



Bylaws

Last Revision Approved: 11/16/08

2661 Greenfield Rd.
Dearborn, Michigan 48120 -- (313) 943-2697
www.dearborn-animals.com, friends@dearborn-animals.com
Tax ID # 38-3171570

Table of Contents:

Article 1 -- Name and Organization	1
Article 2 -- Purpose and Mission	1
Article 3 -- Organization.....	2
Executive Director	2
Leadership Committee	2
Article 4 - Board of Directors.....	2
Board Member Election.....	3
Meetings.....	3
Terms of Office	3
Compensation	3
Article 5 -- Volunteers	4
Article 6 -- Membership.....	4
Article 7 -- Business Planning	4
Article 8 -- Financial.....	4
Budget and Fiscal Year	4
Expenses:	4
Disbursements.....	4
Checks, Drafts, etc.	4
Contracts	4
Income	5
Deposits.....	5
Investments:	5
Loans	5
Restricted Funds	5
(1) "Rainy Day Operations Reserve"	5
(2) Endowment Fund.....	5
(3) New Shelter Capital Campaign	6
Books of Account	6
Article 9 -- Amendments	6
Article 10 -- Indemnification	6
Article 11 -- Dissolution.....	7
Revision History	7

Article 1 -- Name and Organization

The name of this nonprofit corporation is ***Friends For the Dearborn Animal Shelter*** (hereinafter referred to as the *Friends*). The corporation was organized and incorporated pursuant to the provisions of the Michigan Act 162, Public Acts of 1982, Michigan Department of Commerce – Corporation and Securities Bureau, on August 19, 1993 (#705-917).

Article 2 -- Purpose and Mission

The **purpose** for which *Friends For the Dearborn Animal Shelter* has been organized, as set forth in the Articles of Incorporation, is to help the animals through the Dearborn Animal Shelter (hereinafter referred to as the Shelter) by:

- Providing loving care for animals at the Shelter,
- Reuniting lost pets with their owners,
- Securing quality adoptions for animals,
- Raising money to assist with medical and other care,
- Increasing public awareness about the Shelter and good animal care practices, and
- Assisting the community where appropriate in animal related needs.

The **Mission** Statement is:

Provide loving care and sanctuary to animals,
encourage adoptions and reunions, and
promote respect, responsibility, and compassion for all animals.

The **Slogans** are:

Animals Are the Heart of Our Mission
Meet Your BFF Here!

Article 3 – Organization

The management of the *Friends* will be vested in an Executive Director, Leadership Committee, and Board of Directors. A definitive organization chart is included in the *Friends* Policies. The *Friends* adhere to and are guided by the Nonprofit Regulations & Accountability from the Michigan Nonprofit Association (<http://www.mnaonline.org/regulations.asp>).

Executive Director

The Executive Director is a paid staff position. Specific position description and responsibilities are defined in the *Friends* Policies. In general, the Executive Director is responsible for acting in accordance with the *Friends* Mission, Bylaws, and Policies to successfully execute the *Friends* annual Business Plan. The Executive Director chairs and is assisted by the Leadership Committee.

The Executive Director is authorized to hire, manage, and if necessary, terminate full or part time employees as needed to care for the animals in the shelter and to successfully execute the objectives of the *Friends*. Hiring and all other expenses must conform to the approved annual budget with any deviation approved by a majority vote of the Leadership Committee with an identified budgetary offset. All personnel decisions shall conform to the spirit as well as the letter of the law relative to equal employment opportunities, other applicable employment law, and *Friends* Policies.

Leadership Committee

The Leadership Committee is composed of both Board and non-Board members and is chaired by the Executive Director. The Committee's primary responsibilities are to develop the annual Business Plan and once approved by the Board, monitor and effect progress against the plan to ensure successful achievement of the strategic objectives. In addition, the Leadership Committee recommends Policy and Bylaws changes to the Board, ensures an effective level of performance from the Executive Director, and may form additional committees as necessary. Specific Leadership Committee responsibilities and processes are covered in *Friends* Policies.

Article 4 - Board of Directors

The business and affairs of the *Friends* and all corporate powers will be exercised by or under authority of the Board of Directors, subject to limitations imposed by Michigan Act 162, Public Acts of 1982, the Articles of Incorporation, or these Bylaws to action which requires authorization.

