

**EXAMPLE 1:**  
**Basic bylaws for a typical charity with a self-perpetuating board  
of directors and no formal voting membership.**

BYLAWS  
OF THE  
[insert name of charity]

**ARTICLE I**  
**OFFICE AND REGISTERED AGENT**

Section 1. Principal Office. The principal office of the \_\_\_\_\_ shall be in the State of \_\_\_\_\_.

Section 2. Registered Office and Agent. The Corporation shall have and continuously maintain a registered office and a registered agent in the State of \_\_\_\_\_, as required by the State of \_\_\_\_\_ Nonprofit Corporation Act. The registered agent shall be either an individual resident of the State or a corporation authorized to transact business in the State.

**ARTICLE II**  
**PURPOSES**

The purposes for which the Corporation is formed are as set forth in the Articles of Incorporation. **[NOTE: The purposes from the Articles of Incorporation may be reprinted here. However, it must be remembered that amending the purposes in the bylaws is not effective unless the purposes clause in the articles of incorporation is also amended. A “mission statement” interpreting and clarifying the purposes may be inserted here as well.]**

**ARTICLE III**  
**MEMBERSHIP**

The Corporation shall have no members.

**ARTICLE IV**  
**BOARD OF DIRECTORS**

Section 1. Powers. There shall be a Board of Directors of the Corporation, which shall supervise and control the business, property, and affairs of the Corporation, except as otherwise expressly provided by law, the Articles of Incorporation of the Corporation, or these Bylaws.

Section 2. Number and Qualifications. The members of the initial Board of Directors of the Corporation shall be those individuals named in the Articles of Incorporation and shall serve until their successors are elected and qualified. Thereafter, the Board of Directors of the Corporation shall be composed of no less than \_\_\_\_\_ and no more than \_\_\_\_\_ individuals. The number of directors may be decreased, but no decrease shall have the effect of shortening the term of any incumbent director.

Section 3. Election and Term of Office. The members of the Board of Directors shall be elected by the directors at the annual meeting of the Board of Directors. Members of the Board of Directors shall serve for a term of [one year].

**[NOTE: If the board is quite large and staggered terms of office are desired, the following provision could be used in lieu of the one above. The example below divides the board members into three groups, but a greater or lesser division could also be used. When there are three groups of directors, it is usually easiest for each director to serve a three-year term. To begin the initial stagger in a new charity, some directors must serve only one year and some must serve only two years, as demonstrated in the example below]:**

Alternate Section 3. The members of the Board of Directors shall be elected by the directors at the annual meeting of the Board. At the time of his or her election, each director shall be assigned to Class A, Class B, or Class C, and an effort shall be made to keep each class of directors of approximately equal size. Each director shall hold office for a term of three years, except that for the initial Board elected at the organizational meeting in 2003:

- a. Directors in Class A shall have their term expire in 2004 (and every three years thereafter);
- b. Directors in Class B shall have their term expire in 2005 (and every three years thereafter); and
- c. Directors in Class C shall have their term expire in 2006 (and every three years thereafter).

Section 4. Resignation. Any director may resign at any time by giving written notice to the President of the Corporation. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the President of the Corporation.

Section 5. Removal. Any director may be removed from such office, with or without cause, by a [majority] [two-thirds] [three-fourths] vote of the directors at any regular or special meeting of the Board called expressly for that purpose.

Section 6. Vacancies. Vacancies shall be filled by majority vote of the remaining members of the Board of Directors for the unexpired term.

Section 7. Regular Meetings. A regular annual meeting of the Board of Directors of the Corporation shall be held each year, at such time, day and place as shall be designated by the Board of Directors.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called at the direction of the Chair or by a majority of the voting directors then in office, to be held at such time, day, and place as shall be designated in the notice of the meeting.

Section 9. Notice. Notice of the time, day, and place of any meeting of the Board of Directors shall be given at least \_\_\_\_ days previous to the meeting and in the manner set forth in Section 2 of Article VII. The purpose for which a special meeting is called shall be stated in the notice. Any director may waive notice of any meeting by a written statement executed either before or after the meeting. Attendance and participation at a meeting without objection to notice shall also constitute a waiver of notice.

