansas to any person, including itself, and to any place in Kansas, from that shown in the Articles of Incorporation.

### ARTICLE II: Members

#### Section 1: General.

Every resident of Lincoln County is automatically a nonvoting member of the EDF and is invited to attend meetings of the Board and of the membership. Membership in the EDF is not transferable. Individual members shall lose their membership upon transferring their residence outside Lincoln County.

#### Section 2: Voting Members.

Only voting members who register with the secretary of the EDF are eligible to vote and to serve as a Trustee of the Board. Voting membership is open to any Lincoln County resident who is sixteen years old or older and any organized entity (such as an estate, business, non-profit group, governmental unit or subunit, civic club, social club, association, or similar group) which subscribes to the charitable ends for which the EDF is exclusively organized. Registration requires filling out, signing and dating a form which contains the person's or entity's name, postal address, telephone number, e-mail address (if any), and such other information as the Board may require. When an entity is registered its president or chief executive must also inform the EDF secretary, in writing, the name of the individual who may cast its vote for the entity for that year.

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The Board may from time to time define specific categories (and dues for each) of the voting membership. Registration for membership shall be made in the manner prescribed by the Board. Each voting member, regardless of category of membership, shall have one vote in matters which come to the membership for a vote.

### **Section 3: Friends.**

Friends are individuals or organized entities who are not eligible to be voting members and who contribute funds or make other donations to the EDF to further the charitable ends for which the EDF is exclusively organized.

### **Section 4: Patrons.**

Patrons are voting members or friends of the EDF who contribute not less than ten percent (10%) of that year's total budget objective for the EDF. Patrons shall be honored and identified (unless requesting anonymity) in the member records for that year.

### **Section 5: Special Meetings.**

Special meetings of members may be called (i) by a majority vote of the Board, or (ii) by a written petition of at least 10% of the verified eligible voting members. All such meetings shall be open to the public. At the meeting, the president shall be the senior officer present. The meeting agenda shall reserve a time for any member to bring up any topic for discussion. Those voting members who attend either in person or by proxy shall constitute a quorum to do business. Once a quorum is declared, voting members may continue to do business until adjournment, even if enough members withdraw so that less than a quorum remains. An individual or organized entity may attend a meeting via proxy. A proxy must be signed and dated; it may be submitted as an original document or by verified fax or e-mail; and it shall be valid only for the meeting for which it is presented and only if the principal is not personally present. If the voting members present at the special meeting determine there is an issue that needs to be voted on by the membership, the voting on the issue shall be conducted by a mail ballot.

### **Section 6: Voting on issues.**

Membership "mail ballots" on specific issues may be used by voting members between meetings upon majority vote of the Board. "Mail ballots" shall be provided to each voting member. Members may register to vote up until the time stated by the Board for voting expires. The Board shall specify authentication procedures for "mail ballots" which are returned in person, by mail, by fax and by e-mail. "Mail ballots", when used, shall contain a full explanation of each issue to be voted and the arguments both for and against that issue.

### **Section 7: Annual elections for Trustees.**

Trustees shall be elected to the Board by voting members whose address is within an identified geographic district within Lincoln County. Members may only vote for candidates to represent the district in which the voting member has his, her or its current registered address. There shall be no fewer than five nor more than eleven such districts. The Board may change the number and/or district boundaries at a regular meeting of the Board to provide for a more even distribution of the population of Lincoln County into districts, but an exactly even distribution is not required.

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An eligible voting member is entitled to cast one vote for that district's Trustee for a three-year term of office; except that of the initial seven Trustees, two serve initial terms ending in April, 2000; two serve initial terms ending in April, 2001; and three serve initial terms ending in April, 2002. A Trustee shall hold office until his or her respective successor is confirmed.

The EDF secretary shall, upon request, provide a district ballot to any eligible voting member not later than the 3rd Wednesday of March in the year in which the election is to take place, together with instructions as to how to cast the ballot by mail or in person; that district ballot shall list all nominees for district Trustee. Voting shall end no later than 4:30 p.m. on the 4th Wednesday of March. The Board shall canvass the results of the election and report the results to the members at next duly called meeting of the Board.