The function of the Board is to:

- Uphold the Mission of the *Friends*
- Exercise the corporate responsibilities and fiduciary duties consistent with applicable provisions of law
- Transact business in accordance with the *Friends* Bylaws, Policies, and Business Plan;
- Approve an annual Business Plan including budget and monitor progress against the plan;
- Establish and maintain major administrative policies governing the affairs of the *Friends* that provide for growth and development.
- Assist with the responsibility of securing adequate financial resources for the *Friends*

The Board of Directors consists of a maximum of fifteen (15) Directors including five (5) Board officers whose requirements and responsibilities are defined in the *Friends* Policies.

1. President & Board Chair
2. Executive Director (staff)
3. Medical Director (licensed Doctor of Veterinary Medicine)
4. Treasurer & Finance Director
5. City Liaison (City of Dearborn designated official responsible for the Friends contract with the City)

Additional Board members will be sought for their expertise in such professional areas as:

- Marketing
- Public Relations
- Human Relations
- Financial Management (including banking, trusts, investment management, etc.)
- Facilities Management (engineers, architects, etc.)
- Law (contract, real estate, etc.)

Board Member Election

In order to be considered for Board membership, an individual must:

- Be nominated by a Board officer.
- Make a personal commitment to assume and fulfill required responsibilities as stated in the Board Member Commitment Agreement in the *Friends* Policies

The Leadership Committee is responsible for reviewing all nominations and proposing a vote to the Board. The Board of Directors fills any vacancy by a majority vote of attending members at any Board meeting or by a majority affirmation in response to an email nomination.

Meetings

Board meetings are held four (4) times a year in accordance with the schedule and details in the *Friends* Policies. Meetings will be held to accomplish:

- February – evaluate and action progress against the prior year business plan
- April – evaluate progress against strategy and 1st qtr results
- July – evaluate and action progress against the current year business plan including:
 - a review of 2nd qtr results, annual projections, and banking activity by the Treasurer & Finance Director
 - a review of all contracts by the Executive Director
- November – review 3rd qtr results and approve the business plan for next year

Board business may be conducted with a majority vote of attending members. Non-attending members may send proxy-voting authority with an attending member. Additional meetings may be held to manage exceptional operational considerations. Decisions requiring emergency action may be made by any three (3) Board Officers and reported to the Board at the next meeting. Decisions that need to be made by the full Board prior to the next scheduled meeting may be made using email.

Terms of Office

The Leadership Committee will conduct an annual review (or more frequently if needed) of Board membership and recommend any changes.

New Board members are requested to commit to a term of at least three years. Board members wishing to retire are requested to submit a written letter of resignation to the President & Board Chair or Executive Director. A Board member may be asked to leave the Board for failure to meet the responsibilities of their Board position or for failure to adhere to the spirit of the *Friends* organization. Any non-performing Board member is first consulted and offered a opportunity to improve their performance. Failing this, the Leadership Committee may make a recommendation to the Board to retire a Board member. A unanimous vote of the Board Officers is required to retire a Board member.

Compensation

No Board member will receive compensation of any kind for volunteer services rendered to the *Friends*. Board members providing animal-related professional services as a part of their business (veterinarian, etc.) may charge reasonable fees directly associated with the rendering of such services that are approved in advance by the Executive Director.

Article 5 -- Volunteers

Anyone may apply to become a volunteer of the *Friends*. New volunteers must complete a volunteer application, which is approved by the Executive Director and the Chief of Police or his/her designee. All new volunteers must complete the Volunteer Orientation. Exceptions to this must be approved by the Executive Director.

Volunteers must adhere to the *Friends* Bylaws, Policies, and Volunteer Handbook Guidelines and may be asked by the Executive Director to discontinue their participation with the *Friends* for inappropriate behavior.

The *Friends* Volunteer Recognition process is defined in *Friends* Policies.

Article 6 -- Membership

- Any person who volunteers their time or donates financially or in-kind is considered a member of the *Friends*.
- All members receive the Paw Prints newsletter.
- Members may attend any *Friends* Board meeting.
- Members are nonvoting.
- Membership is maintained on a central database and those who have supplied their email receive the Paw Prints eNews.

Article 7 – Business Planning

An annual *Friends* Business Plan will be developed as stipulated by *Friends* Policy. This will include a budget, strategic objectives, and calendar. The Plan is developed by the Leadership Committee and approved as a part of the November Board meeting. Successful execution of the plan is the responsibility of the Executive Director and the Leadership Committee.

Article 8 – Financial**Budget and Fiscal Year**

The fiscal year of the corporation will be January 1 to December 31. A budget for the coming year is approved as a part of the November Board meeting.

