Governing Documents of The …Association, Incorporated

by Michael L. Swift PRP, CPP-T

Parligroup

Michael L. Swift

Professional Registered Parliamentarian

Certified Professional Parliamentarian - Teacher

3654 Benson Ave. • Baltimore, Maryland 21227-1005

443.463.9148 • mswiftrp@parligroup.com • www.parligroup.com

I have been a parliamentarian for over twenty-five years and have obtained the combined designations of Professional Registered Parliamentarian (PRP) with the National Association of Parliamentarians (NAP) and Certified Professional Parliamentarian–Teacher (CPP–T) with the American Institute of Parliamentarians.

I have served as a parliamentarian, a presiding officer, a secretary, an instructor, and an expert witness. I have also written and revised bylaws, written parliamentary opinions, and judged parliamentary competitions. I have performed these services for parliamentarians, professionals, veterans, avocations, schools, condominiums, local governments, government agencies and local communities.

As a professional parliamentarian I serve as

- a meeting, convention, and board parliamentarian
- a floor parliamentarian,
- a professional presider at meetings,
- a judge of parliamentary competitions,
- an expert witness, and
- a consultant for officers, directors, and members,

and I

- write professional opinions on parliamentary procedure,
- write, and revise bylaws, and related governing documents, and
- present customized workshops and training sessions on parliamentary procedure and rules of order.

Table of Contents

Introduction 1

Law 2–3

Articles of Inc. 4–5

Bylaws, Parent vs. Constituent 6

Private Acts & Legalese 7

Questions & Points 8

Sample Bylaws, Constituent 9–11

Special Rules of Order 12–13

Internet Special Rules of Order 14–16

Rules of Order 17

Minutes 18–19

Standing Rules 20–21

Policies & Procedures 22-23

Example Ranked Documents Treasurer 24

Example Ranked Documents Membership Committee 25

Example Ranked Documents Finance Committee 26

Principles of Interpretation 27

_____ 28

Table of Contents

What gets you into trouble?..... Back Cover

Hierarchy of Governing Documents Listed ..... Back Cover

Version 260921

Hierarchy of Governing Documents
Introduction

Governing

1. In an association there are typically ten ranks of governing documents from the top down although the series employed in each association may differ.

Reading

2. Read the governing documents, in sequence, from the top rank down when researching a situation to determine the correct result or proper action.
3. Reading the governing documents from the top down may require reading the governing documents of a parent, or constituent, or subordinate entity of the association.

   IRS documents use the terms central and affiliate in place of parent and constituent.

Maintaining

4. Maintain the integrity of each rank in the system because the rules in each ranked document from the top-down take priority over the rules in the documents below it.
5. Maintain the integrity of each rank in the system because the rules in each ranked document from the bottom-up cannot conflict with the rules in the documents above it.
6. Maintain each rule of the association in its appropriately ranked document.

Writing

7. Re-writing a rule from one ranked document in another ranked document is erroneous and creates a dilemma for the reader.
8. Encountering the same rule in two differently ranked documents, requires reading to determine the origin of the rule and ranking it accordingly.
9. Encountering the same rule in two differently ranked documents, requires correcting the discrepancy as soon as possible.

The state code is written to cover every corporation in the state, and therefore must be not only a controlling document but also a flexible document. The code indicates those things that are required, authorized, permitted, optional, or prohibited.

State Codes can be searched by state on https://law.justia.com/

Some examples of the phrases used are:

a. The bylaws, or board, or corporation may… ..... optional

b. Unless the bylaws provide otherwise… .....default

c. Each director of a corporation shall… ..... directive

d. A corporation may not…..... prohibition

e. If permitted by the bylaws a person may… .....conditional option

Excerpts "**Maryland Code Corporations and Associations**."

Title 1 General Provisions

Subtitle 1 Definitions and Application

§1-101 - Definitions

(l) Director. "Director" means a member of the governing body of a corporation, whether designated as a director, trustee, or manager or by any other title.

(y) Stockholder. "Stockholder" means a person who is a record holder of shares of stock in a corporation and includes a member of a corporation organized without stock.

Title 2 Corporations in General - Formation, Organization, and Operation.

Subtitle 4 Directors and Officers.

