



### **Organizational Documents for your Military Spouse Club: Bylaws**

While the constitution outlines the organization's guiding principles and mission, the bylaws focus on governance rules and operational details.

The organization's Bylaws will guide the board on how your nonprofit will operate. Understanding the state and local laws about nonprofits is essential before creating Bylaws for a 501c organization, as you must comply with all municipal regulations.

Bylaws are not just a set of rules, but the very foundation of how a nonprofit organization operates. They are the IRS-mandated guidelines that a 501c3 tax-exempt nonprofit or a 501c7 nonprofit must adhere to. These bylaws are more than just words on paper, they are the internal operating rules that define each leader's responsibilities, processes, and timing requirements, empowering them with the knowledge of how the organization functions.

Ensure that the bylaws comply with state laws and IRS regulations, especially if the organization seeks or already has tax exempt status. This includes specifying the fiscal year and other legal requirements.

Bylaws should only address the nonprofit's governance structure. For instance, they should include information about the board's composition, roles, and decision-making processes. On the other hand, details about specific projects or programs, such as marketing campaigns or job descriptions, should not be included in the bylaws as these are subject to change and may not be relevant in the long term.

Bylaws must accurately reflect your organization, so it's important to schedule regular reviews and updates. Over time, your organization may evolve, and laws and regulations may change, making it necessary to update your bylaws. Review and update your bylaws every two years to ensure they remain relevant and effective in guiding your organization's operations – this is required by your installation Private Organization office.

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## **What to Leave out of the Bylaws:**

Too often, nonprofits include provisions in their bylaws that are old fashioned, unnecessary, redundant, or that complicate rather than streamline governance. Examples of what to leave out include the following: By

### **1) Information that will change Frequently**

The Bylaws should reflect the fundamental rules governing the nonprofit that are NOT likely to change frequently. Leave the following types of information out of your bylaws:

- Job descriptions
- Details on how a committee functions
- Specific rules for conducting meetings
- Guidelines for fundraisers

These items are better suited for Standard Operating Procedure (SOP's). In this manner, the board can avoid constantly amending the bylaws when a simple board vote to change the SOP will suffice.

However, your bylaws should refer to the SOP as the place to find the step-by-step process for procedures that need to be listed to reinforce that there are rules and guidelines already set up for the situation.

### **2) Processes and Procedures that are Ignored in Practice**

Many ambitious boards impose numerous procedures with strict deadlines in the Bylaws that can change from year to year. Do not include the following in your bylaws:

- Specific deadlines for meetings

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- Deadlines for monthly board reports
  - Time/place where meetings are held

If the Board is not going to carefully adhere to these procedures and deadlines, it is far better to omit them.

If the processes and procedures called for in the Bylaws are not followed, those who disagree with Board action can find ways to challenge the board's decisions based on technicalities.

### **Segments to include in your bylaws.**

#### **1) Bylaws**

- (a) Article 1: Executive and General Board
- (b) Article 2: Advisors and Non-voting Members and Duties
- (c) Article 3: Membership/Dues/Code of Conduct
- (d) Article 4: Meetings
- (e) Article 5: Standing, Special, and Ad Hoc Committees
- (f) Article 6: Elections and Voting (note SOPs on Nominating Committees and Elections/Voting SOP)
- (g) Article 7: Funds, Expenditures and Management of Funds
- (h) Article 8: Insurance Coverage
- (i) Article 9: Awards and Gifts
- (j) Article 10: Conflict of Interest Policy
- (k) Article 11: Bylaws Amendments and Reviews

### **Introduction: Name and Purpose**

- This will be very similar to your Constitution listing

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## **Article 1: Executive and General Board**

### Board Positions and Duties – list

- State laws often require a President, Secretary, and Treasurer as a minimum.
- *Election Schedule – are usually done in the spring*
- *Terms Length – terms are usually only 1 year*
- *Restrictions – can only serve for 2 terms before must leave that position*
- *Removals – needs and means to remove a board member*
- *Resignations – process to resign*
- *Vacancies – how to fill them*
- Reference an SOP that details all Job Descriptions and Expectations

## **Article 2: Advisors and Non-voting Members and Duties**

- President appoints the Parliamentarian
- How are Advisors and Honorees selected? The process needs to be in the Bylaws.
- Reference to an SOP to list the duties of the non-elected board members.

