

**By-laws
Of
Central Washington Catholic Foundation**

ARTICLE I.

OFFICES

Section 1. **Place.** The principal office of Central Washington Catholic Foundation shall be located in Yakima, Yakima County, Washington.

ARTICLE II.

NOT FOR PROFIT FOUNDATION

Section 1. **Not for Profit Organization.** Central Washington Catholic Foundation is not for profit. The Foundation is irrevocably dedicated to and operated exclusively for non profit purposes; and no part of the income or assets of the Foundation shall be distributed to, or inure to the benefit of, any individual, except that the Foundation shall be authorized and empowered to pay reasonable compensation for furtherance of the purposes set forth herein.

The purposes for which the Foundation is organized are exclusively religious, charitable, scientific, literary and educational within the meaning of Section 501 (C) (3) of the Internal Revenue code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

The purposes for which the Foundation is organized are:

- Inspired by the gospel of Jesus Christ, this independent corporation is to support and enhance philanthropy and charitable activities for the needy, disadvantaged, and faith-oriented worthy causes in the counties of Benton, Chelan, Douglas, Grant, Kittitas, Klickitat, and Yakima in Central Washington.

- No part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of these articles, this organization shall not carry on any other activities not permitted to be carried on by an organization exempt from federal income tax under section 501 (C) (3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law.

Section 2. **Distribution of Assets upon Dissolution.** In the event of dissolution, the residual assets of the organization will be turned over to the Corporation of the Catholic Bishop of Yakima as an exempt organization described in Section 501(C) (3) and 170 (C) (2) of the Internal Revenue Code of 1986, or corresponding sections of any future Internal Revenue Code, or to the federal, state, or local government exclusively for public purposes.

Section 3. **Central Washington Catholic Foundation Compliance.** The Foundation at all times shall act in a manner consistent with the policies and directives adopted by the majority vote of the Board of Trustees of Central Washington Catholic Foundation.

ARTICLE III.

MEMBERS OF THE BOARD OF TRUSTEES

Section 1. **General Powers and Responsibilities.** The business, property and affairs of the Foundation shall be managed and controlled by the Board of Trustees. The Board of Trustees shall be responsible for the policy, program, financing and general management of the Foundation in a manner consistent with these By-laws, the Articles of Incorporation and other applicable law. The Board of Trustees shall make appropriate delegations of authority to the officers, and, to the extent permitted by law, by appropriate resolution, the Board may designate such committees and committee members as deemed advisable to assist with the affairs of the Foundation.

Section 2. **Eligibility and Qualifications.** The individuals elected to the Board of Trustees shall be selected on the basis of their ability to participate effectively in fulfilling the responsibilities and affairs of the Foundation. All voting Trustees shall serve without compensation and are expected to attend in person all regular and special meetings of the Board of Trustees. Proxy votes will not be permitted for any Trustee.

Section 3. **Number of Trustees.** The number of Trustees shall consist of no less than nine (9) individuals nor more than twenty-five (25). The Roman Catholic Bishop of the Diocese

of Yakima or his designated representative shall be a member ex-officio with no vote. There shall also be at least one, but not more than three, Roman Catholic priest(s) residing in the Foundation's geographical area who are in good standing with the diocese. Additional trustees may be added in accordance with Section 4 (below).

Section 4. **Appointment, Removal, and Vacancies**. The Board of Trustees shall appoint all Trustees of the Foundation and have full authority to remove any Trustee except the ex-officio Trustee of the Foundation.

Section 5. **Term of Office**. Each voting member of the Board of Trustees shall be appointed to serve a rotating term of three (3) years, or until his or her successor is duly elected and qualified or unless otherwise terminated by the Board. No Trustee may serve for more than three (3) successive rotating terms.

Section 6. **Action by Written Consent**. Any action required or permitted to be taken at a meeting of the Trustees may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by a majority the trustees entitled to vote with respect to the subject matter.

