

Lake Zurich Area Chamber of Commerce By Laws

ARTICLE I - NAME AND PURPOSE

Section 1: NAME

This organization is incorporated under the laws of the State of Illinois and shall be known as the Lake Zurich Area Chamber of Commerce, Incorporated, hereinafter referred to as the Chamber.

Section 2: PURPOSE / MISSION

The purpose and mission of the Lake Zurich Area Chamber of Commerce is to enhance the economic vitality of our member and communities.

Section 3: LIMITATIONS OF METHODS

- a. The Chamber shall observe all local, state and federal laws which apply to a non-profit corporation as defined in section 501 (c) (6) of the Internal Revenue Code as amended from time to time.
- b. No officer, board member or committee member shall make public any resolution, or in any way commit the Chamber on a question of policy without first receiving approval of the board of directors.

Section 4: AREA

The Lake Zurich Area shall include the Villages of Lake Zurich, Deer Park, Hawthorn Woods, Kildeer, Long Grove and North Barrington.

Section 5: POLITICAL ACTIVITY

The Chamber shall be non-profit, non-partisan, and non-sectarian. Relative to political activity, the Chamber will observe local, state, and federal laws, including without limitation article 501 (c) 6 of the Internal Revenue Code.

ARTICLE II – MEMBERSHIP

Section 1: ELIGIBILITY

Any reputable business firm, individual, association, corporation, partnership or estate having an interest in the above purpose shall be eligible to apply for membership.

Section 2: EFFECTIVE DATE

Applications for membership shall be submitted in writing or electronically via the Chamber's website. Any applicant shall become a member upon payment of the appropriate annual dues and verification of legality of business

Section 3: INVESTMENTS

Membership investment shall be at such rates, schedule or formula as may be from time to time prescribed by the Board of Directors.

Lake Zurich Area Chamber of Commerce By-Laws

Section 4: TERMINATION

- a. Any member may resign from the Chamber upon written request to the Board of Directors.
- b. Any member shall be expelled by the Board of Directors by a two-thirds vote for nonpayment of dues after ninety (90) days from the date due, unless otherwise extended for good cause.
- c. Any member may be expelled by a two-thirds vote of the Board of Directors, at a regularly scheduled meeting thereof, for conduct unbecoming a member or prejudicial to the aims or repute of the Chamber, after notice and opportunity for a hearing are afforded the member..
- d. No resignation shall relieve the resigning member of the obligations to pay dues or other accrued unpaid charges.

Section 5: VOTING PRIVILEGES OF MEMBERS

Members of the Chamber in good standing are entitled to one vote, regardless of membership category.

Section 6: EXERCISE OF PRIVILEGES

Any firm, association, corporation, partnership or estate holding membership may nominate individuals whom the holder desires to exercise the privileges of membership.

Section 7: HONORARY MEMBERSHIP

Any reputable person may be considered eligible for honorary membership. Honorary members shall have all the rights and privileges of members, except the right of membership on the Board of Directors and the right to vote and shall be exempt from payment of dues. The Board of Directors shall confer or revoke honorary membership by a majority vote.

ARTICLE III – MEETINGS

Section 1: ANNUAL MEETING

The annual meeting of the Chamber membership shall be held within sixty (60) days of the end of each year or at such other time and place as determined by the Board of Directors and notice thereof mailed to each member at least ten (10) days before said meeting.

Section 2: ADDITIONAL MEETINGS

- a. General meetings of the Chamber may be called by the President at any time, or upon petition in writing of 10% of the members in good standing.
- b. Notice of special meetings shall be sent to each member at least five (5) days prior to such meetings.
- c. Board meetings may be called by the President or the Board of Directors upon written application of three (3) members of the Board. Notice (including the purpose of the meeting) shall be given to each Director at least three (3) days prior to said meeting.
- d. Committee meetings may be called at any time by the President, respective department Vice President, or by the Committee leader.

Lake Zurich Area Chamber of Commerce By-Laws

Section 3: QUORUMS

At any duly called general meeting of the Chamber, 10% of the members shall constitute a quorum; a majority of Directors present shall constitute a quorum of the Board of Directors. At committee meetings, a majority shall constitute a quorum except when a committee consists of more than nine (9) members, five (5) shall constitute a quorum.