Expenses:**Disbursements**

The level of *Friends* fund disbursements is approved in the Business Plan as a part of the annual strategic planning process. Any additional disbursements throughout the year must first be approved by a majority vote of attending members at a Leadership Committee meeting or by any three Board officers.

At her/his discretion, the *Friends* Executive Director is authorized to immediately offer a \$1,000 reward for any cruelty case.

Checks, Drafts, etc.

Checks are controlled and authorized by the Executive Director. In addition, the President & Board Chair and Treasurer & Finance Director have signature authority. Checks over the sum of \$20,000 must be signed by any two of the following: Executive Director, President & Board Chair, or Treasurer & Finance Director

Contracts

General contract costs for the upcoming year are included in the annual budget and are approved by the Board at the annual Business Plan approval meeting. The Leadership Committee may authorize the money for any additional contract costs by a majority vote of attending members. Notification to and approval by the Board is required prior to contract signature. This may be done at a meeting or by email with a favorable majority vote of the attending / responding

Specific contract fulfillment is recommended by the Executive Director for approval by the Leadership Committee. Fulfillment of contracts in excess of \$50,000 must be approved by the Board. Management or oversight of any approved contracts to ensure successful performance is the responsibility of the Executive Director. The Executive Director will provide a progress reports on all contracts at the mid-year Board meeting.

Once authorized, the Executive Director may then authorize any officer, or agent, to enter into any contract or execute and deliver any such instrument in the name and on behalf of the *Friends* and such authority may be general or confined to a specific instance. All such authorizations must be in writing and must be signed by the Board Chair, Executive Director, and Financial Director. No officer or agent shall purport to have the authority to enter into any contract without the specific authority of the Executive Director.

Income

Deposits

All funds of the *Friends* not otherwise employed will be deposited in such banks, trust companies, or other depositories as the Treasurer & Finance Director may select. A review of all active bank accounts will be presented by the Treasurer & Finance Director at the mid-year Board meeting.

Funds received through the *Friends* website through PayPal are deposited to the PayPal money market account.

Investments:

Capital in excess of operating requirements will be invested in responsible instruments as recommended by the Treasurer & Finance Director for approval by the Leadership Committee. A review of all investments activity will be presented by the Treasurer & Finance Director at the mid-year Board meeting.

Loans

No loans will be contracted on behalf of the *Friends* and no evidence of indebtedness will be issued in its name.

Restricted Funds

(1) "Rainy Day Operations Reserve"

A "Rainy Day Operations Reserve" was established with funding begun effective January 1, 2006. The purpose of the Reserve is to protect capital for unanticipated requirements.

- Use of the reserve will be restricted
- The reserve will be funded quarterly at the rate of 5% of the previous quarter operational revenue (positive net income). In addition, any prior emergency withdrawal must be refunded as a part of the quarterly funding action.
- Release of the reserve will require formal approval (see following clause)
- Reserve funds will be invested per the Investment clause in these Bylaws.

Restrictions

- Funds may be released only for unusual, non recurring conditions
- Funds will be released only if one of the following conditions exist:
 - Insufficient funds are available to meet payroll requirements (including IRS)
 - Insufficient funds are available for an unanticipated non-budgeted required cost

Release of Funds

- The release of up to an aggregate of \$20,000 requires the approval of the President & Board Chair, Executive Director, and Treasurer & Finance Director and must be reported to the full Board via email within one week
- Release in excess of \$20,000 requires a special Board meeting with a majority vote of those attending.

(2) Endowment Fund

A *Friends For the Dearborn Animal Shelter* Endowment Fund was established effective January 1, 2006. This endowment establishes a permanent fund, which provides perpetual, annual support for the ongoing operations of *Friends For the Dearborn Animal Shelter*.

- The New Shelter Endowment Fund will be funded by direct donations and also at the rate of ten cents from every dollar of new shelter campaign revenue.
- The primary investment objective is preservation of principal with current income and capital appreciation secondary. Investments in this Fund should be of high quality and adequately diversified so as to produce a minimum variance of the market value of the portfolio.
- Investment income is reinvested in the Endowment Fund unless required to support the ongoing operations of the *Friends*. The decision to utilize investment income to support operations requires a 75% Board approval.

