

Understanding Your Bylaws

A practical guide for nonprofit board members and executive directors

Most nonprofit board members have never read their organization's bylaws. Many executive directors read them once – when they started – and have not looked at them since. That is a problem, because bylaws are not a formality. They are the governing document that determines how your organization makes decisions, who has authority to do what, and what happens when something goes wrong.

This guide explains what bylaws are, what they should contain, how to read them critically, and the questions you should be asking about yours right now.

What Bylaws Are – and What They Are Not

Bylaws are the internal rules that govern how a nonprofit corporation operates. They sit one level below the articles of incorporation (which establish the organization's existence with the state) and above all other organizational policies.

Think of it this way:

Articles of Incorporation

Filed with the state. Establishes the organization's existence, name, and purpose.

Bylaws

Internal governance rules. How decisions get made, who has authority, how the board operates.

Policies & Procedures

Operational rules adopted by the board. Can be changed more easily than bylaws.

Bylaws are legally binding. If your organization acts in a way that contradicts its bylaws – elects officers incorrectly, calls a meeting without proper notice, takes a vote without a quorum – those actions can be challenged and, in serious cases, invalidated.

Bylaws are not the same as policies. Conflict of interest policies, whistleblower protections, and personnel policies are separate documents adopted by the board. Some organizations mistakenly put operational details in their bylaws, which makes the bylaws harder to amend and creates unnecessary rigidity.

A common misconception:

Bylaws are not a strategic document. They do not describe your mission, your programs, or your values. They describe how the organization governs itself. If your bylaws are full of program language or strategic goals, that is a sign they need attention.

What Your Bylaws Should Contain

While every organization is different, well-drafted bylaws for a nonprofit corporation typically address all of the following. Use this as a checklist to audit your own.

Organizational Identity

- Legal name of the organization
- Principal office address or statement that the board may designate the location
- Statement of purpose consistent with the articles of incorporation
- Reference to 501(c)(3) status and any dissolution clause required by the IRS

Membership (if applicable)

- Whether the organization has members in the legal sense (most nonprofits do not)
- If members exist: how they are admitted, what rights they have, and how they vote
- How membership may be terminated

Board of Directors

- Minimum and maximum number of board members
- How directors are elected or appointed
- Length of board terms and whether members may be re-elected
- Term limits, if any
- Process for removing a board member
- What constitutes a quorum for board meetings
- How vacancies are filled
- Compensation policy for board members (typically none)

Officers

- Which officers the organization must have (chair, treasurer, secretary at minimum)
- How officers are elected or appointed and by whom
- Length of officer terms
- Duties of each officer, or reference to a separate job description
- Process for removing an officer

Meetings

- How often the board must meet (minimum frequency)
- How meetings are called and what notice is required
- Whether meetings may be held remotely
- Rules for special meetings — who can call them and what notice is required
- Whether action may be taken by written consent without a meeting

Committees

- Whether the board may create committees
- Whether committees may include non-board members
- Whether any standing committees are required (executive committee, audit committee)
- Whether committees may act on behalf of the board or only advise

Decision-Making and Voting

- What vote is required to pass ordinary motions (typically majority of quorum)
- What vote is required for significant decisions (amending bylaws, removing a director)
- Whether proxy voting is permitted
- How conflicts of interest are to be handled during votes

Finances and Fiscal Year

- Fiscal year start and end dates
- Signatory authority for financial accounts
- Any requirement for audit or financial review

Indemnification

- Whether the organization will indemnify board members and officers
- Scope and limits of indemnification

Indemnification

- What process is required to amend the bylaws
- What advance notice must be given before a vote to amend
- What vote threshold is required (often two-third)

Questions to Ask About Your Bylaws Right Now

Once you have read your bylaws, run them through these questions. Each one points to a common gap or risk.

