

**BYLAWS
LOST DOGS RUN
Adopted 2-24-14**

ARTICLE I - Name and Purpose

Section 1 The **NAME** of this **CORPORATION** shall be **LOST DOGS RUN**, also known as **LDR**, a nonprofit Corporation, organized to do **ANIMAL RESCUE**. Hereafter, the term **RESCUE** and **LDR** refer to **LOST DOGS RUN**.

Section 2 The **MISSION** of **LOST DOGS RUN** is to promote the humane care and rescue of abandoned animals; in particular, to support volunteers willing to foster such animals through socialization and medical treatments to adoption. Additional goals are to promote spay and neutering of pets in order to reduce over-population while adopting a commitment to increase the public's support of abandoned animals and to educate the public to support legislation improving the welfare of companion pets. **LOST DOGS RUN** will not endorse or support euthanizing healthy animals with reasonable temperaments, including those who are elderly. This **RESCUE** will attempt to treat those that are sick and work to improve the temperament of those who are ill-tempered.

Section 3 The **PURPOSE** of **LOST DOGS RUN**:

- A. To do and perform such matters as are allowed by law for a tax exempt nonprofit Corporation, as defined in Article XI, and as may be reasonably convenient or necessary, to achieve the Mission for which the Rescue was organized as provided herein, provided that no part of Rescue funds shall be used to benefit any individual associated with the Rescue.
- B. To empower the Board of Directors to govern Lost Dogs Run and to acquire, lease/rent, purchase, own, operate, encumber, sell, and convey real or personal property for the use of the Rescue, and to obtain Rescue income from any accumulated funds to promote the purposes of the organization to the extent permitted for a tax exempt Corporation.

ARTICLE II – Directors

Section 1 **Directors:** Lost Dogs Run is a Non-Member Corporation with life-time Directors. The initial Directors are Ronald Keith Stoessell and Melissa Marcum, currently living in Murphy, Cherokee County, North Carolina, and David Michael Stoessell, in Austin, Travis County, Texas. Additional Directors can be appointed only by unanimous Agreement of all Directors at an Annual Meeting. Replacement of a Director can only occur by Written Resignation or Death of a Director with a Replacement decided by unanimous Agreement of the Remaining Directors.

ARTICLE III - Finances

Section 1 **Contributions:** The Rescue may receive, at the discretion of the Board of Directors, voluntary contributions in support of its Programs of Charitable Work for Animals. Such contributions can consist of paid cash invoices for the cost of helping an animal enrolled in Lost Dogs Run Programs, e.g., medical expenses. Contribution Records, in detail, must be kept and made available upon request to all Directors; however, disclosure of Donor's names requires their written approval.

Section 2 **Financial Statements & Summaries:** Shall be given by the Treasurer at each Annual Meeting in January and published on the web site along with the yearly 990 irs filing.

Section 3 **Fiscal Year:** The fiscal year-end of this Rescue shall be December 31st.

Section 4 **Yearly Audit:** The financial books of the Rescue shall be reviewed by the Board of Directors in detail at each Annual Meeting.

ARTICLE IV - Meetings, Elections, Quorum, Business, Records, Activities

Section 1 **Board Meetings:** Annual Board of Director Meetings, beginning in January, 2015, will be held to review the past year's activities and plan for the new fiscal year. The Annual Meeting will be called by the Secretary on Notice by the President. Issues Decided between Annual Meetings, require Unanimous Agreement of all Directors and can be Handled through Email.

Section 2 **Elections:** The initial President and Treasurer will be Ronald Keith Stoessell and the initial Vice President and Secretary will be Melissa Marcum. David Michael Stoessell will serve as Fundraiser Coordinator. A Director can fill up to two of the four officer positions. Changes in these positions among the Directors will be decided by Unanimous Agreement of all Directors at an Annual Meeting.

A Vacant Officer and/or Director Position, created by Resignation or Death, can be filled at the Annual Meeting and/or Between Annual Meetings by Unanimous Agreement of all remaining Directors.

Section 3 **Quorums:** All Directors will constitute a Quorum to conduct business at an official Annual Board Meeting. A Director can be physically absent but counted towards the Quorum by participating through electronic communications.

Section 4 **Business:** Majority vote of all Directors is necessary to pass motions by the Board

for ordinary business at the Annual Meeting and by unanimous agreement for special issues mentioned in Section 1 of Article II, Sections 1 and 2 of Article IV, in Article VII, and in Article X. Email can be used by an Absent Director to pass motions. Business conducted by the Rescue must advance the Purpose of the Rescue and Conform to Article XI.