Section 4: NOTICES

Formal notice stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered no less than five (5) nor more than forty (40) days before the day of the meeting, to each member entitled to vote at such meeting. Notice of all meetings of the Board shall be given to the Directors at least three (3) days prior to the date of the meeting.

ARTICLE IV – BOARD OF DIRECTORS

Section 1: COMPOSITION OF THE BOARD

- a. The Board of Directors shall be composed of fourteen (14) members, six (6) Officers who comprise the Executive Board, and eight (8) Directors. Four (4) Directors shall be elected annually for a term of two (2) years and four (4) Officers shall be elected annually to serve for a term of one (1) year. In addition to the President, two (2) Vice Presidents, and Treasurer, the outgoing President, by virtue of the office held, shall continue to serve as a member of the Board of Directors, with full voting privileges, following his/her term as President as the Past President until a new President is elected. The outgoing Past President shall continue to serve as a member of the Board of Directors, with full voting privileges, as the Chair of the Advisory Council until a new President is elected.
- b. No Chamber member business shall have more than one representative serving as a member of the Board of Directors at any given time.
- c. The Board of Directors, at its discretion, may appoint ex-officio members to the Board. These members will not have voting privileges and in the case of government officials will serve only during their term of office.

Section 2: POWERS OF THE BOARD

- a. The government and policy-making responsibilities of the Chamber shall be vested in the Board of Directors, which shall control its property, be responsible for its finances and direct its affairs.

Section 3: SELECTION AND ELECTION OF DIRECTORS

- a. Nominating Committee: At the regular August Board meeting, the President shall appoint, subject to approval by the Board of Directors, a Nominating Committee consisting of the Immediate Past President as Chairperson, two (2) members from the Board of Directors, and two (2) from the membership at large.

Lake Zurich Area Chamber of Commerce By-Laws

- b. At the September Board meeting, the Nominating Committee shall present to the Board of Directors a slate of four (4) candidates to serve a two-year term, to replace the Directors whose regular terms are expiring. Each candidate must be an active member in good standing and must have agreed to accept the responsibility of a directorship. No Director who has served two (2) complete two-year terms is eligible for election for a third consecutive term. A period of one (1) year must elapse before eligibility is restored.
- C. Publicity of Nomination. Upon receipt of the report of the Nominating Committee, the Executive Director shall immediately notify the membership of the names of persons nominated as candidates for Directors.
- d. Nominations by petition. Additional names of candidates for Directors can be nominated by petition bearing the genuine signatures of at least 5% of the qualified members of the Chamber. Such petition shall be filed with the Nominating Committee within ten (10) days after notice has been given of the names of those nominated. The determination of the Nominating Committee as to the legality of the petition(s) shall be final.
- e. Determination. If no petition is filed within the designated period, the nominations shall be closed and the nominated slate of four (4) candidates shall be declared elected by the Board of Directors at their regular October Board meeting. If a legal petition shall present additional candidates, the names of all candidates shall be arranged on a ballot in alphabetical order. Instructions will be to vote for four (4) candidates only. The Executive Director shall mail this ballot to all active members at least fifteen (15) days before the regular November Board meeting. The ballots shall be marked in accordance with instructions printed on the ballot and returned to the Chamber office within ten (10) days. The Board of Directors shall at their regular November Board meeting declare the four (4) candidates with the greatest number of votes, elected.
- f. Judges. The President shall appoint, subject to the approval of the Board of Directors, at least three (3), but not more than five (5) judges who are not members of the Board of Directors or candidates for election. Such judges shall have complete supervision of the election, including the auditing of ballots. They shall report the results of the election to the Board of Directors.

Section 4: SEATING OF NEW DIRECTORS

All newly elected Directors shall be seated at the regular January Board meeting and shall be participating members until the end of their elected term.