§2-408 Action by directors.

(a) Majority rule. Unless this article or the charter or bylaws of the corporation require a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is the action of the board of directors.

(b) Quorum.

(1) Unless the bylaws of the corporation provide otherwise, a majority of the entire board of directors constitutes a quorum for the transaction of business.

(2) The bylaws may provide that less than a majority, but not less than one-third of the entire board of directors, may constitute a quorum unless:

(i) There are only 2 or 3 directors, in which case not less than 2 may constitute a quorum; or

(ii) There is only 1 director, in which case that one will constitute a quorum.

(c) Informal action by directors. Any action required or permitted to be taken at a meeting of the board of directors or of a committee of the board may be taken without a meeting if a unanimous consent which sets forth the action is:

(1) Given in writing or by electronic transmission by each member of the board or committee; and

(2) Filed in paper or electronic form with the minutes of proceedings of the board or committee.

Some key words to search for in the code are notice, quorum, vote, articles, and bylaws.

A State Code

An association's bylaw differs from, a state code, in that the rule in the code cannot be adopted, lost, or amended by the members of the association.

A state code is not the association's bylaw.

The Articles of Incorporation create a separate legal entity in the state. The articles are adopted and amended as prescribed by the state and cannot be suspended.

The Articles of Incorporation should contain that information necessary to obtain corporate status.

The Articles of Incorporation are adopted, amended, and approved as prescribed by the laws of Maryland.

The corporation is not a "nonprofittaxexemptcorporation."

It is first a corporation that then claimed it was not-for-profit and then obtained a letter of determination from the Internal Revenue Service (IRS) exempting it from certain federal taxes.

1st The association completes the form.

2nd The association indicates on the form that it is not for profit.

3rd After receiving notice from the state that it is incorporated the association submits the necessary paperwork to the IRS and waits for the letter of determination exempting the association from certain federal taxes.

The following is a sample of a form to be completed and submitted to the Maryland State Department of Assessment and Taxation (SDAT) to obtain corporate status in Maryland.

Articles of Incorporation form filed in Maryland

FIRST: The undersigned _____ whose address is _____, being at least eighteen years of age, do(es) hereby form a corporation under the laws of the State of Maryland.

SECOND: The name of the corporation is **_ the name inserted on this line of the form _**.

THIRD: The purposes for which the corporation is formed are as follows**:**
the words inserted on these lines of the form _____.
Said corporation is organized exclusively for charitable, religious, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the internal Revenue Code, or the corresponding section of any future federal tax code.

FOURTH: The street address of the principal office of the corporation in Maryland is _____.

FIFTH: The name of the resident agent of the corporation in Maryland is _____ whose address is _____.

SIXTH: The corporation has no authority to issue capital stock.

SEVENTH: The number of directors of the corporation shall be _____ which number may be increased or decreased pursuant to the bylaws of the corporation. The name(s) of the director(s) who shall act until the first meeting or until their successors are duly chosen and qualified is/are
_____.

EIGHTH: No part of the net earnings of the corporation shall inure to the benefit of, or be distributed to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Third hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office, Notwithstanding any other provision of these articles, the corporation shall not carry any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is the located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

IN WITNESS WHEREOF, I have signed these articles and acknowledge the same to be my act.

SIGNATURE(S) OF INCORPORATOR(S):
_____.

An Article of Incorporation

An association’s bylaw differs from an association’s article of incorporation in that the article of incorporation creates the entity, gives a very basic structure, and cannot be adopted, lost, or amended internally by the members of the association and it cannot be suspended.

An article of incorporation is not the association’s bylaw.

Model Nonprofit Corporation Act
§102 [Act[Definitions. "Bylaw" means the code or codes of rules (other than the articles of incorporation) adopted for the regulation and governance of the internal affairs of the nonprofit corporation, regardless of the name or names used to refer to those rules.

3. Bylaws, Parent Association

The bylaws of the parent association create a constituent association in the parent association.

The bylaws of the parent association are adopted and amended as prescribed by those bylaws and cannot be suspended.

The constituent association and its bylaws must comply with the bylaws of the parent organization on requisite points.

