

**BY-LAWS  
OF THE  
VIRGINIA RUGBY FOOTBALL CLUB**

**ARTICLE I  
Name, Geographic Area, and Affiliation**

**Section 1.1. Name.** The name of the organization shall be the Virginia Rugby Football Club (the "VRFC").

**Section 1.2. Affiliation.** The VRFC is a member of the Virginia Rugby Union (VRU) and the Mid-Atlantic Rugby Football Union (the "MARFU").

**Section 1.3. Geographical Area.** The geographical area shall be the area of the City of Charlottesville and Albemarle County, and such other areas as may be designated by the VRFC.

**ARTICLE II  
Tax Exempt Status**

**Section 2.1. Purposes.** The VRFC shall be operated exclusively for the purposes of fostering national or international amateur sports competition under Section 501(c)(3) of the Internal Revenue Code (the "Code"), or corresponding section of any future federal tax code, including, for such purposes and without limitation:

- (a) To teach and improve rugby skills in the Charlottesville area;
- (b) To promote team spirit through competitive games with other rugby clubs;
- (c) To provide athletic conditioning as well as promote a sportsman-like atmosphere on and off the field;
- (d) To recognize and promote the local, national, and international growth and interest of rugby.
- (e) To the extent consistent therewith, to conduct any or all lawful affairs, not required to be stated specifically in the Articles of Incorporation, for which nonstock corporations may be incorporated under Chapter 10 of Title 13.1 of the Code of Virginia, as amended.

**Section 2.2. Maintenance of Tax Exempt Status.** The VRFC is not organized and shall not be operated for pecuniary gain or profit. No part of the property or the net income of the VRFC shall inure to the benefit of or be distributable to any of its directors, officers or other private persons, except that the VRFC shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth herein. The VRFC shall not carry on propaganda, or otherwise attempt to influence legislation to such extent as would result in the loss of its exemption from federal income tax law under Section 501(c) of the Code. Notwithstanding any other provisions of these By-Laws, the VRFC shall not carry on any other activities not permitted

to be carried on by (a) any corporation exempt from Federal income tax under Section 501(c)(3) of the Code (or the corresponding provision of any future U.S. Internal Revenue Law); or (b) any corporation contributions which are deductible under Section 170(c)(2) of the Code (or the corresponding provision of any future U.S. Internal Revenue Code).

**Section 2.3. Payment of Liabilities and Distribution of Assets Upon Dissolution.**

Upon the dissolution of the VRFC, which may be authorized by the adoption of a resolution to dissolve by majority vote at a meeting of the Board of Directors, it shall, after paying or making provision for the payment of all liabilities of the VRFC, distribute, transfer, convey, deliver and pay all remaining assets of the VRFC to VRU or some other organization whose purposes are closely related to those of the VRFC, provided that the recipient must be an organization exempt from Federal income tax under Section 501(c)(3) of the Code (or the corresponding provision of any future U.S. Internal Revenue Law).

**ARTICLE III  
Membership**

**Section 3.1. Members.** Members shall be those persons who subscribe to the purposes of the VRFC, and who shall pay dues as required in Section 3.2 herein. Membership in the VRFC shall be open to anyone regardless of age, citizenship, color, disability, gender, race, religion, national origin, political affiliation, sexual orientation or status as a disabled veteran or veteran of the Vietnam era.

**Section 3.2. Dues.** Members shall pay dues in the Spring and Fall. The Executive Committee shall determine the amounts annually.

**Section 3.3. Classes of Membership.**

- (a) Active Member: Full dues, full voting privileges.
- (b) Alumni Member: Full dues, full voting privileges. Must have played for the VRFC for at least one full season and be in good standing with the VRFC.
- (c) Social Member: Reduced dues, non-voting privileges.

**Section 3.4. Member Duties.**

- (a) Active Members shall attend practices regularly.
- (b) All Members are expected to attend all scheduled outings.
- (c) All Members shall uphold all VRFC laws and rules of conduct.
- (d) Contingent upon fulfilling the aforementioned duties, Members are eligible to all rights and honors pertaining to that Membership Class, including, but not limited to: participation in matches, tournaments, scheduled outings and social activities.

