

RUMSON ENDOWMENT FUND, INC.
PO Box 202
RUMSON, NEW JERSEY 07760

MISSION STATEMENT

The Borough of Rumson has established the Rumson Endowment Fund, Inc. as an independent, community-based, non-profit 501 (c) (3) corporation, which seeks to set an example of community involvement in and support for the needs of the Borough of Rumson. The Rumson Endowment Fund seeks to assist the Borough Council by securing private sector resources and community support to provide for worthwhile capital improvements, annual and special community events, and purchases for the community to lessen the burden on the local taxpayers and to improve the quality of life for our residents.

BY-LAWS OF THE RUMSON ENDOWMENT FUND, INC.

ARTICLE 1 – NAME

The name by which the Corporation shall be known is “The Rumson Endowment Fund, Inc.”

ARTICLE 2 – PURPOSE

The purpose of the Rumson Endowment Fund shall be:

- a.) to encourage, solicit, seek and accept contributions of money and property, real and personal, tangible and intangible, restricted, designated or unrestricted, and to maintain, use and apply the whole or any part thereof (income or principal) to or for the benefit of the Borough of Rumson in ways accepted by the Mayor and Council of the Borough of Rumson;
- b.) to seek, and assist personnel of the Borough to seek grants, endowments and other contributions from individuals, corporations, foundations and local, state and federal governments, their agencies or commissions;
- c.) to use appropriate means consistent with the policies of the Borough Council to achieve the purposes of the Endowment Fund;
- d.) to carry on any activity and to deal with and expend any such property or income therefrom for any of the foregoing purposes, without limitation, except such limitations, if any, imposed upon the use of such property, or any portion thereof, by the donor, the Certificate of Incorporation, or any other limitation prescribed by law, provided: (a) that no activity shall be such as is not permitted by a corporation exempt from Federal Income Tax under Section 501 (c) (3) of the Internal Revenue Code of 1954 or any corresponding provision of the Internal Revenue Code, or as deductible under Section 170 (c) (2) of such Code; and (b) that the Endowment Fund shall not attempt to influence legislation by propaganda or otherwise, nor shall it intervene in, or participate in, any political campaign on behalf of any candidate for political office; and (c) that no part of the net earnings of the Endowment Fund shall go or inure to the benefit of any member, Director or private individual.

ARTICLE 3 – MEMBERS

Section 1 – Designation of Members

Membership in the Endowment Fund shall be limited to those persons constituting the Board of Directors of the Endowment Fund at any given time.

Section 2 – Other Classes of Members

The Directors may establish, change or abolish one or more other classes of members who shall have no voting power in the Corporation, but who may have other privileges of membership on such terms and conditions as the Directors may determine.

ARTICLE 4 – BOARD OF DIRECTORS

Section 1 – Authority

All corporate powers of the Endowment Fund shall be exercised by or under the authority of the Board of Directors, who shall be the “Trustees” described in N.J.S.A.15:1-7. The Board of Directors shall have the authority:

- a.) to elect new members of the Board; to elect a President, one or more Vice-Presidents, a Secretary and a Treasurer, all of whom will be elected at the Annual Meeting to serve a term of one year or until a successor is selected;
- b.) to contract and pay for services of consultants, lawyers, auditors, appraisers or other such experts as may be required at any time;
- c.) to decide whether or not to accept gifts and to decide under what conditions such gifts shall be accepted, while maintaining consistency with Endowment Fund purposes, objectives and intentions;
- d.) to pay all reasonable expenses in connection with securing contributions, grants, endowments, etc.;
- e.) to maintain necessary bank accounts to pay Endowment Fund expenses, which shall be determined by the Board;
- f.) to decide on appropriate means not specifically set forth in order to achieve the purposes of the Endowment Fund as set forth in the Mission Statement.
- g.) No Director shall have the authority to bind, or speak on behalf of, the Board of Directors, without specific authorization by the Board.

Section 2 – Number, Term of Office, Election and Qualifications

The number of Directors shall be comprised of an odd number, serving staggered terms, not less than five (5) members and not more than seven (7) members with the exact number to be fixed within said limits by the Board of Directors from time to time. Terms of office shall expire at the end of the Annual Meeting. Each Director shall serve for a term of three (3) years or until a successor is elected. At the end of the first year, and thereafter, a Director shall be elected each year at the Annual Meeting by a majority vote of the Directors then in office. Nominations for Director may be submitted by the Nominating Committee or by individual Directors.

Depending on the size of the Board, Elected Directors shall include no more than three members of the Borough’s Mayor and Council. The remaining members shall be chosen from among the residents of the Borough. The Borough Administrator shall be a non-voting Administrator of the Endowment Fund by virtue of his or her office.

Except as otherwise stated in these By-Laws, any vacancy occurring among the members of the Board of Directors shall be filled by a majority vote of the Directors then in office. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor. By a majority vote of the existing Board members, additional Directors may be elected, up to a full complement of Directors.

