

Portland Neighborhood Association Bylaws Template (Full Version with options and annotations — 8 ½ x 11)

(09/09/2014)

Table of Contents

ARTICLE I: NAME.....	4
ARTICLE II PURPOSE.....	4
ARTICLE III: BOUNDARIES.....	5
ARTICLE IV: MEMBERSHIP	5
Section 1. Eligibility	5
Section 2. Consent.....	6
Section 3. Dues or Fees	8
Section 4. Voting	8
Section 5. Member Powers	8
ARTICLE V: BOARD OF DIRECTORS.....	9
Section 1. Number and Composition of Board Members.....	9
Section 2. Eligibility for Board Service.....	10
Section 3. Terms of Office and Term Limits	10
Section 4. Removal.....	10
Section 5. Board Vacancies	11
Section 6. Powers and Duties of the Board.....	11
ARTICLE VI: OFFICERS.....	13
Section 1. Titles and Eligibility.....	13
Section 2. Terms of Office	13
Section 3. Vacancy.....	13
Section 4. Duties of Board Officers	14
a. [President/Chair]	14
b. Vice-President/Chair	15
c. Secretary	15
d. Treasurer	15
e. Neighborhood Coalition Delegate.....	15

ARTICLE VII: COMMITTEES	16
Section 1. Establishment of Committees	16
Section 2. Advisory Committees	16
Section 3. Committees with Board Authority	17
Section 4. Limitations on Committees with Board Authority	18
ARTICLE VIII: MEETINGS	19
Section 1. Membership Meetings	19
a. Annual Meeting.....	19
b. Regular (or General) Membership Meetings	20
c. Special Membership Meetings.....	20
Section 2. Board Meetings	20
a. Regular Board Meetings.....	20
b. Special Board Meetings.....	21
a. Emergency Board Meetings	22
Section 3. Quorum	22
a. Membership Meeting.....	23
b. Board of Directors Meeting.....	23
c. Committee with Board Authority Meeting	23
Section 4. Setting Meeting Agendas	23
a. Board Meetings	23
b. Membership Meetings	23
c. Committee Meetings.....	24
d. Amending the Agenda.....	24
Section 5. Calling a Meeting.....	24
a. Board meetings	24
b. Membership meetings	24
c. Committee meetings.....	24
d. Cancelling a Meeting.....	24
Section 6. Deliberation and Decision Making	24
ARTICLE IX: ELECTIONS.....	26
Section 1. Annual Election.....	26

Section 2. Election of Officers	27
Section 3. Voting Eligibility	28
Section 4. Nomination Process	28
a. Nomination [or Election] Committee.....	28
b. Nomination from the Floor at the Annual Election	28
c. No Write-in Votes.....	29
Section 5. Voting Process	29
ARTICLE X: GRIEVANCE PROCESS.....	30
Section 1. Other Forms of Conflict Resolution are Encouraged	30
Section 2. Eligibility to Grieve.....	30
Section 3. Filing a Grievance	31
Section 4. Initial Review and Response.....	31
Section 5. Grievance Committee.....	32
Section 6. Board Action	32
ARTICLE XI: INDEMNITY	33
ARTICLE XII: CONFLICT OF INTEREST	34
ARTICLE XIII: AMENDMENT OF BYLAWS	35
Section 1. Notice	36
Section 2. Adoption	36
ARTICLE XIII: ONI STANDARDS	37

