

Proposal to Amend Society of Women Engineers Bylaws

Proposal #	Title	Article	Section	Proposed by
S-2101	Senate Duties with respect to the Reserve Fund Amend Article V, Section 2.B., by substituting for paragraph 2, the following: "2. Approve dissolution of the Reserve Fund of the Society; and"	V	2.B.2	Kristine Barnes, Dianne Beever, Heather Doty, Stephanie Loete, Lisa Rimpf, Karen Roth, Lindsey McKenzie, Hope Schwalls, Anna Sparks, Mary Studlick, Carol Weber

<u>Current Language:</u>	<u>Proposed Changes:</u>	<u>If Adopted:</u>
<p><u>ARTICLE V – SENATE</u> <u>Section 2. Duties</u> B. The senate shall also:</p> <ol style="list-style-type: none"> 1. Consider and, if necessary, vote upon recommendations received from throughout the Society; 2. Establish policies on the use and restrictions of the Reserve Fund of the Society; and 3. Approve changes to these bylaws. 	<p><u>ARTICLE V – SENATE</u> <u>Section 2. Duties</u> B. The senate shall also:</p> <ol style="list-style-type: none"> 1. Consider and, if necessary, vote upon recommendations received from throughout the Society; 2. Establish policies on the use and restrictions of the Reserve Fund of the Society Approve dissolution of the Reserve Fund of the Society; and 3. Approve changes to these bylaws. 	<p><u>ARTICLE V – SENATE</u> <u>Section 2. Duties</u> B. The senate shall also:</p> <ol style="list-style-type: none"> 1. Consider and, if necessary, vote upon recommendations received from throughout the Society; and 2. Approve dissolution of the Reserve Fund of the Society; and 3. Approve changes to these bylaws.

<u>Rationale:</u>
<p>Transfer authority for establishing policies on the use and restrictions for the Reserve Fund from the Senate to the Board of Directors. Maintain Senate approval for any future proposed dissolution of the fund.</p>

<u>Pros:</u>
<p>This motion aligns the fiduciary responsibility for the Reserve Fund to the Board of Directors along with the rest of the Society's finances as is covered in Article IV, Section 2 of the Society Bylaws. This action is recommended by SWE's legal counsel. Since FY18, the Reserve Fund's purpose is solely as an operational reserve (previously funds in excess of a base level could be authorized for special projects). As the Society has evolved, continued operational responsibility with regard to the Reserve Fund no longer fits within the vision of the Senate as the strategic body of the organization.</p>

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Recognizing the importance of having reserves in order to ensure the continued existence of the organization is strategic, this proposal maintains Senate authority for any proposed dissolution of the fund.

The Finance Committee remains actively in consultation on the Society budget per their Charter and therefore provides feedback to the Board of Directors on the Reserve Fund, which has a line item in the annual and rolling budget. Additionally, the Investment Committee, chartered by the Board of Directors and made up of members of the Board of Directors, Board of Trustees, and Headquarters Staff, handles fund administration and makes recommendations on investment policies approved by the Board of Directors.

The Reserve Fund review team, made up of members from the Senate, the Board of Directors, the Board of Trustees, and the Finance Committee, recommends these changes based on their regular review of the Reserve Fund Document in FY20.

Cons:

Removing Reserve Fund policy authority from the Senate eliminates a checks-and-balances mechanism for Board of Directors decisions related to the Reserve Fund.

The Board of Directors could reduce the Reserve Fund target value to be effectively non-existent without dissolving the fund and still function within the Bylaws.