Question: What Are Bylaws? Why Does My Nonprofit Need Them? Answer:

Bylaws are developed during the incorporation phase of a business or nonprofit.

Bylaws are the rules that govern the internal <u>management</u> of an organization. They are written by the organization's founders or directors and cover, at minimum, topics such as how directors are elected, how meetings of directors are conducted, and what officers the organization will have and their duties. In the past, organizations often had constitutions and bylaws but today bylaws are usually sufficient. The organization does not formally exist until the bylaws have been approved by the <u>board of directors</u>.

Bylaws and the <u>Articles of Incorporation</u>, are the primary official documents for a<u>corporation</u>, whether a business or a nonprofit. The particular requirements for bylaws are set by the state in which the organization <u>incorporates</u>.

In an article in *Nonprofit World*, Henry Sollenberger recommends the following actions for a nonprofit organization's founders:

- Find an attorney who isn't a member of the board to help draft the organization's initial bylaws and to examine any major subsequent changes.
- Tailor bylaws to meet the organization'smission.
- Consider the organization's potential short-term growth, and build flexibility into the bylaws. Then, as growth dictates, the board can propose changes.

As the organization grows and matures, board members should:

- Review bylaws on an ongoing basis, and revise as needed.
- Contact an attorney to sign off on any substantial revisions to your bylaws.
- If bylaws aren't upheld during a dispute, <u>board members</u> could be held liable for breaching their duty to the organization.
- Be sure to re-evaluate bylaws whenever the organization creates a major subsidiary program.

References

Fritz, J. (2015). What Are Bylaws? Why Does My Nonprofit Need Them? Retrieved from

About.com: http://nonprofit.about.com/od/faqsthebasics/f/bylaws.htm