Section 5: REMOVALS, RESIGNATIONS, AFFILIATION CHANGES & VACANCIES

- a. A member of the Board of Directors may be removed from serving as a Director for just cause, or for a succession of three (3) unexcused absences from regular Board meetings, by a majority vote of the Board and after a ten (10) day written notice of such action.
- b. Any Director may resign, effective immediately, or at a later time specified by the Director, by written notification to the President, Executive Director, or Board of

Lake Zurich Area Chamber of Commerce By-Laws

Directors. If the resignation is effective at a future time, a successor may be selected in advance to fill the vacancy when the resignation becomes effective.

- c. Change of affiliation – Should any Director’s affiliation with their member business change, or the member business terminate the business, during the term of their elected directorship, that seat shall be automatically resigned and the seat declared vacant.
- d. Vacancies on the Board of Directors shall be reviewed by the President, and only filled subject to approval of the Board of Directors.

Section 6: POLICY

The Board of Directors is responsible for establishing procedures and formulating policy of the organization. It is also responsible for adopting all policies of the organization. These policies shall be maintained in a policy manual, to be reviewed annually and revised as necessary.

Section 7: EMPLOYMENT

An Executive Director shall be hired by a majority vote of the entire Board of Directors (not just those present) and serves at the pleasure of the Board of the Directors. The Executive Director may only be terminated by a majority vote of the entire Board of Directors (not just those present), for just cause and following appropriate notification of intended action and the opportunity for validation of declared just cause.

Section 8: INDEMNIFICATION

The Chamber will provide for indemnification by the Chamber of any and all current or former Directors against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they or any of them are made parties, or a party, by reason of having been Officers or Directors of the Chamber, except in relation to matters as to which such Officer or Director shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

ARTICLE V – OFFICERS

Section 1: SELECTION AND ELECTION OF OFFICERS

The Nominating Committee shall also nominate a single slate of Officers in the same manner as the Directors. The Officers to be nominated are the President, two (2) Vice Presidents, and Treasurer. All nominees shall be current members of the Board. These nominees shall be presented to the Board at the same time as the nominees for the Board of Directors, following the same procedures as specified in Article IV, Section 3,. All Officers shall serve for a term of one (1) year. No Officer shall serve for more than two (2) consecutive one-year terms per office held. A period of one (1) year must elapse before eligibility is restated.

Lake Zurich Area Chamber of Commerce By-Laws

Section 2: SEATING OF NEW OFFICERS

All newly elected Officers shall be seated at the regular January Board meeting and shall be participating members until the end of their elected term.

Section 3: REMOVALS, RESIGNATIONS, AFFILIATION CHANGES & VACANCIES

- a. An Officer of the Board may be removed from serving as an Officer for just cause, or for a succession of three (3) unexcused absences from regular Board or Executive Committee meetings, by a majority vote of the Board and after a ten (10) day written notice of such action.
- b. Any Officer may resign, effective immediately, or at a later time specified by the Officer, by written notification to the President, Executive Director, or Board of Directors. If the resignation is effective at a future time, a successor may be selected in advance to fill the vacancy when the resignation becomes effective.
- c. Should any Officer's affiliation with their member business change, or the member business terminate the business, during the term of their elected office, that seat shall be automatically resigned and the seat declared vacant.
- d. Vacancies on the Executive Board shall be reviewed by the President, and only filled subject to approval of the Board of Directors.

Section 4: DUTIES OF OFFICERS

- a. President. The President shall serve as the Chief Elected Officer of the Chamber and shall preside at all meetings of the membership, Board of Directors and Executive Board. The President shall, with advice and counsel of Vice Presidents and the Executive Director, determine all committees, select all committee chairpersons, and assist in the selection of committee personnel, subject to approval of the Board of Directors.
- b. Vice Presidents. The duties of the Vice Presidents shall be such as assigned by the President. They will also have under their immediate jurisdiction all committees pertaining to their general duties.
- c. Treasurer. The Treasurer shall be responsible for the safeguarding of all funds received by the Chamber and for their proper disbursement.
- d. Past President. The Past President shall provide counsel and advice to the President as deemed necessary. The Past President shall assume the duties of the President in the event the President is unable to fulfill his or her duties or if a vacancy occurs, until a new President is elected.
- e. Advisory Council Chair. The Immediate Past President shall serve as the Chair of the Advisory Council. The Advisory Council Chair shall act as a resource to the current Executive Board in matters pertaining to current and future programs, and the general direction of the Chamber. The Advisory Council Chair shall assume the duties of the President in the event the Past President is unable to fulfill his or her duties or if a vacancy occurs, until a new President is elected.
- f. Financial Responsibilities of Chamber Officers shall be as documented in Addendum A: Key Financial Responsibilities and Segregation of Duties.

