

# **SAMPLE UNIT BOARD BYLAWS**

The ACBL does not suggest adapting these bylaws for your Unit without first consulting an attorney. Every Unit is different and may have special considerations. These sample bylaws are intended to point out many of the issues that your Unit might want to consider when writing or amending its bylaws.

These sample bylaws are designed for a unit that is incorporated according to the applicable state statute. The ACBL highly recommends, but does not require, units to be incorporated entities.

Units incorporated or based in Canada, Mexico, or Bermuda should be aware that these sample bylaws are designed for Units incorporated or based in the United States.

Updated July 2006.

Note: When filling in a number it is best to use both the spelled out and numeric form, e.g. “not less than seven (7) nor more than thirty (30) days.”

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### **COMMENTARY**

When the bylaws are amended they are not required to be filed with any state agency. However, tax-exempt organizations must file their amended bylaws with the IRS. See IRS Publication 557, Tax-Exempt Status for Your Organization.

### **BYLAWS**

of the  
**(UNIT NAME)UNIT(UNIT #), INC.**

### **ARTICLE I**

#### **NAME; PURPOSES; OFFICES**

Section 1.1 Name. The name of this organization shall be the (UNIT NAME) Unit. The (UNIT NAME) Unit is also known as ACBL Unit (UNIT #) (and referred to in these Bylaws as the “Unit”).

Incorporation is not required to be a unit of the ACBL, but it is highly recommended. Whether or not your unit is incorporated, it should be organized and operated as a nonprofit entity according to the laws of your state, and it should take steps necessary to qualify as exempt from federal income tax.

The purposes are consistent with IRS criteria for recognizing tax-exempt status under section 501(c)4. The purpose statement must not conflict with the purposes stated in your articles of incorporation.

Registered Office/Agent. For most units, the unit secretary will serve as the agent. The registered office can be the home address of the secretary. In most states, the Secretary of State must be notified of a change of registered agent.

Section 1.2 Incorporation. The Unit is incorporated as a nonprofit corporation under the laws of the state of \_\_\_\_\_ (the “State”) and shall be governed by the nonprofit corporation law of the state (the “Nonprofit Law”).

Section 1.3 Purposes. The purposes for which the Unit is organized are: to foster community welfare in the furtherance of the game of contract bridge in its various forms of competition; to promulgate high standards of conduct and ethics to its members, and to enforce such standards; to provide organized bridge activities and services to satisfy the social, recreational, and competitive needs of the membership and the community; to conduct tournaments and other competitive events as permitted by the American Contract Bridge League; and to conduct such other activities as may be in keeping with its principal objectives.

Section 1.4 Registered Office and Registered Agent. The registered office of the corporation shall be located in the State of \_\_\_\_\_ at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law.

## **ARTICLE II**

### **AMERICAN CONTRACT BRIDGE LEAGUE**

The Unit is a separate legal entity that interacts with the American Contract Bridge League (ACBL) through the Unit charter process and exists for the purposes specified in Article I of these Bylaws. As such, the Unit and its members shall be subject to and abide by the Bylaws and regulations of the ACBL as in existence and amended from time to time by ACBL. No rule, regulation or bylaw adopted by the Unit shall be inconsistent with or be in contravention of the rules, regulations and bylaws of the ACBL. The Unit shall conduct its affairs in a manner consistent with the rules, regulations, policies, procedures and bylaws of the ACBL.

## **ARTICLE III**

### **ACBL UNIT JURISDICTION**

The geographical area within which this Unit shall have ACBL

The ACBL Board of Directors has final and undisputed authority over unit boundaries.

Membership in a unit is dependent upon the regulations established by the ACBL.

Annual Meeting. Some states require an annual meeting of the membership. If your unit “forgets” to hold its meeting, this section protects your unit against involuntary dissolution.

jurisdiction is such area as is presently or may in the future be assigned to it by the Board of Directors of the ACBL.

#### **ARTICLE IV**

##### **MEMBERSHIP**

Section 4.1 Members. Any person who is a member of the American Contract Bridge League and resides within the geographical area over which this corporation has jurisdiction shall be a member of the unit. Any person who lives outside the geographical area over which this corporation has jurisdiction may apply for membership in the Unit according to regulations established by the ACBL. Any person who resides within the geographical area of the Unit may apply to become a member of a different Unit according to regulations established by the ACBL.