Section 7. **Meeting, Quorum and Voting**. The Board of Trustees shall meet no less than three (3) times per year, which may include the annual meeting and/or Board Retreat. At all meetings of the Board of Trustees, a majority of Trustees shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the Trustees present at any meetings at which there is a quorum shall be the act of the Board of Trustees. If there shall fail to be a quorum at any regular or special meeting, those present in person shall have the power to adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum shall be present.

Section 8. **Attendance**. Each Trustee shall be required to attend at least two-thirds of all meetings per year of the Board of Trustees and any Trustee who fails to meet this requirement, unless excused by the majority of Trustees, may be recommended for removal. If two consecutive meetings are missed and are unexcused, termination may be recommended to the Board.

Section 9. **Expenses**. Trustees will not be compensated for services rendered in their capacity as a volunteer. However, Trustees may be reimbursed for reasonable expenses incurred by them during the performance of their duties in accordance with a policy established by the Board.

Section 10. **Notices and Waiver of Notice**. Whenever, under the provisions of statute, By-laws or Charter, notice is required to be given, it may be given in writing, by mail, telegram, mailgram, e-mail, or fax transmission to such Trustee at his or her address as it appears on the records of the Foundation, and such notice shall be deemed to be given at the time the same shall be deposited in the United States mail, or with the telegraph office or fax transmitter. A written

waiver of notice, signed by the person or persons entitled to such notice, whether made at the time of, before or after the meeting, shall be deemed equivalent to the giving of proper notice.

Section 11. **Fiduciary Responsibility: Acting in Good Faith.** Each member of the Board of Trustees shall serve in a fiduciary capacity, and shall not do anything to disqualify any gift from deduction as a charitable contribution, gift or bequest, for tax purposes, and not to disqualify the Foundation from Federal Income tax exemption as a qualified charitable organization. Neither the Board of Trustees nor any of its members individually shall be liable for any act, neglect or default of any employee, agent or representative selected with reasonable care, nor for anything they may do or refrain from doing in good faith, including the following if done in good faith: errors in judgment, acts done or committed on advice of counsel, or mistakes of fact or law.

Section 12. **Change of Exempt Status.** If this Foundation is to lose its tax-exempt status for whatever reason, it shall dissolve according to the applicable provisions of the Articles of Incorporations and By-laws.

Section 13. **Power to Require Bond.** The Board of Trustees may require any officer or agent to file with the Foundation a satisfactory bond conditioned by the faithful performance of said officers or agents' duties. The Foundation shall pay the cost of the bond.

ARTICLE IV.

OFFICERS

Section 1. **Number**. The officers of the Foundation shall be a Chairperson, Vice-Chairperson, Secretary, and Treasurer. The Board of Trustees may also choose one or more assistant officers to each position.

Section 2. **Election or Appointment of Officers**. The Board of Trustees, at its annual meeting, shall elect the Chairperson, Vice-Chairperson, Secretary and Treasurer who may be, at the discretion of the Board, the Executive Director. All voting officers shall serve without compensation. The Executive Director shall be appointed by the Board and serve at the discretion of the Board as a non-voting member.

Section 3. **Other Officers and Agents**. The Board of Trustees may appoint such other officers and agents as it shall deem necessary or appropriate, who shall hold office for such terms and exercise such powers and perform such duties as may be determined from time to time by the Board of Trustees.

Section 4. **Term of Office, Removal or Vacancy**. The officers of the Foundation shall hold office on an annual basis (July 1 to June 30) or until such time as their successors are chosen and qualified. The Board of Trustees by a majority vote of Trustees present at any regular or special called meeting may fill any vacancy occurring in an office elected by the Board or remove and replace any officer elected by the Board of Trustees.

Section 5. **Chairperson**. The Chairperson shall preside at all meetings of the Board of Trustees, shall have general oversight of the business of the Foundation, and shall be a member ex-officio, with right to vote on all committees. The Chairperson shall be a voting member of the Board of Trustees of the Foundation.

