**Three overall guiding principles for nonprofit bylaws:**

1. Don't put too much in the bylaws. If you specify a board committee in the bylaws, for instance, and there hasn't been such a committee in a few years, someone could claim that you are in violation of your own bylaws. Or, along the same lines, if the bylaws state that meetings will be held on the third Wednesday of each month, you can't change to Thursdays without a change in the bylaws.
2. Remember that if trouble erupts -- such as internal conflict or attacks from others -- the bylaws will become very important. So make sure they are reviewed approximately every three years. Because board officer terms make it hard for the board to keep track of bylaw revisions, have this duty included as a responsibiity of the executive director.
3. Immediately attach (by staple if necessary) any changes made to the bylaws to the copy kept by the executive director. Too often everyone forgets about changes to the bylaws.

**Here is a checklist to ensure the most important provisions are included in your bylaws.**

1. Indemnification. A statement that limits the personal liability of board members.
2. Whether the organization has members (such as members of a neighborhood or professional association) and, if so, what their rights are. For example, in a true membership organization, members have the right to elect officers. Even if you don't have members with legally enforceable membership rights such as voting rights, you can still have people called "members," but the distinction should be clarified in the bylaws.
3. Minimum and maximum number of board members. Example: minimum of five and a maximum of fifteen board members. Some states specify a minimum, and some specify a formula for a minimum and maximum, so check your state's law.
4. The number required for a quorum. A quorum is the minimum number of board members who must be present for official decisions to be made. For example, if an organization currently has fifteen members, and the bylaws state that one-third of the members constitutes a quorum, then official decisions can only be made at board meetings where five or more members are present. Note: Many states specify the minimum required for a quorum; for example, in California a quorum may be as low as one-fifth of the board.
5. Terms and term limits. Example: two years, with term limits of three consecutive terms (making a total of six years); after a year off, a board member may be permitted to return. Similarly, terms can be staggered so that, for instance, one-third of the board is up for reelection each year.
6. Titles of officers, how the officers are appointed, and their terms. Example: appointed by majority vote at a regular meeting of the board; an officer term is for one year with a maximum of two consecutive officer terms.
7. Procedure for removing a board member or officer. Example: by majority vote at a regularly scheduled meeting where the item was placed on the written agenda distributed at least two weeks ahead.
8. Conflict of interest policy. Alternatively, many bylaws simply state that there will be a conflict of interest policy but keep its exact wording out of the bylaws.
9. Minimum number of board meetings per year. Example: four, with one in each quarter.
10. How a special or emergency board meeting may be called.
11. How a committee may be created or dissolved.
12. What committees exist, how members are appointed, and powers, if any. It may be easiest not to specify committees in the bylaws at all; instead, permit the board to create and dissolve standing and temporary committees as it sees fit. As a result, the bylaws need not be changed each time a committee is created or changed.
13. Conference calls and electronic meetings. Example: votes by e-mail or web forum are prohibited. Meetings may be held by conference call if all members can simultaneously hear one another. As Internet usage grows, some boards are adding sections to the bylaws that describe how to hold a board meeting on the Internet, or whether and how decisions can be made by e-mail.
14. How the bylaws can be changed. Example: by majority vote at a regularly scheduled board meeting.

Each board member should be given a copy of the articles of incorporation, the IRS and state determination letters, and the bylaws. Some organizations also post their bylaws on a password-protected section of their website.

Every few years, review the bylaws. Occasionally, individuals are invited to join boards without much scrutiny and are later found to be disruptive and destructive. Too often the board looks to the bylaws to see how to remove such a person, only to discover that the bylaws were written twenty years ago (and seldom looked at since) and have no such provision. Appropriate changes to the bylaws should be recorded in the board minutes, added to copies of the bylaws, and, in some cases, reviewed by an attorney experienced in nonprofit law.

**Non-Profit Bylaws &** **IRS**

To qualify for exemption under section 501(c)(3) of the Internal Revenue Code, an organization’s articles of organization must contain certain provisions. The following are examples of a charter that contain the required information as to purposes and powers of an organization and disposition of its assets upon dissolution, in order to qualify for exemption under section 501(c)(3). You should bear in mind that requirements for these instruments may vary under applicable state law.

Directors:

Number: minimum 1

Qualifications: Natural person. No residency requirement. No membership requirement.

Term: until successor is elected and qualified

Quorum: majority

Committee: minimum 1 director

Officers: Defined in bylaws or board resolution. One officer prepares minutes of the directors' and members' meetings and keeps a record book. Two or more offices may be held by the same individual.

Members: If there are no members then the directors are members.

Regular meeting: required annually

Quorum: 1/3rd members

DRAFT

Articles of Incorporation of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The undersigned, a majority of whom are citizens of the United States, desiring to form a Non-Profit Corporation under the Non-Profit Corporation Law of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, do hereby certify:

First: The name of the Corporation shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Second: The place in this state where the principal office of the Corporation is to be located is the City of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ County.

Third: Said corporation is organized exclusively for charitable, religious, educational, and scientific purposes, 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, or the corresponding section of any future federal tax code.

Fourth: The names and addresses of the persons who are the initial trustees of the corporation are as follows:

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Fifth: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, 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 set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the 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 provision of these articles, the corporation shall not carry on any other 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 the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

If reference to federal law in articles of incorporation imposes a limitation that is invalid in your state, you may wish to substitute the following for the last sentence of the preceding paragraph: "Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation."

Sixth: Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

In witness whereof, we have hereunto subscribed our names this day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_\_\_.