

**Naval Historical Foundation Proposed Amended By-Laws  
For Consideration by Board of Directors and Members  
At 15 June 2013 Board and Annual Membership Meetings**

Summary of changes:

- a. Bring NHF into conformance with District of Columbia 2012 Nonprofit Corporation Act.
- b. Elaborate on intent of original 1926 mission.
- c. Update membership categories from five to seven.
- d. Increase maximum number of Board Members and Advisory Council Members from 20 to 25 each for future flexibility.

Text of Amended By-Laws:

**I. PURPOSE**

These by-laws of the Naval Historical Foundation replace those adopted at the 2011 annual meeting. The principal office of the Foundation is in Washington, DC, and the Foundation's meetings will be held there, unless otherwise agreed to by the Board of Directors.

**II. THE FOUNDATION**

*Mission: Since 1926 the mission of the Naval Historical Foundation has been, and remains to preserve and honor, and educate and inspire.* The Foundation is dedicated to preserving and honoring the legacy of those who came before us; passing this legacy on will serve to educate and inspire the generations who will follow. The Foundation raises funds for construction of museum exhibits; encourages students and teachers with educational programs, prizes, and fellowships; and works to ensure that America's great naval history is proudly remembered.

The Foundation is a Membership organization under the District of Columbia's Nonprofit Corporation Act of 2010.

**III. MEMBERSHIP AND MEETINGS**

***A. Membership***

Application for membership in the Foundation is open to individuals, families, organizations, and corporations sharing an interest in the Foundation's mission. There will be seven classes of membership: Student/Teacher, Individual, Family, Sustaining,

Organizational (such as corporations, associations, foundations), Life, and Patron. The dues and benefits for each class of membership will be as determined by the Board of Directors. An applicant's membership in the Foundation becomes active upon acceptance of an applicant's dues payment by the Foundation. Only those persons or entities that have paid dues that are current will be considered Members of the Foundation.

### ***B. Meetings***

An Annual Membership Meeting will normally be held in the second quarter of each calendar year. Special meetings may be called by the Board of Directors at any time. Additionally, the members may call a special meeting when more than 25 percent of the current members request such a meeting. The President, or the person that he or she designates, will be the Presiding Officer for all membership meetings. Members will be provided three weeks' notice of all Foundation meetings, unless exigent circumstances prevent such notice. The Board of Directors will inform the Membership of the nature of any exigent circumstances that prevent three weeks' notice. A minimum of 20 members will be a quorum necessary to conduct Membership business. A simple majority of those members present at a meeting is required to approve Membership business. Regardless of membership classification, each member shall have one vote.

## **IV. BOARD OF DIRECTORS**

### ***A. Board Membership and Election***

The Foundation will be governed by a Board of Directors of not more than twenty-five (25) members. Directors will be elected by the Foundation membership at Annual Membership Meetings, and Directors will be elected for three-year terms. Incumbent directors may be reelected to subsequent three-year terms, without limitation. Director terms will be staggered with a goal that approximately one-third of the Board will be elected or re-elected at each Annual Membership Meeting. No officer or director of the Foundation will receive any compensation from the Foundation for such service. Each director will review the Foundation's conflict of interest policy annually, and sign a compliance statement.

### ***B. Board of Directors' Authority***

The Board of Directors is charged with governance and oversight: establishing the policies of the Foundation, including oversight of the Foundation's operation in accordance with these policies and by-laws, including fundraising; the sustenance and growth of membership; and the general enrichment of the principles and objectives for which the Foundation was created.

### ***C. Board Officers and Vacancy***

The Board will include a Chairman, President, Vice-President, Treasurer, Secretary, and approximately twenty other Directors. Should any officer vacate his or her office (seat on the Board), the remaining directors may elect a replacement to serve until the next Annual Membership Meeting.

### ***D. Authority of the Chairman/Board of Directors' Meetings***

The Chairman will preside at meetings of the Board, and a simple majority of those currently serving on the Board will constitute a quorum necessary to conduct the business of the Board of Directors. A simple majority of Directors present may approve Board of Directors' business. If the Chairman cannot be present for a meeting, the Chairman may designate another Board of Directors officer to preside at a Board of Directors meeting. The Chairman will determine when the Board of Directors will meet. Routine meetings of the Board of Directors will normally be held during the second and fourth quarter of each year, but may be called by the Chairman at any time. The Chairman will give other Directors seven days' notice of a Board of Directors meeting, unless exigent circumstances prevent such notice. The Chairman will inform the other Directors of the exigent circumstances.

