

BYLAWS
Animal Charity Evaluators
State of Illinois
Last updated: May 12, 2020

ARTICLE I - Name

The name of the corporation shall be Animal Charity Evaluators (ACE). The corporation may, by a vote of the Board of Directors, change its name.

ARTICLE II - Purpose

The purpose of Animal Charity Evaluators shall be to find and promote the most effective ways to help animals.

ARTICLE III - Fiscal Year

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

ARTICLE IV - Board of Directors

Section 1. Authority and Responsibilities

The Board shall:

- (a) have control of and be responsible for the management of the affairs and property of the corporation;
- (b) have power to fill vacancies on the Board or in offices for the unexpired portion of any term;
- (c) appoint and have the power to remove all officers and the Executive Director and prescribe their duties, not inconsistent with the provision of these bylaws; and
- (d) have power over anything deemed necessary or expedient for the promotion and protection of the corporation's welfare.

All directors shall be provided the original articles of incorporation, bylaws and other appropriate materials and literature upon request.

Section 2. Number

The Board of Directors shall consist of not less than three (3) and not more than twelve (12) elected directors. In addition to elected members, the Executive Director will serve as an ex officio member of the board. Additional ex officio members may be invited to serve as approved by the board.

Section 3. Manner of Election

A $\frac{2}{3}$ majority vote of the Board of Directors with a meeting or without a meeting by a unanimous vote in writing shall result in the election of a candidate to serve as a board member.

Section 4. Board Member Terms

Elected directors shall serve terms of three (3) years. Directors may be re-elected for a second consecutive three-year term. Former board members may continue to serve the corporation by participation in non-Board committees.

Directors elected to serve a partial term, whether to fill a vacancy or for any other reason, shall be eligible to serve three (3) full years before being eligible for re-election of a second term.

Section 5. Resignation or Removal of Directors

Directors can resign via written notice, effective immediately unless post-dated.

The Board of Directors may remove one (1) or more directors with or without cause by a $\frac{2}{3}$ majority vote of the Board of Directors with a meeting or without a meeting by a unanimous vote in writing. No director shall be removed at a meeting unless the written notice of such meeting states that a purpose of the meeting is to vote on the removal of one or more directors, who must be named in the notice, and then only the named director(s) may be removed at such meeting.

ARTICLE V - Meetings of the Board of Directors

Section 1. Meetings

At least four (4) regular meetings of the Board of Directors shall be held during the fiscal year.

Section 2. Special Meetings.

Special meetings of the board may be called by the Chair when deemed necessary or on request of one-third (1/3) of the directors. Notice of a special meeting shall include the purpose for which it is called and no other business may be transacted.

Section 2. Attendance

Directors are expected to attend all regularly scheduled board meetings either in

person or via teleconference. The Chair or Executive Director must be notified in advance if a board meeting will be missed.

Section 3. Notice of meetings

Notice of meetings shall be given in writing by the Chair, Secretary or designate no less than seven (7) days before the meeting.

Section 4. Quorum

A minimum of $\frac{1}{3}$ of the board shall constitute a quorum to make the proceedings of a meeting where no action is taken valid. A majority of the board shall constitute a quorum to take action announced in the agenda distributed prior to the meeting. A minimum of $\frac{2}{3}$ of the board must be present (in person or by teleconference) in order to amend the distributed agenda to include substantive items requiring action.

Section 5. Actions

An action is agreed to by a majority vote of the directors present at a meeting at which a quorum is constituted. An action may also be agreed to without a meeting by a unanimous vote in writing. Every action agreed to is the act of the Board of Directors, unless these bylaws require a greater percentage or different voting rules for approval of a matter of record. When a vote is split equally between directors, the Chair will cast a tie-breaking vote.

ARTICLE VI - Officers

Section 1. Titles and Terms

The officers of the corporation shall be a Chair, Treasurer, Secretary, and, optionally, Vice Chair.

Before the end of the fiscal year, a slate of officer nominees will be created. All officers shall be nominated and elected from the membership of the Board of Directors. Any board member can nominate any board member to serve as an officer; this includes self-nomination. Officers will be elected by a majority vote of the directors present at the first meeting of the fiscal year or without a meeting prior to the first meeting of the fiscal year by a unanimous vote in writing. In the event that an officer vacancy remains, the Chair may appoint an officer.

