



# BOARD WORKS

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## ◆ REVIEW OF BYLAWS

By: Rick Stiffney

Organizations should review corporate bylaws at least once every three to five years. This ensures that the bylaws are up-to-date, appropriately setting parameters as well as supporting the organization's mission and operations. I strongly recommend that a small group representing the board's interests engage in this process, testing core ideas with the full board and the CEO. An attorney can then help codify in legal language the intent of the board. In some cases, another entity that holds reserved power in relationship to the organization will have the right to approve revised bylaws.

## ◆ BYLAWS THAT SERVE

Consider these trends and perspectives when you review your bylaws.

**Mission and Purpose** -- The statement of mission and purpose in the bylaws should be broad and sufficiently general to accommodate various iterations of focus and service over time. It does not need to be as well-honed as the formal corporate mission statement. However, the stated purpose should be clear and contemporary.

**Ownership** -- The organization's formal linkage(s) with a supporting constituency should be clearly stated. With faith-based organizations, the linkage may be with a cluster of congregations, conferences or a regional body, or a national agency. In other cases, the organization's connections to a community of support might be informal or even ambiguous.

If the bylaws are silent about a formal linkage, then the board is essentially constituted as a self-perpetuating 501(c)(3) corporate entity.

Each approach has its strengths and vulnerabilities. Sometimes, the bylaws will stipulate that some board members must represent the interest(s) of defined constituent groups. Most critical, in my estimation, is having models of affiliation and accountability that promise to deliver the greatest sustainability of mission and identity over the longest period of time.

**Board Size and Composition** -- Two trends are evident. First, boards are smaller, usually 11-13 members, compared to an average of nearly 20 just a decade ago.

Second, board members are being recruited less for reasons of political representation and technical expertise and more for the broad perspectives of faith, community, industry, and leadership capacity.

Many bylaws include a statement about qualifying criteria for an individual's service on the board. These criteria should address such issues as an individual's willingness to embrace the mission, serve with absolute integrity, and meet any faith test that might be implied by other bylaw provisions.

**Term Limits** -- Opinions vary on the issue of term limits. I tend to support a term limit because it can be a catalyst for ongoing recruitment and for change. Opponents of term limits argue that a limit arbitrarily puts a sunset on the service of board members who could continue to serve capably.

The bylaws can address this argument by allowing a former member to be appointed to a second cycle of service after a one-year absence from the board. Generally, terms are limited to three three-year or three four-year terms. A total cycle of 12 years seems reasonable.

**Standing Committees** -- Currently, bylaws tend to prescribe very few standing committees. Often the only standing committees named in the bylaws are executive, board development, and audit committees. All other functions or assignments of the board are carried about by an ad hoc committees or task force. The bylaws should provide the means by which such groups can be appointed.

## Resource

This [worksheet](#) can help you organize and record your review of the bylaws.

# ◆ BYLAWS THAT SERVE

**CEO and Board Linkage** – Bylaws should specify the basic nature of linkage between the senior staff officer and the board. Opinions diverge sharply on the question of whether the CEO should be a member of the board with voting privileges. I favor the model in which the CEO is clearly an employee reporting to the board and not a member of the board.

**Board Leadership** – Bylaws can be a vehicle to establish clarity about terms of board leadership and chair succession. Again, practice varies. However, bylaws should be used ideally to articulate good practice for the organization.

**Dissolution Clauses** -- Most bylaws have a provision for the treatment of residual assets if the organization should discontinue service or be acquired by another organization. In some cases, the organization might have net positive assets.

An organization's bylaws can direct the investment of residual assets to reflect its mission and to honor the intent of the founders or key constituent groups.

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# ◆ QUESTIONS FOR THE BOARD

1. When did we last review the bylaws?
2. Do we have a policy for how often we review our bylaws?
3. Do we practice what our policy requires?
4. Who needs to approve our bylaws?

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## OUR VISION

To be a community of vibrant Anabaptist health and human service ministries committed to God's work of healing and hope in Jesus Christ.

## OUR MISSION

MHS Alliance strengthens and extends Anabaptist health and human service ministries in faithfully and effectively fulfilling their missions.

For further information or to suggest topics for future issues of Board Works, please contact MHS Alliance at [Emily@mhsonline.org](mailto:Emily@mhsonline.org).



234 South Main Street, Suite 1  
Goshen, IN 46526  
Phone: 574.534.9689  
Fax: 574.534.3254  
Web Site: <http://www.mhsonline.org>