

# SAMPLE BYLAWS

Use the information below as a model, but be sure to check your state's requirements and think about your group's wishes. If you have any questions, contact a legal advisor. These materials have been adapted from materials produced by [www.nonprofitlaw.com](http://www.nonprofitlaw.com) and the Minnesota Council on Nonprofits. Items in capital letters indicate where you insert information specific to your group. (Please note that these bylaws are designed for U.S. corporations. Canadian groups may need to use different language.)

*Your purpose statement here may be more detailed than in the articles of incorporation. When amended, bylaws do not need to be filed, so they can be amended more frequently.*

*You should decide whether or not to have voting members. If you have no voting members, omit Article 2.*

*If you do choose to have voting members, consider membership eligibility (adoptive parents, business owners, etc., who support the organization's purposes) and procedures. Before you describe your quorum (2.6), check to see if your state sets forth any requirements.*

*If you choose to have different levels of membership, add a section like: Classes. There shall be two classes of members: individual/family or corporate.*

*If you do not choose to have members elect the board of directors and officers, amend section 2.6 and include information about the board electing its membership in section 3.2 and 4.2.*

*It is reasonable to require 5 or 10 percent of members to call a special meeting.*

## BYLAWS OF YOUR GROUP

### ARTICLE 1 – NAME AND PURPOSE

**Section 1.1. Name.** The name of the organization is YOUR GROUP.

**Section 1.2. Purpose.** The Corporation is organized for the charitable and educational purposes of YOUR PURPOSES.

### ARTICLE 2 – MEMBERS

**Section 2.1. Eligibility.** Application for voting membership shall be open to MEMBERSHIP STANDARDS.

**Section 2.2. Qualifications.** Membership may be granted to any individual or corporation that supports the mission and purposes of the organization, and who pays the annual dues as set by the board of directors.

**Section 2.3. Termination of Membership.** The board of directors, by affirmative vote of two-thirds of all of the members of the board, may suspend or expel a member, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues.

**Section 2.4. Resignation.** Any member may resign by filing a written resignation with the secretary; however, such resignation shall not relieve the member so resigning of the obligation to pay any dues or other charges theretofore accrued and unpaid.

**Section 2.5. Dues.** Dues for members shall be established by the board of directors.

**Section 2.6. Meetings and Voting.** The annual membership meeting shall be held in MONTH each year. A minimum of 10 percent of the members present in person or by proxy shall constitute a quorum for transaction of business at a membership meeting. At the annual meeting, the members shall elect directors and officers, receive reports on the group's activities, and plan activities for the following year.

Special meetings may be called by the president or at the written request of at least NUMBER percent of the members. Notice of meetings shall be given to each voting member, by mail, e-mail, telephone, or other delivery method, not less than two weeks before the meeting.

All issues to be voted on shall be decided by a simple majority of those present at the meeting during which the vote takes place.

**Section 2.7. Non-Voting Membership.** The board shall have the authority to establish and define non-voting categories of membership.

## ARTICLE 3 – BOARD OF DIRECTORS

**Section 3.1. Authority of Directors.** The board of directors is the policy-making body and may exercise all the powers and authority granted to the corporation by law. The board delegates responsibility for day-to-day operations to the staff and committees.

**Section 3.2. Number and Tenure.** The board shall consist of not less than NUMBER directors. Each director shall hold office for a term of NUMBER years, but is eligible for re-election for up to NUMBER terms.

**Section 3.3. Vacancies.** New directors and current directors shall be elected or re-elected by the voting representatives of members at the annual meeting. Directors will be elected by a simple majority of members present at the annual meeting. Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of a member's term shall be filled by a majority vote of the remaining directors. In the event of a tie vote, the president shall choose the succeeding director. A director elected to fill a vacancy shall be elected for the unexpired term of that director's predecessor in office.

**Section 3.4. Resignation/Termination.** Resignations are effective upon the secretary's receipt of written notification. A board member shall be terminated from the board due to excess absences (more than NUMBER of unexcused absences from board meetings in a year). A board member may be removed for other reasons by a SOME HIGH PERCENTAGE vote of the remaining directors.

**Section 3.5. Meetings.** The board of directors shall hold at least NUMBER regular meetings per calendar year. Meetings shall be at such dates, times, and places as the board shall determine. Special meetings may be called by the president, or by vote of SOME PERCENTAGE of the board members.

