

**Bylaws of
BOYS & GIRLS CLUBS OF CENTRAL CAROLINA FOUNDATION, INC.**

ARTICLE I: OFFICES, TYPE, PURPOSES AND DEFINITIONS

Section 1: Principal Office

The principal office of the Foundation shall be located at 1414 Bragg Street, Sanford, Lee County, North Carolina 27330.

Section 2: Registered Office

The registered office of the Foundation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3: Foundation Type and Purpose

(A) The Foundation is a Type III Functionally Integrated organization.

(B) Non-Profit Purpose: The Foundation is organized exclusively for charitable, educational, scientific and literary purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

(C) Specific Purpose: The Foundation is organized for charitable and benevolent purposes related to the Boys & Girls Clubs of Central Carolina, Inc. serving Lee, Harnett and Chatham Counties (BGCCC), and to engage, promote and extend the programming of the BGCCC. The Foundation's purpose is also to generally perform all acts which may be deemed necessary or expedient for the proper and successful prosecution of the objects and purposes for which the organization is created; provided, however, that no such power shall be exercised in a manner which is inconsistent with Chapter 55A of the North Carolina General Statutes or Section 501 of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

Section 4: Definitions

For purposes of these Bylaws, the Boys & Girls Club of Central Carolina Foundation, Inc. shall hereinafter be referred to as "**Foundation.**"

Boys & Girls Clubs of Central Carolina, Inc., shall hereinafter be referred to as "**BGCCC.**"

ARTICLE II: DIRECTORS, MEETINGS AND COMMITTEES

Section 1: General Powers

The business and affairs of the Foundation shall be managed by the Board of Directors or by such committees as the Board of Directors may establish pursuant to these Bylaws. The Board of Directors may employ an Executive Director and staff to carry out the directives and operations of the Foundation.

This organization will not have members.

Section 2: Organization

(A) The Foundation Board of Directors shall be comprised of between seven (7) and nine (9) Directors, three (3) of which shall be members of the Board of Directors for BGCCC, and four (4) at-large Directors as may be selected pursuant to Section 3 of this Article.

(B) At its annual meeting, the Foundation Board of Directors shall elect a Chairperson, Secretary, and Treasurer and such other officers as it may deem necessary to promote the efficient administration of the Foundation.

Section 3: Number and Terms of Directors

(A) The Foundation Board of Directors shall be comprised of between seven (7) and 9 directors. Of the directors, three (3) shall be from the Board of Directors for BGCCC; one shall be the President of the current Board of Directors of BGCCC, one shall be the current BGCCC Resource Development Committee Chair, and one appointed member from the Board of Directors of BGCCC which will serve a one year term. The at-large Directors shall be elected by the Foundation Board of Directors. For the at-large Directors, there shall be a minimum of one Director each from Lee County, Harnett County and Chatham County.

(B) Subject to the election of the initial at-large directors as set out below, each at-large director shall serve a term of three calendar years beginning in January. Election of the at-large members shall occur at the final quarterly meeting of each calendar year. For purposes of installing the initial Foundation Board of Directors, the following terms of office shall apply to each initial at-large Director:

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|------|----------------------|---|
| i. | At-Large Director #1 | Remainder of First Calendar year plus One Year |
| ii. | At-Large Director #2 | Remainder of First Calendar Year plus Two Years |
| iii. | At-Large Director #3 | Remainder of First Calendar Year plus Three Years |
| iv. | At Large Director #4 | Remainder of First Calendar Year plus Three Years |

(C) In the event any at-large Director resigns from the Foundation Board of Directors prior to the expiration of his or her term, the Foundation Board of Directors will elect replacement(s) at the next quarterly meeting to serve the balance of such term.