Each nominee for Trustee shall be a voting member or a duly designated representative of a voting entity member whose current address is in the district. Nominees may be self-nominated, proposed by the Board's nominating committee, or nominated by another voting member who lives in the district.

### **Section 8: Inspection of records.**

The membership ledger, books of account, and approved meeting minutes shall be open for inspection by any member upon reasonable notice during ordinary business hours. Records may be copied, but originals shall not be removed from the EDF office during inspection.

### **Section 9: Annual report.**

No written annual report to members is required. If one is prepared it shall be made public, with one copy kept at the EDF office and other copies given to each member who attends the annual meeting.

## **ARTICLE III: The Board of Trustees**

### **Section 1: Powers.**

Corporate powers of the EDF shall be exercised by or under the authority of the Board. The Board has the power to alter, amend or repeal the bylaws except that no change may be made which would alter the purpose of EDF to be organized exclusively for charitable and educational purposes within the meaning of IRC section 501(c)(3). IRS determination letters are incorporated by reference into these bylaws. No proposed change to the bylaws shall be voted upon unless each Trustee has received a written copy of said proposed change at least seven days prior to the vote.

The Board shall have the authority to hire, compensate, evaluate and terminate EDF employees and contractors, on a full time, part time or project basis, to carry out the charitable purposes for which the EDF is exclusively organized. The Board may hire a Lincoln County Economic Development Director (Director) to be the chief operating officer of the EDF and manage day to day operations, supervise employees, volunteers and contractors, and recommend policies, procedures, budgets and personnel actions to the Board.

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The Board shall specify the duties of all EDF officers, agents, and employees; fix their compensation; evaluate their performance; and have the right to terminate their services or refuse to accept further services upon a written Board finding that actual performance is unsatisfactory.

The Board may contract to buy goods or services, or to provide financial or other support for activities or programs, or to enter into ventures with other entities, to further the charitable purposes for which the EDF is exclusively organized.

The Board may apply for grants to further the charitable purposes of the EDF. It may cause to be executed and delivered in the name of the EDF promissory notes, bonds, debentures, mortgages, pledges, or similar documents. It may apply for and receive grants from either private or public sources to further the purposes of the EDF. It may receive gifts, grants, bequests, taxes, fees, dues, and other income and use such monies for the charitable purposes of the EDF. It may accept, buy, sell, rent, give away, hold or license any real or personal property if such action furthers the purposes of the EDF. It must comply with all laws governing organizations which receive monies through a tax levy so long as it receives monies from such a tax levy.

## **Section 2: Trustee qualifications, terms, and numbers.**

By accepting the position of Trustee, a Trustee agrees to uphold the charitable purposes of the EDF. A Trustee must be a voting member, or the duly authorized representative of a voting entity member, whose address is within the district which elects him or her. One Trustee shall be elected from each district in Lincoln County for a three-year term. There shall be no fewer than five nor more than eleven districts. Of the initial seven Trustees, two serve initial terms ending in April, 2000; two serve initial terms ending in April, 2001; and three to serve initial terms ending in April, 2002. A Trustee shall hold office until his or her respective successor is confirmed. Whenever EDF districts are added (or subtracted) by the Board at a regular meeting, the resulting Trustee terms shall be set so that as even as possible a number of Trustees is elected in each year for a three year term.

A Trustee vacancy is created by resignation, termination, change of address to an address outside the district, or death during the elected term. A Trustee may be removed from office at any time for cause by a majority vote of all EDF voting members, or removed without cause by a majority vote of the voting members of the Trustee's district. A vacancy may be filled by action of a majority of the remaining Trustees from among eligible district nominees; each such appointed Trustee shall serve for the remainder of that term or until a successor is elected.

## **Section 3: Meetings.**

Meetings of the Board shall be held by request of the Board president or by written request of a majority of the Trustees then serving, at times and places stated in the president's notice or agreed to by said Trustees. In general, there shall be at least six scheduled meetings of the Board each year. Trustees and the Director shall be given at least two days notice of each unscheduled meeting. In the absence of the president, meetings shall be chaired by the senior officer present.

