

Kiwanis

International

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MEMORANDUM

From: Joan M. Wilson, Director-Member Services

Subject: Procedure for Establishing a Kiwanis Club Foundation

Enclosed you will find a sample copy of the Proposed Articles of Incorporation and a sample copy of the Foundation Bylaws which may need to be modified to conform with proper governmental agency regulations. By adhering to these samples as much as possible you may avoid delay in processing.

There should be very sound reasons for establishing a public foundation. Perhaps the most logical reason for considering a foundation is the club has expectations of receiving substantial donations and thus the tax exemption factor would be important to the donor or an estate.

If after careful consideration, your club desires to establish a club foundation, you may desire to secure the services of an attorney member or other attorney. When prepared, you must submit to this office the following:

1. A copy of the Proposed Articles of Incorporation for approval **before** these are filed with the office of your Secretary of State.
2. **Two** copies of the Foundation Bylaws containing the date of adoption and the signatures of the president and secretary of the foundation.

When the Proposed Articles of Incorporation and the Foundation Bylaws are approved by Kiwanis International, consent will be given for the Articles of Incorporation to be filed with the State.

When you have received a certified copy of the Articles of Incorporation showing the date of filing by the appropriate governmental agency, you are required to send to this office a photocopy of that document, plus a photocopy of any other document issued as evidence of incorporation of the non-profit club foundation.

After the foundation is incorporated, it will then be necessary for your foundation to secure tax-exempt status from the Internal Revenue Service, using Form 1023. Many clubs secure the services of an attorney or a certified public accountant in the preparation and filing of the necessary documents with the Internal Revenue Service. When you have received the letter of determination stating that your foundation has been granted tax-exempt status from the Internal Revenue Service, you are required to send a copy of that letter to the International Office.

Please allow 4-6 weeks for processing.

Should you have any questions, please contact me at the International Office, Ext. 263.

JMW

Enclosures: (Procedure forms w/sample articles of incorporation & bylaws)



SAMPLE

Suggested format for the Articles of Incorporation of a Foundation - (this must be modified to conform to local statutes)

ARTICLES OF INCORPORATION (NAME CHOSEN FOR FOUNDATION)

FIRST: That the name of said corporation shall be _____

SECOND: The principal office of the corporation for the transaction of business is to be located within the County of _____, State of _____.

THIRD: The corporation shall have perpetual existence.

FOURTH: (a) The purposes for which said corporation is formed are to assist needy persons, particularly young people; to assist worthy youth in attaining vocational excellence, and to aid handicapped persons in regaining happy, useful lives through the expending of funds directly for such purposes or by the furnishing of funds to other organizations organized for charitable, scientific research, or educational purposes, or the prevention of cruelty to children, all within the purview of Section 501 (c)(3) of the Internal Revenue Code and the Regulations there under.

(b) The specific purposes are:

(List here the specific activities planned for this foundation showing that they come within the organization's purposes.)

FIFTH: This corporation is organized pursuant to the General Non-Profit Corporation Law of the State of _____.

SIXTH: The number of directors of this corporation shall be _____.
{Minimum of five (5) is required}

SEVENTH: The names and addresses of those chosen to serve as directors until the election and qualification of their successors are:

EIGHTH: The authorized number and qualifications of members of the corporation, the different classes of membership, if any, the property, voting, and other rights and privileges of members, and their liability to dues or assessments and the method of collection thereof, shall be set forth in the bylaws.

NINTH: This corporation does not contemplate the distribution of gains, profits or dividends to the members thereof, and is organized for non-profit purposes; no part of any net earnings or assets thereof shall inure to the benefit of any members or any other individual.