Section 4: Board Meetings

(A) Regular quarterly meetings of the Foundation Board of Directors will be held at the day, hour and place or through virtual as determined by the Officer(s) of the Foundation. Each quarterly meeting will include the following:

1. 1st Quarter – Review and approval of the Investment Policy Statement; review and approval of an annual distribution of unrestricted funds to the Boys & Girls Clubs of Central Carolina as defined in Article V: Section 1 of these Bylaws; review of restricted fund balances and activity; review and approval of the previous year financials; update presentation of investment performance from the investment manager and any other business as necessary
2. 2nd and or 3rd Quarter – Review and approval of the form 990 prior to filing with the IRS; update presentation of the investment performance from the investment manager (3rd quarter only) and any other business as necessary
3. 4th Quarter – Will be the annual meeting. Election of Board of Directors and Officers, review the Conflict-of-Interest Policy as detailed in Article VIII of these Bylaws; review and approval of a Budget, if necessary, and any other business as necessary.

(B) Special meetings of the Foundation Board of Directors may be held at any time and place designated by the Board Chairperson or upon the request of at least three of the members of the Board of Directors

(C) A majority of the Directors present at a meeting shall constitute a quorum at any meeting of the Foundation Board of Directors, and the acts and conduct of the Foundation shall be determined by a majority vote of those in attendance; provided, however, a unanimous vote of all seven (7) members of the Foundation's Board of Directors must concur in the following:

1. Amending these Bylaws
2. Amending the Articles of Incorporation

(D) Notice of each regular or special meeting shall be mailed or emailed by the Secretary to each of the Directors not less than five (5) days preceding any such meeting. In the event the notice is of a special meeting, such notice shall indicate briefly the objects thereof. The Directors may waive notice of any such meeting or the objects thereof, and when a quorum is present at any such meeting, a waiver of notice of such meeting or the objects thereof by a majority

of all members of the Board of Directors shall be as effective and have the same force and effect as though all Directors had waived the requirements of this paragraph as to notice.

Section 5: Email Address Log and Electronic Voting

(A) The Foundation shall maintain a log containing the email addresses for each member of the Foundation Board of Directors.

(B) From time to time the need may arise for the Foundation to take action outside of the regularly scheduled director's meetings. The Foundation may send an action item to the Board of Directors via email. The request for action shall state the proposal to be voted upon and set a deadline for the votes to be submitted. The directors may submit their vote via electronic mail and upon affirmative vote of the majority of all members of the Foundation Board of Directors, the action may be approved. Action taken pursuant to this subsection shall have the same effect as a regularly scheduled and noticed formal meeting.

Section 6: Compensation

No Director of the Foundation Board of Directors shall be paid or receive any compensation for their services as Directors.

Section 7: Committees

The Foundation will not have an Executive Committee. The Foundation's Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors. Such committees, to the extent provided in each resolution, shall have and exercise the authority of the Board of Directors within the committees and the delegation thereto of authority shall not operate to relieve the Foundation's Board of Directors of any responsibility or liability imposed upon it or him/her by law.

ARTICLE III: POWERS AND DUTIES OF OFFICERS

Section 1: Chairperson

The Chairperson shall preside at all meetings of the Foundation's Board of Directors and shall act as the chief executive officer of this Foundation and shall do and perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

Section 2: Secretary

The Secretary shall attend to the giving and serving of all notices by the Bylaws of this Foundation.

Such person may sign with the Chairperson in the name of the Foundation all contracts authorized by the Foundation's Board of Directors, and when so ordered by the Foundation Board of Directors shall affix the seal of the Foundation thereto. The Secretary shall have charge of all books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the examination of any Director, and shall in general perform all the duties incident to the office of Secretary, subject to the control of the Foundation Board of Directors. The Secretary or a person designated by the Secretary shall keep the minutes of all the meetings of the Foundation Board of Directors, and shall perform any other duties as assigned by the Foundation's Board of Directors.

Section 3: Treasurer

The Treasurer shall receive and keep the funds of the Foundation and pay out the same only by the direction of the Foundation Board of Directors. Such person shall oversee the deposits of all monies, checks and other credits to the account of the Foundation in such bank or banks or other depository as the Foundation Board of Directors may designate. Such person shall oversee receipts and vouchers for payments made to and all vouchers and checks made by the Foundation jointly with such other officer(s) as may be designated by the Foundation Board of Directors. Such person shall render to the Foundation Board of Directors an account and statement of all his/her transactions at each meeting of said Board and at such other times as said Board may from time to time determine. Such person shall be responsible for entering into the books of the Foundation to be provided for that purpose a full and accurate account of all monies received and paid out on account of the Foundation.