Your bylaws should answer this question	If they don't — or the answer is unclear
When were the bylaws last reviewed and updated?	If it's been more than five years, they are likely out of date with current law and practice.
Do the bylaws match how the board actually operates?	If practice has drifted from what the bylaws say, the organization may be acting out of compliance.
Is the board size range appropriate for where the organization is today?	Too narrow a range limits flexibility; too wide creates governance instability.
Are term limits defined — and are they being followed?	Undefined or unenforced term limits are one of the most common bylaw problems.
What does the quorum requirement actually require in your current board size?	Many boards do not know their quorum number. You cannot legally act without it.
Officer election processes are frequently ignored or done informally.	Officer election processes are frequently ignored or done informally.
What vote is required to amend the bylaws — and who needs notice?	Amendment processes are often more stringent than boards realize.
Does the indemnification language actually protect board members?	Vague or absent indemnification language leaves directors exposed.
Do the bylaws allow for remote meetings?	Many older bylaws predate video conferencing and may not technically permit it.
Is there a conflict of interest procedure in the bylaws or a separate policy?	The IRS asks about this on the 990. It should exist somewhere.
Does the executive committee (if one exists) have appropriate limits on its power?	Unbounded executive committee authority can effectively sideline the full board.
Is the dissolution clause IRS-compliant?	Required for 501(c)(3) status. Assets must go to another tax-exempt organization.

The Most Common Bylaw Problems – And What to Do About Them

Bylaws that have not been updated in a decade or more

The law changes. Best practices evolve. An organization operating under bylaws written in 2005 may be out of step with current state nonprofit corporation law, IRS expectations, and governance standards. A formal review every three to five years is reasonable; a review triggered by a governance crisis is too late.

Bylaws that are too detailed

Some organizations put operational procedures, staff policies, or program descriptions in their bylaws. This is a mistake. Every detail you embed in bylaws becomes subject to the amendment process, which is intentionally difficult. Bylaws should establish structure and authority — not manage day-to-day operations. Move operational content to board-adopted policies, which can be updated by simple majority vote.

Bylaws that no one has read

This is the most common problem of all. Bylaws cannot protect an organization if leadership does not know what they say. Every incoming board member should receive a copy at orientation. Every board officer should be able to answer basic questions about what the bylaws require. The board chair and ED should know their bylaws well enough to flag a potential violation in real time.

Bylaws that do not match practice

If your bylaws say you elect officers at the annual meeting but you actually do it by email in December, or say you require 10 days' notice for meetings but routinely give two, you are operating out of compliance with your own governing document. The fix is one of two things: change the practice, or amend the bylaws to reflect reality. Either is acceptable. Ignoring the gap is not.

Missing or vague removal procedures

Every set of bylaws should clearly describe how a board member or officer can be removed, what process is required, and what vote threshold applies. Organizations without clear removal procedures find themselves unable to act when they need to — or vulnerable to legal challenge when they try.

When to involve an attorney:

Bylaws are legal documents. While an experienced governance consultant can help you identify gaps, assess whether your bylaws match your practice, and guide a revision process, the final product should be reviewed by an attorney familiar with your state's nonprofit corporation law before adoption. This is especially true if you are making significant structural changes, updating indemnification language, or addressing a specific legal concern.

How to Amend Your Bylaws

1. The board (or a designated committee) drafts proposed amendments.
2. Proposed language is distributed to all board members with the required advance notice — check your bylaws for the specific requirement, often 10–30 days.
3. The board convenes a meeting at which a quorum is present.
4. Proposed amendments are discussed and may themselves be amended from the floor.
5. A vote is taken. Most bylaws require a two-thirds supermajority to amend; some require a simple majority. Know your threshold before you call the vote.
6. If approved, the amended bylaws are dated, signed by the board secretary, and stored with corporate records.
7. If your state requires filing of amended governing documents, that filing is made promptly.

Keep a version history:

Every time your bylaws are amended, date the document and note what changed. Store all prior versions. If a governance question ever arises about what the rules were at a particular point in time, you will want that history. A single "current bylaws" document with no revision history is a common and easily avoided gap.

Need help reviewing, updating, or facilitating a board discussion about your bylaws?

Book a free 30-minute discovery call at www.spiegelconsulting.com — or reach Noah directly at noah@spiegelconsulting.com or 615-997-0944.