**ARTICLE IV  
Board of Directors**

**Section 4.1. General Powers.** The property, affairs and business of the VRFC shall be managed and directed by its Board of Directors, as provided by chapter 10, Title 13.1 of the Code of Virginia (1950) (as amended). The Board of Directors shall set policy and perform the duties as set forth in the By-Laws. Each member of the Board of Directors shall be a voting member.

**Section 4.2. Directors.** The Board of Directors shall consist of the Officers of the VRFC as provided in Article V, the Match Secretary and the Captains as provided in Article VI, and the Chairpersons of the Standing Committees described in Section 7.1 herein.

**Section 4.3. Compensation of Directors.** Directors shall not be entitled to any compensation for their services as Directors or members of any committee of the Board of Directors.

## **ARTICLE V Officers**

**Section 5.1. Number and Election.** The officers of the VRFC shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time elect. The number of Vice Presidents, if more than one (1), shall be determined by the Board of Directors. Officers shall be elected by the Members at the Annual General Meeting (the "AGM") and shall serve as directors on the Board of Directors. The Officers shall take office immediately following their election at the AGM.

**Section 5.2. Term of Office.** Each Officer shall serve until the following AGM or until a successor shall have been chosen and qualified, or until his or her death, resignation or removal from office. There is no limit to the number of consecutive terms an officer may serve.

**Section 5.3. Removal.** Any Officer may be removed by a majority vote of the Board of Directors whenever in its judgment the best interest of the VRFC will be served thereby.

**Section 5.4. Vacancies.** A vacancy in any office resulting from any cause may be filled by any qualified person appointed by the Board of Directors, by majority vote, for the remaining portion of the term.

**Section 5.5. Compensation.** The Officers of the VRFC shall not be entitled to any compensation. Officers shall be allowed reimbursement for reasonable expenses incurred on behalf of the VRFC, as approved by the President and Treasurer.

**Section 5.6 Powers and Duties.** Except as hereinafter provided, the Officers of the VRFC shall each have such powers and duties as generally pertain to their respective office, as well as such powers and duties as from time to time may be conferred by the Board of Directors.

- (a) **President.** The President shall be the chief executive officer of the VRFC, shall be responsible for general and active management of the business of the VRFC, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President, with the Secretary or any other proper officer of the VRFC, shall have the power and authority to execute all contracts except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the VRFC. The President shall preside at all meetings of the VRFC, the Board of Directors, and the Executive Committee, and shall be an ex-officio member of all Committees. The President shall report for the Executive Committee at each meeting of the Board of Directors and for the Board of Directors at each AGM. The President, in conjunction with the Treasurer, shall be responsible for filing all reports, including, but not limited to, the annual report and submitting the annual fee to the Virginia State Corporation Commission. The President shall chair the Coach Selection Committee.
- (b) **Vice President.** In the absence of the President or in the event of the President's inability to act, the Vice President (or in the event there is more than one Vice President, the Vice President in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors. The Vice President shall sit as a member of the Coach Selection Committee.
- (c) **Secretary.** The Secretary shall keep the minutes and records of the meetings of the VRFC, the Board of Directors, and the Executive Committee. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors when required by these By-Laws, and shall perform such other duties as may be prescribed by the President or Board of Directors. The Secretary shall be responsible for ensuring that CIPP forms are collected and submitted for all Active Members. The Secretary shall be responsible for updating the VRFC By-Laws following the AGM and making it available to the Members. The Secretary shall sit as a member of the Coach Selection Committee.
- (d) **Treasurer.** The Treasurer shall have charge and custody of and be responsible for all funds of the VRFC and shall keep full and accurate accounts of receipts and disbursements in books belonging to the VRFC and shall deposit all monies and other valuable effects in the name and to the credit of the VRFC in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the VRFC as may be ordered by the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Executive Committee and the Board of Directors, at their regular meetings, or when the Board of Directors so requires, an account of all transactions by the Treasurer and of

the financial condition of the VRFC. The Treasurer shall assist the President in filing all reports, including, but not limited to, the annual report and submitting the annual fee to the Virginia State Corporation Commission. The Treasurer shall establish an annual budget that must be agreed upon by the Executive Committee before the first match of the year. The Treasurer shall be responsible for the collection of dues. In the case of the Treasurer's death, resignation, retirement, or removal from office, all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the VRFC shall be immediately returned to the possession of the VRFC. The Treasurer shall sit as a member of the Coach Selection Committee.

