

## ONA By-Law Changes Proposed

ONA by-law changes are proposed as indicated below. By-law changes will be read at the August board meeting and will be voted on at the September meeting. All residents are encouraged to come vote.

### Proposed By-Law Amendments for Approval & Adoption

7-20-2010 & 8-17-2010

#### Article I – Name & Nature of Corporation

##### Current:

D. All properties once in the possession of the now defunct Oakwood Incorporated shall pass to the Oakwood Neighborhood Association as the successor entity.

##### Proposed: This section will be deleted

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#### Article VII – Meetings

##### Current

A. The Corporation shall hold an Annual meeting on the second Tuesday of May of each calendar year. Part of the business of this meeting will be to elect Directors and Officers, as well as to vote on any amendments to these by-laws.

##### Proposed-This will now change to:

A. The Corporation shall hold an Annual meeting on the third Tuesday of May of each calendar year. Part of the business of this meeting will be to elect Directors and Officers, as well as to vote on any amendments to these by-laws.

##### Current

B. Regular meetings of the Board of Directors shall be held the second Tuesday of each month at the Oakwood Neighborhood Center, unless the Board decides to hold a meeting at a different location. All meetings of the Board of Directors shall be open to the membership and to the public; labor, legal and contractual discussions may be held in closed session if requested by a simple majority of the Board present and voting, providing a quorum is present. Board members must do all voting in person. No absentee ballots or voting proxies are allowed.

##### Proposed-This will now change to:

B. Regular meetings of the Board of Directors shall be held the third Tuesday of the month once a month as needed and no less than 6 meetings a year at the Oakwood Neighborhood Center, unless the Board decides to hold a meeting at a different location. All meetings of the Board of Directors shall be open to the membership and to the public; labor, legal and contractual discussions may be held in closed session if requested by a simple majority of the Board present and voting, providing a quorum is present. Board members must do all voting in person. No absentee ballots or voting proxies are allowed.

#### Article V: Officers—Section I: Treasurer, subsection #2, last sentence:

##### Current

Two Officers of the Corporation shall sign all checks drawn upon accounts of the Corporation.

##### Proposed-This will now change to:

All checks drawn upon accounts of the Corporation shall require two signatures. Any checks over \$1,000.00 must be signed by two members of the Executive Committee. The Executive Director is authorized to be the second signature on all checks under \$1,000.00.

#### Article V – Officers--- Removal of Officers and other Board Members

##### Current

1. Any officer or other Board Member may be removed for cause by a 2/3 vote of the full seated Board (full seated Board being defined as that number of seats filled, elected or appointed, out of the 12 member board at any given time). The minimum number of Board members present and voting in such an instance shall be eight (8); to ensure that a majority of the full seated Board supports such an action. The sole exception to this definition is contained in Article V, Item B, below.

##### Proposed-This will now change to:

1. Any officer or other Board Member may be removed for cause by a 2/3 vote of the full seated Board (full seated Board being defined as that number of seats filled, elected or appointed, out of the 13 member board at any given time). The minimum number of Board members present and voting in such an instance shall be eight (8); to ensure that a majority of the full seated Board supports such an action. The sole exception to this definition is contained in Article V, Item B, below.

All terms of the BOD will be

##### Current

The (insert position) shall serve for three (3) years and may succeed her/himself with the approval of the voting membership at the Annual Meeting

##### Proposed-This will now change to:

The President and Vice President must be elected in separate years and will hold office for a two year term. All other Officers and BOD shall hold office for **two** year-terms.

#### Article VIII: Financial Procedures and other Rules Governing Financial Transactions----- Section A:

##### Current

The fiscal year of the Corporation shall coincide with the program years as established by the Community Development Block Grant (CDBG) allocation until such time as the Oakwood Neighborhood shall no longer deemed eligible for funding under the HUD guidelines governing the granting of such funds. At that point, the Board may set its fiscal year in a manner consistent with its needs.

##### Proposed-This will now change to:

The fiscal year of the Corporation shall be January 1<sup>st</sup> through December 31<sup>st</sup> of every year. The Board may set its fiscal year in a manner consistent with its needs.

### Proposed E-Vote By-Law Amendments for Approval & Adoption

#### Article VII- Meetings

J. Electronic voting – Electronic (e-mail) voting is allowed for items that require action between regularly scheduled meetings.