Section 4: Officers Terms

All officer terms are one year and will be voted into office at the Annual Meeting.

ARTICLE IV: GIFTS AND DONATIONS

Section 1: General

Any person making gifts to the Foundation may restrict the object or objects for which the gift shall be administered and distributed, which shall be known as a restricted gift, or any such person may make his/her gift to the Foundation without restrictions, specification, condition or limitation, which shall be known as an unrestricted gift. Only gifts made to the Foundation without restrictions shall be subject to the One-Million Dollar threshold as set out in Article V, Section 1 below.

Section 2: Restricted Gifts

In the case of restricted gifts, the Foundation shall follow the directions, specifications, terms and conditions of the instrument or gift, provided, however, that if any object or purpose for which any gift is made fails or becomes impossible of performance, or if it is the unanimous vote of all the Directors of the Foundation Board that any object or purpose for which any gift or donation is made has ceased to be beneficial to the best interest of BGCCC, then and in either event, such gift or donation shall cease to be held and administered for such specific restricted purpose, and shall

thereafter be held and administered by the Foundation as an unrestricted gift or donation or returned to the original donor.

Section 3: Unrestricted Gifts

(A) All unrestricted gifts shall be used by the Foundation for the benefit of BGCCC in furtherance of such of the objects and purposes specified in Article I, Section 3 of these Bylaws.

(B) Unrestricted gifts made to the Foundation may be added to and merged with other unrestricted gifts held by the Foundation, and the funds and properties so merged may be held and administered by the Foundation as a single investment.

ARTICLE V: MANAGEMENT OF FUNDS

Section 1: General

Other than normal operating expenses for the Foundation, no funds shall be paid, distributed or disbursed from operating or investment accounts owned by the Foundation until the total aggregate balances of all operating and investment accounts reaches One-Million Dollars (\$1,000,000). The One-Million Dollar threshold is defined only as funds that are unrestricted and does not include any funds held that are restricted. Upon the Foundation reaching the One-Million Dollar threshold, the Foundation may contribute to BGCCC up to 5% of the balance of unrestricted cash and investment accounts based on the previous January 1st; but not to have the balance drop below the One-Million Dollar amount. The annual 5% distribution may be made anytime during the calendar year and will require a majority vote of the full Foundation Board. Distributions cannot be carried over to the next year.

Section 2: Power of Investment and Disbursement

Investment of funds of the Foundation shall be made upon approval of the Foundation Board of Directors. The Foundation will establish and approve through a majority vote of all Foundation Board Directors an Investment Policy Statement (IPS) that will be used to direct all funds held by the Foundation. The IPS will be reviewed at the 1st quarter meeting each year. The IPS will be prepared in a manner that will be available for distribution to potential donors.

Disbursements for the purpose of defraying necessary operating expenses of the Foundation, consistent with the adopted budget, may be made by two counter signatures consisting of the

Chairperson, and either the Secretary or Treasurer.

Section 3: Use of Funds

No loan of any funds of the Foundation for the purpose of investment shall ever be made to any Director of the Foundation, or to any members of the immediate family of any Director, or to any business or corporation which is owned or controlled by a Director of this Foundation or a member of his/her immediate family, or to any business or corporation in which a Director of this Foundation or a member of his/her immediate family maintains a substantial financial interest; and no distribution of Foundation funds, whether in the form of gift, loan, donation or scholarship shall ever be made to any Director of this Foundation or to any member of the immediate family of any Director.

Section 4: Fiscal Year

The fiscal year of the Foundation shall be from January 1 through December 31 of each year.

Section 5: Distressed Club

In the event the Board of Directors for BGCCC determines that BGCCC is unable to function and maintain viability without receiving financial support from the Foundation then BGCCC may request funds from the Foundation. BGCCC may request an amount up to \$200,000 (two hundred thousand dollars) from the Foundation to fund BGCCC operations. This funding cannot drop the total funds below the One-Million Dollar threshold. The vote must include a majority vote of all Foundation Board members.

