

**Rotary International Midwest President-Elect Training Seminar
Districts 6220, 6250, 6270, 6420, 6440, 6450 and 6460
Council Bylaws and Policy Statement
(As revised on August 12, 2014)**

Article I. INTRODUCTION

The Districts comprising Districts formerly associated with the Upper Midwest PETS Council, Northern Illinois PETS and Land of Lincoln PETS, represented by their respective District Governors Nominee ("DGNs") (2012-13) and a Past District Governor ("PDG") from each District, met in November 2010 to explore a merger of all of the respective Districts into one President Elect Training Seminar ("PETS") group. After considerable deliberation, and with the assistance of a Visioning team, seven of the Districts represented agreed in principle to promote within their Districts a merger of the three PETS councils and to continue organizing efforts with a goal of convening the first combined Multi-District PETS in the year 2012. This document is meant to be a guide and a record of the Midwest PETS' practices and procedures. Each year's District Governors Elect ("DGEs") have final responsibility for the program of Midwest PETS, and the Midwest PETS Council (hereafter "Council") exists to assist the DGEs in meeting their responsibility, as well as fostering continuity and cooperation from one year to the next. It is expected that attendance at Midwest PETS will enhance the inherent leadership abilities of the Rotarians selected to lead their Rotary Clubs with a thorough grasp of the basic fundamentals of a successful Rotary Club. For this document to be meaningful, it is necessary to review it on a continuing basis, and to make changes that are reflective of the current practices, while keeping a record of past procedures. Changes to this document shall be made as provided in Article 4, Section A, below. Throughout this Statement, when reference is made to a "PETS Year," it shall mean a period of approximately twelve (12) months, beginning on the final day of the PETS and ending on the final day of the PETS in the subsequent calendar year.

Article 2. PURPOSE

Rotary International mandates that Presidents-Elect attend Presidents-Elect training (see Manual of Procedure 2013, page 4 and Standard Rotary Club Constitution Article 10, Section 5 (c)). The Council recommends that Presidents-Nominee also attend. The purpose of the Presidents-Elect Training Seminar (PETS) is to provide appropriate, comprehensive and professional Rotary leadership training to all incoming club presidents and assistant governors in an atmosphere of fun, fellowship and inspiration, so that club presidents have the necessary skills, knowledge, and motivation to: (1) sustain and increase their clubs' membership base; (2) implement successful projects that address the needs of their community and communities in other countries; (3) support The Rotary Foundation through both program participation and financial contributions; (4) implement Rotary International's Strategic Plan in their respective clubs; and (5) become leaders capable of serving beyond the club level.

A multi-district seminar provides an opportunity to expose the Presidents-elect to a broader array of talents and experiences in how Rotary clubs operate. Among the advantages expected by the Council are:

- Largest possible attendance of Presidents-elect;
- Favorable budget through economies of scale;
- Ability to attract the best speakers and trained facilitators;
- Greater size meeting to generate maximum enthusiasm;
- A broader base for Rotary fellowship, networking and exchange of ideas;
- Enhanced exposure to the global reach of Rotary;
- Participants will learn leadership skills that they will carry beyond their year as club presidents.

Article 3. MEMBERSHIP

The Districts participating in the Council are Districts 6220, 6250, 6270, 6420, 6440, 6450 and 6460, located in Illinois, Wisconsin and the Upper Peninsula of Michigan. Each member District must agree, in writing, to participate not less than two (2) years in advance of the year in which their presidents-elect are to be trained. To be effective, the written agreement for each District must be signed by the Rotarians then holding the office of District Governor, District Governor-Elect and District Governor-Nominee, must be accompanied by payment of any applicable enrollment fee (as provided in Section F of Article VI, below) and must be accepted by the Council.

Any District wishing to join Midwest PETS must indicate in writing its desire to join and agree to the aforementioned stipulations of membership. Application must be made to the Council's Executive Committee (as defined in Article 4, Section B, below) prior to January 1. The Executive Committee will investigate and make recommendation to the full Council prior to March 1. The Council will vote to accept or deny the application of the new District during the Council meeting held on the final day of the PETS for its participation in the PETS to be held two years from the current year (i.e. election in May, 2012 refers to new District participating at PETS 2014). Addition of a new District requires approval by 75% of votes cast at the Council meeting.

