

## **To the Board Members of the Albany Rotary Club (ARC) and the Albany Rotary Foundation (ARF):**

### **Background:**

In the past, all programs, activities, grants, and club operations were authorized by the ARC Board and paid for directly from ARC bank accounts. Recently ARF, a 501c3 non-profit was created as so member or other donations to ARF would be tax deductible. These dual organizations, Club and Foundation, are utilized by many Rotary clubs in addition to Rotary International (RI). It has been suggested that ARC continue to pay directly for club operations, but that most community and international projects, programs, grants, and activities be funded directly by ARF because of its tax-exempt status.

### **Pertinent Bylaws and Policies:**

ARC and ARF are two separate organizations with separate sets of bylaws. Though both ARF and ARC can act independently of each other, all five Board members of ARF must be current ARC members and include the current ARC president and president elect. Therefore, the goals and actions of ARC and ARF will always be closely tied. The ARC bylaws and policies regarding expenditure of Club funds do not require the Club to make direct payments for projects, programs, grants, and activities, etc., and allow the Club to have ARF directly pay for all or most projects, programs other than payments for the Club's operation. This arrangement is also permitted (and utilized) by RI). The Rotary International Constitution which has authority over our club, also has no specific clause or article that disallows this arrangement.

### **Guidelines for Funding Albany Rotary Club (ARC) and Albany Rotary Foundation (ARF) Projects**

1. ARC committees, as formed by the Board each year, discuss and decide on the projects, etc., they recommend ARC to support. Once the committees determine which proposals and the funding requested for each, they submit a completed proposal form to the ARC Board for each proposed project, grant, etc.
2. All ARC committees should submit their proposal forms by a deadline(s) established by the ARC Board twice a year and as needed, so ALL the committees' proposals can be evaluated by the Board in an equitable process and funding can be balanced as required.
3. Off-cycle emergency committee proposals can and should be considered by the ARC Board as long as the emergency is made clear in the written proposal.
4. The ARC Board should share all committee proposals with the entire Club membership on the ARC web site, in an email to members, and/or during an all member ARC meeting.)
5. The ARC Board evaluates all the committees' proposals, votes to approve or deny each proposal, and decides the level of funding for each. The ARC Board will determine funding levels by available funds in both the ARC and ARF bank accounts.
6. The ARC Board may elect to fund some or none of approved projects directly from current ARC funds. The Board will advise the Treasurer to transfer funds from the appropriate ARC account(s) to the ARF accounts so that ARF may expend funds for the balance of the ARC proposed projects.
7. The Albany Rotary Foundation is independent of the Club. Therefore, the ARF Board may by majority vote approve or reject the forwarded ARC proposals. The ARF Board may also revise the funding amounts of each proposal.
8. Once the ARF Board votes approval of each proposal, ARF will disperse funds for each project, activity, program, etc. from ARF funds in accordance with its bylaws.
9. At the next possible general Club all member meeting, the ARC President will report all the programs, activities, projects, etc. funded by ARF.
10. At a time specified, groups, organizations, or others, receiving ARF or ARC funds will make appropriate reports as required.

Submitted by Paul Giganti, Jr. and Ellen Davis-Zapata