ARTICLE VI: AUDIT OR REVIEW

The Board of Directors of the Foundation retains the right to request an audit or review of the financial statements of the Foundation, and if an audit or review then shall be timely conducted.

ARTICLE VII: AMENDMENTS

Amendments to the Articles of Incorporation or these Bylaws can be made by the Foundation Board of Directors in regular meeting assembled, either quarterly or special, and if special, then the purpose of the meeting with the proposed amendment or amendments must be stated in the call; provided, however, a unanimous vote of all members of the Foundation Board of Directors in office shall be required to amend the Articles of Incorporation or Bylaws.

ARTICLE VIII: CONFLICT OF INTEREST AND COMPENSATION

Section 1: Purpose

The purpose of the conflict of interest policy is to protect the Foundation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director of the Foundation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2: Procedures

In connection with any actual or possible conflict of interest, a Director must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors with governing Board delegated powers considering the proposed transaction or arrangement.

If the governing Board has reasonable cause to believe a Director has failed to disclose actual or possible conflicts of interest, it shall inform the Director of the basis for such belief and afford the Director an opportunity to explain the alleged failure to disclose.

Section 3: Records of Proceedings

The minutes of the Board 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 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 connection with the proceedings.

ARTICLE IX: INDEMNIFICATION

Section 1: General

To the full extent authorized under the laws of the state of North Carolina, the Foundation shall indemnify any Director, officer, or agent, or former member, or any person who may have served at the Foundation's request as a Director or officer of another organization (each of the foregoing members, Directors, officers, agents, and persons is referred to in this Article individually as an "indemnatee"), against expenses actually and necessarily incurred by such indemnatee in connection with the defense of any action, suit, or proceeding in which that indemnatee is made a party by

reason of being or having been such member, Director, officer, employee, or agent, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board, or otherwise.

Section 2: Expenses

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Foundation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

Section 3: Insurance

The Foundation may purchase and maintain insurance on behalf of any person who is or was a member, Director, officer or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Foundation would have the power or obligation to indemnify such person against such liability under this Article.

ARTICLE X. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 1: Execution of Instruments

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances. Unless so authorized, no officer or agent shall have any power or authority to bind Foundation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2: Checks and Notes

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of Foundation shall be signed by the Treasurer and countersigned by the Chair of the Foundation if the amount of the check is equal to or greater than \$2,000, whereas if the check is less than \$2,000 the check only requires one signature of any of the authorized signers.

Section 3: Deposits

All funds of the Foundation shall be deposited from in a timely manner to the credit of the Foundation in such banks, trust companies, or other depositories as the Board may select.

Section 4: Gifts

The Board may accept on behalf of the Foundation any contribution, gift, bequest, or devise for the nonprofit purposes of this Foundation.

ARTICLE XI. PROVISIONS

Section 1: Limitations on Activities, Disbursements and Investments

No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation [except as otherwise provided by Section 501(h) of the Internal Revenue Code], and this Foundation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, the Foundation shall not carry on any activities not permitted to be carried on (a) by a Foundation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a Foundation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

In addition, the Board of Directors shall select an investment broker or manager to assist the Board in making investments decisions regarding the Board's assets.

Section 2: Prohibition Against Private Inurement

No part of the net earnings of Foundation shall inure to the benefit of, or be distributable to, its members, Directors or trustees, officers, or other private persons, except that Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Foundation.

Section 3: Dissolution

Upon the dissolution of the Foundation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Foundation shall be distributed to BGCCC, if the respective organization is qualified at that time for such distribution, and if not, then to one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such

organization of organizations, as said Court shall determine, which are organized and operated for such purposes.

ARTICLE XII. CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of the Foundation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation of the Foundation filed with an office of the North Carolina Secretary of State and used to establish the legal existence of the Foundation.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

**ADOPTED BY UNANIMOUS VOTE OF THE BOARD OF DIRECTORS FOR
BOYS & GIRLS CLUBS OF CENTRAL CAROLINA FOUNDATION, INC.**

This the 23th day of January, 2025.

BY: _____

Brian Davis, Chairperson

BY: _____

Faye Cress, Secretary