## **ARTICLE VI EXECUTIVE COMMITTEE**

**Section 6.1. Members and Powers.** The Executive Committee shall consist of the Officers of the VRFC, the Chairpersons of the Standing Committees described in Section 7.1 herein, the Match Secretary, and the Captains. The Executive Committee shall meet monthly, shall have and may exercise in the absence of specific directions by the Board of Directors any and all powers of the Board of Directors in the management and affairs of the VRFC including personnel matters. The Executive Committee, subject to the approval of the Board of Directors, shall establish all operational policies of the VRFC.

### **Section 6.2. Other Executive Committee Members.**

#### **(a) Match Secretary.**

1. Shall be responsible for scheduling the number of matches specified in the VRFC budget with area rugby clubs under the guidance of the President and Coach.
2. Shall secure the schedule for the season as early as possible.
3. Shall coordinate the game schedule with the VRU for the fall season.
4. Shall be responsible for submitting a copy of the schedule to all team members.
5. Shall be responsible for distributing directions to the VRFC for all away games/ tournaments.
6. Shall provide home pitch directions for all opposing teams.
7. Shall be responsible for hiring referees for all home games.
8. Shall be responsible for ensuring the reservation of a game pitch every home game, BEFORE the start of the season.
9. Shall report to the Vice President.

**(b) Captains.** There shall be at least one, but no more than two captains (Field Captain and Vice Captain), the selection of which shall not bound by positions/unit constraints.

1. Shall be nominated and voted on by the Active Members prior to first match of season.
2. Shall be responsible for leading the team on the field.
3. Shall report to the President.

**Section 6.3. Ratification.** Except as otherwise provided in these By-Laws, all actions of the Executive Committee must be ratified by the Board of Directors at its annual meeting.

## **ARTICLE VII COMMITTEES**

**Section 7.1. Standing Committees.** The VRFC shall have the following standing committees:

**(a) Recruiting Committee.**

1. Shall be in charge of recruitment for both seasons.
2. Shall be responsible for initial contact of all recruits and will have a welcoming package ready for each recruit. The package will include, but is not limited to: welcome letter, schedule, CIPP form and VRFC roster.
3. Shall be responsible for the upkeep of the VRFC roster and shall distribute the active roster to the VRFC at least two times per year (per email or hard copy, if requested).
4. Shall be responsible for all advertising, flyers and publicity of the VRFC, subject to the approval of the Executive Committee.
5. Shall be responsible for maintenance and appearance of the VRFC website.

**(b) Social Committee.**

1. Shall be responsible for the organization of all VRFC social events.
2. May solicit committee members and committee chairs to aid in planning of social events with the approval of the Executive Committee.
3. Shall work in close conjunction with the Treasurer to ensure funds are available for all social events.
4. Shall report to the Vice President.

**(c) Fundraising Committee.**

1. Shall be in charge of fundraising.
2. Shall work in close coordination with the Treasurer.
3. Shall submit monthly updates on fundraising/advertising projects to the Executive Committee.
4. Shall have all fundraising activities approved by the Executive

- Committee.
- 5. Shall report to the Treasurer.

**(d) Public Relations Committee.**

**(e) Sponsorship Committee.**

**(f) Alumni Committee.**

- 1. Shall be responsible for establishing and maintaining a VRFC alumni network.
- 2. Shall produce and update an active alumni roster, which shall be presented to the Executive Committee twice per season.
- 3. Shall produce a VRFC Alumni newsletter, which will inform alumni of the current status and achievements of the VRFC.
- 4. Shall report to the President.

