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May 2017

**New York Nonprofit Organizations, Take Note of New Law:
You Can Amend Your Bylaws and Conflict of Interest Policy to Streamline Governance**

Amendments to the New York Not-for-Profit Corporation Law effective May 27, 2017 offer New York nonprofit organizations the opportunity to improve their governance practices. Here are several ways to amend your governance documents to take advantage of the new law.

- _____ Amend conflict of interest policy to allow disinterested staff, rather than the Board, to approve related party transactions that:
- are very small or
 - are in the ordinary course of business, or
 - benefit a related party solely as a member of a class of charitable beneficiaries, where the benefit is available to all similarly situated members of that charitable class on the same terms.

Corporations should work with legal counsel to define the transactions subject to these exceptions, following the law's precise definitions and Charities Bureau guidance.

- _____ Amend bylaws to allow a majority of the directors present at a meeting (rather than a majority of the entire Board) to form and appoint people to committees of the Board. (Special rules apply to Executive Committees.)

- _____ Consider amending bylaws and conflict of interest and whistleblower policies to allow a committee of the Board to oversee the conflict of interest and whistleblower policies. It is no longer necessary to have this function conducted solely by the Audit Committee, or by directors who fit the law's very specific definition of "independent director."

The new law also requires nonprofits make certain other changes to their bylaws, conflict of interest policy, and whistleblower policy. Those changes are described in a June 2016 Lawyers Alliance [legal alert](#).

This alert is meant to provide general information only, not legal advice. Lawyers Alliance staff and volunteers are available to help qualified nonprofits review and revise their bylaws and conflict of interest and whistleblower policies. Please contact Laura Abel at (212) 219-1800 ext. 283, or visit www.lawyersalliance.org for further information.

Lawyers Alliance for New York is the leading provider of business and transactional legal services for nonprofit organizations that are improving the quality of life in New York City neighborhoods. Our network of pro bono lawyers from law firms and corporations and staff of experienced attorneys collaborate to deliver expert corporate, tax, real estate, employment, intellectual property, and other legal services.