Section 6. **Vice-Chairperson**. The Vice-Chairperson, shall, in the absence or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson and shall perform such other duties and have such other powers as the Board of Trustees may from time to time prescribe. The Vice-Chairperson shall be a voting member of the Board of Trustees of the Foundation.

Section 7. **Secretary**. The Secretary shall attend all meetings of the Board of Trustees and shall assure that a record of all proceedings of the Board of Trustees is maintained, and shall sign the official minutes of the Board meetings upon approval by the Board of Trustees. The Secretary shall perform such other duties and have such other powers as the Board of Trustees may from time to time prescribe. The Secretary shall be a voting member of the Board of Trustees of the Foundation.

Section 8. **Treasurer**. The Treasurer of the Foundation shall make a report of the financial condition of the Foundation at each regular meeting of the Board of Trustees. The

Treasurer, if other than the Executive Director, shall be a voting member of the Board of Trustees of the Foundation.

ARTICLE V.

COMMITTEES

Section 1. **Executive Committee.** The Executive Committee of the Foundation shall consist of the Chairperson, immediate past Chairperson, Vice-Chairperson, Secretary, Treasurer and a Trustee selected At-large. In the event that the immediate past Chairperson is unable or unwilling to serve on the Executive Committee, the committee shall appoint, if possible, another past Chairperson in his or her place. If no past Chairperson can be found, a second At-large Trustee may be appointed. The Executive Committee shall have and exercise all of the authority of the Board of Trustees in the management of the Foundation, except as otherwise fixed by the By-laws or law. A majority of the members of the Executive Committee at any meeting shall constitute a quorum. The Board of Trustees shall fill committee membership vacancies at a regular or special meeting. The Executive Committee shall keep full records and accounts of its proceedings and transactions. All actions by the Executive Committee shall be reported to the Board of Trustees at its next succeeding meeting, and all actions by the Executive Committee shall be subject to the control, revision, alteration and/or ratification by the Board of Trustees. Without limiting the generality of the foregoing, the functions of the Executive Committee include the following:

- Serve as a steering group for other Foundation committees by monitoring compliance with the Articles and By-laws.
- Assist with the organization and development of other Foundation committees.
- Oversee the implementation of plans for Foundation activities.
- Provide guidance and direction to the Executive Director in carrying out the works of the Foundation.

Section 2. **Nominating Committee.** The Chairperson of the Board of Trustees shall annually select a Nominating Committee comprised of five- (5) members and at least *three (3)* members of the Board from different counties. The Nominating Committee shall make recommendations to the Board of Trustees for the appointment of new Board members and present a slate of officers to the Board and such other nominating duties as the Board of Trustees deems necessary.

Section 3. **Other Committees.** The Board of Trustees may designate such other committees and committee members as deemed advisable to assist with the affairs of the Foundation. Each committee may exercise the Board's authority vested in it, subject to the limitations requiring Board of Trustees approval. The Chairperson of the Board of Trustees, subject to Board approval, shall appoint the chair of each committee from the committee membership.

ARTICLE VI.

FUND MANAGEMENT

Section 1. **Responsibility of the Executive Director.** The Executive Director shall be the chief administrator of the Foundation and is responsible to the Board of Trustees.

Section 2. **Investment.** All investments must be in accordance comply with the Socially Responsible Investment Guidelines adopted by the United States Conference of Catholic Bishops.

Section 3. **Financial Reports.**

- 3.1. An independent accountant, appointed by the Board of Trustees, shall prepare at least annually for the Foundation, consolidated financial statements. Statement shall include a statement of combined capital assets and liabilities and fund balances, a statement of income, expenses and distributions. The accountant shall prepare such other additional reports or information as necessary for returns or reports required by state or federal government to be filed by the Foundation and other reports or information requested by the Board of Trustees. The accountant's charges and expenses shall be deemed proper expenses.
- 3.2. The Board of Trustees shall at least annually distribute a written report of its financial condition, activities, and distributions to interested persons or organizations participating with or related to the Foundation's activities.
- 3.3. **Administrative Costs.** The cost of administering the Foundation may be offset by an administrative fee not to exceed ten percent (10%) of the average corpus of all endowment funds held by the Foundation in a twelve (12) month period as determined by the Board of Trustees. For purposes hereof, fees incurred by professional investment managers or custodians, and charged against or deducted from earnings on funds under such management shall be approved by the Board of Trustees annually and shall be excluded by the foregoing formula.