A majority of the Board then serving shall constitute a quorum to transact business, except that if Board vacancies preclude a majority, the rest of the Board may meet to appoint new Trustees to fill the vacancies. Those present at a duly called meeting at which a quorum was

present may continue to do business until adjournment, even if enough Trustees withdraw to leave less than a quorum.

The Board may meet in person, by telephone, by e-mail, or in any way that Trustees can interact effectively with each other and the Director during the meeting. A meeting may be adjourned and resumed at a later time by vote of the Board. Meetings shall be open to the public, except that upon a two-thirds vote of the Board it may enter an executive session to discuss EDF personnel issues, financial matters of a proprietary nature requested to be kept confidential by an anonymous donor or contractor, or other issues believed to be sensitive. Upon returning to open meeting, the chair shall summarize the general nature of the discussion and such summary shall be recorded in the minutes of the meeting. The Director may attend any executive session of the Board, unless the executive session has been called to discuss the Director's job performance, and any committee meeting.

Each Trustee shall have one vote. Unless otherwise authorized by prior majority vote, all votes shall be determined by a majority of those present and voting. Absent Trustees may vote by an authenticated written (including by fax or e-mail), dated proxy given to an attending Trustee for the meeting for which it is presented, and only when the principal is not present. The Director shall not have a vote on the Board.

#### **Section 4: Compensation; other duties; conflicts of interest.**

Service as a Trustee of the EDF shall be without compensation. Any Trustee, upon approval by a majority of the Board (by a vote in an open meeting from which said Trustee is absent and abstains) may serve the EDF in another capacity (such as employee, officer, agent, or contractor) and receive appropriate compensation in such capacity. At no time may a Trustee act in violation of his or her fiduciary duties to the EDF.

Reasonable expenses incurred while acting as a Trustee may be reimbursed upon approval by the treasurer of a written, itemized, signed invoice. All expenses in excess of \$25.00 must be supported by written receipts prior to reimbursement.

All financial transactions between any Trustee and the EDF shall be recorded as such in the financial records of the EDF and shall be available for review by any member. Each Trustee shall at all times avoid conflicts of interest and the appearance thereof; and shall immediately and fully disclose to the Board any such situation that arises. No Trustee shall vote on any matter in which that Trustee or a member of that Trustee's family has a personal financial interest. It shall be the responsibility of the full Board to take action appropriate to the situation when an actual or apparent conflict of interest is revealed.

#### **Section 5: Indemnification.**

Any Trustee sued, either alone or with others, for actions taken in his or her capacity as a Trustee, may be indemnified by EDF for expenses of defense, including attorney's fees. Trustees are eligible for inclusion in a "Trustees and Officers" liability insurance policy or program.

### **ARTICLE IV: Officers, Employees and Volunteers**

#### **Section 1: Board positions.**

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EDF officers shall include, in order of seniority, a president, vice president, secretary, treasurer, and such other officers as required. Officers shall be elected by the Board. The office of secretary and treasurer may be held by the same person. Employees may be hired and unpaid volunteers utilized as required. Each officer shall hold office until resignation or removal, or until the appointment of a duly elected and qualified successor, and shall perform such specific or special duties as voted by the members or the Board in addition to those duties specified in these bylaws.

The Board shall, at its first meeting after the election of Trustees elect from among the serving Trustees a president (who shall also chair the Board) and a vice president. All other officers can be elected from among the serving trustees or from the membership.

## **Section 2: Compensation.**

Officers and employees shall receive such reasonable compensation as the Board may determine. Volunteers shall be unpaid. Reasonable expenses incurred while acting as an officer, other employee, or volunteer may be reimbursed upon approval by the treasurer of a written, itemized, signed invoice. Expenses in excess of \$25.00 must be supported by written receipts.

## **Section 3: Removal and resignation.**

Any officer may be removed by a majority vote of trustees present at any regular or special meeting of the Board. Removal or resignation shall not relieve the EDF or the individual from any liability or obligations which existed prior to said action.

## **Section 4: President.**

The president shall be the chief executive officer of the EDF. The president is authorized to enter contracts and sign required documents in the name of and on behalf of the EDF after approval by the Board. The president shall chair all meetings of the Board.

