

The University of Michigan Sailing Club
Constitution

Approved October 3, 2002

ARTICLE I

Name

This club shall be known as the University of Michigan Sailing Club, Inc.

ARTICLE II

Object

The object of this club shall be the advancement, encouragement, and improvement of yacht racing and the sailing sport, in all its phases, at the University of Michigan, and the promotion and development of the high ideals of the sport of yachting among the student body.

ARTICLE III

Membership

1. Voting membership shall be granted to any person (excluding dependents) upon application and payment of the specified dues.
2. Any person who is registered as a student at the University of Michigan for the current academic session (term or summer session), or who has registered for the immediately preceding session shall be considered a student. The faculty shall be considered as those persons holding academic appointments with the University. Children under 16 not attending boat school and not holding a rating are considered dependents.
3. Honorary memberships may be bestowed by a two-thirds vote of the club at a business meeting

ARTICLE IV

Dues

1. Any member who fails to pay his/her dues by the deadline following his/her paid-up period shall automatically cease to be a member.
2. Dues shall not be pro-rated or refunded.
3. The dues for each session shall be set by the Executive Board subject to the approval of the membership
4. Any application for membership submitted after the end of classes shall be considered an application for the following session.

ARTICLE V

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Participation in Sailing

1. Members shall take preference over non-members except during predetermined periods reserved for guests. Special races and regattas, as determined by the Executive Board, and special instruction and test periods shall take precedence over general sailing. Former members may engage in limited participation.
2. No person may be a guest more than twice in one year.

ARTICLE VI

Executive Board

1. The Executive Board shall consist of Commodore, Vice Commodore, Secretary, Treasurer, Fleet Captain, Racing Chairman, and Buildings and Grounds Chairman.
2. The Executive Board shall meet at least once each month.
3. At any meeting of the Executive Board, five members shall constitute a quorum.
4. (Section 4 was deleted, October 3, 2002)
5. The Executive Board shall have the responsibility of the general direction of the club and shall have power to transact ordinary business involving the activities, policies, and property of the club.
6. Meetings of the Executive Board may be called by the Commodore as he/she deems necessary, or upon request of two members of the Executive Board.
7. The Executive Board is authorized to spend money subject to the following restrictions:
 - (a) Expenditures that exceed the Operating Budget (see Article XII) and expenditures of \$300 or more for a single item require advance approval by a business meeting.
 - (b) For expenditures of more than \$100, Board members must obtain advance approval from the Executive Board.

ARTICLE VII

Officers

1. All officers of the club shall be elected at the annual election, to serve for the period of one year, beginning at the first meeting following the election. The membership can remove a person from office by a two-thirds majority of those voting at a business meeting.
2. **COMMODORE:** He/she shall preside at meetings, enforce the laws and regulations of the club, enforce the rules of any organization to which the club is responsible, and carry out the will of the Executive Board. He/she may act as the spokesman

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of the club, or he/she may delegate that authority. He/she shall be ex-officio member of all committees.

3. VICE COMMODORE: He/she shall substitute for the Commodore in his/her absence and shall assist him/her in the performance of his/her duties. He/she shall be responsible for sailing instruction and testing for the Crew, Helm, Skipper, and Sailboard ratings and shall keep written records of people who have passed tests.
4. SECRETARY: He/she shall send notice of meetings, keep minutes of the business meetings, records of the club's activities, and a secretary's notebook of useful information received by the club. He/she shall conduct the club's correspondence and post the schedule of rides to the lake. He/she shall make available to any member, upon request, a copy of the Constitution of the club.
5. TREASURER: He/she shall collect dues, keep financial records, handle the funds, pay all debts, file all tax returns in a timely fashion, and present quarterly reports to the membership at the first business meeting following the end of each quarter.
6. RACING CHAIRMAN: He/she shall be in charge of all intra-club racing and shall assist in regattas of which the club is host or sponsor.
7. BUILDINGS AND GROUNDS: He/she shall be responsible for the upkeep and maintenance of the buildings and grounds.
8. FLEET CAPTAIN: He/she shall be responsible for the maintenance of the fleet and its equipment.
9. Any officer may appoint assistants to aid him/her in his/her work.
10. Any officer missing three consecutive meetings without good cause shall be replaced at a special election by the membership at the next business meeting (see Article IX), with due notice being given.
11. The Executive Board may appoint officers to fill vacancies at any time.
12. Each year the Executive Board shall appoint a faculty advisor between one and two months after taking office.