Likewise, any District may terminate its participation in the Council by a written statement signed by the Rotarians then holding the office of District Governor, District Governor-Elect and District Governor-Nominee, delivered to the Council not less than two (2) PETS Years (prior to May 1) in advance of the year in which their presidents-elect are to be trained (i.e. termination statement delivered by May 1, 2012 releases a District from PETS 2014). A terminating District shall not be entitled to a refund of its enrollment or annual fee or a distribution of any part of the Net Assets of Midwest PETS.

Article 4. GOVERNANCE

Section A. The Council shall be made up of the Rotarians serving in the following positions in each PETS Year from each District: District Governor-Elect, District Governor-Nominee, and District Trainer. The District Governor-Elect from each District shall also select an additional member. The Council recommends that these Rotarians have interest and experience in areas of motivation, training, management and/or club organization and that these Rotarians be appointed for a term of two years, with successive terms permitted. The maximum number of voting representatives from each District shall be four (4). The Council Chair and Vice-Chair, Council Secretary, Council Treasurer and Lead Trainer (as defined in Section C of this Article 4) shall be non-voting members, except that the Council Chair may cast the deciding vote in the event that there is a tie vote. The said Council Officers will not count in each District's total of four voting representatives. Whenever in this Policy Statement reference is made to a Rotarian serving in an official Rotary position, (i.e., DG, DGE, DGN, DGN-D or AG), it shall refer to the Rotarian serving in such position in the then-current PETS Year.

The Council shall meet annually immediately following the PETS, on the first day of the PETS Year, and shall monitor and review the PETS and the venue, and confirm a date for the next Council meeting. In addition, the Council may recommend changes to the curriculum and may provide policy and procedure suggestions for the continuing improvement of the Council and the PETS. At the same meeting, the Council shall elect a Council Chair, Council Vice-Chair, Facilities Chair, Facilities Vice-Chair, Registration Chair, Registration Vice-Chair, Program Chair, Program Vice-Chair, Secretary and Treasurer and Lead Trainer, as the term of each such Officer expires (see Section C, below). The Council will also periodically review this Bylaws and Policy Statement and make suggestions necessary or desirable to keep this Statement current and reflective of the Council's policies and procedures.

Whenever in this Policy Statement an election or approval by the Council is required, the vote of a simple majority of the voting members in attendance at the meeting shall be determinative. For the meeting of the Council held on the first day of the PETS Year, a quorum shall consist of not less than one-third (1/3) of all Council members and not less than two Council members from each District. At any meeting of the Council or the Executive Committee, a Council or Executive Committee member may attend telephonically or by other electronic means of remote access, if the means for such communication are available and allow both the remote attendee and attendees in person to speak to and hear all other attendees. An amendment to this Bylaws and Policy Statement will require the affirmative vote (in person or by written proxy) of not less than sixty percent (60%) of the voting members of the Council.

Section B. The Executive Committee shall be made up of the Council Chair(s) (who shall also be the chair(s) of the Executive Committee), the Council Vice-Chair and the Officers, as set forth in Section C, below, and it shall be responsible for recommending policy and for nominating a slate of candidates for each of the Officer positions.

Section C. The Officers shall consist of the following: Council Chair, Secretary, Treasurer, Facilities Chair, Registration Chair, Program Chair and Lead Trainer. In consultation with the Council, the Officers are responsible for implementing the PETS, consistent with the goals and objectives set by the Council. It is the policy of the Council that the Officer positions shall be rotated among the participating Districts to the extent possible. The responsibilities and duties of each of the Officers are set forth below.

To assist the Officers and to promote continuity in the conduct of the PETS, the Council will also elect a Council Vice-Chair, Facilities Vice-Chair, Registration Vice-Chair, Program Vice-Chair and Assistant Lead Trainer, all of whom are within the definition of "Officer" as that term is used in this Bylaws and Policy Statement . The roles and duties of each are defined below.