Section 3 – Resignation and Removal

Any Endowment Fund Director may resign at any time by written resignation filed with the President of the Endowment Fund. Any Endowment Fund Director may be removed from office with or without cause by the affirmative vote of two-thirds (2/3) of the Endowment Fund Directors.

Section 4 – Compensation

No Director shall receive, directly or indirectly, any compensation or expenses for his or her services as Director.

Section 5 – Meetings

The Annual Meeting of the Board of Directors shall be held prior to year end, at such date, time and place as the Board of Directors shall determine. In addition to the Annual Meeting, regular meetings shall be held as called for by the President or any two Directors.

Section 6 – Notice of Meetings

Notice of the Annual Meeting shall be given to the Directors at least ten (10) days before the meeting. Notice of regular meetings shall be given to the Directors at least ten (10) days before the meeting. Notice of any special meetings shall be given to the Directors at least 48 hours in advance thereof. The Board will comply with the provisions of the Open Public Meetings Act.

The notice requirements contained in these By-Laws may be waived in writing by the Director. All waivers shall be made part of the minutes of the meeting.

Section 7 – Quorum

The presence of more than one-half (1/2) of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board. The act of a majority of those present at any meeting, at which there is a quorum, shall be the act of the Endowment Fund, except as may be otherwise specifically provided by statute. Any Director may participate via telephone conference call. Should the call be terminated for any reason resulting in less than ½ of the membership of the Board being present, the meeting will be immediately closed and no further business will be conducted.

Section 8 – Voting

At every meeting, each elected Endowment Fund member shall be entitled to one vote in person. No “Voting by Proxy” is allowed.

Section 9 – Duality of Interest

A member of the Board of Directors having a conflict of interest or conflict of responsibility on any matter involving the Endowment Fund and any other business entity or person, shall refrain from voting on such matter. No member of the Board of Directors shall use such position for his or her own direct or indirect financial gain.

Section 10 – Special or Emergency Meetings

Any Board action required or permitted to be taken by the Board may be taken without a noticed meeting, if two-thirds (2/3) of all members of the Board shall consent in advance to such action in writing. Such written consent shall be made a part of the minutes of the proceedings. The proceedings will be considered a meeting and will have recorded minutes. Such action by written consent shall have the same force and effect as the same vote of the Directors at a duly noticed meeting.

ARTICLE 5 – OFFICERS

Section 1 – Officers

The Officers of the Endowment Fund shall be a President, one or more Vice-Presidents, a Secretary and a Treasurer, and such other officers as the Board may from time to time determine.

The Officers shall be elected at the Annual Meeting of the Endowment Fund Board of Directors from among the elected members of the Board of Directors and shall hold office for a one (1) year term or until their successors are elected. All Officers of the Endowment Fund shall hold their respective positions at the pleasure of the Board and may be removed by the Board of Directors with or without cause. Any Officer of the Endowment Fund may resign at any time by written resignation filed with the President of the Endowment Fund. In the event of death, disability, removal or resignation of any Officer of the Endowment Fund, the Board of Directors shall elect a successor to serve out his or her unexpired term. Replacement and/or removal shall take place at a duly noticed meeting of which a quorum of the Board of Directors is present, and require a 2/3 vote of the full Board of Directors for removal and replacement based on Article 4, Section 2 of these By-Laws.

Section 2 – President: Powers and Duties

Subject to the control of the Board of Directors, the President shall have general supervision of the affairs of the Endowment Fund. The President shall preside at all meetings of the Board of Directors and shall have such other duties as may be provided by the Board of Directors. The President shall serve as an ex-officio member of all committees, with the exception of the Nominating Committee.

Section 3 – Vice President(s): Powers and Duties

At the request of the President, or in the event of his or her absence or disability, the Vice-President (or Vice-Presidents in the order of designated seniority) shall perform the duties, and possess and exercise the powers of the President; and to the extent authorized by law, any such Vice-President shall have such other powers as the Board of Directors may determine and shall perform such other duties as may be assigned by the Board of Directors.

Section 4 – Secretary: Powers and Duties

The Secretary shall have charge of such books, documents and papers as the Board of Directors may determine and shall have custody of the corporate seal. The Secretary shall attend and keep the minutes of all meetings. He or she may, together with the President or any Vice-President, sign in the name of or on behalf of the Endowment Fund, and when so authorized or ordered by the Board of Directors, may affix the seal of the Endowment Fund (Borough). The Secretary shall, in general, perform all the duties incident to the office of Secretary subject to the control of the Board of Directors and shall do and perform such other duties as may be assigned by the Board of Directors.