### ***E. Responsibilities of the Treasurer***

The Treasurer will receive, invest, and expend Foundation funds in accordance with guidelines approved by the Board of Directors, and on other occasions as authorized by the President. Any contract in excess of \$5,000.00 will, prior to signature by a Foundation representative, require approval of the Treasurer acting on behalf of the Board. Before the Annual Membership Meeting, a formal audit will be conducted by an independent auditor. The audit will be approved by the Board of Directors, and the findings will be reported by the Audit Committee chairman and included in the annual report, and in the minutes of the Annual Membership Meeting.

## **V. ADVISORY COUNCIL**

The Board of Directors may authorize an Advisory Council of up to 25 members. When authorized, members will be appointed by the Chairman. The Advisory Council will advise the staff, officers, and directors and will assist with strategic planning for the Foundation. The Advisory Council may provide counsel on any topic they consider worthy to advance the Foundation's mission, including items such as membership growth; fundraising; outreach; and services to Foundation members.

## **VI. EXECUTIVE DIRECTOR**

### ***A. Hiring and Supervision***

The Board of Directors may retain an Executive Director, charged with responsibility for the Foundation's day-to-day operations. The Executive Director will not be an officer of the Foundation. The Executive Director is responsible for the furtherance of the objectives of the Foundation as stated in the Articles of Incorporation, and as required by decisions of the Board of Directors. The President will supervise the Executive Director, and the Executive Director will report directly to the President.

### ***B. Role of the Executive Director***

The detailed responsibilities of the Executive Director will be set forth in a position description, approved by the President, and reviewed annually by the Compensation Committee. The Executive Director will be assisted by a professional staff to perform the functions of membership, including accounting; museum store operations; management of programs; development and fund raising; administrative support; and such other tasks as may be assigned by the President. The Executive Director will determine the size and compensation of the professional staff, subject to the oversight and approval of the President.

### ***C. Compensation of the Executive Director***

The Executive Director will receive an annual salary as authorized by the Board of Directors. The Compensation Committee will review the Executive Director's performance and responsibilities at least once per calendar year, and will advise the Board of Directors on the recommended compensation for the Executive Director. The Board of Directors will approve the Executive Director's compensation.

## **VII. COMMITTEES OF THE FOUNDATION**

The committees of the Foundation, and their duties, are as follows:

### ***A. Executive Committee***

Composed of the officers named in paragraph 4, above and such other directors as may be named by the President. The Executive Committee will be entitled to perform the duties of the Board of Directors at other than regular meetings of the Board as may be necessary.

### ***B. Finance Committee***

Composed of the Treasurer and such other members as are selected by the Treasurer and approved by the President. The Finance Committee will oversee the financial operations of the Foundation, and assist the Treasurer in setting financial policy.

### ***C. Audit Committee***

Composed of three Board members (who are not officers of the Foundation) selected by the President. The Treasurer will be an ex-officio member of this committee. The Audit Committee will oversee the annual audit of the Foundation's financial statements by an independent outside auditor. The Audit Committee will periodically review the contract with that outside auditor and recommend changing audit firms if deemed appropriate.

### ***D. Nominating Committee***

Composed of at least three officers selected by the President. The Nominating Committee will select candidates to fill vacancies among the officers and other directors for election during the Foundation's Annual Membership Meeting. The committee will meet prior to the annual meeting, and the Chairman will present the names of these nominees at the annual meeting. At the discretion of the Chairman, the Nominating Committee may be directed to provide input for officer or director vacancies that occur outside the election at the Annual Membership Meeting.

### ***E. Compensation Committee***

Composed of the President and Treasurer. This committee will annually review and approve the position description, salary and benefits of the Executive Director, and such other staff members as they deem appropriate.

### ***F. Other Committees***

The President may appoint other Committees, when the President determines that they are required.

## **VIII. DISSOLUTION OR TERMINATION**

In the event of dissolution or termination of the Naval Historical Foundation, no member, trustee, director or officer of the Foundation, or any other individual shall be entitled to share in the distribution of any of the corporate assets of the Foundation. Upon such dissolution or termination of the Foundation, the Board of Directors, at their sole discretion, will distribute the balance of assets, after payment of all legal obligations of the corporation, to any organization suited to carry on the Foundation's purpose. The Board of Directors will select only organizations that are tax-exempt under the Internal Revenue Code (26 U.S.C. 501(c)(3) (2009)).

## IX. AMENDMENT

These by-laws may be amended at any properly called Foundation Annual Membership Meeting. Only amendments submitted in writing to the Board of Directors will be considered. Such proposed amendments will be presented to the members for approval at the meeting following receipt and approval of such proposed amendments by the Board of Directors.

Submitted,

Charles T. Creekman  
Executive Director

Approved, in accordance with the Board of Directors' vote on \_\_\_\_\_, and the Annual Meeting vote on \_\_\_\_\_.

John T. Mitchell  
President