Lake Zurich Area Chamber of Commerce By-Laws

Section 5: EXECUTIVE DIRECTOR

- a. Executive Director. The Executive Director shall be the Chief Administrative and Operating Officer. The Executive Director shall serve as Secretary to the Board of Directors, and cause to be prepared notices, agendas, and minutes of meetings of the board.
- b. The Executive Director shall serve as advisor to the President and program committees and shall assemble information and data and cause to be prepared special reports as directed by the program of the Chamber.
- c. The Executive Director shall be a non-voting member of the Board of Directors, the Executive Board and all committees.
- d. With the assistance of the divisional Vice Presidents, the Executive Director shall be responsible for administration of the program of work in accordance with the policies and regulation of the Board of Directors.
- e. The Executive Director shall be responsible for hiring, discharging, directing and supervising all employees.
- f. With the cooperation of the Treasurer, the Executive Director shall be responsible for the preparation of an operating budget covering all activities of the Chamber, subject to approval of the Board of Directors. The Executive Director shall also be responsible for all expenditures with approved budget allocation.

Section 6: EXECUTIVE BOARD

The Executive Board shall act for and on behalf of the Board of Directors when the Board is not in session, but shall be accountable to the Board for its actions. It shall be composed of the President, Immediate Past President, two (2) Vice Presidents, Treasurer, Advisory Council Chair and the Executive Director. The President will serve as head of the Executive Board. A quorum shall consist of a majority of those eligible to serve on the Executive Board.

Section 7: ADVISORY COUNCIL

The purpose, goals and responsibilities of the Advisory Council shall be as documented in Addendum B: Lake Zurich Area Chamber of Commerce Advisory Council By-Laws.

ARTICLE VI – COMMITTEES AND DIVISIONS

Section 1: APPOINTMENT AND AUTHORITY

- a. The President, by and with the approval of the Board of Directors, shall appoint all committees and committee chairs. The President may appoint such ad hoc committees and their leaders as deemed necessary to carry out the program of the Chamber.
- b. Committee appointments shall be at the will and pleasure of the President and shall serve concurrent with the term of the appointing President, unless a different term is approved by the Board of Directors.
- c. It shall be the function of committees to make investigations, conduct studies and meetings, make recommendations to the Board of Directors, and to carry on such activities as may be delegated to them by the Board.

Section 2: **LIMITATION OF AUTHORITY**

- a. No action by any member, committee, division, employee, Director, or Officer shall be binding upon or constitute an expression of, the policy of the Chamber until it shall have been approved or ratified by the Board of Directors.
- b. Committees shall be discharged by the President when their work has been completed and their reports accepted, or when, in the opinion of the Board of Directors, it is deemed wise to discontinue the committee.

Section 3: **INTERNAL AUDIT COMMITTEE**

The purpose of the Internal Audit Committee is to annually review the organization's structure, functions, finances, and purpose and make recommendations to the Board for changes if needed. The Internal Audit Committee shall consist of three people, one of whom is an elected Director of the Board of Directors. Committee members shall serve for three years, with alternating terms so that each year one member retires out. No committee member shall have check signing authority. The Chair of the Internal Audit Committee shall report the committee's findings and recommendations to the Executive Board.

ARTICLE VII – FINANCES

Section 1: **FUNDS**

All money paid to the Chamber shall be placed in a general operating fund, unless specifically designated for another purpose by the Board. Such funds shall be kept on deposit in financial institutions and invested in a manner approved by the Board of Directors per the Investment Policy (See Addendum C).

Section 2: **DISBURSEMENTS**

The Executive Director, current President and current Treasurer shall be the only authorized signatories on all Chamber accounts. Additionally, paid full and part-time employees of the Chamber shall have check signing authorization for the Chamber Gift Certificate checking account only. Any check of \$500 or more shall require two (2) signatures. Upon approval of the budget, the Executive Director is authorized to make disbursements on accounts and expenses provided for in the budget without additional approval of the Board of Directors. However, disbursements for specific committee functions shall be approved by that committee chairperson.