## **Article 3: Membership/Dues/Code of Conduct**

- Who is invited to join your membership? Military Affiliation, distance from location?
- Application process, when does your year run? Most of the time b/t Aug/Sept – 1 June
- Dues (if applicable)
- Categories of membership (if any) General, Associate Members, Honorary Members – how selected and decided
- Voting Rights
- Code of Conduct for members (Termination of membership – what would cause someone to no longer be allowed for membership?)



## **Article 4: Meetings**

### Section 1: Meeting Guidelines

- What is the type of meeting? (Regular, Special, Annual)
- When meetings will be held
- How people will be notified about meetings
- What is the quorum for conducting business at each type of meeting?
- What is the voting procedure for each meeting?

### Section 2: Executive and General Board Meetings

### Section 3: Membership Meetings

### Section 4: Committee Meetings

### Section 5: Special Events (Fundraising)

### Section 6: Sub-Clubs

## **Article 5: Standing, Special, and Ad Hoc Committees**

In the committees listed below, include the board member who is the chair of each committee, and what other positions are required to sit on each committee.

Also list the number of other people who sit on the committee – consider 2 additional board members and 3 general members in good standing, then state who is given the authority to appoint these committee members.

Use wording such as: *The following committees are formed to provide guidance to the General Board on operations of this organization. These committees will be guided by a SOP approved by the Board of Directors. Just before the committee is formed each year, the Committee Chair should review the SOP and submit any requested changes to the Board for potential adoption.*

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## Section 1: Standing Committees

- Community Outreach/Assistance/Welfare Committee
  - Committee Chair who is a part of the Board
  - Board Treasurer
  - VP who oversees the philanthropic arm of your club.
  - At least 2 other Board Members (Sometimes the Fundraising Chair will sit on this committee so they can see the money they helped raise be given to worthy causes)
  - Some clubs will have their secretary sit on the committee, but as long as someone takes notes from the committee meeting, that person is not required.
  - At least 3 other Club members who are not board members.
  - President, Advisor, and Honorary President should always be invited, but are not required to be present.
  
- Scholarship Committee
  - Scholarship Committee Chairman
  - Board Treasurer
  - VP who oversees philanthropic arm of your club
  - At least (2) two other board members
  - At least three (3) other general members not on the board
  - President, Advisor, and Honorary President should always be invited, but are not required to be present.
  
- Special Events/Fundraising Committee
  - Fundraising/Special Events Committee Chairman
  - Board Treasurer
  - VP who oversees fundraising
  - Appointed other members who will fill the positions needed to fill the Fundraiser committee (ie publicity, vendors, venue, meals, etc)

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## Section 2: Special Committees

- Nominating Committee
  - Chaired by the Parliamentarian
  - Two (2) Governing Board members and
  - At least two (3) general members in good standing.
  - Advisor(s).
  - Additionally, the Honorary President and Honorary Vice President should be invited to serve as non-voting members on this committee due to the wide range of people they are connected to on the installation.
  - Should any member of the Nominating Committee be nominated for an elected position, that member must be recused from the committee
- Constitution and Bylaw Revision Committee
  - Chaired by the Parliamentarian
  - President
  - One of the Vice Presidents
  - 2 current board members
  - 2 general members in good standing
  - Advisor, and Honorary President should always be invited, but are not required to be present.
- Budget Committee
  - Chaired by the Treasurer
  - President
  - 1<sup>st</sup> and 2<sup>nd</sup> VP
  - Fundraising Chairman
  - Any other board member who needs or makes money

## Section 3: Ad Hoc Committees

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- List that an Ad Hoc committee can be set up by the President for a special and specific purpose.
- Executive Board will decide who should sit on this committee based on its purpose.