A Parent Association's Bylaw

A constituent association's bylaw differs from a parent association's bylaw in that the parent association's bylaw cannot be adopted, lost, or amended by the members of the constituent association.

A parent association's bylaw is not the constituent association's bylaw.

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4. Bylaws, Constituent Association

The bylaws of the constituent association structure the association.

The bylaws of the constituent association are adopted and amended as prescribed in the bylaws and cannot be suspended.

A constituent bylaw is a fundamental rule at level 4 that structures the association, is too important to suspend, is an agreement between you the member and the Corporation; the bylaw is an agreement between you and the member next to you.

The constituent association's bylaw is the constituent association's bylaw.

Private acts and legalese.

According to the *Guidebook for Directors of Nonprofit Corporations* 3rd Edition, Editors George W. Overton & Jeannie Carmedelle Frey, on page 281, under Private Acts (Contracts) That Bind the Corporation, states, "Corporations through their own voluntary actions are frequently making law: by contracts, agreements, leases, etc. These private actions, which are part of the daily business of the corporation, create a set of legal restraints that are as effective within their limited sphere as any statute or regulation."

One such act is the bylaws which should be written as much as possible in plain English a member can understand and not in legalese.

Legalese is a term used for legal writing that is difficult for you and me to read and understand. Legalese is characterized by long sentences, many modifying clauses, complex vocabulary, high abstraction, and insensitivity to the reader's need to understand the document's meaning.

Members should ask & answer the following questions.

1. Do we, the members, understand this bylaw?
2. Do we, the members, agree on the meaning of this bylaw?
3. Does this bylaw make sense to us?
4. Is this bylaw appropriate for our association?
5. Is this bylaw applicable to our association?
6. Can we, the members, amend this bylaw?
7. Can we, the members, enforce this bylaw?
8. Does this bylaw conflict with another bylaw?
9. Is this bylaw written in another document at another level?
10. What happens if we strike this bylaw?

Consider these points.

1. It is presumed that nothing is placed in the bylaws without a reason.
2. It is not necessary to re-write a rule that is written in another governing document.
3. State codes supersede bylaws that conflict with them, even if not stated in the bylaws.
4. There should be nothing in the bylaws that we do not understand.

Sample Bylaws

Article I Name

The name of the corporation is the Local Benevolent Association, Inc., as prescribed by the Articles of Incorporation and hereinafter referred to as the Association

Article II Purposes

The purposes of the Association are those prescribed by the Articles of Incorporation.

Article III Members

§1 Membership Eligibility and Admission Procedure. Any _____ shall be eligible for membership, provided they shall _____. A person shall be declared a member of the Association upon payment of the initiation fee and the annual dues for the first year.

§2 Initiation Fee and Dues. The initiation fee shall be _____ dollars. The annual dues shall be _____ dollars, payable in advance on or before _____ of each year. The Treasurer shall notify members _____ months in arrears, and those whose dues are not paid within _____ thereafter shall be automatically dropped from membership in the Association.

§3 Resignation from Membership. Any member desiring to resign from the Association shall submit his resignation in writing to the Secretary, who shall present it to the Board for action.

Article IV Officers

§1 Officers and Duties. The officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer, and four Directors. These officers shall perform the duties prescribed by these bylaws and by the parliamentary authority adopted by the Association.

§2 Nomination Procedure, Time of Elections. At the regular meeting held on the _____, a Nominating Committee of _____ members shall be elected by the Association. It shall be the duty of this committee to nominate candidates for the offices to be filled at the annual meeting in _____. The Nominating Committee shall report at the regular meeting in _____. Before the election at the annual meeting in _____, additional nominations from the floor shall be permitted.

§3 Ballot Election, Term of Office, Removal from Office. The officers shall be elected by ballot to serve for one year or until their successors are elected, and their term of office shall begin at the close of the annual meeting at which they are elected. Officers may be removed from office at the pleasure of the membership as provided in the parliamentary authority.

§4 Office-Holding Limitations. No member shall hold more than one office at a time, and no member shall be eligible to serve _____ consecutive terms in the same office.

Article V Meetings

§1 Regular Meetings. The regular meetings of the Association shall be held _____ unless otherwise ordered by the Association.