Section 4.2 Rights and Obligations., In accordance with the procedures established by the ACBL Board of Directors, the members of the Unit shall have voting rights and any other legal rights or privileges in connection with the governance of the Unit. Members of the Unit shall be required to abide by, and to conduct themselves in a manner consistent with, the Bylaws, regulations, policies, code of conduct and ethics standards established by the ACBL.

Section 4.3 Termination of Membership. A member shall remain a member of the Unit unless and until he changes his residence to a place outside the jurisdiction of the Unit, without taking the necessary steps to retain membership in the Unit, per ACBL regulations.

#### **ARTICLE V**

##### **MEMBERSHIP MEETINGS**

Section 5.1. Annual Meeting. The Annual Meeting of the Unit shall be held at such time and place as may from time to time be fixed by the President [or the Board]. The agenda of the Annual Meeting shall include presentation of annual reports and transaction of such other business as may properly come before the meeting. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Unit or invalidate any action taken by the Board of Directors or Officers of the Unit.

Section 5.2. Special Meetings. Special meetings of the membership of the Unit may be called by the President or by the Board of Directors. A special meeting shall be called by the President on petition by not less

Notice. Some state laws set out the minimum period of time prior to a meeting that notice must be given. Check the nonprofit statute for your state.

Quorum. Some state laws set forth a minimum percentage of members, such as 10%, that are required for a quorum. The state requirement often may be overwritten if an organization sets a different number or percentage for a quorum in its bylaws.

Proxy Voting. The ACBL regulations stipulate that no proxy voting shall be permitted at membership meetings.

Directors. Some (but not all) states require directors to be at least eighteen years old. ACBL regulations specify only that Unit Board Members and Unit Officers must be “members in good standing.”

Fiduciary Duties. Nonprofit board members operate within a unique legal arena. Under well established principles of nonprofit law, board members must meet

than [specify number or percentage] members entitled to vote.

Section 5.3. Place of Meeting. All membership meetings of the Unit shall be held within the geographical limits of the Unit.

Section 5.4. Notice of Meetings. Notice, written, printed or by electronic transmission, stating the place, day and hour of the annual meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than \_\_\_ nor more than \_\_\_ days before the date of the meeting, by or at the direction of the President, Secretary or officers or persons calling the meeting, to each member entitled to vote at such meeting.

Section 5.5. Quorum. \_\_\_ [or \_\_\_ percent of the total voting members] members in good standing of the Unit shall constitute a quorum at any meeting of the membership.

Section 5.6. Proxy Voting. No proxy voting shall be permitted at membership meetings.

## **ARTICLE VI**

### **BOARD OF DIRECTORS**

Section 6.1. Powers and Duties. The management of all business, property, and interests, and other affairs of the Unit shall be vested in its Board of Directors. Among the powers hereby conferred is the power to impose sanctions upon members in accordance with ACBL rules and regulations, to delegate non-policy making authority to members who are not directors, and, in general, to take such other and further actions as may from time to time be necessary to further and implement the purposes and aims of the Unit as set forth in Article I. The Board of Directors is the sole judge of its own membership.

Section 6.2. Directors’ Fiduciary Duties and Standards of Conduct. Each director is subject to a duty of loyalty to the corporation and a duty of care in the performance of his duties as a director.

certain standards of conduct in carrying out their duties to the organization.

The Board is responsible for knowing and complying with all applicable laws, including, but not limited to, IRS requirements for filing information returns.

No nominating committee is necessary – other units use different models – some units require nominating committee to be non-board members – if you wish to have a nominating committee this is suitable language

Nomination and Election. More planning is required if the unit chooses to vote for directors by mail. Consult your state statute. Tie-breaking procedures may be specified here or by regulation.

Number. Some states require a minimum of three. Most units chose to have more than three. There is generally no upper limit imposed by state law.

Term of office. If you choose to use term limits the following commentary is appropriate: No director may serve more than \_\_\_ consecutive terms. Any term of more than \_\_\_ year(s) shall be deemed to be a \_\_\_ year term for the purpose of eligibility for re-election. Some units establish staggered terms for directors, to minimize yearly turnover. Instead of a calendar year term, the term

Section 6.3. Nomination and Election of Directors. At a time reasonably in advance of each annual meeting of the Unit, the President shall appoint a nominating committee. The nominating committee shall determine and present to the members a list of nominees for election as Directors to fill the positions of those Directors whose terms shall expire at the end of the year. The members shall, by the affirmative vote as required by the provisions of Section 5.5 of these Bylaws, elect the requisite number of Directors from among the list of nominees.