Officer terms last the duration of one (1) fiscal year with a three (3)-year term limit. Officers elected to serve a partial term, whether to fill a vacancy or for any other reason, shall be eligible to serve three (3) additional full terms if and only if they were elected more than halfway through the fiscal year. If they were elected

within the first six (6) months of the fiscal year, then that partial year will constitute a full year, and the director will be allowed to serve an additional two (2) terms.

Section 2. Chair

The Chair shall be the principal executive officer of the corporation. They shall:

- (a) Preside at all meetings as Chairperson of the Board of Directors;
- (b) Establish committees, temporary or permanent, subject to approval by a majority vote of the directors present at a meeting or without a meeting by a unanimous vote in writing; and
- (c) Except in those instances in which the authority to execute is expressly prescribed by the Board of Directors or these bylaws, they may execute for the corporation any contracts, deeds, mortgages, bonds, or other instruments that the Board of Directors has authorized to be executed, and they may accomplish such execution either individually or with the Secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

Section 3. Vice Chair (Optional)

The Vice Chair shall, in the absence or inability of the Chair to exercise their office, become acting Chair of the corporation with all the rights, privileges, and powers as if they had been the duly elected Chair.

Section 4. Secretary

The Secretary or designate shall:

- (a) Give due notice of the time and place of all meetings;
- (b) Record and send for approval all meeting minutes no later than seven (7) days after a meeting;
- (c) Preserve and send for publication the approved meeting minutes no later than the start of the following meeting; and
- (d) Perform such other duties as usually are expected of such an officer.

The Secretary or designate shall have custody of the articles of incorporation and bylaws, records and general archives of the corporation, except as they may be expressly placed in the charge of others by order of the board. They shall file any certificate required by any statute, federal or state, and can assign this task to another officer or the Director of Operations.

Section 5. Treasurer

The Treasurer or designate shall:

- (a) Be responsible for the financial records of the corporation;

- (b) Be responsible for depositing in its name, in one or more federally insured financial institutions or incorporated trust companies designated as depositories by the Board of Directors, all monies received; and
- (c) Perform such duties as appertain to the same office in similar corporations.

The Treasurer shall have the authority to sign such papers as may be required in the sale of securities or other assets belonging to the corporation or in connection with the settlement of estates or trusts in which the corporation has an interest.

Funds shall be withdrawn from any depository upon check signed by such persons as the Board of Directors may designate. The Treasurer or designate shall prepare a financial statement at least once a year, as well as reports required by federal and state governments and ensure that the books are ready for an annual audit soon after the end of each fiscal year.

The Treasurer or designate shall be responsible for submitting written financial reports to the Board of Directors at regular intervals.

ARTICLE VII - Amendment of the bylaws

- Section 1. These bylaws may be repealed, altered or amended by the Board of Directors, providing any change proposed shall first have been submitted in writing to the Secretary, who shall distribute them to the board in advance of regularly scheduled board meeting, and approved by a 2/3 majority vote of the directors present at that meeting or without a meeting if doing so is approved unanimously with written consent.

ARTICLE VIII - Indemnification

- Section 1. Non-Liability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

- Section 2. Indemnification by the corporation of Directors and Officers

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of the state of incorporation.

ARTICLE IX - IRS 501(c)(3) - Tax Exemption Provisions

- Section 1. Limitations on Activities

No substantial part of the activities of this corporation, nor the activities of the

recipients of grants from this corporation 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 corporation 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, this corporation shall not carry on any activities not permitted by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

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

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be divided equally between the current Top Charities. These Top Charities are updated during November or December each year.

Section 4. Private Foundation Requirements and Restrictions

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and, 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

ARTICLE X - Non-Discrimination Policy

Section 1. The Board of Directors shall not discriminate against any individual or agency because of race, color, sex, religion, age, national origin, veteran status or disability pursuant to the provisions of the Americans with Disabilities Act.

ARTICLE XI – Whistleblower Protection

- Section 1. This corporation requires its members (staff and board) to observe high standards of ethical behavior in the conduct of their duties and responsibilities. As members of the corporation, all such persons must practice honesty and integrity in fulfilling their responsibilities, and they must comply with all applicable laws and regulations. It is the responsibility of all members to perform ethically and to comply with all the bylaws of the corporation. Members of the corporation are expected to report material violations or suspected violations in accordance with this whistleblower policy. The corporation prohibits harassment, retaliation and adverse consequences against a member of the corporation who has reported a violation in good faith to either external law enforcement or internal authorities.