§2 Annual Meetings. The regular meeting _____ shall be known as the annual meeting and shall be for the purpose of electing officers, receiving reports of officers and committees, and for any other business that may arise.

§3 Special Meetings. Special meetings may be called by the President or by the Board and shall be called upon the written request of _____ members of the Association. The purpose of the meeting shall be stated in the call, which shall be sent to all members at least _____ days before the meeting.

§4 Internet Meetings. The Association may hold Internet meeting.

§5 Quorum. _____ members of the Association shall constitute a quorum.

Article VI Board of Directors

§1 Board Composition. The officers of the Association, including the Directors, shall constitute the Board of Directors.

§2 Board's Duties and Powers. The Board shall have full power and authority over the affairs of the Association except:

A. _____,

B. _____, and

C. _____.

§3 Board Meetings. Unless otherwise ordered by the Board, regular meetings of the Board shall be held on the first Tuesday of each month from September to June, inclusive. Special meetings of the Board may be called by the President and shall be called upon the written request of three members of the Board.

§4 Internet Meetings. The board may hold meetings on an Internet platform.

Article VII Committees

§1 Finance Committee. A Finance Committee composed of the Treasurer and four other members shall be appointed by the President promptly after each annual meeting. It shall be the duty of this committee to prepare a budget for the fiscal year beginning _____, and to submit it to the Association at its regular meeting in _____. The Finance Committee may from time to time submit amendments to the budget for the current fiscal year, which may be adopted by a majority vote.

§2 Program Committee. A Program Committee of five members shall be appointed by the President promptly after the annual meeting, whose duty it shall be to plan the annual program of the Association. This committee's report shall be submitted to the Association for its approval at its regular meeting in _____.

§3 Auditing Committee. An Auditing Committee of three members shall be appointed by the President at the Association's March meeting, whose duty it shall be to audit the Treasurer's accounts at the close of the fiscal year and to report at the annual meeting.

§4 Other Committees; President's Ex-Officio Committee Membership. Such other committees, standing or special, may be established by the Association as it shall from time to time deem necessary to carry on its work. Their members shall be appointed by the President. The President shall be ex officio a member of all committees except the Nominating Committee and any disciplinary committees.

Article VIII Parliamentary Authority

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt.

Article IX Amendment of Bylaws

These bylaws may be amended at any regular meeting of the Association by a two-thirds vote, provided that the amendment has been submitted in writing 30 days before the meeting.

The bylaws of the constituent association need to conform to those of the parent association only on clearly requisite points.

A Bylaw

The constituent association’s bylaw is a rule adopted by the members to which the members agree to adhere under the provision that it may be adopted, lost, or amended as prescribed by another bylaw in the constituent association’s bylaws.

Are the constituent association’s bylaws bylaws?

The Special Rules of Order are procedural rules that supplement or modify those rules in the parliamentary authority with respect to the conduct of business in the meetings.

Special Rules of Order are adopted by previous notice and a two-thirds vote or a vote of a majority of entire membership, are amended as prescribed by the special rules of order and can be suspended by a two-thirds vote.

With the exception that no special rule of order can be suspended if the negative vote is equal to the number of individuals the special rule protects.

Special Rules of Order relate to the conduct of business during the meetings.

Special Rules of Order of the Board of Directors

1. The order of business
    - Call to order
    1. Roll call
    2. Adoption of the agenda
    3. Approval of the minutes of the previous meeting
    4. Consent Agenda
    5. Reports of officers
        a. President.
        b. Treasurer
    6. Reports of Standing Committees
    7. Reports of Special Committees
    8. Special Orders

9. Unfinished Business
10. General Orders.
11. New Business
12. Announcements

- Adjourn

2. A member may speak no longer than two minutes.
3. No member can speak more than once to the same question on the same day.
4. Committee reports shall be submitted in writing and placed on the consent agenda.
5. The consent agenda will be adopted in gross without debate or amendment.
6. Seconds are not required for any motion.

Special Rule of Order

An association's bylaw differs from a special rule of order in that a special rule of order is a procedural rule adopted by the association in addition to or in exception to a rule of order in *Robert's Rules of Order Newly Revised* and may be amended by a two-thirds vote with notice or a majority vote of the entire membership. And a special rule of order may be suspended by a two-thirds vote.

