



Integrating Policies & Procedures into Organizational Bylaws

The governance structure required to maintain constituent organization (CO) compliance with various corporate responsibilities may seem daunting to volunteer leaders. As tax exempt organizations, AAPA COs are generally business leagues exempt from certain taxes based on the purpose(s) outlined in the organization's Articles of Incorporation (AOIs). Bylaws are developed in support of the AOI's and must be followed to provide evidence of proper fiduciary responsibility within the organization. In 2011, the Internal Revenue Service identified more than 275,000 non-profits with revoked federal tax exempt status for failure to meet corporate filing requirements.¹ In recent years, the association industry, and specifically non-profit organizations, have come under greater scrutiny. Establish a solid governance framework through development of organizational bylaws and integration of a sound policy decision making process.

Articles of Incorporation

Articles of incorporation contain the corporate name, business address, statement of purpose and certain provisions for members, a governing board and officers. They are the legal documents for creating an organization and must be filed with the Secretary of State in the state of incorporation. The AOIs provide the broad framework for the organization.

Bylaws

Bylaws establish certain powers and duties of the board and officers. They also identify provisions for elections, meetings, and membership categories. Although bylaws address key areas of the organization, it is recommended to specifically defer to a standard parliamentary authority for areas not addressed within the bylaws. The AAPA recommends *The Standard Code of Parliamentary Procedure by Alice Sturgis, 4th Edition*² as the standard parliamentary authority. Bylaws should provide specific authority of the board to adopt policies, identify provisions for adoption and the vote required for adoption or amendment.

Policy

Policies reflect the tenets of the board on which current and future decisions are made. Policies are adopted on an individual basis and are compiled into a policy manual which is annually reviewed and updated. Policies also serve as an agreement between leaders and staff to guide procedural operations.

Bylaws Assessment

Review your current bylaws to assess for key provisions. If you answer No to any of the following questions, follow the procedure outlined in your bylaws to properly amend. Sample statements are provided for your consideration.

1. Do your bylaws defer to *The Standard Code of Parliamentary Procedure by Alice Sturgis, 4th Edition* or other standard parliamentary procedure? Yes No

If you answered No, include sample statement provided below:

“The current edition of Sturgis-Standard Code of Parliamentary Procedure shall be the parliamentary authority of all matters of procedure not specifically covered by these bylaws.”

2. Do your bylaws explicitly authorize the board to adopt policies on behalf of the organization? Yes No

If you answered No, include sample statement provided below:

“Without prejudice to the powers conferred by statute, the articles of incorporation, or as otherwise stated in the bylaws, the board of directors shall have the power to adopt and amend policies for the [insert name of CO]. The policy manual shall be maintained separate and apart from the bylaws.”

3. Do bylaws identify the required vote to adopt and amend policies? Yes No

If you answered No, include sample statement provided below:

“A majority of votes cast during a properly called meeting of board members is required to adopt or amend policy.”

4. Do bylaws identify a committee responsible for proposing new policy and policy amendments to the board? Yes No

Note: Depending on size of the CO, a separate committee may not be practical. However, best practice is to develop a process for proposing policy considerations to the board, as well as a process for annually reviewing active policies.

If you answered No, include “Policy Committee” to the list of standing committees. May consider “Judicial Affairs Committee” if purview is to include bylaws and other related issues (i.e. disciplinary or ethics items).

- a. If you answered No, include sample statement provided below:

“The policy committee [or alternate name of committee] shall annually review organizational policies and propose changes to the board of directors. The policy committee shall also interpret policy as requested by the board of directors.”*

After incorporating the above changes into your bylaws to properly recognize formal policy as a guiding authority, the CO will be ready to begin development of a comprehensive policy manual. The policy manual must be maintained as an official governance document, and is required to

contain certain policies to comply with IRS recommendations (i.e. whistleblower retaliation, apparent authority, conflict of interest). To obtain additional information or assistance with developing organizational bylaws or policies, contact AAPA's Constituent Organization Outreach and Advocacy department at codadministrator@aapa.org.

¹"*IRS Identifies Organizations That Have Lost Tax-Exempt Status; Announces Special Steps to Help Revoked Organizations.*" Internal Revenue Service. 05 Oct. 2011. Web. 30 Mar. 2012. <https://www.irs.gov/newsroom/irs-identifies-organizations-that-have-lost-tax-exempt-status-announces-special-steps-to-help-revoked-organizations>.

²Sturgis, Alice. "The Standard Code of Parliamentary Procedure, 4th Edition [Paperback]." *The Standard Code of Parliamentary Procedure, 4th Edition (0639785323419)*: Alice Sturgis: Books. McGraw-Hill. 30 Mar. 2012