BYLAWS TEMPLATE—FULL VERSION	OPTIONS
ARTICLE I: NAME The name of the organization shall be insert the name of the neighborhood association (association).	
ARTICLE II PURPOSE The purposes for which this association is organized are: a) To consider and act on issues that affect the livability and quality of the neighborhood; b) To provide an open process by which all members may involve themselves in the affairs of the neighborhood; c) To take positions in matters of civic interest, and promote those positions in communications; d) To inform residents of events or plans affecting the neighborhood; e) To establish and maintain open lines of communication with other organizations, such as district coalitions, other neighborhood associations, and city, county, regional, and state government agencies; and f) For such other purposes as are approved by the Board of Directors (Board) or membership.	<u>Option 1:</u> To do and perform all the activities related to the above purposes, to have and enjoy all the powers granted, and engage in any lawful activities for which nonprofit corporations may be organized under Chapter 65 of the Oregon Revised Statutes or its equivalent future statutory language. <u>Option 2:</u> This corporation shall be organized and operated exclusively for charitable, scientific, literary, religious, and educational purposes. Subject to the limitations stated in the Articles of Incorporation, the purposes of this corporation shall be to engage in any lawful activities, none of which are for profit, for which corporations may be organized under Chapter 65 of the Oregon Revised Statutes or its equivalent future statutory language and Section 501(C)(3) of the Internal Revenue Code or its equivalent future statutory language.

NOTE: Sections a) through f) are for all neighborhood associations.

Section f) is a catch-all provision that should be listed last.

Option 1 language is for neighborhood associations that are Oregon nonprofit corporations.

Option 2 language is for neighborhood associations that are Oregon nonprofit

corporations and also exempt under Section 501(C)(3) of the Internal Revenue Code:

Additional “purposes” could include items such as: relationships with large institutions in the neighborhood—e.g. a hospital or university; watershed protection; integration of strategies from the Portland Plan, sustainability, or other issues unique to the neighborhood.

ARTICLE III: BOUNDARIES The boundaries of the association shall be defined as: ○ [Describe in accurate detail the boundaries of the neighborhood association.]	
---	--

NOTE: ONI requires neighborhood associations clearly to define their boundaries. ONI uses this information to prepare official neighborhood association maps. City bureaus use this information to target their formal notifications and outreach efforts.

ARTICLE IV: MEMBERSHIP Section 1. Eligibility. All residents, property owners, and individuals who hold a business license located within the boundaries as defined by these bylaws are eligible to be a member of the association.	<u>[Clarifying Youth Membership—minimum age requirements for membership.]</u> <u>Option:</u> “...18 years of age or older....” <u>Option:</u> “...16 years of age or older....” [or another age]
--	--

NOTE: This eligibility description is the minimum required by ONI. A neighborhood association can expand membership eligibility to include, for example, representatives of a local business or non-profit organizations, youth, individuals with no fixed address, individuals with an interest in the area.

Members must be individuals—not corporations. When seeking to include representation of a business, non-profit organization, or local institution, the individual who represents the organization is the member, not the organization. Neighborhood associations should develop a “policy” that describes how an organizational representative is identified and becomes a member of the association.

Oregon law does not place any age restriction on membership or serving on the board of directors of a corporation. However, if a neighborhood association allows individuals under 18 years of age to serve on the board, the individual’s parents or guardians will

take on any liability of the individual's service as a board member. We suggest that, if a neighborhood association allows individuals under 18 to serve on the board, the association should adopt a policy to require written consent from a parent or guardian.

Section 2. Consent. An eligible person shall become a member of the association by providing written consent in accordance with the procedures established by the Association.	<u>Option:</u> An eligible person becomes a member [insert number of days/weeks] after she/he consents join the association. <i>[Some neighborhood associations delay membership activation partly to prevent people from signing up to vote in the annual election or a general membership meeting on the same day as the scheduled vote.]</i>
--	---

NOTE: Neighborhood associations should develop board policies that describe how someone becomes a member and how membership eligibility is verified and how the formal list of members is maintained.

The advantage of having the specific procedures in a board policy is that it can be changed at any board meeting to respond to changes in capacity or need. The disadvantage is that a change in procedure may be construed to change member rights, which must be approved by the membership.

Wherever it is located, it is important to clearly describe how membership begins and ends.