A Special Rules of Order is not the association's bylaw.

Internet Special Rules of Order of the Board of Directors

The following are a set of Internet Special Rules of Order suitable for consideration by societies and can be easily amended to meet their specific needs.

1. **Login information.** The secretary shall send by e-mail to every member of the [insert name], at least [insert time] before each meeting,

   A. the time of the meeting, the link to the site, the codes necessary to connect to the Internet meeting, the phone number and access code to participate by telephone, and

   B. a copy of these rules.

2. **Login time.** Members shall have access to the Internet meeting at least 15 minutes before the call to order.

3. **Signing in and out**. Members shall identify themselves as required to join the meeting; shall maintain access throughout the meeting; and shall click leave the meeting upon departure.

4. **Technical Support Personnel.**

   A. The secretary shall be the host

      1) monitors the chat box

      2) shares screen

   B. The chair shall appoint a monitor, obligated to secrecy, who shall be the co-host

      1) monitors the participants list

      2) launches polls as the teller

5. **Quorum**. The quorum shall be determined by the participants list and reported to the chair by the monitor.

6. **Technical requirements and malfunctions.**

   A. Each member is responsible for their connection; no action shall be invalidated on the grounds that the loss of, or poor quality of, a member's connection prevented participation in the meeting.

   B. For assistance call the hot line number [insert number].

7. **Forced disconnections.** The chair may direct the disconnection or muting of a member's connection if it is causing undue interference with the meeting. The chair's decision to do so is subject to an undebatable appeal.

8. **Assignment of the floor.**

   A. To seek recognition

      1) a member shall click on the raise hand icon and wait to be recognized

      2) the monitor shall identify the member to the chair and lower the hand icon

      3) the chair shall recognize the member

   B. To seek recognition by smartphone

      1) call out to the monitor who shall note the member's position in the queue with raised hands

      2) the monitor shall identify the member, when at the top of the queue, to the chair

      3) the chair shall recognize the member

   C. To raise a point of order

      1) a member shall call out "Point of Order"

      2) the monitor shall identify the indicated member to the chair

      3) the chair shall recognize the member

9. **Motions.**

   A. Main motions and amendments shall be submitted to the secretary using the chat box.

   B. Procedural motions shall be made orally.

10. **Display of motions.** The secretary shall display the pending main motion and amendment using the share screen function.

11. **Voting.** The chair shall take votes in the following order.

    1st By unanimous consent if there is no objection.

    2nd By raising hand icons which the monitor after counting shall lower in gross and give the count to the chair.

    3rd By Internet poll conducted by the monitor who is obligated to secrecy.

12. **Video display.** If there are too many participants for all to be displayed simultaneously the monitor shall cause a video of the chair to be displayed throughout the meeting and shall also cause display of the video of the member currently recognized to speak or report.

The Rules of Order are those rules contained in ***Robert's Rules of Order Newly Revised*** 12th edition, the parliamentary authority adopted by the association and prescribed by the bylaws, and that are binding upon the association.

The rules of order are adopted by the association and the procedural rules of order can be suspended by a two-thirds vote.

In Robert's, the parliamentary authority, there are 49 pages of introduction, 633 pages of text, 52 tinted pages of tables & charts, a 15-page appendix on electronic meetings, and a 64-page index.

There is no need to re-write the material from *Robert's Rules of Order Newly Revised* in the association's bylaws.

A Rule of Order

An association's bylaw differs from a rule of order in *Robert's Rules of Order Newly Revised* in that the rule of order is already written, published, and adopted by the association as prescribed by another bylaw in the association's bylaws. And a rule of order may be suspended by a two-thirds vote.

A Rule of Order is not the association's bylaw.

The minutes are a chronological record of the acts of a deliberative assembly, they a record of the proceedings, they are record of orders and directives authorizing acts.

The secretary's draft of the minutes is sent to all members in advance of the meeting at which those minutes are to be approved.

A draft of the minutes circulated to members must be clearly marked as such.

The secretary's draft of the minutes does not become the minutes, that is, the record of the proceedings of the association until it is approved.

The minutes should never reflect the secretary's opinion, favorable or otherwise, on anything said or done.