Section 5 **Records:** The Secretary will keep Records of all Transcribed Business described in Article IV, available to all Directors upon Request. Additional financial and activity records will be published annually on the Lost Dogs Run Website at www.lostdogsrun.com as described in Sections 6 and 9 of Article V.

Section 6 **Activities: Among other rescue-related activities,** LDR will run a Fostered Rescue Animal Program (FRAP) for Fostering for up to one year to get Animals Ready for Adoption by (1) Socializing them with people and other animals, (2) House-Training, and (3) Providing Medical Care, including emergency care, heart worm treatment, spay and neuter, appropriate vaccines, deworming, flea and tick and heart worm preventives, all while (4) providing Humane Care for the Animal's living conditions. Animals cannot be tied up outside for periods longer than 4 hours. Fosters can be volunteers from the Public and by LDR Directors. Program Admission will be available for any Abandoned Animal, but will depend upon Available Funds and Require the Approval of a Director for a Volunteer Foster and the Unanimous Approval of all Directors for a Director Foster. All Animals Enrolled in the Program will be Posted on the LDR Website at www.lostdogsrun.com and their Story and Fate made a permanent addition to the Public Records of LDR on the Website.

ARTICLE V – Board of Directors

Section 1 **Authority:** The Board of Directors shall be responsible for the management of property and routine affairs of the Rescue, acting “ONLY” in accord with the Articles of Incorporation, the Bylaws, and appropriate North Carolina Statutes. For the Rescue to continue in existence, the condition set forth in Article X must be satisfied annually.

Section 2 **Financial Integrity:** No Director is allowed to gain financially from any transaction from which he or she would benefit. Inurement conditions are defined in Section 4 of **Article XI**. The Conflict of Interest Policy for this Rescue is given in Appendix A.

Section 3 **Board of Directors:** Members of the Board of Directors shall consist of all Directors.

Section 4 **Votes:** Each Director of the Board of Directors shall have one vote on matters before the Board. See Section 4 of Article IV for clarification on votes needed to

pass motions for ordinary business and for special issues.

Section 5 **Terms:** Directors and Officers serve for life or until resignation as a Director and/or Officer. See Section 1 of Article II for clarification on Director Replacement.

Section 6 **President:** The President shall be the Chief Executive Officer and Authorized Representative of the Rescue. The President must also be a Director. He or she shall preside at meetings of the Board. The President shall be kept current of all activities of the Rescue. The President will provide a detailed Annual Report describing the Annual Activities of the Corporation at the Annual Meeting which will be published on the Lost Dogs Run Website at www.lostdogsrescue.com.

Section 7 **Vice-President:** The Vice-President shall, in the absence or disability of the President, perform the duties of the President and act in his or her stead. The Vice President must also be a Director. The Vice-President shall be kept current of all activities of the Rescue. The VP shall also safe-keep the hard copy of the financial records of the Rescue.

Section 8 **Secretary:** He or she shall preserve the record of the minutes of the Annual Meetings of the Board of Directors and any Consensus Agreements by the Board of Directors on Issues occurring between Annual Meetings. The Secretary must also be a Director. He or she shall serve as Historian and keep pertinent information on the Organization. The minutes should be transcribed and distributed within 7 days of the Annual Board Meeting by email. With notification from the President, the Secretary shall set the date and call (through email, with 2 weeks notice) for the annual Board Meeting with an Agenda provided by the President. Notifications by email must be acknowledged by return email. The Secretary shall have custody of the Bylaws. The complete set of books and records shall be transferred to the succeeding Secretary for preservation.

Section 9 **Treasurer:** The Treasurer shall deposit all money, checks, and other obligations to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors. The Treasurer must also be a Director. The Treasurer shall disburse or direct the disbursement of the funds of the Rescue, keeping receipts for such disbursements. The Treasurer shall send appropriate thank-you letters to Contributors and keep a Summary of Donors. The Treasurer shall generally perform all duties incident to the position of Treasurer, subject to control of the Board of Directors. He or she shall render an Annual Statement of Income/Expense Transactions and distribute this to each Director at the Annual Meeting. This Annual Statement and the filed 990 Internal Revenue Service Form shall be published on the Lost Dogs Run Website at www.lostdogsrun.com.

Section 10 **Fundraising Coordinator:** The Fundraiser Coordinator will also be a Director and will coordinate Public Fundraising in LDR.

Section 11 **Committees:** The Board of Directors will establish committees in achieving the Mission of Lost Dogs Run. Each committee shall include at least one Director along with volunteers.