**(g) Equipment and Fields Committee.**

- 1. Shall be responsible for ensuring that all training equipment is present at all training sessions.
- 2. Shall be responsible for the upkeep and repair of team uniforms.
- 3. Shall be responsible for the repair/replacement of any faulty equipment.
- 4. Shall work in conjunction with the Treasurer for payment of equipment.
- 5. Shall be responsible for design, production, marketing, maintenance, and sale of VRFC merchandise in conjunction with the Treasurer and Recruiting Chair.
- 6. Shall keep inventory of all equipment and merchandise.
- 7. Shall be responsible for securing and maintaining a practice pitch.
- 8. Shall be responsible for ensuring the game pitch is prepared, as per regulation, on game day, two hours prior to game time. This includes, but is not limited to: pitch lined, goal posts erected, pitch boundary established, match ball present plus reserve, and water.
- 9. Shall report to Treasurer.

**Section 7.2. Selection Committees.** The VRFC shall have the following selection committees:

**(a) Player Selection Committee.**

- 1. Shall consist of at least 5 members and must include, but is not limited to: Head Coach, Assistant Coach(es), Field Captain, Vice Captain, and a randomly selected Active Member.
- 2. In the event of multiple teams (i.e. a second or third side), the

- selection committee will be expanded to include Field Captain(s) of said teams, and any assigned Coaches to said teams.
3. In the event of a split decision, the Head Coach has the deciding vote.
  4. Shall be responsible for making team selections by the Thursday practice prior to each game.
  5. Shall take into account when making the game line-ups such factors as a player's attendance, participation, skill, talent, fitness and contribution to the team.
  6. Selections can only be made from those deemed eligible to play.
  7. Eligibility is based on the following criteria:
    - a. Dues must be paid as provided above.
    - b. Must have attended three out of the last four training sessions prior to the match or have an excuse that is approved by the Executive Committee.
    - c. No player may take the field with the first side without having fulfilled these two tasks.
    - d. Players who have completed one of these tasks are eligible for play on the second side.
    - e. Any player who has completed one of these tasks must be played before a player who has not completed any of these tasks.

**(b) Coach Selection Committee.**

1. Shall be responsible for selection of a suitable coach, as provided below.
2. Shall consist of all of the Officers as provided in Section 5.1.
3. Shall be chaired by the President.
4. Shall meet once per year, following the fall season and immediately after the AGM, to discuss the current coaching situation.
5. Shall work in conjunction with the Treasurer in deciding financial or other compensations.
6. Shall be responsible for drawing up a coaching contract to specifying: description of duties, expectations of coaching times, financial or other reimbursements, coaching assessments made and frequency of such assessments and any other issues relevant to the VRFC.

**Section 7.3. Ad Hoc Committees.** The President or a majority of the Board of Directors may designate one or more committees, which may consist of one or more Directors, Officers, or other persons. Any such committee shall provide recommendations for action to be taken by the President or voted upon by the Board of Directors on such issues and subjects as the President or Board may direct. The designation and appointment of any such committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or Officers, or an individual Director, of any responsibility imposed by law.

**Section 7.4. Chairperson.** The Members at the AGM shall elect a Chairperson of each Standing Committee.

**Section 7.4. Term.** All Chairpersons of the Standing Committees shall serve from the time of their appointment until the next AGM or until their successors have been appointed or until the work of the committee is completed. Whenever in the President's judgment, the best interest of the VRFC shall be served, the President may remove any Chairperson.

**Section 7.5. Quorum.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, the members of the committee present at any meeting shall constitute a quorum, and the act of a majority of the quorum present at the meeting shall constitute the act of such committee.

## **ARTICLE VIII GAMES AND PRACTICES**

**Section 8.1. Seasons.** VRFC shall have one Spring Season from February until June of each year and one Fall Season from August until November of each year.

**Section 8.2. Practices.** Practices occur Tuesdays and Thursdays at 6:30 p.m. Attendance at practices is required of all Active Members; however, extenuating circumstances may be considered by the Executive Committee.