ARTICLE VIII

Committees

1. The Commodore may appoint temporary committees as he/she deems necessary.
2. The Commodore shall also appoint temporary committees as directed by a majority vote of the membership at a business meeting (see Article IX).

ARTICLE IX

Meetings and Voting

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1. A quorum shall consist of 12 + (N/20) voting members. (N is the total number of voting members.)
2. No meeting shall be considered a business meeting unless a quorum is present. Written notice of a business meeting shall be mailed to all members at least fourteen days but no more than twenty-one days in advance. No business for which a business meeting is required may be considered unless notice of such business is given on the written notice for the meeting.
3. A business meeting may be called either by an announcement from the Executive Board or by a motion from the floor, with specification of the agenda, and with passage of the motion by a simple majority.
4. The annual election meeting shall be held during the fourth Thursday of October. The quorum required for the election shall be one-half the quorum required for a Business Meeting. Written notice of the election shall be mailed to all members at least fourteen days but no more than twenty-one days in advance.
5. Regular meetings shall be held weekly on Thursday evenings during the sailing season.

ARTICLE X

General

There shall be no alcoholic beverages on club property or in the boats, and no pets.

ARTICLE XI

Discipline

The Executive Board after a set hearing may suspend or expel any person from membership by a majority vote for conduct detrimental to the interests of the club.

ARTICLE XII

Financial Policies

1. Four funds shall be maintained in separate accounts: a Fleet Replacement Fund, a Capital Asset Replacement Fund, a Holding Fund, and an Operating Fund.
 - (a) The Fleet Replacement Fund shall consist of money set aside for the express purpose of replacing boats and sailboards. Money in this fund may also be used to refurbish boats and sailboards, if the cost of refurbishment is more than 20% of the cost of replacement.
 - (b) The Capital Asset Replacement Fund shall consist of money set aside for the acquisition, replacement, and major repair or refurbishment of capital assets, including the sailboats, sailboards, sails, outboard motors, buildings, docks, and grounds.
 - (c) The Operating Fund shall be used to cover all other club expenses, including all operating expenses and normal maintenance of capital assets.

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- (d) The Holding Fund shall serve as a depository for all revenues collected during one fiscal year.
2. The policies on maintaining these funds shall be as follows:
 - (a) At the beginning of each fiscal year, enough money shall be transferred from the Holding Fund to the Operating Fund to raise the balance of the Operating Fund to the amount required to cover the approved Operating Budget.
 - (b) After sufficient money has been transferred to the Operating Fund, all money left in the Holding Fund shall be transferred to the Fleet Replacement and Capital Asset Replacement Funds. The exact amount to be transferred to each fund shall be determined at the annual Financial Meeting (see below), but at least 75% of the balance remaining in the Holding Fund must be transferred to the Fleet Replacement Fund, because of the importance of the fleet to the continued operation of the club. Any money left in the Holding Fund after the approved transfer has been made shall be transferred to the Fleet Replacement Fund.
3. The fiscal year of the Club shall start on January 1.
4. The Executive Board shall develop and maintain a long-range forecast of the club's needs for replacement and refurbishment of the fleet and all other capital assets. This forecast shall include monitoring the amounts saved in the Fleet Replacement and Capital Asset Replacement Funds to determine whether the club is saving enough to meet its projected needs. The salvage value of any asset shall not be considered in planning for its replacement, except in the case of a trade-in.
5. An annual Financial Meeting shall be held for the purposes of informing the membership of the club's financial status and approving the next year's Operating Budget and the annual transfer of funds.
 - (a) The meeting shall be held three weeks before the annual election. The quorum required to approve the Operating Budget and transfer of funds shall be one-half the quorum required for a Business Meeting. Written notice of the meeting shall be mailed to all members at least fourteen days but no more than twenty-one days in advance.
 - (b) The Executive Board shall submit the following written reports:
 - i. A report which includes the balances of the Fleet Replacement, Capital Asset Replacement, Holding, and Operating Funds and a categorized summary of expenditures for the current fiscal year.
 - ii. A report projecting the needs of the club for fleet and asset acquisition, replacement, and refurbishment.
 - (c) The Executive Board shall prepare and submit an Operating Budget and a proposal for transferring money from the Holding Fund to the Fleet Replacement and Capital Asset Replacement Funds to the membership for approval.
 - i. The proposed Operating Budget shall include all estimated operating expenses plus a 10% cushion.

