

LZACC 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 members and communities.

Section 3: LIMITATIONS OF METHODS

1. 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.
2. 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 and Long Grove.

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 business, 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.

Section 4: TERMINATION

1. Any member may resign from the Chamber upon written notice to the Chamber office.
2. Any member shall be expelled by the Board of Directors by a majority vote for nonpayment of dues after sixty (60) days from the date due, unless otherwise extended for good cause.
3. 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.
4. 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 or emailed to each member at least ten (10) days before said meeting.

Section 2: ADDITIONAL MEETINGS

1. 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.
2. Notice of special meetings shall be sent to each member at least five (5) days prior to such
3. 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
4. Committee meetings may be called at any time by the President, respective department Vice President, or by the Committee

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.

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

1. The Board of Directors shall be composed of up to thirteen (13) members, five (5) 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. 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 and Chair of the Advisory Council until a new President is elected.
2. No Chamber member business shall have more than one representative serving as a member of the Board of Directors at any given time.
3. The Board of Directors, at its discretion, may appoint ex-officio members to the 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

1. 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

1. At the beginning of July, solicitation for Board interest will be presented to the general
2. 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) non-board members.
3. 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, and additional candidates to fill vacated positions by directors moving to an officer's position. Each candidate must be an active member in good standing and must have agreed to accept the responsibility of a 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.
4. Publicity of Nomination. Upon Board approval 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.
5. 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 a petition shall be filed with the Nominating Committee no later than ten (10) business days after notice has been given of the names of those The determination of the Nominating Committee as to the legality of the petition(s) shall be final.
6. If no petition is filed within the designated period, the nominations shall be closed and the nominated



slate of 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 the required number of candidates only. The Executive Director shall send via electronic 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 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 candidates with the greatest number of votes, elected.

7. 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 members in good standing and 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

1. 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
2. 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 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.
3. 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
4. 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.

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.

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

1. 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.
2. 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 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.
3. 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
4. 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

1. 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.
2. Vice The duties of the Vice Presidents shall be such as assigned by the President.
3. The Treasurer shall be responsible for the safeguarding of all funds received by the Chamber and for their proper disbursement. The Treasurer shall work with the Executive Director to prepare a monthly financial report to be presented to the Board at the regularly scheduled meeting of the Board.
4. 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. The Past President shall also serve as the Chair of the Advisory The Advisory Council acts as a resource to the current Executive Board in matters pertaining to current and future programs, and the general direction of the Chamber at the discretion of the current Executive Board.
5. Financial Responsibilities of Chamber Officers shall be as documented in Addendum A: Key Financial Responsibilities and Segregation of Duties.

Section 5: EXECUTIVE DIRECTOR

1. 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 Executive Committee and cause to be prepared notices, agendas, and minutes of meetings of the board.
1. The Executive Director shall serve as advisor to the President and program committees and shall assemble information and data and prepare special reports as directed by the program of the Chamber.
2. The Executive Director shall be a non-voting member of the Board of Directors, the Executive Board and all
3. With the assistance of the 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.
4. The Executive Director shall be responsible for hiring, discharging, directing and supervising all employees.
5. 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, and the Executive Director. The President will serve as head of the Executive Board. A quorum shall consist of a majority of the entire Executive Board not just those present.

Section 7: ADVISORY COUNCIL

The purpose, goals and responsibilities of the Advisory Council shall be as documented in the Advisory Council Policies & Procedures Manual.

ARTICLE VI - COMMITTEES AND DIVISIONS

Section 1: APPOINTMENT AND AUTHORITY

1. The President, by and with the approval of the Board of Directors, shall appoint all committee chairs. The President may appoint such ad hoc committees and their leaders as deemed necessary to carry out the program of the Chamber.
2. Committee Chair appointments shall be at the will 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.
3. 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

Section 2: LIMITATION OF AUTHORITY

1. 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
2. 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: AUDIT COMMITTEE

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. 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.

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 Financial Policies & Procedures Manual.

Section 2: DISBURSEMENTS

The Executive Director, current President and current Treasurer shall be the only authorized signatories on all Chamber accounts. Any check of \$1,000 or more shall require two (2) signatures, with exception on the monthly rent check. 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.

Section 3: FISCAL YEAR

The fiscal year of the Chamber shall be January 1 to December 31.

Section 4: BUDGET

1. As soon as possible after election of the new Board of Directors and Officers, the Executive Director, Treasurer and incoming Treasurer shall propose a budget for the coming year and submit it to the Board of Directors for
2. 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 for the coming year to the Board of Directors for

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 the treasurer and the Executive Director. Should annual contributions be over



\$300,000, the Chamber must file an audited financial statement prepared by an independent CPA, as required by the State of Illinois. An Audit Committee may perform audits of Chamber accounts or programs at any time deemed necessary by the committee.

Section 6: BONDING / INDEMNIFICATION / INSURANCE

1. The Executive Director, Officers, Board of Directors and staff authorized to sign checks shall be bonded by a sufficient fidelity bond in such amount and manner as the Board of Directors deem necessary and shall be paid by the
2. The Chamber shall indemnify each current and former member of the Board of Directors, Executive Committee, and staff to the fullest extent of any and all 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
3. The Board of Directors shall maintain adequate Directors & Officers Liability insurance, General Liability, and other such insurance coverage as deemed necessary by the Board of Directors.

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 once a year 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: 11/1989 Amended: 1/1993 Amended: 4/1995

Amended: 6/2005 Amended: 8/2011 Amended: 12/2012

Amended: 12/2017 Amended: 06/2021

ACKNOWLEDGEMENT OF RECEIPT OF POLICY

I acknowledge that I have received and am responsible for following the LZACC By-Laws. I agree to abide by the Articles and sections as put forth in these By-Laws.

ADDENDUM A:

KEY FINANCIAL RESPONSIBILITIES AND SEGREGATION OF DUTIES

Account Reconciliation----- Treasurer*

Annual Budget - Draft----- Executive Director & Current and incoming
Treasurers



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

Payroll/Vacation/Sick Time – Submissions----- Executive Director

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

Balance Review and Closing Entries----- Treasurer*

* has official accountability, but may delegate

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Claire Slattery

Signed By Claire Slattery

Signed On: December 20, 2022

Signature Certificate

Document name: LZACC By-Laws

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