**Section 3.6. Notice.** Meetings may be called by the president or at the request of any two directors by notice e-mailed, mailed, telephoned, or otherwise delivered to each member of the board not less than 10 days before such meeting.

**Section 3.7. Quorum.** A quorum shall consist of a majority of the board attending in person or through teleconferencing. All decisions will be by majority vote of those present at a meeting at which a quorum is present. If less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting on occasion without further notice.

**Section 3.8. Action without a Meeting.** Any action required or permitted to be taken at a meeting of the board of directors (including amendment of these bylaws), or of any committee may be taken without a meeting if all the members of the board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the board or of the committee as the case may be.

**Section 3.9. Participation in Meeting by Telephone.** Members of the board may participate in a meeting through use of conference telephone or similar communications equipment, so long as members participating in such a meeting can hear one another.

**Section 3.10. Reimbursement.** Directors shall serve without compensation with the exception that expenses incurred in the furtherance of the corporation's business

*Specify the number of board members you will have and the length of their terms. Some states require a certain number of members or limit members' terms, so check local laws.*

*If you have chosen to have the board select other board members, modify this section.*

*Consider including an absentee policy such as this one so that directors are aware of their need to commit to your parent group's effective operations.*

*Most states require at least one meeting per year. You can decide how many members (such as 20 percent or one-third) must be in agreement in order to call a special meeting.*

*Some states set minimum notice laws.*

*Check to see if your state has any rules about what constitutes a quorum, and then decide if you would like to set the standard even higher. It is reasonable to require that half of the board be present for action to take place.*

*In many states, action without a meeting—such as vote by board ballot—must be unanimous. Check local laws.*

are allowed to be reimbursed with documentation and prior approval. In addition, directors serving the organization in any other capacity, such as staff, are allowed to receive compensation in that capacity.

**Section 3.11. Conflict of Interest.** The board shall not enter into any contract or transaction with: (1) one or more of its directors, or (2) an organization in which a director is an officer, or legal representative, or in some other way has a material financial or professional interest unless:

- that interest is disclosed or known to the board of directors;
- the board approves, authorizes, or ratifies the action in good faith; and
- the approval is by a majority of directors (not counting the interested director) at a meeting where a quorum is present (not counting the interested director).

The interested director may be present for discussion to answer questions, but may not advocate for the action to be taken, and must leave the room during deliberations and voting. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

**Section 3.12. Paid Staff.** The board of directors may hire such paid staff as they deem proper and necessary for the operations of the corporation. The powers and duties of the paid staff shall be as assigned or as delegated to be assigned by the board.

## ARTICLE 4 – COMMITTEES

**Article 4.1. Committee Formation.** The board of directors may, by a resolution adopted by a majority of the directors in office, establish committees of the board composed of at least NUMBER persons which, except for an executive committee, may include non-board members. The board may make such provisions for appointment of the chair of such committees, establish such procedures to govern their activities, and delegate to them the authority necessary or desirable for the efficient management of the property, business, and activities of the corporation.

**Article 4.2. Executive Committee.** The four officers serve as members of the executive committee. Except for the power to amend the articles of incorporation and bylaws, the executive committee shall have all the powers and authority of the board of directors in the intervals between meetings of the board of directors, and is subject to the direction and control of the full board.

**Article 4.3. Finance Committee.** The treasurer is the chair of the finance committee, which includes NUMBER other board members. The finance committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other board members.

## ARTICLE 5 – OFFICERS

**Section 5.1. Officers.** The officers of the corporation shall be:

**President**—The president shall be a director of the corporation and will preside at all meetings of the board of directors. The president shall perform all duties attendant to that office, subject to the control of the board of directors, and shall perform such other duties as on occasion shall be assigned by the board of directors.

*At a minimum, you should have an executive committee (of the officers) and a finance committee. If your board will be selecting future board members, you should also have a board nominating committee.*

*Detailed financial procedures are spelled out in Article 7 on page 52.*

*Your group can decide on the number and type of officers, but check with your state law first. Many require at least a president and a secretary/treasurer. In their early days, some groups combine the functions of secretary and treasurer.*

*Some states have legal limits on the length of officers' terms.*

*Many states allow nonprofit organizations to indemnify their board and staff members in the event they are sued over their work for the organization. You may want to seek legal advice about this provision and its effects on the organization.*

**Vice President**—The vice president shall be a director of the corporation and will preside at meetings of the board of directors in the absence of or request of the president. The vice president shall perform other duties as requested and assigned by the president, subject to the control of the board of directors.