ARTICLE VII.

INDEMNIFICATION

Section 1. **Indemnification**. The Foundation, to the fullest extent permissible under applicable law, shall indemnify and hold harmless Trustees, officers and employees acting in official capacity in behalf of the Foundation against personal liability, and may advance, pay for or reimburse the reasonable expenses incurred in the defense of any proceeding to which such individual(s) may be named. The right of indemnification shall not be deemed exclusive of any other right to which said person(s) otherwise may be entitled. This indemnification shall extend to cover persons whether or not they continue to hold a position with the Foundation at the time such expenses and costs may be incurred.

ARTICLE VII.

INSURANCE

Section 1. **Insurance**. The Foundation shall purchase and maintain insurance on behalf of any individual who is or was Member, Trustee, officer, employee, or agent of the Foundation, or any individual serving at the request of the Foundation as a Member, Trustee, officer, partner, employee or agent of another organization or Foundation, against liability asserted against or incurred by him/her in that capacity or arising from their status with the Foundation, all to the fullest extent permissible under the appropriate law or statute.

ARTICLE VIII.

GIFTS TO THE FOUNDATION

Section 1. **Method**. Donors may make gifts to the Foundation by naming or otherwise identifying the Foundation as recipient whether or not an agent is designated to have custody of the property contributed. Gifts shall become the property of the Foundation upon receipt and acceptance by the Board of Trustees. The Foundation may enter into agreements with agents having custody of funds of the Foundation, specifying additional terms of such custody of gift, and, if more than one (1), the portions of the gift to be so held and administered by each. In the case of failure of a donor to designate a custodian of such portions, or failure of a designated custodian to accept custody of a gift, the Board of Trustees may in each case designate one (1) or more of the custodians to have custody of the gift, and, if more than one (1), the portions to be so held and administered by each.

Section 2. **Policies and Procedures Regarding Gifts.** All prospective gifts shall be received or rejected by the Foundation pursuant to the then-existing Gift Acceptance Policy, and all donors shall be required to agree that every gift accepted by the Foundation is subject to the Investment Policies and Distribution Policies and Guidelines of the Foundation, whether then existing or subsequently adopted.

Section 3. **Gifts in Trust.** If a gift is made to a Trustee in trust to make payments to others, followed by payment to the Foundation, or in trust with payment to the Foundation followed by payment to others, only the payments to the Foundation shall be regarded as subject to the Foundation's Articles and these By-laws, and then only when the foundation becomes entitled to their use. The Board of Trustees may take such actions, as it deems necessary to protect the Foundation's right to receive such payments.

Section 4. **Donor's Restrictions.** Any donor may, with respect to a gift made to the Foundation, provided at the time of the gift, restrictions or conditions that are not inconsistent with the charitable, educational or religious purposes of the Foundation as to:

- The field of charitable, educational and religious organizations;
- The manner of distribution, and whether from principal and/or income;
- The geographical limits or use of the gifts; and
- The name, as memorial or otherwise, for a fund given, or addition to a fund previously held, or anonymity of the gift.

All such restrictions or conditions by donors shall be followed except as provided in other provisions of these By-laws or in the Articles of Incorporation. The Foundation may decline to accept any gift from any donor for any reason.

Section 5. **Investment.** Any gift shall be required to be separately invested or held, unless so provided by a restriction or condition of the donor, as to purpose or investment, or in order to prevent tax disqualification, or as required By-laws.