The minutes should contain mainly a record of what was done at the meeting, not what was said by the members.

A motion to approve the minutes is not necessary.

Minutes are corrected when presented by a majority vote, once approved they are corrected by a two-thirds vote and cannot be suspended.

See "Basic Parliamentary Procedures" p. 9

After the minutes have been presented as distributed, the chair asks,

"**Are there any corrections to the minutes as distributed?**" and pauses.

If there are no corrections the chair says,

"**There being no corrections the minutes are approved**."

Corrections, when proposed, are handled by unanimous consent, or by the procedure of adopting an amendment to a main motion.

If a member proposes a correction the chair directs the secretary to make the correction.

If there is any disagreement about the correction the question is decided by majority vote.

After any corrections have been disposed of, and when there is no response to the chair's inquiry,

"**Are there any further corrections to the minutes?**"

the chair says,

"**There being no corrections the minutes are approved as corrected.**"

The minutes are thus approved without taking a voice vote.

The only proper way to object to the approval of the secretary's draft of the minutes is to offer a correction to it.

Only the secretary's approved minutes are the official minutes in such a case.

As a record of motions adopted by the assembly the minutes are a governing document of the association.

The minutes contain orders authorizing purchases, disbursements, collections, meetings, appointments, elections, assignments, etc., etc.

The association should have a searchable logbook of the motions passed over the years.

A Minute

The minute is an order, a directive, an authorization.

A minute is not the association's bylaw.

The Standing Rules are details of the administration of the association, adopted by a majority vote, amended by a two-thirds vote or a majority vote with notice, and can be suspended by a majority vote.

These rules relate to the administration of the association around and during the meeting that do not involve conducting business during the meeting.

Standing Rules relate to the details of the administration of an association rather than to parliamentary procedure and can be adopted or amended upon the same conditions as any ordinary act of the association.

Standing rules are adopted if and when the need arises.

A standing rule can be adopted by a majority vote without previous notice, if it does not conflict with or amend any existing rule or act of the association.

A standing rule remains in effect until rescinded or amended, but if it has its application only within the context of a meeting, it can be suspended at any session by a majority vote.

Rules that have any application outside a meeting context cannot be suspended.

The following examples deal with the administration of the meeting but not the conduct of business at the meeting.

1. Delegates will always wear their badges on the meeting floor.

2. Delegates will be seated in the cordoned off area in the meeting hall.

3. The sergeant-at-arms' assistants will secure the hall doors during any counted vote.

4. Members will immediately report the loss of a voting card to the sign in desk.

5. Members will sign the logbook in the lobby before entering the hall.

6. The meetings will begin at 7:00 p.m.

A Standing Rule

An association's bylaw differs from a standing rule in that a standing rule deals with the administration of the association and may be adopted or amended by a majority vote. And a standing rule may be suspended by a majority vote.

A Standing Rule is not the association's bylaw.

9. Policies

Policies are principles that outline the operations of the Corporation's subjects. Each policy outlines a particular subject of the Corporation. Policies may be adopted by a majority vote, amended by a two-thirds vote, and may not be suspended.

10. Procedures

Procedures establish a way of doing things, give a series of steps or acts to obtain a result. Procedures are adopted by a majority vote, amended by a two-thirds vote or a majority vote with notice, and cannot be suspended.

A. What do policies and procedures do?

1. Policies and procedures connect the Corporation's higher ranking governing documents to its day-to-day operations.
2. Policies and procedures work together, in order, and are not interchangeable.

B. What is a policy?

1. A policy is an established principle that outlines a subject of the Corporation.
2. A policy is a rule that covers member behaviors and attitudes.
3. Policies:
    a. Change infrequently
    b. State who, what when or why
    c. Are broad and general

C. What is a procedure?

1. A procedure is an established way the Corporation does something.
2. A procedure is a list of steps prescribing how to implement a policy.
3. Procedures:
    a. Continuously change and improve
    b. State what, how, when or who
    c. Offer a detailed description of activities

D. Subjects for writing policies and procedures.

Finances, Committees, Conflict of Interest, Ethics & Conduct, Use of Corporation's Property, Use of Internet, and social media

A Policy & Procedure

An association's bylaw differs from a policy & a procedure in that a policy outlines a subject & a procedure gives a series of steps to obtain a result.