Section 10. Quorum. A majority of the directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 11. Manner of Acting. Except as otherwise expressly required by law, the Articles of Incorporation of the Corporation, or these Bylaws, the affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Each director shall have one vote. Voting by proxy shall not be permitted.

Section 12. Unanimous Written Consent In Lieu of a Meeting. The Board may take action without a meeting if written consent to the action is signed by all of the directors.

Section 13. Telephone Meeting. Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar telecommunications device, which allows all persons participating in the meeting to hear each other. Participation by telephone shall be equivalent to presence in person at the meeting for purposes of determining if a quorum is present.

Section 14. Conflicts of Interest. **[NOTE: This clause is optional, but may be useful in helping the board handle situations where a director cannot be impartial due to a financial or other conflict of interest. Alternatively, the Board could simply adopt by resolution a Conflicts-of-Interest policy that is not part of the bylaws. An example of a policy that has been approved by the IRS follows *Bylaws Example 2*.]**

- (a) In the event any director has a conflict of interest that might properly limit such director's fair and impartial participation in Board deliberations or decisions, such director shall inform the Board as to the circumstances of such conflict. If those

circumstances require the nonparticipation of the affected director, the Board may nonetheless request from the director any appropriate nonconfidential information which might inform its decisions. "Conflict of interest," as referred to herein, shall include but shall not be limited to, any transaction by or with the Corporation in which a director has a direct or indirect personal interest, or any transaction in which a director is unable to exercise impartial judgment or otherwise act in the best interests of the Corporation.

(b) No director shall cast a vote, nor take part in the final deliberation in any matter in which he or she, members of his or her immediate family, or any organization to which such director has allegiance, has a personal interest that may be seen as competing with the interest of the Corporation. Any director who believes he or she may have such a conflict of interest shall so notify the Board prior to deliberation on the matter in question, and the Board shall make the final determination as to whether any director has a conflict of interest in any matter. The minutes of the Board meeting shall reflect disclosure of any conflict of interest and the recusal of the interested director.

## **ARTICLE V OFFICERS**

Section 1. Officers. The officers of the Corporation shall minimally consist of a Chair, a Secretary, and a Treasurer. The Corporation shall have such other assistant officers as the Board of Directors may deem necessary, and such officers shall have the authority prescribed by the Board. One person shall not hold two offices with the exception of Secretary-Treasurer, which may be filled by the same person.

Section 2. Election of Officers. The officers of the Corporation shall be elected by the directors at the annual meeting of the Board of Directors.

Section 3. Term of Office. The officers of the Corporation shall be installed at the annual meeting at which they are elected and shall hold office for [one] year until the next annual meeting or until their respective successors shall have been duly elected.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the Chair of the Board. Such resignation shall take effect at the time specified in the notice, or if no time is specified, then immediately.

Section 5. Removal. Any officer may be removed from such office, with or without cause, by a [majority] [two-thirds] [three-fourths] vote of the directors at any regular or special meeting of the Board called expressly for that purpose.

Section 6. Vacancies. A vacancy in any office shall be filled by the Board of Directors for the unexpired term.

Section 7. Chair. The Chair shall give active direction and exercise oversight pertaining to all affairs of the Corporation. He or she may sign contracts or other instruments, which the Board of Directors has authorized to be executed, and shall perform all duties incident to the office of Chair as may be prescribed by the Board of Directors. **[NOTE: Some state laws require that there be an officer with the title of “President” rather than “Chair.”]**

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors; see that all notices are duly given in accordance with the provisions of these Bylaws, ensure staff members keep corporate records; and in general perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board of Directors.

Section 9. Treasurer. The Treasurer shall be responsible for and oversee all matters of the Corporation. The Treasurer shall ensure staff members properly receive and give receipts for moneys due and payable to the Corporation and deposit all such moneys in the name of the Corporation in appropriate banks, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 10. Bonding. If requested by the Board of Directors, any person entrusted with the handling of funds or valuable property of the Corporation shall furnish, at the expense of the Corporation, a fidelity bond approved by the Board of Directors.