## **Section 5: Vice President.**

During the absence of the president, the vice president shall be the chief executive officer of the EDF and conduct the other duties of the president.

## **Section 6: Secretary.**

The secretary shall oversee the annual district election process. The EDF secretary shall provide a district ballot upon the request of any eligible voting member not later than the 3rd Wednesday of March in the year in which the election is to take place, together with instructions as to how to cast the ballot by mail or in person; that district ballot shall list all nominees for district Trustee. Voting shall end no later than 4:30 p.m. on the 4th Wednesday of March. The secretary shall be the custodian of the ballots and shall provide them to the Board, which shall canvass the results of the election and report the results to the members during the next duly called meeting.

The secretary shall keep or cause to be kept a book of minutes of meetings of all members, Trustees, and committees of Trustees, together with the documents required by these bylaws or otherwise for the orderly procedure of the EDF. The secretary shall keep current the membership ledger showing the names and addresses of each voting member, patron, Trustee, and officer. A file

shall be kept of former voting members and patrons by name and date. The secretary shall give or cause to be given any required notice of meetings of members or trustees.

### **Section 7: Treasurer.**

The treasurer shall keep or cause to be kept adequate and correct accounts of the income and expenses, financial transactions, and properties of the EDF, including statements of the EDF assets, liabilities, and cash flow. If the EDF intends to receive funds from a Lincoln County tax levy, the treasurer shall propose its levy request to the Lincoln County Clerk no later than June 1 for the following tax year. The treasurer and executive director shall propose an annual budget of expenditures for the following calendar year to the full Board no later than November 30. The financial books of the EDF shall at all reasonable times be open to inspection by any member. The treasurer shall deposit all monies and valuables in the name and the credit of the EDF with Lincoln County banks or other insured depositories designated by the Board. The treasurer shall ensure the financial books are reviewed at the end of the year, in compliance with all laws governing organizations which receive funds through a tax levy in years in which the EDF receives funds from such a levy, as well as in compliance with other instructions from the Board.

### **Section 8: Economic Development Director.**

The Board may hire an Economic Development Director (Director). The Director shall see that all orders and resolutions of the Board are carried into effect and shall attend all Board meetings as a nonvoting member.

### **Section 9: Other Staff.**

The board may authorize the Director to employ additional staff as the need dictates, subject to budget constraints and other directives of the board. Supervision of staff employed to carry out the goals of the EDF shall be the responsibility of the Director.

### **Section 10: Committees.**

Committees of not more than three Trustees each may be appointed by the Board to provide specialized review or oversight of particular matters such as nominations, finances, personnel, programs, projects, Lincoln County publicity, tourism, marketing, zoning, job retention, job creation, or other functions. The Board shall specify the duration and responsibility of each such committee. Each committee shall report at each Board meeting the committee's activities. Each committee may seek advice from the Director or from others as appropriate to its duties, and may (with the consent of the Board) add non-Trustees to its membership. The Board may help a local non-EDF group organize if the leaders of that group agree to report all its activities to a committee of the Board in accord with EDF policies for such help, and adhere to requirements the EDF must meet as a non-profit membership corporation exempt from federal income tax under IRC Section 501(c)(3).

### **Section 11: Indemnification.**

Any EDF officers, agents, volunteers and employees who shall be sued, either alone or with others, for actions taken while acting as an officer, agent, volunteer and employee for the EDF, may be indemnified for expenses of defense, including attorney's fees and are eligible for inclusion in a "Trustees and Officers" liability insurance policy or program.

## **ARTICLE V. Bequests and Resources**

The Board may (within any reasonable constraints imposed as conditions of gifts, grants or bequests) invest, reinvest, and allocate EDF resources in accord with and to further a charitable purpose of the EDF. The Board may refuse to accept a bequest or gift where such refusal is by recorded vote of two-thirds of the Board. The Board may charge and collect on behalf of EDF reasonable administrative fees for services rendered by the Director or other employees, or for the use of EDF resources.

Adopted on \_\_\_\_\_, 2015, by the EDF Board of Trustees.

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Secretary