**Section 8.3. Games.** There are regularly scheduled Saturday matches throughout both seasons.

## **ARTICLE IX MEETINGS**

**Section 9.1. Annual General Meeting of the VRFC.** The AGM of the VRFC, which is open to all Members, shall be convened once per year to report the general status of the VRFC, including, but not limited to, finances, membership and playing activities. The AGM will take place at the end of the Fall Season and will occur before the end of December. The AGM shall be held on a date set by the Board of Directors and at a time and place determined by the Board. Notice of such AGM shall be sent by mail, e-mail, facsimile or other means of written electronic communication to all members at least two (2) weeks before the date of the meeting. Reports shall be provided by each of the outgoing Officers. Incoming Officers, as well as the Match Secretary, shall be elected by the Members at the AGM.

**Section 9.2. Annual Meeting of the Board of Directors.** The Annual Meeting of the Board of Directors shall be held immediately following the AGM.

**Section 9.3 Regular Meetings of the Board of Directors.** In addition to the Annual Meeting, the President of the VRFC may call a meeting of the Board of Directors as

necessary. The Board of Directors may by resolution provide for the time and place of regular meetings, and no notice of such regular meetings need be given.

**Section 9.4. Executive Committee Meetings.** The Executive Committee shall meet monthly. A quorum of any Executive Committee meeting shall consist of those members present. The Board of Directors must ratify all actions of the Executive Committee for the previous year at the Board of Director's annual meeting.

**Section 9.5. Special Meetings.** Special meetings of the members may be called by the President or upon written request of a majority of the Board of Directors or upon written request of five (5) members of the VRFC. Notice of special meetings shall be sent by mail, e-mail, facsimile or other means of written electronic communication no less than two (2) weeks in advance. Such notice shall state the time, place and purpose of the meeting. Any member of the Board of Directors may execute a waiver of notice either before or after any meeting, and shall be deemed to have waived notice if he or she is present at such meeting.

**Section 9.6. Quorum.** At all meetings, a quorum shall consist of the members, Directors, or committee members present in person and entitled to vote. The act of a majority of those present at a meeting shall be the act of the members, the Board of Directors, or the committee, as the case may be, except as may be otherwise specifically provided by law, by the Articles of Incorporation, or by these By-Laws.

**Section 9.7. Action Without Meeting.** Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a majority of the Board of Directors or committee, as the case may be, consent thereto in writing, setting forth the action so taken, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as an affirmative vote of the Board of Directors or committee.

## **ARTICLE X Financial Matters**

**Section 10.1. Fiscal Year.** The fiscal year of the VRFC shall be the calendar year ending December 31.

**Section 10.2. Accounts.** All funds received by the VRFC shall be credited to the VRFC and placed in depositories approved by the Board of Directors. Separate bank accounts shall be maintained for:

- (a) Funds received for the future VRFC field.
- (b) All other monies received by the VRFC.

**Section 10.2. Authorized Signatures.** All checks drawn by the VRFC shall be signed by the Treasurer or other person authorized by the Board of Directors.

**Section 10.3. Funds.** The VRFC will offset its expenditures in three ways: Dues, Sponsorships, and Fundraising.

**(a) Dues.**

1. All members of the VRFC are required to pay dues.
2. Dues must be paid by the first match. Extenuating circumstances will be taken into account by the Executive Committee. In an extenuating circumstance, a down payment must be paid, with an arrangement made with the Treasurer for the rest to be paid in a reasonable time frame.
3. Dues are established by the Executive Committee as necessary to supplement the financial obligations of the VRFC.
4. Dues may be changed at the beginning of any season, but may not be changed throughout the duration of that season.

**(b) Sponsorship.**

1. Financial, as well as, merchandise sponsorships are available.
2. Sponsorships are reviewed on a case-by-case basis by the Executive Committee.

**(c) Fundraising.**

1. The VRFC is in the process of applying for tax-exempt status. Upon receipt of its tax-exempt status, donations to the VRFC from VRFC members and other members of the community will be tax deductible.
2. Fundraising events approved by the Executive Committee shall be conducted under supervision of the Fundraising Chairperson.

**Section 10.4. Expenditures of Funds.** For the Treasurer to release funds over \$100.00, the Treasurer must obtain approval from two Officers of the Executive Committee. Funds shall only be released for those requests deemed beneficial to the VRFC by the Executive Committee.