Section 6.4. Number. The Board of Directors shall consist of \_\_\_ (\_\_\_) members. All directors must be members in good standing of the ACBL as well as members of the Unit.

Section 6.5. Term of Office. \_\_\_ (\_\_\_) directors shall be elected each year for terms of office of \_\_\_ years, the terms to commence January 1 of the year following the election. All Board Members shall hold office until their successors are elected and qualified or until their sooner death, resignation or removal.

may run from annual meeting to annual meeting.

Length of office. Some state laws have a limit on the length of time a board member may stay in office. Otherwise, the duration of the term and term limits are options for the unit.

Regular and Special Meetings. Adjust the schedule to meet your unit's needs.

Meetings. Some state laws require that boards meet at least once a year. The frequency and scheduling of board meetings is a unit option.

Notice. Proper notice of board meetings is essential. Actions taken during a board meeting without proper notice according to state law may be invalidated. Check your state statute. Some states do not permit notice by e-mail.

Waiver of Notice. This section, if used, provides a mechanism for calling a meeting when it is not possible to meet the legal requirements of notice.

Conference Telephone. State laws vary. Check your state statute.

Quorum. An abstention has the practical effect of a "no" vote.

Section 6.6. Regular and Special Meetings. The Board shall establish a schedule for regular meetings. Regular meetings of the Board of Directors shall be held, with proper notice, not less frequently than once \_\_\_\_\_. Special meetings of the Board may be called at any time by the President, the Board, or upon the written request of \_\_\_\_ or more directors. Members of the Board of Directors may participate in a meeting of such board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

Section 6.7. Notice. Notice, written or printed, of any regular or special meeting stating the place, day and hour of the meeting shall be mailed no fewer than \_\_\_\_ days nor more than \_\_\_\_ days prior to the date of the meeting. Notice may be provided only by electronic transmission (e-mail) to those members of the Board of Directors who so consent.

Section 6.8. Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

Section 6.9. Participation in Meeting by Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, as long as members participating in such meeting can hear one another.

Section 6.10. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6.11. Vacancies. All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill any vacancy shall hold office for the unexpired term of his

Removal of a director. Removing a sitting director is not only emotionally charged, it is frequently the basis of a lawsuit. **Refer to your state statute** and proceed with care. Some states require that “cause” be defined in the bylaws.

Proxy Voting. Proxy voting is not permitted by ACBL regulation.

Officers. Some states require minimally a President and Secretary. Most states allow as many officers as the organization wishes. Some states limit which offices can be held by one person. Check your state statute. If your officers serve for a calendar year, insert “January 1 through December 31” into the second sentence of 7.1.

President. Term limits for serving

predecessor and until a successor is elected and qualified.

Section 6.12. Removal. A Director may be removed for cause at any meeting of the Board of Directors provided two-thirds of those present shall so vote. The Director subject to removal for cause shall be notified in writing of the grounds for such removal. Such notice shall be delivered by certified mail. The grounds for such removal must be submitted with the notice of said meeting and said Director shall have a reasonable opportunity at said meeting to object to and argue his removal with representation by counsel of his choosing.

Section 6.13. Resignation. Any director may resign at any time by delivering written notice to the President or the Secretary, or by giving oral or written notice at any meeting of the Board of Directors. A director’s resignation will take effect upon delivery of notice unless the notice of resignation specifies a later effective date. Acceptance of a director’s resignation will not be necessary to make it effective.

Section 6.14. Voting by Proxy. Voting by proxy is not permitted.

## **ARTICLE VII**

### **OFFICERS**

Section 7.1. Designations. The officers of the corporation shall be a President, a Vice-President, a Secretary, and a Treasurer. All officers shall be elected for terms of one year by the Board of Directors [or by the membership]. Officers shall hold office until their successors are elected and qualified.

Section 7.2. President. The President shall preside at all meetings of the Board of Directors, shall have general supervision of the affairs of the corporation and shall perform such other duties as are incident to the office or are properly required of the President by the Board of Directors. A Director may not serve as President for more than \_\_\_\_ consecutive years.