1. Council Chair (or Co-Chairs): The Council Chair shall be elected to a two (2) year term by the Council. The Council Chair shall not be allowed to serve successive terms, but may serve multiple non-successive terms.

The Council Chair's responsibilities shall include, but not be limited to: Presiding over Council meetings; voting to break a tie; appointing up to three (3) attendees, per year to the Multi-District PETS Alliance; coordinating, monitoring, and facilitating all Council activities and speaker arrangements; establishing the Council roster; and being responsible for the evaluation of the chairs and PETS (surveys, survey analysis, etc.).

A Council Vice-Chair shall be elected simultaneously with the Council Chair to a two (2) year term by the Council. It is the Council's expectation of the Council Vice-Chair that he or she shall succeed to the office of the Council Chair upon the expiration of the term of the Council Chair with whom the Vice-Chair is serving. The Council Vice-Chair shall not be allowed to serve successive terms, but may serve multiple non-successive terms. During his or her term of office, the Vice-Chair will assist the Council Chair in the performance of the duties of the Council Chair as identified above.

2. Council Secretary: The Council Secretary shall be elected to a two (2) year term by the Council. The Council Secretary shall be allowed to serve no more than two successive terms, but may serve multiple non-successive terms.

The Council Secretary's responsibilities shall include, but not be limited to: recording, preserving, and distributing the minutes of all Council meetings; preparing and sending meeting agendas in advance of each meeting; maintaining and updating the Council roster; and obtaining and maintaining a current Presidents-Elect roster.

3. Council Treasurer: The Council Treasurer shall be elected to a two (2) year term by the Council. The Council Treasurer shall be allowed to serve successive terms and shall be bonded with the cost thereof to be paid by the Council.

The Council Treasurer's responsibilities shall include, but not be limited to: maintaining the checkbook; paying expenses as provided in the Council annual budget or as otherwise approved by the Council; maintaining and preserving all financial statements, records and reports; chairing the Budget Committee; presenting the financial statements and a budget at the August meeting; presenting the annual report and the finalized budget at the November meeting; and presenting a proposed registration fee at the November meeting. It is recommended that the person serving as Council Treasurer have a degree in accounting.

It is recommended that, whenever possible, an Assistant Treasurer be elected to serve for at least the final year of the term of the Treasurer, with the expectation that the Assistant Treasurer so elected will thereafter serve as Treasurer. In the absence of an elected Assistant Treasurer, the Treasurer, with the consent of the Executive Committee, may appoint an Assistant Treasurer to serve during all or part of the term of the Treasurer.

4. Facilities Chair: The Facilities Chair shall be elected to a two (2) year term by the Council. The Facilities Chair shall be allowed to serve successive terms.

The Facilities Chair's responsibilities shall include, but not be limited to: making all facilities arrangements for the Council meetings, including, but not limited to, meals, audio/visual equipment and meeting room for the Council meetings; and, in consultation with the Program Committee, making all facilities arrangements for the PETS, including, but not limited to, room blocks, VIP rooms, meals, assigning sergeants at arms, hospitality check-in, training rooms, large meeting room, meal room, audio/visual equipment, etc. The Facilities Chair may, with the consent of the Council, contract for a facility (hotel, convention center or resort) for a term exceeding one PETS Year, even if such term extends beyond the term of the elected term of the Facilities Chair. Notwithstanding the foregoing, the location of the PETS shall be in the Chicagoland area, at an appropriate facility approved by the Council.

The Facilities Chair may, in his or her discretion, form committees and make committee assignments to assist the Facilities Chair in the performance of his or her responsibilities.

It is recommended that, whenever possible, a Facilities Vice-Chair be elected to serve for at least the final year of the term of the Facilities Chair, with the expectation that the Facilities Vice-Chair so elected will thereafter serve as Facilities Chair. In the absence of an elected Facilities Vice-Chair, the Facilities Chair, with the consent of the Executive Committee, may appoint a Facilities Vice-Chair to serve during all or part of the term of the Facilities Chair.