A Policy is not the association's bylaw.

A Procedure is not the association's bylaw.

Example of ranked governing documents for a Treasurer

4th Bylaw, Treasurer

The bylaw establishes the office of treasurer who is understood to be the officer entrusted with the custody of the funds of the Corporation, and a bylaw establishes the term of office of the treasurer.

5th Special Rules of Order

The first Special Rule of Order, the Order of Business, lists the Treasurer's report as one of the headings for the meetings.

6th Rules of Order

The rules of order in *Robert's Rules of Order Newly Revised* 12th edition, prescribe some general rules for the office of treasurer. RONR (12th ed.) 47:38–39; 48:20–26.

7th Standing Rules

RONR (12th ed.) 2:23 Standing rules… are related to the details of the administration of a society rather than to parliamentary procedure.

RONR (12th ed.) 8:13 standing rules do not deal with parliamentary procedure.

8th Minutes

Contain any instructions to the Treasurer such as a reporting date, an item to investigate, an inquiry to make, etc., etc.

9th Policy, Treasurer

The treasurer shall maintain a complete and accurate account of the financial records in a secure and readily reproducible backed-up format using Generally Accepted Accounting Principles as specified by the Financial Accounting Standards Board to ensure the Corporation receives a standard unqualified audit opinion.

10th Procedure

1. The treasurer shall use the accrual system to maintain the Corporation's:
   a) statement of activities,
   b) statement of financial position,
   c) statement of cash flow, and
   d) statement of functional expenses.
2. The treasurer shall submit the most recent financial position at the board meetings.
3. The treasurer shall arrange for an annual audit, at the end of the fiscal year, with an independent financial institute.
4. The treasurer shall submit the audit report at the board meeting following the end of the fiscal year.

Example of ranked governing documents for a Membership Committee

4th Bylaw, Membership Committee

The bylaw establishes a membership committee of four members appointed by the president promptly after the annual meeting whose duty it is to maintain the records of the membership of the Corporation.

5th Special Rules of Order

The first Special Rule of Order, the Order of Business, has the Reports of Standing Committees as one of the headings for the meetings.

6th Rules of Order, Membership Committee

The rules of order prescribe, in Robert's Rules of Order Newly Revised 12th edition, some general rules for committees. RONR (12th ed.) 50:1–30.

7th Standing Rules

RONR (12th ed.) 2:23 Standing rules… are related to the details of the administration of a society rather than to parliamentary procedure.

RONR (12th ed.) 8:13 standing rules do not deal with parliamentary procedure.

8th Minutes

Contain any instructions to the Membership Committee such as a reporting date, an item to investigate, an inquiry to make, etc., etc.

9th Policy, Membership Committee

The Membership Committee shall maintain a complete, accurate, and dated list of voting members in good standing as required by the state's Corporation code.

10th Procedure, Membership Committee

1. the chair of the Membership Committee shall
    a. submit the dated list of the names of the voting members in good standing to the secretary at the start of each meeting
    b. verify upon request the membership of any voting member in good standing attending a meeting
    c. prepare and maintain a dated sign-in list of attendees for each meeting.
2. make available to any voting member in good standing the dated list of the voting members in good standing upon request.

Example of ranked governing documents for a Finance Committee

4th Bylaw, Finance Committee

The bylaw establishes a finance committee

a. of insert number members
b. appointed by the president promptly after the annual meeting
c. whose duty it is to oversee the finances of the Corporation.

5th Special Rules of Order

The first Special Rule of Order, the Order of Business, lists reports of standing committees.

6th Rules of Order, Finance Committee

Robert's Rules of Order Newly Revised 12th edition prescribes rules for committees RONR (12th ed.) 50:1–30 and reports of committees RONR (12th ed.) 51:1–71.

7th Standing Rules

RONR (12th ed.) 2:23 Standing rules… are related to the details of the administration of a society rather than to parliamentary procedure.

RONR (12th ed.) 8:13 standing rules do not deal with parliamentary procedure.

8th Minutes

Contain any instructions to the committee such as a reporting date, an item to investigate, an inquiry to make, etc., etc.