Section 7.3. Vice President. During the absence or disability of the President, the Vice President shall exercise all the functions of the

as President are recommended but not required.

Secretary. Some units do not require that the Secretary be a member of the Board of Directors.

Treasurer. Some units do not require that the Treasurer be a member of the Board of Directors. The finances of the unit must be kept in accordance with the law of the state in which the unit is incorporated and in accordance with sound accounting principles.

Removal of an officer. Removing a sitting officer is not only emotionally charged, it is frequently the basis of a lawsuit. **Refer to your state statute** and proceed with care. Some states require that “cause” be defined in the bylaws.

Compensation. Officers generally

President. The Vice President shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors.

Section 7.4. Secretary. The Secretary shall issue notices for all meetings, shall keep minutes of all meetings, shall have charge of the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board of Directors.

Section 7.5. Treasurer. The Treasurer shall have the custody of all monies and securities of the corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors and shall render to the Board of Directors, from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the corporation. The Treasurer shall perform such other duties as are incident to the office or are properly required by the Board of Directors.

Section 7.6. Delegation. If any officer of the corporation is absent or unable to act and no other person is authorized to act in such officer’s place by the provisions of these Bylaws, the Board of Directors may, from time to time, delegate the powers or duties of such officer to any other officer, director or other person it may select.

Section 7.7. Removal.

Section 7.8. Vacancies. In case any office shall become vacant by reason of death, resignation, removal or otherwise, the directors then in office may appoint a successor or successors for the unexpired term.

Section 7.9. Compensation and Reimbursement of Officers. The officers of the Unit shall serve without compensation but may be authorized to receive reimbursement of expenditures made on behalf of the Unit.

Section 7.10. Resignation of Officers. Any officer may resign at any time by delivering written notice to the President, the Secretary, or the Board of Directors, or by giving oral or written notice at any meeting of



serve without compensation. If you do pay officers they are statutory employees, per the IRS. Consult your tax advisor if your unit pays its officers.

While it is not illegal to compensate nonprofit board members or officers, the IRS and several nonprofit ethics groups strongly recommend against it.

Disciplinary committee required by ACBL, whether or not it is mentioned in bylaws

Executive Committee. Many state laws require that an executive committee that may make decisions on behalf of the board between meetings be made up only of members of the board of directors. Small or medium sized units may have no need for an executive committee.

It is not necessary to designate committees in the bylaws, nor is it prudent to create an excessive number of committees.

Amendment. Other amendment procedures may be adopted by the unit. Check your state statute before limiting the rights of the members to amend the bylaws.

the Board of Directors. Any officer's resignation will take effect upon delivery of notice unless the notice of resignation specifies a later effective date. Acceptance of an officer's resignation will not be necessary to make it effective.

## **ARTICLE VIII**

### **COMMITTEES**

Section 8.1. Establishment. The President, with the approval of the Board of Directors, shall have the power to create and appoint the members of such standing and special committees as he may deem necessary or appropriate, designate the chairs thereof and assign functions thereto. The members of committees need not be members of the Board of Directors.

Section 8.2 Executive Committee. The Board may designate, from among its directors, an Executive Committee. This committee shall have powers as provided by resolution of the Board of Directors except as prohibited by nonprofit law. Rules governing meetings of the executive committee shall be as established by the Board of Directors, or in the absence thereof, by the committee itself.

Section 8.3 Other Committees. Other committees shall be established at the discretion of the President. Each committee may adopt rules for its meetings which are not inconsistent with these bylaws.

Section 8.4. Term of Office. Each member of a committee shall serve for \_\_\_\_ year(s) and until a successor is appointed unless the committee is sooner dissolved.

## **ARTICLE IX**

### **AMENDMENT OF THE BYLAWS**

These bylaws may be amended, altered or repealed and new bylaws may be adopted by a vote of \_\_\_\_ (majority) (2/3) of the members present at any meeting of the members at which a quorum is present, and not otherwise.

Careful thought should be given to major decisions such as amending the bylaws. Absent specific language to the contrary, the requirement of a “two-thirds vote,” for example, simply means that there must be the approval of two-thirds **of a quorum** in order for the measure to pass.

Indemnification. Check your state laws and consult legal counsel.

Publication. Unit option. It is not required to have an official publication. Use this section if your unit has one.