During his or her term of office, the Vice-Chair will assist the Facilities Chair in the performance of the duties of the Facilities Chair as identified above.

5. Registration Chair: The Registration Chair shall be elected to a two (2) year term by the Council. The Registration Chair shall be allowed to serve successive terms.

The Registration Chair's responsibilities shall include, but not be limited to: managing all registration activities and promotion; maintaining the registration website; obtaining, maintaining, and updating the attendance roster; and supervising on-site registration activities and materials.

The Registration Chairman shall provide periodic updates to the District Governors-Elect and District Governors-Nominee reporting the participants as they register. It is the responsibility of the District Governors-Elect and District Governors-Nominee to ensure that the Presidents-Elect and Presidents-Nominee register.

The Registration Chair may, in his or her discretion, form committees and make committee assignments to assist the Registration Chair in the performance of his or her responsibilities.

It is recommended that, whenever possible, a Registration Vice-Chair be elected to serve for at least the final year of the term of the Registration Chair, with the expectation that the Registration Vice-Chair so elected will thereafter serve as Registration Chair. In the absence of an elected Registration Vice-Chair, the Registration Chair, with the consent of the Executive Committee, may appoint a Registration Vice-Chair to serve during all or part of the term of the Registration Chair.

During his or her term of office, the Vice-Chair will assist the Registration Chair in the performance of the duties of the Registration Chair as identified above.

6. Program Chair: The Program Chair shall be elected to a two (2) year term by the Council. He or she shall oversee a committee which consists of the DGEs from each participating District and the Lead Trainer. The Program Chair shall not be allowed to serve successive terms, but may serve multiple non-successive terms.

The Program Chair's responsibilities shall include but not be limited to: assisting and guiding the DGE's in developing, approving and presenting the PETS program; selecting proposed speakers for the PETS (including TRF representative); developing with the Lead Trainer and offering to the DGE's and their respective trainers suggested pre-PETS programming; and working together with DGE's and the Lead Trainer to establish the formats for and presentation of the joint sessions. In addition, the Program Chair will

work with the Facilities Chair and the Council Chair to manage all support functions for the plenary and break-out sessions and for speakers.

In developing and presenting the PETS, the Program Chair, with the approval of the Program Committee, shall (1) extend written invitations to speakers and coordinate their speaking schedules; (2) send written thanks to guest speakers and others as appropriate; and (3) ensure that all speakers' expenses are vouchered and submitted to the Council Treasurer for timely reimbursement.

The Program Chair may, in his or her discretion, form sub-committees and make committee assignments to assist the Program Committee in the performance of its responsibilities.

The Program Vice-Chair shall be elected simultaneously with the Program Chair to a two (2) year term by the Council. It is the Council's expectation of the Program Vice-Chair that he or she shall succeed to the office of the Program Chair upon the expiration of the term of the Program Chair with whom the Vice-Chair is serving. The Program Vice-Chair shall not be allowed to serve successive terms, but may serve multiple non-successive terms. During his or her term of office, the Vice-Chair will assist the Program Chair in the performance of the duties of the Program Chair as identified above.

7. Lead Trainer: The Lead Trainer shall be elected to a two (2) year term by the Council. The Lead Trainer shall not be allowed to serve successive terms, but may serve multiple non-successive terms.

The Lead Trainer shall be responsible for appointing the "Club Size" trainers; assigning discussion leaders (except for the Foundation Team, if they are asked to present), and classrooms for all sessions; developing the curriculum; delivering RI training materials, as needed; and working with district trainers to assist them in acquiring those essential skills required for the district trainers to facilitate training for the leaders in their respective districts. It is anticipated by the Council that the Lead Trainer and district trainers will engage the services of such speakers, discussion leaders, and facilitators as may be required to successfully conduct the break-out sessions for the Presidents Elect.