ARTICLE XII - Gifts

- Section 1. Form

All amounts and properties given, devised or bequeathed and the income therefrom shall be funds, assets and income of the corporation, as such terms are used herein or in the articles of incorporation, whether given, devised or bequeathed directly to the corporation or to a bank, trust company or other proper custodian for the corporation.

- Section 2. Refusal of Gifts

The corporation shall refuse or renounce all grants, gifts, devises, bequests and legacies, the acceptance of which would cause it to be treated as other than a charitable corporation duly qualified under Section 501(c)(3) of the Internal Revenue Code of 1986 or any similar section in any subsequent federal tax law.

- Section 3. Reservation of Powers by Corporation

All grants, gifts, devises, bequests and legacies to the corporation are made and accepted subject to all the terms, restrictions, requirements and powers contained in these bylaws and the articles of incorporation, as such documents may be amended, whether before or after the making of such grants or the like, and the donor or testator, by making such grant or the like and in consideration of the acceptance thereof by the corporation, accepts and agrees to such terms, restrictions, requirements and powers.

ARTICLE XIII – Conflicts of Interest and Compensation

- Section 1. Definition

A conflict of interest arises whenever an individual is in a position to approve or

influence corporation policies or actions which involve or could potentially benefit or harm financially:

- (a) the individual;
- (b) any member of the individual's immediate family (spouse, parents, children, brothers or sisters, and spouses of these individuals); or
- (c) any other corporation in which the individual or an immediate family member is a director, officer, or member of the Board.

Section 2. Disclosure of conflict of interest

A director or officer shall disclose to the Chair, Secretary, or Board a conflict of interest:

- (a) prior to voting on or otherwise discharging any duties with respect to any matter involving the conflict;
- (b) prior to the corporation entering into any contract or transaction involving the conflict;
- (c) as soon as possible after the director or officer learns of the conflict; and
- (d) on any conflict of interest disclosure form required by the corporation.

The Board of Directors, by a majority vote of disinterested directors present at that meeting or without a meeting if doing so is approved unanimously by disinterested directors in writing may remove a director or officer for failure to promptly disclose a known conflict of interest.

Interested directors or officers should not be present for the discussion and decision concerning the conflict; however, interested directors may be counted in determining the presence of a quorum at a board meeting which authorizes such action.

Section 3. Procedures addressing conflicts of interest

Following receipt of information concerning a contract or transaction action involving a potential conflict of interest, the Board shall consider the material facts concerning the proposed contract or transaction including the process by which the decision was made. The Board shall approve only those contracts or transactions in which the terms are fair and reasonable to the corporation and the arrangements are consistent with the best interests of the corporation.

Fairness includes, but is not limited to:

- (a) the concept that the corporation should pay no more than fair market value for any goods or services which the corporation receives; and
- (b) that the corporation should receive fair market value consideration for any goods or services that it furnishes others.

The Board shall set forth the basis for its decision with respect to approval of

contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the corporation.

Section 4. Compensation of Directors and Officers.

No director or officer of the corporation shall receive, directly or indirectly, any compensation or other payment from the corporation, except reasonable compensation for services actually rendered or reimbursement for disbursements actually incurred if authorized by a majority vote of the directors present at that meeting or by a majority vote without a meeting if doing so is approved unanimously with written consent.

History of Changes

May 12, 2020 — Removed the employment/affiliation and donation [CoI policies to a separate document](#). Changed voting procedures for all actions to a simple majority. Added notice of meetings, resignation of members, and special meetings sections. Changed the quorum for valid member meetings to 1/3 of the Board.

December 21, 2018 — Changed maximum term-limit for officers from three (3) to four (4) years.

December 18, 2017 — Updated donation policy (Article XVI, section 4) language to make previous update consistent across this section.

November 7, 2017 — Updated donation policy (Article XVI, section 4) to only apply to ACE's recommended charities instead of all organizations eligible for a recommendation. Adjusted the minimum number of board meetings to four per year. Moved the donation privacy section to a separate article.

September, 2017 — Added provision for Board of Directors to approve bylaws changes via email (Article VII, section 1).

April 23, 2017 — Added donor privacy (section 5) to Article XVI – Donation Policy. Added section on former employees taking positions at considered organizations and a section on ACE collaborating with considered organizations, both to Article XV – Employment/Affiliation Policy, Section 1. Amended Article XV – Employment/Affiliation Policy, Section 2 to include other affiliations that ACE has to organizations in the disclosures.