## **ARTICLE VI COMMITTEES**

**[NOTE: It is not necessary to designate committees in the Bylaws, nor is it prudent to create an excessive number of committees. The clauses below are examples only, and state law may dictate a different composition and different limitations of powers for some committees.]**

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees, each consisting of two or more directors, which committees shall have and exercise the authority of the Board of Directors in the governance of the Corporation. However, no committee shall have the authority to amend or repeal these Bylaws, elect or remove any officer or director, adopt a plan of merger, or authorize the voluntary dissolution of the Corporation.

Section 2. Executive Committee. Between meetings of the Board of Directors, on-going oversight of the affairs of the Corporation may be conducted by an Executive Committee, the membership of which shall be as set forth in a resolution of the Board.

Section 3. Other Committees and Task Forces. The Board of Directors may create and appoint members to such other committees and task forces as they shall deem appropriate. Such

committees and task forces shall have the power and duties designated by the Board of Directors, and shall give advice and make non-binding recommendations to the Board.

Section 4. Term of Office. Each member of a committee shall serve for one year until the next annual meeting of the Board of Directors and until a successor is appointed, unless the committee is sooner dissolved.

Section 5. Vacancies. Vacancies in the membership of committees may be filled by the Chair of the Board.

Section 6. Rules. Each committee and task force may adopt rules for its meetings not inconsistent with these Bylaws or with any rules adopted by the Board of Directors.

## ARTICLE VII MISCELLANEOUS PROVISIONS

**[NOTE: It is not necessary to state the fiscal year in the Bylaws, although many charities do so.]**

Section 1. Fiscal Year. The fiscal year of the Corporation shall be [the calendar year] [insert any other period].

Section 2. Notice. Whenever under the provisions of these Bylaws notice is required to be given to a director, officer, or committee member, such notice shall be given in writing by first-class mail or overnight delivery service with postage prepaid to such person at his or her address as it appears on the records of the Corporation. Such notice shall be deemed to have been given when deposited in the mail or the delivery service. Notice may also be given by facsimile, electronic mail, or hand delivery, and will be deemed given when received. **[NOTE: Be sure to check state corporate law to see if facsimile and electronic mail are authorized means of giving notice.]**

## ARTICLE VIII INDEMNIFICATION

Unless otherwise prohibited by law, the Corporation [may] [shall] indemnify any director or officer or any former director or officer, and may by resolution of the Board of Directors indemnify any employee, against any and all expenses and liabilities incurred by him or her in connection with any claim, action, suit, or proceeding to which he or she is made a party by reason of being a director, officer, or employee. However, there shall be no indemnification in relation to matters as to which he or she shall be adjudged to be guilty of a criminal offense or

liable to the Corporation for damages arising out of his or her own gross negligence in the performance of a duty to the Corporation.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such director, officer, or employee. The Corporation may advance expenses or, where appropriate, may itself undertake the defense of any director, officer, or employee. However, such director, officer, or employee shall repay such expenses if it should be ultimately determined that he or she is not entitled to indemnification under this Article.

The Board of Directors [shall] [may] also authorize the purchase of insurance on behalf of any director, officer, employee, or other agent against any liability incurred by him which arises out of such person's status as a director, officer, employee, or agent, whether or not the Corporation would have the power to indemnify the person against that liability under law.

## **ARTICLE IX**

### **AMENDMENTS TO BYLAWS**

These Bylaws may be amended or new Bylaws adopted upon the affirmative vote of [a majority] [two-thirds] [three-fourths] of [a quorum of the Board of Directors] [all the directors then in office] at any regular or special meeting of the Board. The notice of the meeting shall set forth a summary of the proposed amendments.

**[NOTE: Careful thought should be given to major decisions, such as amending the Bylaws, removing directors, or merging with another entity. In the absence of specific language to the contrary, the requirement of a “two-thirds vote,” for example, simply means that there must be the approval of two-thirds of a quorum in order for the measure to pass. Thus, depending upon the number of directors who show up for the meeting, it is possible for Bylaws to be amended by a relatively small percentage of the total board members. If it is desired that major decisions receive the approval of a very large percentage of the directors, consider requiring a two-thirds or three-fourths vote of “all of the directors then in office.”]**