The Assistant Lead Trainer shall be elected simultaneously with the Lead Trainer to a two (2) year term by the Council. It is the Council's expectation of the Assistant Lead Trainer that he or she shall succeed to the office of the Lead Trainer upon the expiration of the term of the Lead Trainer with whom the Assistant Lead Trainer is serving. The Assistant Lead Trainer shall not be allowed to serve successive terms, but may serve multiple non-successive terms. During his or her term of office, the Assistant Lead Trainer will assist the Lead Trainer in the performance of the duties of the Lead Trainer as identified above.

Section D. Elections. The Council shall conduct an election of Officers which shall held be during the Council meeting held on the final day of the PETS (no later than to March 15). Each voting member of the Council shall be entitled to one vote for each position and the nominee receiving the most votes shall be declared the winner, whether or not he or she receives a majority of the votes cast. If more than one person is nominated for a position, the Council Chair may require a written ballot.

The Executive Committee members shall communicate with each other at least ninety (90) days prior to the PETS and prepare a slate of nominees for each Officer and each Council or Committee Vice-Chair and Assistant Lead Trainer to be elected (the "Slate"). The Executive Committee shall ensure that the Slate meets all Bylaw and policy requirements. Not less than sixty (60) days prior to the PETS, the Executive Committee shall forward the Slate to all voting members of the Council for the next PETS Year. Any Council member may submit, in writing to the Executive Committee, not less than thirty (30) days before the PETS, additional names for any Officer position. The slate of nominees, including any added by Council members, as above provided, shall be provided to all Council members at least ten (10) days before the PETS.

The election for Council Vice-Chair to serve as Council Chair for the 2015-2016 and 2016-2017 PETS was conducted during the Council meeting held on the final day of the PETS in March 2014 and a successor Council Chair shall be elected every other year thereafter. The Council Vice-Chair shall serve as a non-voting member on the Council immediately upon election. A Council Vice-Chair shall be elected each time the Council Chair is elected.

Election for the Secretary, Facilities Chair, and Registration Chair shall occur at the same Council meeting held on the final day of the PETS at which the Council Chair is elected.

Election for the Treasurer, Program Chair and Lead Trainer shall occur during the Council meeting held on the final day of the PETS in those years in which a Council Chair is not elected.

In the event that any person serving as an Officer resigns, is removed from office, or is unable to perform his or her duties for any reason, the Council Chair, in consultation with the Executive Committee, shall appoint a successor to fill the remaining term of such Officer, subject to the approval of the Council. If such officer has a duly-elected successor (i.e., Vice Council Chair, Vice Committee Chair or Assistant Lead Trainer), the successor shall be preferred to fill the remaining term. In the event that any person serving as Vice Council Chair, Vice Committee Chair or Assistant Lead Trainer resigns, is removed from office, or is unable to perform his or her duties for any reason, the Council Chair, in consultation with the Executive Committee, shall appoint a successor to fill the remaining term of such Officer, subject to the approval of the Council.

Article 5. PROGRAM

The PETS program shall be developed by the Program Committee and submitted to the Executive Council for its review and approval annually, on or before October 1. A final program shall be approved and sent to the full Council on or about October 21 for approval at the fall (November) Council meeting. Each DGN shall be given an opportunity to provide his or her input on the content and focus of the PETS program; however, the Council and the Executive Committee recognize that a multi-district PETS may require compromise and in the event of differing opinions, all such matters relating to the PETS program shall be determined by a majority vote of the Council. The PETS program will be sent to the participating districts on or before December 31 of each year.

The Council has identified six core areas to be covered by PETS: Leadership and Volunteer Management; Club Operations; Club Meetings; Membership Recruitment and Retention; The Rotary Foundation; and Programs of Rotary. In addition, the program shall provide not less than two (2) sessions and not less than three (3) hours for DGEs to meet with their respective Presidents-Elect, DGs, AGs, DGNs and District leadership team.

It is recommended that there be a Presidents-Elect roundtable, with discussion groups organized by club size, to provide an opportunity for Presidents-Elect to discuss management and leadership issues and concerns with others in clubs of similar size, with trained facilitators to assist.

Article 6. FINANCES

The Council has as its sources of revenue to fund its budget the amounts charged as Club Expenses and District Expenses and fees, if any, received from approved vendors at PETS.