TENTH: In the event of the dissolution of this corporation, after paying or adequately providing for the debts or obligations of this corporation, the directors, or persons in charge of liquidation, shall grant, convey, assign and transfer the remaining assets of this corporation unto:

- (1) A state, a territory, a possession of the United States, or any political subdivision of any of the foregoing; or to the United States or the District of Columbia, to be used exclusively for public purposes.
- (2) A corporation, trust, or community chest fund of the foundation:
 - (a) Created or organized in the United States or in any possession thereof, or under the law of the United States, any state or territory, the District of Columbia, or any possession of the United States;
 - (b) Organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals;
 - (c) No part of the net earnings of which inures to the benefit of any private shareholder or individual; and
 - (d) No substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

The assets transferred to any organization listed above shall be used within the United States, or any of its possessions, exclusively for the purposes specified in subparagraph (b).

No such organization listed above shall qualify for distribution unless such organization shall be an organization, association, fund or foundation organized and operated exclusively for charitable, religious, scientific or educational purposes which is a tax-exempt, non-profit corporation under the United States Internal Revenue Code, and which is recognized as such by the United States Bureau of Internal Revenue.

If the corporation holds any assets in trust at the time of dissolution thereof, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court in the county in which the dissolved corporation had its principal office, upon petition therefore by the Attorney General, or any person concerned in the liquidation.

ELEVENTH: (a) the corporation and its members will at all times abide and be governed and controlled by the Bylaws and Policies of Kiwanis International now in force or hereafter from time to time adopted, insofar as any provision of such Bylaws may be applicable; (b) the corporation will comply with all such conditions and requirements as Kiwanis International may prescribe; (c) whenever requested by the Board of Trustees of Kiwanis International, the corporation shall dissolve or change its form of organization, as may from time to time be requested by said Board; and (d) no amendments to the Articles of Incorporation or corporate bylaws or change in the purpose of the corporation shall be made without the consent of Kiwanis International.

(Please note: Article X and Article XI are required)



IN WITNESS WHEREOF the persons who are to act in the capacity of first directors of this corporation have hereunto set their hands this _____ day of _____ 20____.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(Required-signatures of the first directors)



(Suggested format for Foundation Bylaws)

BYLAWS OF THE (NAME OF CLUB, DISTRICT, ETC.)

KIWANIS FOUNDATION

ARTICLE I

MEMBERS

The membership in this foundation shall be limited to, and shall consist of, all the active, privileged, and senior members in good standing of the Kiwanis Club of _____ in the State of _____.

ARTICLE II

MEETINGS

Section 1. The annual meeting for the transaction of such business as may be necessary or advisable shall be held on _____ of each year. Notice of the time and place for holding such meeting shall be given the members not less than one week prior to the holding of such meeting, in such manner as the board of directors may order.

Section 2. Special meetings may be held at any time on the call of the president or by order of the board of directors, or on the written request of _____ () members. Notice of the time, place, and object of such meetings shall be given to the members in such manner as the president or the board of directors may order.

Section 3. A quorum for the holding of any meeting shall be _____ () members.

Section 4. Any meeting may be adjourned from time to time until its business is completed; and the members present at any meeting or any adjourned meeting, if less than a quorum, may adjourn from time to time until a quorum is present.

ARTICLE III

OFFICERS

The officers shall consist of the president, immediate past president, president-elect, vice-president, secretary, and treasurer of the Kiwanis Club of _____, and such other officers as the board of directors may establish from time to time. (Usually the officers of the Kiwanis Club.)



ARTICLE IV

DUTIES OF OFFICERS

Section 1. The president shall preside over all meetings of this corporation and the board of directors.

Section 2. The president-elect, in the absence of the president, shall preside at all meetings of this corporation and the board of directors. In the absence of the president and the president-elect, the vice-president shall preside at the meetings of this corporation and the board of directors. The president-elect and the vice president shall also perform such other duties as usually pertain to those officers or as may be assigned them by the president or the board of directors.