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- ii. The proposed funds transfer shall be based upon the Executive Board's forecast of the club's need for money in the Fleet Replacement and Capital Asset Replacement Funds.
- (d) The membership may approve the Operating Budget and the transfer of funds as submitted or may approve modified versions by a simple majority.
- 6. The use of money in the Fleet Replacement and Capital Asset Replacement Funds requires approval by five members of the Executive Board and by two-thirds of the members voting at a business meeting.
- 7. The Holding and Operating Funds shall be kept in separate federally-insured accounts. The Executive Board may deposit up to \$200 of the Operating Fund with UM to facilitate doing business with the University.
- 8. The Fleet Replacement and Capital Asset Replacement Funds shall be kept in separate federally insured interest-bearing accounts with four authorized signers. Three signatures shall be required to disburse money, subject to the following policies:
 - (a) One authorized signer shall be the Faculty Advisor.
 - (b) Three authorized signers shall be appointed by different Executive Boards to staggered three-year terms. Each authorized signer shall have been a club member for at least six years. Each Executive Board shall appoint an authorized signer and announce the appointment at the annual election. The authorized signer appointed shall take office at the start of the next fiscal year.
 - (c) A vacant authorized signer position shall be filled only by a special election at a business meeting. The membership may remove a person from an authorized signer position by a two-thirds vote at a business meeting.
 - (d) No authorized signer shall be a club officer.
 - (e) Authorized signers shall not furnish their signatures unless an expenditure has been properly authorized in accordance with this constitution. However, authorized signers do not have veto power over the use of the Fleet Replacement and Capital Asset Replacement Funds; when an expenditure has been properly approved, the authorized signers must furnish their signatures as required or vacate their offices.

ARTICLE XIII

Amendments

These By-Laws may be amended at any business meeting (see Article IX) of the club by a two-thirds vote, providing due notice of the proposed change is given.

ARTICLE XIV

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Corporate Registration

- a) The Club shall be registered as a non-profit corporation in accordance with Michigan law.
- b) The Executive Board shall file an annual report with the State of Michigan and take all other necessary steps to keep the club's corporate registration valid.
- c) Part of the club's corporate registration shall be a set of Articles of Incorporation registered with the State of Michigan and maintained according to the following policies:
 - d) The Articles of Incorporation shall be considered part of the Club Constitution. .
 - e) The Articles of Incorporation may be amended as described in Article XIII of the club Constitution.
 - f) The Secretary shall make a copy of the Articles of Incorporation available to any member upon request.

ARTICLE XV

Liability of Officers and Volunteers

The following article shall be included in the Articles of Incorporation to provide statutory protection to volunteer directors and non-director volunteers as set forth in the Michigan Non-Profit Corporation Act.

“Volunteer director” means a director who does not receive anything of value from the corporation for serving as a director other than reasonable per diem compensation for actual, reasonable, and necessary expenses incurred by a director in his or her capacity as a director.

“Nondirector volunteer” means an individual, other than a volunteer director, performing services for a nonprofit corporation who does not receive compensation or any other type of consideration for the services other than expenses actually incurred.

A volunteer director or officer of the corporation shall not be personally liable to the corporation or its directors for monetary damages for breach of the director's or officer's fiduciary duty. However, this provision does not eliminate or limit the liability of a director or officer for any of the following:

- a) A breach of the director's or officer's duty of loyalty to the corporation or its members;
- b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c) A violation of Section 551(1) of the Michigan Nonprofit Corporation Act, as amended;

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- d) A transaction from which the director or officer derived an improper personal benefit;
- e) An act or omission occurring before the date of incorporation; or
- f) An act or omission that is grossly negligent.

The Corporation assumes the liability for all acts or omissions of a volunteer director, volunteer officer, or nondirector volunteer, provided that:

- a) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- b) The volunteer was acting in good faith;
- c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- d) The volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Michigan Nonprofit Corporation Act.