Section A. Club Expenses Except for District Expenses, as provided in the paragraph below, the registration fees for Presidents-Elect will be assessed to the clubs at a rate sufficient to cover the Council's expenses, as described in the remaining paragraphs of this Article 6. The Presidents Elect registration fee for the PETS Conference shall include all meals, all materials, breaks, printing, postage and Council administrative expenses, as reasonably determined by the Council. The fee for the Presidents-Nominee, the spouse/ partner of a registrant, Assistant Governors, and all other attendees shall be established by the Facilities Chair, and approved by the Council. The Council Treasurer will bill each district for the Presidents Elect as soon as budgeting is finalized, but no later than October 1. The registration fee for the President–Elect shall be billed by each district to its clubs immediately upon receipt of the billing from the Council. It is the responsibility of each district to collect the fee charged to the clubs and to pay the entire amount billed to the district on or before November 1 preceding the PETS. Any District that does not pay its registration fees on or before November 1 will be

charged interest at the rate of 12% per annum from November 1 to the date of payment. Each District shall determine its policy with respect to the registration fees and expenses for attendance at the PETS by its Assistant Governors and the Presidents-Nominee. Each Club President-Elect, Assistant Governor and President-Nominee is responsible for his or her room and travel expenses and for the fees for his or her spouse or partner. For each registrant, his or her registration will not be considered complete until the Council Treasurer has received the registration fees from the district or registrant, as the case may be.

Section B. District Expenses. The Council expects that each participating District will pay the expenses described in the remaining paragraphs of this Article 6, attributable to its respective Council members and any Assistant Governor, District Governor Nominee-Designate, Past District Governor and/or Assistant District Trainer who attends PETS, a Council meeting or the PETS Alliance, but is not a designated Council Member. In addition to the registration fee for each club, each district shall pay to the Council an annual fee for its membership in the Council, determined annually by the Council. The annual fee per district shall be the amount, if any, necessary to restore the reserve referred to in Section F of this Article VI. In the event that the reserve exceeds the amount necessary to reasonably anticipate the costs for the following year, the Council, in its discretion, may refund the amount in excess of the desired reserve to the member districts proportionately.

Section C. PETS. The following is the Council policy with respect to income and expenses related to PETS: The Council shall pay for the *travel expenses (reimbursed at IRS charitable rates)* hotel accommodations, registration fees and meals for the Council Chair (co-chairs for 2014-15), *Council Vice-Chair*, Council Treasurer, Council Secretary and the Facilities, Registration and Program Chairs *and Vice-Chairs* and the Lead Trainer *and Assistant Lead Trainer* (as defined in Article 4, above). All of the above-named persons shall be responsible for the expenses for their respective spouse or partner. The Council shall pay for the registration fees and meals for the Council members (as defined in Article 4. above); Council members shall be responsible for hotel accommodations and travel expenses for themselves and their respective spouse or partner and for the meals for their respective spouse or partner. Notwithstanding the foregoing, member districts may pay all or any of the foregoing expenses for their Council members. *The Council recommends that the Districts provide mileage reimbursement for Council members at IRS charitable rates.*

The Assistant Governors shall be responsible for registration fees, meals, hotel accommodations and travel expenses for themselves and their respective spouse or partner and the meals for their respective spouse or partner. Notwithstanding the foregoing, member districts may pay all or any of the foregoing expenses for their Assistant Governors. *The Council recommends that the Districts provide mileage reimbursement for Assistant Governors at IRS charitable rates.*

The Council shall pay for the hotel accommodations, registration fees and meals for invited speakers and other invited guests, and shall reimburse travel expenses for invited speakers and other invited guests, upon the Council Treasurer's receipt of a detailed expense report for reimbursement. *It is the policy of the Council to reimburse mileage at IRS charitable rates and/or air fare for coach class air travel.*

The Council shall obtain and pay the premium required for a policy of cancellation insurance to insure against loss in the event that the PETS is cancelled or postponed for any reason. Vendors shall be permitted at PETS by invitation only. The Council reserves the right to charge a fee to Vendors.