1. Electronic voting must be simple majority consent for the action to pass.

2. The date of electronic transmission will be the date of consent.
3. The consent will be considered delivered when reproduced in paper form and delivered to the secretary.

Article X – Dissolution of the Corporation

**Current**

- A. A vote of dissolution may only be conducted at the Annual meeting, and must be publicized at least one month prior to that meeting, along with the grounds for such a motion to dissolve, and the names of the proponents.
- B. A quorum for such a vote shall be fifty members as defined in Article IV, Section A.
- C. A vote to dissolve must be approved by a 2/3 majority of a quorum present and voting. Such a vote shall be conducted by secret ballot. Counting of the ballots shall be done by a committee comprised of two proponents and two opponents of the dissolution motion.
- D. Upon the passing of a motion for dissolution of the Corporation, and after provision for the payment of all liabilities and satisfaction of all other legal obligation, the Corporate Board of Directors shall dispose of all remaining assets of the Corporations. Any remaining properties and any funds realized by such a disposal shall be used exclusively to further the stated purpose of the dissolved Corporation, whether by turning them over to a designated successor organization, or by assignment to organizations that are tax-exempt under Section 501 (c)(3) of the Federal Internal Revenue code of 1954 (and subsequent revisions). Any assets not so distributed or assigned shall be disposed of by a court of competent jurisdiction within Kalamazoo County.
- E. The property known as Oakwood Memorial Park shall be assigned or disposed of in accordance with Article IV, Section B of these by-laws and is not subject to Section C of this Article.

Article X – Dissolution of the Corporation –

**Proposed**

- A. A resolution of dissolution must be adopted by a simple majority of the board of directors.
- B. The board must adopt a plan of distribution of the organizations assets. Assets must be distributed in the following order.
  1. All liabilities and obligations of the corporation must be paid and discharged, or adequate provisions should be made for their payment and discharge.
  2. Assets held upon a condition requiring return, transfer or conveyance that is triggered by reason of the dissolution, must be returned, transferred or conveyed in accordance with the condition
  3. All other remaining assets may be distributed to a nonprofit organization designated in the plan of distribution.
- C. The resolution of dissolution and the plan of distribution must then be submitted for approval to the members of the corporation.
  1. Notice of the meeting must be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, to each member entitled to vote at the meeting.
  2. The notice must state that the meeting's purpose is to vote on dissolution of the corporation and must include a copy or summary of the plan of distribution.

3. The plan must be approved by a majority of the members entitled to vote.
- D. The dissolution must be approved by the Michigan Attorney General. In order for approval, the following documents must be submitted to the Attorney General:
  1. A completed and signed Dissolution Questionnaire.
  2. A copy of the organization's articles of incorporation.
  3. A copy of its IRS determination letter.
  4. IRS returns and audited financial statements for the last three years, if prepared. If not prepared, the organization must provide financial reports in another format, such as treasurer's reports.
  5. An inventory of any assets currently held (if the organization still holds assets, the Attorney General will send a letter asking for additional information, including a final financial report and receipts for disbursements of assets).
  6. Receipts or copies of cancelled checks, for the distributions of any assets to another charitable organization.
  7. A statement of the treasurer regarding the organization's debts and obligations.
- E. Upon approval of the Michigan Attorney General, the organization must execute and file a Certificate of Dissolution with the State of Michigan. The letter must contain the following information:
  1. The name of the corporation
  2. The date and place of the meeting of members or directors approving the dissolution
  3. A statement that the dissolution was approved by the requisite vote of directors, or directors and members.

- Upon approval of the Certificate of Dissolution, the organization is dissolved. The organization needs to apply for tax clearance from the Michigan Department of Treasury.
- G. The organization must send a letter to the IRS indicating that the organization is dissolved and will no longer be filing annual returns. The following items should be submitted with the letter:
    1. One of the following:
      - i. The certificate of dissolution that was filed with the State of Michigan, or
      - ii. Minutes of the meeting where the vote was taken to dissolve the organization (signed and dated by an officer).
    2. A list of the last set of officers or trustees and their daytime telephone numbers.
    3. A statement signed by an officer giving the details of the final distribution of assets.
  - H. The dissolved corporation must continue its corporate existence for the purpose of winding down its affairs by:
    1. Collecting its assets
    2. Selling or transferring assets not provided for in the plan of distribution
    3. Paying all debts and liabilities
    4. Doing all other acts incident to liquidation of its affairs