Section 3: **FISCAL YEAR**

The fiscal year of the Chamber shall close on December 31.

Section 4: **BUDGET**

- a. As soon as possible after election of the new Board of Directors and Officers, the Executive Director and Treasurer shall propose a budget for the coming year and submit it to the Board of Directors for approval.
- b. At the December Board of Directors meeting the current Treasurer, in conjunction with the Executive Director, shall present a budget of estimated income and expenses to the Board of Directors for approval.

Lake Zurich Area Chamber of Commerce By-Laws

Section 5: ANNUAL FINANCIAL REVIEW

The accounts of the Chamber shall be reviewed annually as of the close of the organization's fiscal year by a certified accountant as required by law. The Internal Audit Committee may perform audits of Chamber accounts or programs at any time deemed necessary by the committee.

Section 6: BONDING

The Executive Director and such other Officers and staff as the Board of Directors may designate shall be bonded by a sufficient fidelity bond in the amount set by the Board of Directors and paid for by the Chamber.

ARTICLE VIII – PARLIAMENTARY PROCEDURES AND SEAL

Section 1: PARLIAMENTARY AUTHORITY

The current edition of Robert's Rules Of Order shall be the final authority in all questions of parliamentary procedure when such rules are not inconsistent with the charter or bylaws of the Chamber.

Section 2: SEAL

The Chamber may use a seal of such design as may be adopted by the Board of Directors.

ARTICLE IX – DISSOLUTION

Section 1: PROCEDURE

The Chamber shall use its funds only to accomplish the objectives and purposes specified in these bylaws, and no part of said funds shall inure, or be distributed, to the members of the Chamber. On dissolution of the Chamber, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors as defined in IRS Section 501 (c) (3).

ARTICLE X – AMENDMENTS

Section 1: REVISIONS

These bylaws may be amended or altered by a two-thirds (2/3) vote of the Board of Directors, or by a majority of the members at any regular or special meeting, providing the notice for the meeting includes the proposals for amendments. Any proposed amendments or alternations shall be submitted to the Board or members in writing, at least ten (10) days in advance of the meeting at which they are to be acted upon.

Adopted: November 14, 1989

Amended: January 12, 1993

Amended: April 6, 1995

Amended: June 2005

Amended: August 2011

Amended: December 2012

Lake Zurich Area Chamber of Commerce By-Laws

The undersigned members of the Lake Zurich Area Chamber of Commerce _____(year) Executive Board have read, understand, and agree to abide by the Articles and sections as put forth in these By-Laws.

President: _____

Past President: _____

Vice President: _____

Vice President: _____

Treasurer: _____

Advisory Council Chair: _____

Executive Director: _____

ADDENDUM A:

KEY FINANCIAL RESPONSIBILITIES AND SEGREGATION OF DUTIES

Account Reconciliation -----	Treasurer*
Annual Budget – Draft -----	Executive Director & Budget Committee
Annual Budget – Review -----	Executive Board
Annual Budget – Approve-----	Board of Directors
Annual Internal Audit -----	Internal Audit Committee
Investment Policies -----	Executive Board & Board of Directors
Balance Sheet-----	Treasurer*
Collection/Deposits-----	Executive Director*
Disbursement Checks – Draft-----	Executive Director
Disbursement Check – Review -----	Treasurer*
Disbursement Checks - Sign -----	Executive Director Treasurer* & President*
Financial Statements – Prepare -----	Executive Director
Financial Statements – Review -----	Executive Board
Financial Statements – Present -----	Treasurer
Financial Statements – Approve-----	Board of Directors
General Ledger – Maintain-----	Executive Director
General Ledger – Review-----	Treasurer & Executive Board
Gift Certificates – Sign-----	Executive Director*
Payroll/Vacation/Sick Time – Submissions-----	Executive Director
Payroll/Vacation/Sick Time – Maintenance/Check Issuance -----	Independent Consultant
Petty Cash Custodian-----	Executive Director*
Petty Cash Reconcile-----	Treasurer*
Policy Manual – Maintain -----	Executive Director
Policy Manual – Review-----	Internal Audit Committee, Executive Board & Board of Directors
Tax Preparation/Annual Financial Review-----	Independent Consultant
Trial Balance Review and Closing Entries-----	Treasurer*

