

Your Bylaws, Board Manual, and You

With Eric Stevens, attorney



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Our Agenda

- ❑ Brief overview of your various governance documents and how they work together.
- ❑ Some ideas for your consideration regarding revisions to how Directors are appointed or removed from the Board.
- ❑ Provide this background information now to facilitate discussion during an upcoming Board Meeting.



Your Governance Documents

- ❖ Articles of Incorporation

(filed with Sec. of State)

- ❖ Board Bylaws

- ❖ Board Manual

- ❖ Policies

Both narrow and general;
onerous to change



to



Broader but also more specific;
easy to change



Articles of Incorporation

- ❑ A few mandatory components:
 - ❑ Identify charitable purpose
 - ❑ Dedicate assets to that charitable purpose
 - ❑ Identify “members” (legal term of art; you have no members)
- ❑ Filed with California’s Secretary of State.
- ❑ Any changes must be filed with the Sec. of State.



Bylaws (Simple Board Vote to Change)

- Charitable purpose of the nonprofit public benefit corporation
- Size of Board (3 to 9 Directors)
- Selection and appointment of new Directors
- Removal of Directors
- General rules for location and conduct of meetings



Bylaws (Simple Board Vote to Change)

- Board officers and their duties (President, etc.)
- Corporate officers and their duties (Superintendent/CEO, etc.)
- Committees of the Board
- Insurance requirements
- Corporate record keeping



Board Manual (Simple Board Vote to Change)

- ❑ The “nuts and bolts” of running Board Meetings, the scope of authority of the Board and individual Directors, and Board Officer roles.
- ❑ Almost all separate policies on these topics were collected in one document – the Board Manual.
 - ❑ Public participation policy is the exception
- ❑ Significant overlap with the Bylaws, but the Manual is both broader and deeper.



Board Manual (Simple Board Vote to Change)

Content unique to the Manual includes:

- Public statements by the Board or a Director
- Confidential information and its disclosure
- Directors' electronic communications
- Limits of an individual Director's authority



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Board Manual (Simple Board Vote to Change)

- Oath of office, orientation, and trainings
- Amount of Director's stipend
- More details on agendas and meeting conduct
- Meeting minutes
- Board self-evaluation



Bylaws – Selection and Appointment of Directors

- ❑ Advisory committee identifies candidates
- ❑ Candidates presented to full Board
- ❑ Elected by majority vote of Directors then in office
- ❑ 3-year terms of office by default, but can be shorter to maintain staggered terms
- ❑ A sitting Director may be reappointed



Bylaws – Selection and Appointment of Directors

Consider adding additional guidelines to the Bylaws:

- Standard application?
- Desirable qualifications?
- Interview process?
- Use a subcommittee to screen applications and develop interview questions?

CSBA’s “Filling a Board Vacancy” guide has helpful samples.



Bylaws – Removal of a Director

A majority of the Board may remove a Director for any reason or no reason.

- Add illustrative examples? “A Director may be removed for reasons including, but not limited to . . .”
- Add an exhaustive list of reasons for removal? “A Director may only be removed for the following reasons. . .”
- Consider a supermajority for removal?
 - 5 sitting Directors = 4 votes to remove?
 - 7 sitting Directors = 5 votes to remove?
 - 9 sitting Directors = 6 or 7 votes to remove?



Bylaws – Removal of a Director

Possible grounds for removal:

- Chronic absenteeism?
- Corrupt practices?
- Violation of oath of office?
- Incapacity?
- Conviction of certain crimes?



Questions?

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