# Bylaws 101

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LAWYERS FOR NEIGHBORHOODS AND NONPROFITS

# What are bylaws?

Rules that govern how to make decisions within an organization.

Focus today: nonprofit bylaws, specifically for community associations (but for-profit orgs also have bylaws).

# Why are bylaws important?

Conflict is inevitable, in any org.

Bylaws help you work through conflict & make decisions efficiently.

If your bylaws are confusing or contradictory (OR DON'T EXIST), you can get <u>stuck</u> in conflict.

# Bylaws components

# As we go through...

Without looking at your bylaws, jot down what you think the answer *should* be.

Then compare later to what your bylaws say.

# **Community boundaries**

Good news: you can define these however you want!

No one "regulates" community associations (though Balt City does maintain a directory, but info is self-reported).

#### Who can be a member?

Should you have age requirements? (18+)

Residents only? Or also business owners?

Annual dues?

#### Who can be a member?

Household membership v individual membership.

If household: how will you count votes?

#### What's a board of directors?

Governing body of a nonprofit organization.

LEGALLY is the group that is entitled to make ALL decisions for any nonprofit.

For community associations, membership elects board of directors.

# Who can be on your board of directors?

Usually any member can be elected to the board.

Do you want to have board members who are not eligible to be members?

How many board members do you want (usually a range, not a specific #)?

## When & how often are your elections?

Elections = major sources of CONFLICT.

Double-check your election procedure:

EITHER make sure that you're following it

OR change your bylaws to reflect what you currently do.

# **Example**

Your bylaws state that elections must happen in the month of January.

There's a snowstorm on the night of your scheduled election, so you postpone until February.

Is a February election legally valid?

# Should you have term limits?

Term limits mean that a board member (or officer) can only be in their position for a certain number of terms before they take time off from leadership.

BALANCE: institutional memory, consistency v. fresh ideas, energy.

#### What are officers?

Officers have a specific role within the board of directors.

Typically: president, vice president, secretary, treasurer.

(Define these roles in your bylaws.)

#### Who elects officers?

#### Two different methods:

- More commonly, members elect officers.

(In this case, officers should first be elected to be board members; then, hold a separate vote for the officer position.)

 More traditionally, board members choose officers from within their own group.

### **Board member/officer removal**

What if you need to remove a board member and/or officer?

Money going missing?

Misuse of power?

Someone just being incredibly difficult to work with? Or racist or sexist, etc.?

# Now it's time for a rant about Robert's Rules.

# **Board Meetings & Community Meetings**

When, where & how often?

How will you tell people about meetings? How far in advance?

Ideally, set a minimum for # of meetings, a little lower than what you know you can achieve.

# **Special Meetings**

Occasionally, you may need to call a special meeting to discuss something important that comes up between regular meetings.

How to notify?

Who can call the meeting?

#### Quorum

The number or percentage of members who must be present in order to make a decision.

Should be different for board v community meetings.

# **Action without a Meeting**

Requires unanimous consent.

Everyone must respond in writing/email.

Vote must be unanimous.

Md law prefers decisions be made in meetings.

#### **Committees**

Ad hoc committees (not named in bylaws) are usually best for smaller groups.

If you create a committee in your bylaws, you have to staff it and have meetings, etc.

#### **Amendments**

Bylaws are living documents!

Use them at meetings & if you don't want to/can't follow something, change your bylaws.

Give members notice of proposed change & vote on changes.

# **Adopting bylaws**

Have your membership vote on the adoption of bylaws or any amendments.

Secretary should sign & date adopted bylaws, so that you can tell which version is current.



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