Section 6. **Presumption as to Donor's Intent.** Each gift to the foundation shall be presumed to be intended:

- (1) To be used only for charitable, educational and religious purposes,
- (2) To be productive of a reasonable return of net income which will be distributed and/or accumulated in accordance with distribution policies which may from time to time be established by the Board of Trustees, but which will in every case be distributed and/or accumulated for charitable, educational and religious purposes,
- (3) To be used only for such of those purposes and in such manners not to disqualify the gift or fund from deduction as a charitable contribution, gift or bequest in computing any federal income, gift or estate tax of the donor or his/her estate, and

(4) Not to disqualify the Foundation's exemption from federal income tax as a qualified charitable organization and/or from classification as a public charity; and each gift and fund shall not be otherwise applied.

6.1. If a restriction or condition by the donor, however expressed, would, if followed, result in use contrary to the intent so presumed, or if the Board of Trustees is advised by counsel that there is substantial risk of such result, the restriction or condition shall not be followed, but shall be varied by the Board of Trustees so far as necessary to avoid such result.

6.2. However, if the donor has clearly stated that compliance with the restriction or condition is a condition of the gift, then the gift shall not be accepted in case of such advice unless (a) the restriction or condition pertains solely to the timing of accumulation and/or distribution of income or (b) an appropriate judicial or administrative body first determines that the condition and restriction need not be followed. Reasonable charges and expenses of counsel for such advice and proceeding shall be proper expenses.

ARTICLE IX.

GENERAL PROVISIONS

Section 1. **Loans to Directors and Officers Prohibited.** This Foundation shall not make, directly or indirectly, or guarantee any loan of money or property to any Trustee or officer of the Foundation.

Section 2. **Conflicts of Interest.** Any transaction of the Foundation which a Trustee or officer has a personal or adverse interest shall be governed applicable law and as set fourth in the Foundation's Conflict of Interest Policy. Should any Trustee or officer become involved in any activity or have an interest in any matter that might be considered a conflict of interest, such individual shall bring the matter to the attention of the Board for its review and shall abstain from any vote pertaining to the matter.

Section 3. **Revocability of Authorization.** No authorization, assignment, referral or delegation of authority by the Board of Trustees to any committee, officer, agent or other representative of the Foundation, including employed staff or other organization shall preclude the Board of Trustees from exercising any authority required by the Board to meets it responsibility for the proper conduct of the activities of the Foundation. The Board of Trustees shall retain the right to rescind any such authorization, assignment, referral or delegation in its sole discretion, as it may deem appropriate.

Section 4. **Check Signatures.** All checks or demands for money and notes of the Foundation shall be signed by such officer or officers or such person or persons as the Board of Trustees from time to time may designate.

Section 5. **Fiscal Year.** The fiscal year end of the Foundation shall be June 30, unless otherwise determined by resolution of the Board of Trustees.

Section 6. **Corporate Seal.** The Foundation shall not have a corporate seal and the lack of seal on any document shall not affect the validity or enforcement thereof.

ARTICLE X.

AMENDMENTS

Section 1. **How Amended.** The members of the Board may amend these By-laws by three-quarters (3/4) vote that the minimum number of votes necessary to amend these By-laws shall be three-quarters (3/4) majority of the total number of trustees on the Board, including those not in attendance. Any proposed changes to the by-laws be submitted to the Trustees at least 30 days in advance of any regular and/or special meeting.

BOARD APPROVED

These By Laws were passed by the Board of Trustees of *Central Washington Catholic Foundation* at their regularly scheduled meeting of April 20, 2007 as witnessed by the affixed signatures.

I hereby authorize the promulgation of the By Laws that where approved this day by the *Central Washington Catholic Foundation* Board of Trustees.

Mr. Phil Raekes
Chairperson

CERTIFICATION

I further certify that the volunteer named above duly serves as Chairperson of the Board of Trustees of this Corporation and that the By Laws now stand in full force.

Mr. Rick Rutherford
Secretary