Section 3. The treasurer shall have charge of all funds of this corporation and shall disburse the same under the direction of the board of directors. The treasurer shall sign all checks, drafts, contracts, notes and all instruments in writing for and in behalf of this corporation. The secretary shall keep a record of all meetings of this corporation and the board of directors and shall have custody of all corporate records. In the absence or incapacity of the secretary and/or treasurer, the duties of this office are to be delegated to such officer as shall be so authorized by the board of directors.

ARTICLE V

BOARD OF DIRECTORS

Section 1. The board of directors shall consist of the officers as defined in Article III, and the _____ *** () directors of the Kiwanis Club of _____.

***** (Minimum of five directors, plus the officers is required)**

Section 2. The board of directors shall have full authority to supervise the affairs and conduct the business of this corporation subject only to such restrictions and limitation as may be fixed by law, by these bylaws, or from time to time by vote of the membership.

Section 3. The board of directors shall meet regularly (at least once a month) and at the call of the president, or by call of a majority of the board of directors. A quorum of the board of directors shall be a majority.

Section 4. The board may authorize such committees to carry on the functions and to achieve the purposes of the foundation as it may desire, and may provide for their appointment, functions and duties.



ARTICLE VI

ELECTION OF OFFICERS AND DIRECTORS

Since the officers and directors of this corporation are the officers and directors of the Kiwanis Club of _____,
said officers and directors shall be elected in the manner prescribed in the bylaws of the Kiwanis Club of _____.

ARTICLE VII

AMENDMENTS

These bylaws may be amended by a two-thirds (2/3) vote of those members present at any regular meeting, or at any special meeting called for that purpose, provided written notice of such a meeting shall have been given the members at least (2) weeks prior to the meeting. There shall be no voting by proxy or absentee ballot.

Neither these bylaws nor any amendments thereto shall become effective until approved by Kiwanis International.

ARTICLE VIII

POLICIES OF KIWANIS INTERNATIONAL

Section 1. The corporation and its members will at all times abide and be governed and controlled by the Bylaws and Policies of Kiwanis International now in force or hereafter from time to time adopted, insofar as any provision of such Bylaws may be applicable.

Section 2. The corporation will comply with all such conditions and requirements as Kiwanis International may prescribe.

Section 3. Whenever requested by the Board of Trustees of Kiwanis International, the corporation shall dissolve or change its form of organization, as may from time to time be requested by said Board.

BYLAWS adopted this _____ day of _____, 20_____.

(President)

(Secretary)

(PLEASE NOTE - Article VIII - Section 1, must appear in the Foundation Bylaws. Also, please make sure that the date of adoption is completed and that the President and Secretary sign both copies of the bylaws before submitting to the International Office for approval.)



Excerpt from Board Policies and Procedures of
KIWANIS INTERNATIONAL

CLUB FOUNDATIONS

INCORPORATION REQUIRED

The establishment of a club foundation is subject to the approval of the Board of Trustees of Kiwanis International.

The foundation must be incorporated, and its articles must provide a definite commitment of its funds for charitable, educational, eleemosynary and/or scientific use.

The articles of incorporation shall provide that the members, officers, directors and trustees of the foundation shall be active, privileged or senior members of the sponsoring Kiwanis club.

NAME

The foundation name must indicate the name of the sponsoring Kiwanis club.

AGREEMENT

Either the articles of incorporation or an agreement executed between the foundation and Kiwanis International must provide that:

- A. The foundation and its members will at all times be governed by the Bylaws, Policies, and Procedures of Kiwanis International as adopted or amended.
- B. The foundation will comply with all such conditions and requirements that Kiwanis International may prescribe.
- C. No amendments to the articles or any bylaws of the foundation shall be made without the consent of the Board of Trustees of Kiwanis International.
- D. Foundations sponsored by Kiwanis groups shall sign agreements similar to those signed by clubs, providing that whenever requested by the Board of Trustees of Kiwanis International, the corporation shall dissolve or change its form of organization, and they shall not be required to include such provision in the articles of incorporation.