ARTICLE VI - General Provisions

Section 1 **Order of Business:**

The order of business at all board meetings, so far as possible, shall be as follows:

- A. Call to Order
- B. Roll Call (establish that a necessary quorum is present if votes are to be taken)
- C. Secretary will confirm all Board Directors have read the Proceeding Minutes and seek Approval of Minutes
- D. Treasurer's Report
- E. Reports of Committees
- F. Old Business
- G. New Business (see Article X)
- H. Adjournment

Section 2 **Publication Policy:** Material that is published or broadcast using the name or implied approval of Logan's Run Rescue, must have prior approval of a Director. The Annual Activities Report, Summary Treasurer's Report, and the filed 990 irs form will be published each year for public scrutiny on the Lost Dogs Run Website at www.lostdogsrun.com. These Publications will remain a Permanent Addition to the Public Records of LDR, maintained on the Website.

Section 3 **Remuneration:** Officers and Directors and Volunteers of this Rescue shall serve without remuneration, but may be reimbursed for expenses incurred while in service to the Rescue with approval from the Treasurer. Receipts for expenses should be submitted to the Treasurer for reimbursement.

Section 4 **Procedural items** not covered first by the Bylaws and Articles of Incorporation, or secondly, by the North Carolina and Federal statutes governing non-profit Corporations, and not addressed by procedures established by the Board of Directors, will follow Robert's Rules of Order.

ARTICLE VII – Amendment of Bylaws

The Bylaws can be Amended only during an Annual Board of Directors Meeting. The Secretary must notify the Directors of the Proposed Changes as described in Section 8 of **ARTICLE V**. During the Annual Board Meeting, the President will call for a vote by Directors on Bylaws. Changes to the Bylaws require Unanimous Approval by all Directors

ARTICLE VIII - Indemnification

The members of the Board of Directors of the Rescue shall be indemnified by the Rescue to the fullest extent permissible under the laws of the State of North Carolina.

ARTICLE IX - Immunity

The members of the Board of Directors of the Rescue shall not be personally liable for the debts, liabilities, or other obligations of the Rescue.

ARTICLE X - Dissolution of the Corporation

Dissolution of Lost Dogs Run will occur in the Absence of Unanimous Agreement of the Directors to Continue the Corporation, as the first order of New Business at each Annual Board of Directors Meeting. The assets of the Rescue will be distributed in accordance with Section 5 of **ARTICLE XI**.

ARTICLE XI - IRC 501 (c) (3) Non-Profit Purposes and Tax Exemption Provisions

- Section 1 **IRC SECTION 501 (c) (3) PURPOSES** This corporation is organized exclusively for one or more of the purposes as specified in Section 501 (c) (3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal revenue Code.
- Section 2 **SPECIFIC OBJECTIVES AND PURPOSES** The specific objectives and purposes of this corporation shall be to promote the public to help abused , abandoned, or injured domestic animals by the public, to educate and inform them as to the need for their support and assistance, and to promote spay and neuter of domestic animals when appropriate.
- Section 3 **LIMITATIONS ON ACTIVITIES** No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation [except as otherwise provided by Section 501 (h) of the

Internal Revenue Code]. And this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, or (b) contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

Section 4 **PROHIBITION AGAINST PRIVATE INUREMENT** No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 5 **DISTRIBUTION OF ASSETS** Upon the dissolution of this corporation, its assets remaining after payment or provision for payment, of all debts and liabilities of this corporation shall be distributed to the federal government, or to a state or local government, for a public purpose or to an organization or organizations qualifying as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Section 6 **PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS** In any taxable year in which this corporation is a private foundation as described in Section 509 (a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943 (c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945 (d) of the Internal Revenue Code.

ARTICLE XII - Construction and Terms

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by

such holding.

All references in these Bylaws to Articles of Incorporation shall be to the founding document of this corporation filed in the North Carolina Office of the Secretary of State and used to establish the legal existence of this corporation.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Appendix A

Conflict of Interest Policy for Lost Dogs Run

ARTICLE I – Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Rescue) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Rescue 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 organizations.

ARTICLE II – Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a.** An ownership or investment interest in any entity with which the Rescue has a transaction or arrangement,
- b.** A compensation arrangement with the Rescue or with any entity or individual with which the Rescue has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Rescue 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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III – Procedures

1. 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 governing board delegated powers considering the proposed transaction or arrangement.

2. 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 governing board 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.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board 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.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Rescue 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.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Rescue'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.

4. Violations of the Conflicts of Interest Policy

a. If the governing board 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.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV – Records of Proceedings

The minutes of the governing board 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 governing board'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.

ARTICLE V - Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Rescue 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 the Rescue for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Rescue, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI – Annual Statements

Each director, principal officer and member of a committee with governing board 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 the Rescue 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 VII – Periodic Reviews

To ensure the Rescue operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a.** Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b.** Whether partnerships, joint ventures, and arrangements with management organizations conform to the Rescue's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII – Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Rescue may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.