**Secretary**—The secretary shall be a director of the corporation and shall keep the minutes of all meetings of the Board of Directors in the books proper for that purpose.

**Treasurer**—The treasurer shall report to the board of directors at each regular meeting on the status of the corporation's finances. The treasurer shall work closely with the finance committee and any paid executive staff of the corporation to ascertain that appropriate procedures are being followed in the financial affairs of the corporation, and shall perform such other duties as occasionally may be assigned by the board of directors.

**Section 5.2. Appointment of Officers; Terms of Office.** The officers of the corporation shall be elected by the board of directors at regular meetings of the board, or, in the case of vacancies, as soon thereafter as convenient. New offices may be created and filled at any meeting of the board of directors by a majority vote.

Terms of office may be established by the board of directors, but shall not exceed NUMBER years. Officers shall hold office until a successor is duly elected and qualified. Officers shall be eligible for reappointment.

**Section 5.3. Resignation.** Resignations are effective upon the secretary's receipt of written notification.

**Section 5.4. Removal.** An officer may be removed by the board of directors at a meeting, or by action in writing pursuant to Section 3.8, whenever in the board's judgment the best interests of the corporation will be served by the removal. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed.

## ARTICLE 6 – INDEMNIFICATION

Every member of the board of directors, officer, or employee of the corporation may be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon such members of the board, officer, or employee in connection with any threatened, pending, or completed action, suit, or proceeding to which she/he may become involved by reason of her/his being or having been a member of the board, officer, or employee of the corporation, or any settlement thereof, unless adjudged therein to be liable for negligence or misconduct in the performance of her/his duties. It is provided, however, that in the event of a settlement, the indemnification herein shall apply only when the board approves such settlement and reimbursement as being in the best interest of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such member of the board, officer, or employee is entitled.

## ARTICLE 7 – FINANCIAL ADMINISTRATION

*Your bylaws should include information about your financial procedures. Procedures may change over time as your group grows and has added financial responsibilities.*

*Financial procedures should be designed to protect the organization—for example, requiring two signatures on larger checks, or having one person write checks and another balance the books.*

*Nonprofits may hold investments and may accumulate a surplus. Some groups hold a year's operating expenses in investments.*

*State laws often require that certain records be kept at a nonprofit's headquarters, or that certain records be made available to the public. Federal law requires nonprofits to make available to the public their IRS Form 1023 and their recent IRS Form 990s.*

*Bylaws are changed regularly to keep up with changes in the corporation's operation—changes in fiscal year, number/term of board members, etc.*

*Some groups that start having voting members select the board grow large enough to make this unwieldy, and change their bylaws so that the board elects its successors.*

**Section 7.1. Fiscal Year.** The fiscal year of the corporation shall be January 1–December 31 but may be changed by resolution of the board of directors.

**Section 7.2. Checks, Etc.** All checks, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange, and insurance certificates shall be signed or endorsed by such officer or officers or agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors or of any committee to which such authority has been delegated by the board.

**Section 7.3. Deposits and Accounts.** All funds of the corporation, not otherwise employed, shall be deposited from time to time in general or special accounts in such banks, trust companies, or other depositories as the board of directors or any committee to which such authority has been delegated by the board may select, or as may be selected by the president or by any other officer or officers or agent or agents of the corporation, to whom such power may from time to time be delegated by the board. For the purpose of deposit and for the purpose of collection for that account of the corporation, checks, drafts, and other orders of the corporation may be endorsed, assigned, and delivered on behalf of the corporation by any officer or agent of the corporation.

**Section 7.4. Investments.** The funds of the corporation may be retained in whole or part in cash or be invested and reinvested on occasion in such property—real, personal, or otherwise—or stock, bonds, or other securities, as the board of directors in its sole discretion may deem desirable and which are permitted to organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

## ARTICLE 8 – BOOKS AND RECORDS

Correct books of account of the activities and transactions of the corporation shall be kept at the office of the corporation. These shall include a minute book, which shall contain a copy of the certificate of incorporation, a copy of these bylaws, and all minutes of meetings of the board of directors.

## ARTICLE 9 – AMENDMENT OF BYLAWS

These bylaws may be amended by a majority vote of the board of directors, provided prior notice is given of the proposed amendment in the notice of the meeting at which such action is taken, or provided all members of the board waive such notice, or by unanimous consent in writing without a meeting pursuant to Section 3.8.

These bylaws were approved (or amended) at a meeting of the board of directors on DATE.