#### **Article 6: Elections and Voting (reference USC Let's Talk Voting)**

- Quorum Guidelines
- Nominating Procedures
- Elections Procedures
- Installation of Officers

#### **Article 7: Funds, Expenditures and Management of Funds**

- Operational Funds
- Welfare Funds
- Audits/change of Treasurer
- Type of Accounting
- Who can sign checks, and who has access to bank accounts.

#### **Article 8: Insurance Coverage**

- Bonds (check with your approving authority) Most will require people who handle a certain amount of money and/or have bank account access will be required to be bonded.
- Liability (check with your approving authority on details)

#### **Article 9: Awards and Gifts**

- The Vice President will have a budget for purchasing the appreciation gift for the President at the end of the board year. (specify \$ amt here)

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- The President will have a budget to purchase a gift for the volunteer board members at the end of the year. (specify \$ amt here)
  - The President will also have the ability to purchase awards of gifts to community partners who have supported the organization over the year. Make sure there is a nominal \$ amount stated. (Think about a gift for your Scholarship Judges, etc.)

### **Article 10: Conflict of Interest Policy**

A Conflict of Interest form will be kept on file for all board members.

- No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.
- If the IRS determines that a nonprofit has engaged in private inurement or excessive private benefit, the consequences can be severe. The IRS may impose intermediate sanctions in the form of an excise tax on the 501(c)(3) and its insiders. If an [excess benefit transaction](#) is not corrected, the IRS may impose additional excise taxes.
- In egregious cases, the IRS may revoke the organization's 501(c)(3) status. This means the nonprofit would lose its ability to receive tax-deductible donations, and its income would become subject to federal corporate income tax.

Board Members understand that they may not receive any monetary benefit from the organization except for small volunteer gifts unless they are a paid employee of the organization.

### **Article 11: Bylaws Amendments and Reviews**

This portion of the document is very important and describes the process for adopting, amending, and repealing items in this document. The actions taken based on this article must have written notice provided to the members of the organization. It should also

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include the quorum needed to pass and revisions to this document and how the vote should be handled.

Any proposed amendment to the Constitution or Bylaws must be provided to the General Board with the reason as to why the change is requested. If the General Board feels the change is warranted, then the board will approve the change and send it to the General Membership for a vote. The timing of these changes should be taken into account. It is best to vote in changes at a time where you will have a lot of members present to vote.

**SAMPLES:**

*Section 1: Amendment can be proposed at any time. The proposed amendment(s) will be submitted in writing to the President and the Parliamentarian and presented to the General Board. The proposal needs 2/3rds of the quorum to vote for the Constitution and a majority vote for the bylaws to be able to move forward to the General Membership. Quorum is over 50% of members in office present to vote.*

*Section 2: After board approval, the proposal will be presented for approval to the General Membership. The Constitution may be amended by a two-thirds (2/3) vote and Bylaws can be amended by a majority vote of general members present at a duly called meeting with at least 14 days' notice.*

*Section 3: Approval by the General Membership shall constitute adoption of the amendments.*

*The Parliamentarian will then forward the amendments to the approval authority for review. A letter certifying the requested changes will be signed by the President and will indicate the Board's vote and then the General Membership's vote. Responses from the Approving Authority will be kept with the approved C&B that Parliamentarian keeps on file.*

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**Possible Addition Article: Paid Contractors**

**CERTIFICATION OF ADOPTION**

The undersigned, being all of the initial directors of XYZ Club, hereby adopt the foregoing Constitution and Bylaws as the governing documents of the Organization, effective [Date].

\_\_\_\_\_, President

\_\_\_\_\_, Secretary

\_\_\_\_\_, Parliamentarian

**Signature Section (president, parliamentarian, approving authority.)**

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