The Council shall annually conduct and pay for a review of the financial statements of the Council by an independent accountant.

Section D. Council Meetings. The following is the Council policy with respect to expenses related to all Council meetings, other than PETS:

The Council shall pay the cost of Council-provided meals and meeting facilities for all attendees and the hotel accommodations for the Council Chair, *Vice-Chair*, Council Treasurer, Council Secretary, Facilities, Registration, Program Chairs *and Vice-Chairs* and Lead Trainer *and Assistant Lead Trainer* for all meetings of the Council or the Executive Committee. The Council will reimburse the said Officers for travel expenses related to attendance at meetings of the Council, the Executive Committee or committees upon each said Officers' submission of a written reimbursement request to the Council Treasurer. All other Council members attending Council meetings shall be responsible for their hotel accommodations and travel.

The Council encourages, but does not require, its member Districts to reimburse attendees from their respective Districts for those expenses reasonably incurred for travel and hotel accommodations but not covered by the Council.

Section E. PETS Alliance. The following is the Council policy with respect to expenses related to Multi-District PETS Alliance:

The Council Chair(s) shall appoint three delegates from the member districts each year to attend the Multi-District PETS Alliance. *The Council may authorize the appointment of one or more additional delegates to attend.* The Council shall pay the membership dues and shall pay for the travel expenses (at the IRS charitable rate), hotel accommodations, registration fees and meals for the Council members so appointed, who attend the Multi-District PETS Alliance, upon the Council Treasurer's receipt of a detailed expense report for reimbursement. All other Council members attending the Multi-District PETS Alliance shall be responsible for their own travel expenses, hotel accommodations, registration fees and meals.

Section F. Budget. A preliminary Council budget will be prepared by the Budget Committee and presented by the Treasurer at the summer (August) Council meeting. It is the policy of the Council that the budget will include (i) the expense of an annual review of the financial statements; (ii) an estimate of the expenses related to attendance at the PETS Alliance; (iii) an estimate of the expenses related to Council and Executive Committee meetings; (iv) an estimate of the expenses associated with the PETS; (v) a reserve of not less than seventy-five percent (75%) of the prior year's actual expenses; and (vi) such other expenses as the Budget Committee reasonably determines to be necessary to carry out the mission of the Council. The member Districts shall contribute the funds necessary to establish an operating fund for the first PETS Year of operation, which will be determined by the Council, based upon the number of clubs in each District. Any District hereafter admitted to Council membership shall pay an enrollment fee comparable to the initial contributions made by the member Districts, as determined by the Council. After the first PETS Year, any excess funds which have been carried forward from year to year will appear on the Council's Balance Sheet as Unrestricted/Undesignated Net Assets. Commencing in 2012, excess funds over the amount budgeted for its reserves may, upon the affirmative vote of the Council, be returned to the Districts by June 30th following PETS. The refund per District will be determined by the number of participants who attended PETS from each District and prorated accordingly. In the event that actual expenses exceed receipts in any PETS Year, each participating District will pay to the Council its proportionate share of the deficit, determined by dividing the total deficit of the Council by the total number of clubs in all of the participating Districts, and assessing each District an amount equal to the deficit per club times the number of clubs in the District. The amount assessed to each District will first be reduced by the balance, if any of that District's share of the Unrestricted/Undesignated Net Assets shown on the Council's Balance Sheet for the year being assessed.

Article 7. Dissolution

In the event of the dissolution of the Council, the Council, after paying or making provision for the payment of all of the liabilities of Midwest PETS, shall pay to each member district the amount of its initial capital contribution to the Council, or, if the net assets are insufficient to repay the initial capital contributions, shall distribute the remaining assets equally to the Districts participating on the Council. If the net assets exceed the total amount initially contributed by each participating District, the excess shall be distributed to each participating District, proportionately, based upon the number of clubs in each such District as a percentage of the total number of clubs in all of the participating Districts at the time of dissolution.

(January 2011, revised January 2012, revised February, 2013, revised October, 2013, revised August 2014)