Section 5 – Treasurer: Powers and Duties

The Treasurer shall have the custody of all funds, property and securities of the Endowment Fund, subject to such regulations as may be imposed by the Board of Directors. When necessary or proper, the Treasurer may endorse on behalf of the Endowment Fund for collection checks, notes and other obligations and shall deposit the same to the credit of the Endowment Fund as such bank or banks or depository as the Board of Directors may designate. The Treasurer shall sign all receipts and vouchers, and together with such other Officer or Officers, if any, as shall be designated by the Board of Directors, shall sign all checks of the Endowment Fund except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or by these By-Laws to some other Officer or agent of the Endowment Fund. All checks shall be co-signed by another designated officer of the Board of Directors. All checks will have one signature of an authorized Director and one signature of an authorized non voting member of the Board. The Treasurer shall make sure payments as may be necessary or proper to be made on behalf of the Endowment Fund and shall enter regularly on the books of the Endowment Fund, to be kept by him or her for that purpose, full and accurate account of all moneys and obligations received and paid or incurred by him or her for or on account of the Endowment Fund, and shall exhibit such books at all reasonable times to any Endowment Fund Director on application of the Officers of the Endowment Fund. The Treasurer shall submit an annual report at the Annual Meeting as well as such other reports as may be required by the Board of Directors from time to time. He or she shall, in general perform all the duties incident to the office of Treasurer, subject to the control and with the dollar limitations set forth by the Board of Directors.

ARTICLE 6 – COMMITTEES

Section 1 – Appointment

Except as otherwise stated in these By-Laws, the President shall appoint the members and designate the chair of any and all committees. Committees shall serve at the pleasure of the Board under such rules and regulations as the Board may approve.

Section 2 – Other Committees

The Board of Directors may create additional board committees and citizen advisory committees, as needed.

ARTICLE 7 – FINANCES

The Endowment Fund shall accept cash, checks, securities and services as qualified donations. Cash donations shall not be greater than \$10,000. All securities are to be sold upon receipt and the proceeds deposited automatically into the Fund's operating account.

Funds of the Endowment Fund shall be deposited in a bank under national or state supervision. The Board of Directors shall authorize an appropriate individual or individuals to sign negotiable instruments on behalf of the Endowment Fund.

There shall be an annual audit by an independent accounting firm (Borough Auditors) within ninety (90) days of the close of the fiscal year.

ARTICLE 8 – INDEMNIFICATION

Each Endowment Fund Director and Officer, whether or not then in office, and his or her heirs, executors, administrators and assigns, shall be indemnified by the Endowment Fund against all costs and expenses reasonably incurred by or imposed upon him or her, or his or her estate, in connection with or resulting from any action, suit or proceedings, civil or criminal, to which he or she, or his or her estate, shall or may be a party, or with which he or she or it shall or may be threatened by reason, directly or indirectly, of his or her being or having been a Director or Officer of the Endowment Fund, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for malfeasance, or gross negligence or criminal action in the performance of his or her duty as such Director or Officer. Each Endowment Fund Director and Officer shall also be indemnified against any costs or expenses reasonably incurred by or imposed upon him or her, or his or her estate, in connection with or resulting from the settlement of any such action, suit or proceedings in which such Director or Officer was not liable for malfeasance, gross negligence, or found guilty of criminal action in the performance of his or her duty as Director or Officer. The costs and expenses against which any such Director or Officer shall be indemnified shall be those actually paid for which liability is actually incurred, irrespective of whether such costs or expenses are taxable costs as defined or allowed by statute or rule of court. A Director or Officer shall not be deemed to have been liable for malfeasance or gross negligence in the performance of his or her duty as a Director or Officer as to any matter wherein he or she relied upon the opinion or advice of legal counsel selected by the Board of Directors or acting in any such matter for the Endowment Fund. Such rights or indemnification shall be in addition to any other right with respect to any such costs and expenses to which such Director or Officer may otherwise be entitled against the Endowment Fund or any other persons.

ARTICLE 9 - DISSOLUTION

Upon the dissolution or other termination of the Endowment Fund, no part of the property of the Endowment Fund or any of the proceeds shall be distributed to or inure to the benefit of any of the Directors or Officers of the Endowment Fund, but all such property and proceeds, subject to the discharge of valid obligations of the Endowment Fund, shall be distributed exclusively to federal, state or local governing bodies or to other charitable or educational organizations which then qualify under the provisions of Section 501 (c) (3) of the Internal Revenue Code and the Regulations as they now exist or as they may hereafter be amended.

ARTICLE 10 – MISCELLANEOUS PROVISIONS

Section 1 – Fiscal Year

The fiscal year of the Rumson Endowment Fund shall begin on January 1 and end on December 31 each year.

Section 2 – Rules of Parliamentary Procedure

Robert's Rules of Order, in its most recent edition at the date of its use, shall be the parliamentary authority for all matters of procedure not specifically covered by these By-Laws or by other specific rules of procedure adopted by the Directors of the Endowment Fund.

Section 3 – Amendments

The By-Laws of the Endowment Fund may be amended by two-thirds (2/3) vote of all the Endowment Fund Directors at an annual or regular meeting of the Board, provided written notice of the character of the proposed amendments shall have been given to the Directors at least twenty (20) calendar days before such amendment is voted upon. Such amendments shall be consistent with the purpose, objectives and intentions of the Endowment Fund. The Secretary of the Endowment Fund shall at all times keep in the office of the Endowment Fund a true copy of the By-Laws. The Municipal Clerk's office will serve as the office of the Endowment Fund unless and until changed by the Board of Directors.