Inoperative Portion. Legal protection in case one part of the bylaws inadvertently runs afoul of state law.

Interpretation. Eliminates the need for “him/her”, “he/she”, etc.

Records. State law often dictates what records must be made available to an organization’s members. Federal law requires that a nonprofit, tax-exempt organization’s copies of the organization’s annual information returns (IRS Form 990) for the most recent three years be available for public (not just

## ARTICLE X

### INDEMNIFICATION

[If you chose to have an indemnification article check the state laws]

## ARTICLE XI

### MISCELLANEOUS

Section 11.1. Publication. The official publication of the Unit shall be as designated by the Board of Directors and shall be published by the Unit.

Section 11.2. Inoperative Portion. If any portion of the Bylaws shall be invalid or inoperative, then, to the extent reasonable and possible, the remainder shall be valid and operative, and effect shall be given to the intent that portion held invalid or inoperative manifests.

Section 11.3. Interpretation. Whenever the context indicates, the masculine gender shall encompass the feminine and neuter, and the singular shall encompass the plural or vice versa. The headings are solely for organization, convenience and clarity. They do not define, limit or describe the scope of these bylaws or the intent in any of the provisions.

Section 11.4. Books and Records. The Unit shall keep correct and complete books and records of accounts and shall keep minutes of all proceedings of its Board of Directors and membership meetings.

Section 11.5. Fiscal Year. The fiscal year for the Corporation shall run from \_\_\_\_\_ to \_\_\_\_\_.

membership) review.

Fiscal Year. A fiscal year that coincides with the calendar year is common but not required. It is not necessary to state the fiscal year in the bylaws, although many units do so.

D&O Insurance. Highly recommended but not required, either by law or by the ACBL.

Loans. Seriously, don't even think about doing it. The unit could jeopardize its tax-exempt status. This clause does not preclude an advancement of expenses that will be later accounted for.

Dissolution. The expectation is that the duration of the unit as a corporation shall be perpetual. The Dissolution Article serves to protect the tax-exempt status of the organization.

Nonprofit Status. This does **not** mean that it is improper for revenues to exceed expenses. It does mean that the organization's resources are dedicated to its nonprofit purposes and neither insiders nor private individuals shall improperly benefit from the unit's assets.

Certification. This is a reminder that whenever you amend your articles of incorporation or bylaws, IRS regulations state that you must submit a "conformed

Section 11.6. Loans. The corporation will not make loans to any director or officer. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Unit for the amount of such loan until the repayment thereof.

## **ARTICLE XII**

### **DISSOLUTION and NONPROFIT STATUS**

This Corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to its members. It is organized solely for nonprofit purposes. On the dissolution or winding up of this Corporation, assets remaining after payment of, or provision for payment of, all debts and liabilities of this Corporation shall be distributed according to the regulations and policies of the ACBL. If this Corporation holds any assets in trust, they shall be disposed of in such a manner as may be directed by judgment of a court of appropriate jurisdiction.

### **CERTIFICATION OF THE BOARD OF DIRECTORS**

The undersigned hereby certifies (i) I am the \_\_\_\_\_ of the Unit, a nonprofit corporation, (ii) the above Bylaws are a true, correct and complete copy of bylaws adopted at a duly held meeting of the \_\_\_\_\_ (membership) on the \_\_\_ day of \_\_\_\_\_, 200\_\_\_,

copy" of the changes to the appropriate district office of the IRS. This information may be included when you file your annual Form 990. If the information is included there, Line 77, which asks whether changes in the organizing or governing documents of the organization have been made, must be answered in the affirmative. Otherwise, the information must be sent under separate cover to the appropriate IRS office.

A "conformed copy" of the changes is simply one that agrees with the original document and all amendments. Photocopies are fine. If the copies are not signed, they must be accompanied by a signed declaration of an authorized officer of the corporation certifying they are complete and accurate copies of the organizing or governing documents. If a number of changes are made, attach a copy of the entire revised document.

and in accordance with the laws of the State of \_\_\_\_\_, and (iii) the Resolutions are in full force and effect on the Effective Date hereof and have not been amended on or subsequent to the Effective Date.

IN WITNESS WHEREOF, I have hereunto executed this Certificate in my official capacity on \_\_\_\_ day of \_\_\_\_\_, 200\_.

By: \_\_\_\_\_