* has official accountability, but may delegate

ADDENDUM B

LAKE ZURICH AREA CHAMBER OF COMMERCE
ADVISORY COUNCIL BY-LAWS

PURPOSE:

To establish and maintain an advisory group within the Chamber that is composed of Past Presidents, past Officers, past Directors, past Committee Chairs, and active members who have shown an on-going interest in the betterment of the organization. This body shall act as a resource to the current Executive Board in matters pertaining to current programs, future programs, procedures, policies and the general direction of the Chamber.

GOALS:

- a. To create and maintain a self-renewing resource pool of individuals who have proven their commitment to the Chamber and its purpose, goals and objectives.
- b. To act as an advisory group to the Executive Board on matters of current operating procedures and programs, the future direction of the organization and matters of public policy.
- c. To actively respond to requests made of it by the Executive Board and the Board of Directors and to report, via its chair, to the Executive Board, its activities on a monthly basis.

MEMBERSHIP:

- a. Membership in the Advisory Council is subject to the approval of the Chamber's Board of Directors, and is limited to individuals who, through their service to the Chamber over a period of no less than 10 years, as an Officer, Director, Committee Chair, and/or active member on a committee have demonstrated a positive, long term commitment to the Chamber.
- b. Each Immediate Past President, upon completion of his/her term as President, shall automatically become a member of the Advisory Council.
- c. The Chairperson of the Advisory Council shall be the second Past President of the Chamber. That individual will automatically assume the position of Chair of the Advisory Council upon his or her completion of his or her term as Immediate Past President.
- d. Should the Chairperson designate choose not to accept the position of Chairperson of the Advisory Council or if the Chairperson is unable to complete his/her term, the Advisory Council shall select from its membership a chairperson. This selection shall be subject to the approval of the Chamber's Board of Directors. A member of the Advisory Council cannot be the appointed Chair of that group if that council member's company has an active Officer or Director on the Chamber's Board of Directors.
- e. The Chair of the Advisory Council shall hold the position of Officer on the Executive Board of the Chamber and entitled to all of the rights and privileges of such a position.

Adopted: October 2002

Revised: May 2005

Revised February 2007

Revised December 2012

ADDENDUM C

**LAKE ZURICH AREA CHAMBER OF COMMERCE
INVESTMENT POLICY STATEMENT**

Purpose

The purpose of the Lake Zurich Area Chamber of Commerce (Chamber) Investment Policy Statement is to construct a process for managing daily cash flow and excess assets available for investment. In general, this statement outlines a philosophy and attitude that can guide the investment management of these assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. It is not expected that the Investment Policy Statement will change frequently.

Summary

Type of Accounts: All accounts held by the Chamber

Current Aggregate Fund Assets: \$ 127,750

Investment Objectives: Primary: Safety of Principal; Secondary: Conservative Income

Main Goal of Accounts: To earn reasonable short term interest rates for excess funds and current accounts.

Allowable Assets: Bank checking, savings, money markets, and certificates of deposit.

Portfolio Restrictions: All other financial and hard assets, eg., stocks, bonds, annuities, commodities, futures, and real estate (not including primary office location).

Maximum CD maturity is one (1) year.

Maximum CD investment per issue is \$97,000.

Acceptable Financial Institutions for Deposit: Active member financial institutions of the Chamber with minimum membership of three (3) years.

Responsibilities of the Board of Directors

The Board of Directors of the Chamber is charged with the responsibility of managing the organizations assets. The Board shall discharge its duties solely in the interest of the funds, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters would use.

Delegation of Authority

The Board of Directors of the Chamber is a fiduciary and is responsible for directing and monitoring the investment management of the organizations funds. As such, the Board is authorized to delegate supervision of these investment policies, objectives and guidelines to the Executive Board and Executive Director of the Chamber.

Investment Policy Review

The guidelines, objectives, financial status, and expectations as established in this statement of investment policy will be reviewed annually.