## **ARTICLE XI Coaches**

**Section 11.1. Purpose.** The purpose of the Coaches shall be, but is not limited to: teaching and improving rugby skills in the VRFC; promoting club spirit; providing a system of athletic conditioning; providing tactical instruction; and contributing to the overall betterment of the VRFC. Coaches shall do this in a professional manner and with the well-being of the VRFC always in mind.

**Section 11.2. Head Coach.**

- (a) Shall be nominated and elected by the Coach Selection Committee.
- (b) Shall meet all VRU and MARFU coaching guidelines.
- (c) Shall be a qualified Level I Coach or higher (or as mandated by VRU or MARFU), having played rugby extensively and having adequate coaching skills.
- (d) Shall be able to establish a professional working relationship with the team through the Captains.
- (e) Shall not be a member of the Executive Committee or the Board of Directors; however, upon invitation, he may attend Executive Committee meetings.
- (f) Shall be hired for a one-year term, to begin and end July 1.
- (g) Specific duties, responsibilities and payments shall be in accordance with the coaching contract to be agreed upon by the Coach Selection Committee.

**Section 11.3. Assistant Coaches.**

- (a) Shall be appointed by the Head Coach with the approval of the Coach Selection Committee.
- (b) Shall be able to establish a professional working relationship with the team.

**ARTICLE XII  
General Provisions**

**Section 12.1. Records and Right of Inspection.** The VRFC shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the AGMs and the meetings of the Board of Directors and Executive Committee. In addition, the VRFC shall keep at its principal office a list of the names and addresses of the Directors entitled to vote. Any Director, or his or her agent, may inspect all books and records of the VRFC, for any purpose at any reasonable time.

**Section 12.2. Parliamentary Authority.** The latest edition of Roberts Rules of Order shall govern the proceeding at all meetings of the Members and Board of Directors unless otherwise specified by the By-Laws.

**Section 12.3. Indemnification.** The VRFC shall indemnify, to the fullest extent permitted by the state law, and if applicable, Section 4941 of the Code of Virginia, any individual made a party to a proceeding because such individual is or was a Director of the VRFC, against liability incurred in the proceeding, if such individual acted in a manner such individual believed in good faith to be or not opposed to the best interest of the VRFC and, in the case of any criminal proceeding, such individual had no reasonable cause to believe such individual's conduct was unlawful.

**Section 12.4. Amendments.** Amendments to these By-Laws may be proposed by the majority vote of the Executive Committee or the Board of Directors. These By-Laws may

be amended by a two-thirds (2/3) vote of the members of the Board present and voting at any meeting, provided they have received ten (10) days' notice in writing of the proposed change(s). A copy of any proposed amendment(s) of the By-Laws, including any recommendations the Board of Directors may wish to make regarding the amendment, shall accompany the notice of the meeting.

### **ARTICLE XIII Conflict of Interest Policy**

**Section 13.1. Purpose.** The purpose of the conflict of interest policy is to protect VRFC's tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of VRFC or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Corporations.

#### **Section 13.2. Definitions.**

- (a) **Interested Person.** Any director, principal officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - 1. An ownership or investment interest in any entity with which VRFC has a transaction or arrangement,
  - 2. A compensation arrangement with VRFC or with any entity or individual with which VRFC has a transaction or arrangement, or
  - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which VRFC is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 13.3(b), a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

#### **Section 13.3. Procedures.**

- (a) **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) **Procedures for Addressing the Conflict of Interest.**

1. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Board of Directors or committee shall determine whether VRFC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in VRFC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) **Violations of the Conflicts of Interest Policy**

1. If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Section 13.4. Records of Proceedings.** The minutes of the Board of Directors and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest,

the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors's or committee's decision as to whether a conflict of interest in fact existed.

- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Section 13.5. Compensation.**

- (a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from VRFC for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from VRFC for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from VRFC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Section 13.6. Annual Statements.** Each director, principal officer and member of a committee with Board of Directors delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands VRFC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**ARTICLE XIV  
Certification of By-Laws**

**Section 14.1.** The undersigned, the Secretary of the VRFC, hereby certifies that the foregoing bylaws were adopted by the Board of Directors of the VRFC as of August 6<sup>th</sup>, 2009.

\_\_\_\_\_  
Secretary