9th Policy, Finance Committee

The finance committee shall maintain complete, accurate, and independently audited records of the association finances.

10th Procedure, Finance Committee

The finance committee shall

1. review the annual budget prepared by the Executive Director and submit the findings to the Board,
2. prepare
    a. the Statement of Cash Flow,
    b. the Statement of Financial Position,
    c. the Statement of Activities,
    d. the Statement of Functional Expenses,
3. obtain an annual independent audit, and
4. submit the records to the board.

1. If a rule is **ambiguous** interpret it in harmony with the other rules.
2. When a provision of the rules is susceptible to **two meanings**,
   a. one of which conflicts with or renders absurd another rule,
   b. and the other meaning does not,
   c. the other, latter, must be taken as the true meaning.
3. A **general statement** or rule
   a. is of less authority than a specific statement or rule
   b. and yields to it.
4. If the bylaws authorize
   a. **certain things** specifically,
   b. other things of the same class are thereby prohibited.
5. A provision granting **certain privileges**
   a. carries with it a right to a part of the privileges,
   b. but prohibits a greater privilege.
6. A **prohibition or limitation** prohibits
   a. everything greater than that prohibited,
   b. or that goes beyond the limitation,
   c. but it permits what is less than the limitation,
   d. and also permits
      i. things of the same class that are not mentioned in the prohibition or limitation and
      ii. that are evidently not improper.

- A sentence with a series of semi-colons or commas is in effect **a list** of things permitted, **a list** of privileges, or **a list** of things prohibited.

7. The imposition of a definite **penalty** for a particular action
   a. prohibits the increase or
   b. diminution of the penalty.
8. In cases where the bylaws use
   a. a **general term**
   b. and two or more **specific terms** that are wholly included under the general rule
   c. a rule in which
      i. only the general term is used
      ii. applies to all the specific terms.

It ain’t what you don’t know that gets you into trouble

It’s what you know for sure that just ain’t so.”

Mark Twain

Michael L. Swift PRP, CPP-T
443-463-9148
www.parligroup.com
mswiftrp@parligroup.com

Hierarchy of Governing Documents

1. Law; MD Statues Corporations and Associations, USC Title 26
2. Articles of Incorporation
   a. Create a separate legal entity of the state.
   b. Adopted as prescribed by the state.
   c. Amended as prescribed by the state.
   d. Cannot be suspended.
3. Bylaws, Parent Association
   a. Create a constituent Corporation in the Parent or Central Corporation.
   b. Adopted as prescribed by the parent bylaws.
   c. Amended as prescribed by the parent bylaws.
   d. Cannot be suspended.
4. Bylaws, Constituent or Affiliate Corporation
   a. Structure the constituent Corporation.
   b. Adopted as prescribed by the bylaws.
   c. Amended as prescribed by the bylaws.
   d. Cannot be suspended.
5. Special Rules of Order
   a. Procedural rules to supplement or modify those in the Rule Book.
   b. Adopted by previous notice & two-thirds vote or vote of majority of entire membership.
   c. Amended as prescribed by the special rules of order.
   d. Suspended by a two-thirds vote.
6. Rules of Order, Parliamentary Authority, Rule Book
   a. *Robert's Rules of Order Newly Revised* adopted by the Corporation.
   b. Adopted by a bylaw.
   c. Superseded by special rules of order.
   d. Suspended by a two-thirds vote.
7. Minutes
   a. Acts of the assembly, orders and directives authorizing acts.
   b. Adopted by majority vote.
   c. Amended by a two-thirds vote or a majority vote with notice.
   d. Cannot be suspended.
8. Standing Rules
   a. Details of the administration of the Corporation.
   b. Adopted by a majority vote.
   c. Amended by a two-thirds vote or a majority vote with notice.
   d. Suspended by a majority vote.
9. Policies
   a. Established principles that outline the plan for following a course.
   b. Adopted by majority vote.
   c. Amended by a two-thirds vote or a majority vote with notice.
   d. Cannot be suspended.
10. Procedures
    a. Established way of doing things.
    b. Adopted by majority vote.
    c. Amended by a two-thirds vote or a majority vote with notice.
    d. Cannot be suspended.

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