



Helping Nonprofits with Well-Crafted Bylaws Vital to Good Governance

Bylaws provide a roadmap for Board governance that impacts every aspect of a nonprofit organization's operations. Well-crafted bylaws make it possible for an organization to make binding decisions, turn those decisions into actions, and resolve internal disputes when they arise. Lawyers Alliance recently released a new edition of *Bylaws That Work: A Manual for New York Nonprofits*, a publication for nonprofits and their attorneys. *Bylaws That Work* includes the following principles to consider when drafting or revising bylaws.

Start with the Big Picture. Any engagement to draft or update a nonprofit organization's bylaws should start with a detailed discussion about the organization's needs and preferences. An initial conversation should include, for example, whether committees are desired by the organization, and whether there will be *ex officio* Board positions.

Simplify and Clarify. Bylaws should be drafted in a manner that allows the Board to make expeditious, well-informed decisions. Discuss with the organization the minimum provisions required by law. New York nonprofit law provides Boards with a good deal of flexibility to determine how to operate, and Delaware law in some cases even more so.

Plan for the Future. Forward-looking support should include advising the organization on the importance of periodic review of the bylaws and governance training for the Board. Corporate records should be kept in a well-known physical or virtual location. If the bylaws have been clearly drafted, they will provide instructions for amendment by future configurations of Board members.

Case Example: Bylaws should be reviewed every few years to comply with changes in nonprofit law and ensure best practices.

Workforce Professionals Training Institute (WPTI) trains and guides those in the field of workforce development. The organization wisely thought it best to update its bylaws so that all Board members were in agreement on the content, use, and revisions of the bylaws. Chief Operating Officer Michael Grant says, "Though our Board's Governance Committee had reviewed the bylaws as specific questions arose, we had not done a comprehensive review and update of our bylaws since 2016. Volunteer attorneys from **Wilson Sonsini Goodrich & Rosati** helped with revisions. Together, we dug into the details

to understand our current structure and update the bylaws to match, and also revised our conflict of interest policies, reporting, and whistleblower policy."

Case Example: Nonprofits going through Board transitions want to move quickly to clarify their bylaws. **Solar One** works towards a more sustainable and resilient urban environment through school-based educational programs, green workforce training, and an effort to make community solar more accessible to purchasers. During a time of Board leadership transition, volunteer attorneys from **Paul, Weiss, Rifkind, Wharton & Garrison LLP** worked to revise Solar One's bylaws and address questions about the future direction of the Board. Amy Poster, Chair of the Governance Committee, says, "Solar One's work with Lawyers Alliance and Paul Weiss served as an invaluable partnership in our efforts to clarify governance structure during a time of transition."

Pro bono attorneys can help nonprofits confront evolving questions with clear, understandable bylaws. To volunteer with Lawyers Alliance, visit: www.lawyersalliance.org/become-a-volunteer. To order a copy of *Bylaws That Work*, visit: www.lawyersalliance.org/publications/list#bylaws.