(3) New Shelter Capital Campaign

Funds raised through a new shelter capital campaign to build a new or refurbish an existing building and to furnish a new shelter facility and surrounding area are restricted to this purpose and to the New Shelter Endowment Fund. These restricted funds will be invested as stipulated in the *Friends* Bylaws Investments clause. All interest income earned on new shelter fund balances shall be restricted to use only for new shelter activities. When operations have been moved to the new or refurbished building, any remaining capital funds will be divided between the *Friends* Rainy Day Reserve and Endowment Fund in a proportion recommended by the Finance Director & Treasurer for approval by the Board.

Books of Account

The corporation shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and surplus. These books will be audited by a certified public account as required by government regulations. Financial controls are adhered to as stipulated in the *Friends* Policies.

Article 9 -- Amendments

The power to make, alter, or repeal the Bylaws of the *Friends* shall be vested in the Board of Directors. Coordination of the Bylaws and associate recommended changes is the responsibility of the President & Board Chair and Leadership Committee.

Article 10 -- Indemnification

1. The corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or who is or was serving at the request of the corporation as an officer, agent of the corporation, or who is or was serving at the request of the corporation as an officer or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person in connecting with such action, suit, or proceeding, if the person acted in good faith and in a manner reasonably believe to be in, or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not proposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.
2. The corporation may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit, if the person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the corporation, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application, that despite the adjudication of liability, but in view of all the circumstances of the case such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.
3. To the extent that a director, officer, or agent of the corporation has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs (1) and (2), or in defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred in connection therewith.
4. Any indemnification under paragraph (1) and (2) (unless ordered by a court) shall be made by the corporation as authorized in the specific case, upon a determination that indemnification of the officer, employee, or agency is proper in the circumstances because the person has met the applicable standard of conduct as set forth in paragraphs (1) or (2). Such determination shall be amended by the Directors.
5. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the Directors in the specific case, upon receipt

of an undertaking by or on behalf of the director, officer, or agent to repay such amount, unless it shall ultimately be determined that the person is entitled to be indemnified by the corporation as authorized in this article.

6. The indemnification provided by this article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of Directors, or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be an officer, or agent and shall inure to the benefit of the heirs, executors, and administrator of such a person. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation or who is or was serving at the request of the corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the corporation would have the power to indemnify the person against such liability under the provisions of this article.

Article 11 -- Dissolution

In the event of dissolution of the *Friends*, the *Friends* Board may vote to reserve specific assets for potential award to one or more agreed upon animal welfare 501(c)(3) organizations pending satisfactory payment of all liabilities. *Friends* members shall have the opportunity to bid for purchase any unreserved items of *Friends* property, which property shall be sold to the highest bidder. Any *Friends* unreserved property remaining unsold after such bidding and sales shall be sold by the Board for the best available price. Revenue generated by such sales shall be deposited in *Friends* accounts. Upon dissolution, *Friends* assets remaining after payment of all *Friends* liabilities and any reserved assets shall be awarded to one or more animal welfare 501(c)(3) organizations as approved by the *Friends* Board.

Revision History

May 16, 2002:

- Updated Board positions – Membership, Events, Appeals, Volunteers, Black Tie and Tails.
- Added Board Committee structure and responsibilities
- Changed frequency of Volunteer meetings to quarterly
- Added the *Friends* Honorary Board
- Updated the Consolidated Calendar
- Minor enhancements throughout the document

October 2, 2003:

- Updated Board responsibilities – Officers and Committees

July 17, 2004

- All sections were updated to reflect current operating procedures

November 28, 2004

- The Board section was updated to include additional Board positions, add specificity to the Committee structure, and simplify the Commitment section.

March 1, 2005

- Minor spelling errors corrected.

September 16, 2005

- Article 3 – Board of Directors
 - Updated Board positions and descriptions
 - Added Special Board Positions
 - Clarified Committee responsibilities
- Added Article 4 – Staff Employees to reflect responsibilities assigned to the Development Director
- Article 6 – Financial / Contracts / Records
 - Updated language in the Contracts section
 - Added a new clause to the Checks, Drafts section

October 22, 2005

- General updates as advised by legal counsel.

November 14, 2005

- Added Restricted Funds section to Article 6.

February 20, 2006

- Added Board positions and restructured associated responsibilities
- Broke the Development Committee into Major Events Fundraising and Community Fundraising

February 20, 2007

- Revised Board section – officers, Committees, and member responsibilities
- Revised Volunteer section – meetings as needed, added Sue Cavallaro Award, deleted Bark Park reference

November 2008:

- Complete revision of all sections to simplify and update Bylaws. Specific Board and staff member responsibilities and other details were moved to Policy attachments.