One thing you cannot do is define your members in such a way that someone is a member without their consent. The board policy should describe how one consents, in writing, to becoming a member. Typically, a meeting sign-in sheet will have a box to check if someone wishes to be a member, or there is a membership form to be filled out. The board policy should also describe if and when the membership expires.

Note: when a person loses eligibility to be a member, they also lose their member status.

Maintaining a "Membership List": Neighborhood associations need to have a formal process to track who is a member and to keep this list up to date. ORS 65 requires incorporated non-profit member organizations to maintain a membership list—and to be able to produce an "alphabetized" list to any member who requests it. This can be a daunting task for many neighborhood associations.

Knowing who the members are is important when:

- *The neighborhood association needs to know who can vote at a membership meeting and in the annual election*

- The neighborhood association needs to send a formal notice to the members
- A member asks to see the member list.

Neighborhood associations should consider adopting a formal policy that describes how the membership list will be maintained. Here are some options for how a neighborhood association can maintain its membership list:

- Meeting Sign-in Sheets: Some neighborhood associations collect sign-in sheets from their meetings as their record of who has affirmed that they are eligible to be a member and that they have consented to be a member.

A neighborhood association can choose to accept an individual's check in a "check-in" box on the sign-in sheet as an affidavit that they are eligible to be a member and that the contact information they provided is accurate.

A neighborhood association also could require that individuals sign an affidavit form that states that they are eligible and consent to be a member and that affirms that their contact information is accurate.

- Member Roster: The Association will maintain a list of members that shall be available to authorized individuals upon request and made available at the Annual Meeting and other general membership meetings for the purpose of confirming the right of individuals to vote at those meetings.

Verification of Eligibility to Vote: A neighborhood association also should adopt a formal policy that describes the method by which an individual's identity and eligibility to vote in the annual election or at another general membership meeting is verified. A neighborhood association could accept as proof an individual's eligibility for membership documentation such as a driver's license, utility bill, business license, etc.

A neighborhood association may want to ensure adequate time to assemble a list of current members for the annual election. One way to do this is to stop adding new names to this official member list a few days prior to the election. Individuals who sign up to be new members after this cutoff can be added to the member list after the annual election.

An alternative is to allow people to confirm their membership at the annual election. Neighborhood associations could adopt a policy that:

- Allows people to provide their contact information on a sign-in sheet and to check a box stating that they are eligible and consent to be a member. This would serve as an affidavit attesting to the accuracy of the information they provided; OR
- Requires them to provide appropriate documentation that verifies their identity and proves their eligibility to become a member (e.g. driver's license, utility bill, business license, etc.).

	<u>Option: Term of Membership</u> : An
--	--

	individual's term of membership shall be [insert a number] of years from the date they become a member. Individuals are not limited in the number of times they may renew their membership..
--	--

NOTE: Including a term of membership can help a neighborhood association manage and clean up their member list and ensure that people on the list actively want to be involved in the neighborhood association.

Section 3. Dues or Fees. Dues or fees shall not be required.	
---	--

NOTE: The ONI Standards require that neighborhood association not charge dues or fees as a condition of membership. Mandatory dues or fees are prohibited by the ONI Standards. However, voluntary dues or contributions may be accepted from members as additional support for the organization.

Section 4. Voting. Each member shall be entitled to one vote. There shall be one class of members of this Association.	
---	--

NOTE: While it is legal to have more than one class of members, we advise against it for two reasons, simplicity and equality. Having different classes of members would be contrary to ONI's value of having all participants treated equally.

Official actions of the neighborhood association only can occur at board meetings and general meetings (and meetings of committees with board authority).

Members are entitled to vote on actions decided by the membership. Directors vote on board actions. Committee members vote on committee actions.

Section 5. Member Powers. Each member is eligible to vote for election of board directors, bylaw amendments, and dissolution or merger.	
--	--

NOTE: Defining the powers of the membership is important both to indicate legally who is responsible, and functionally so participants in the association understand how decisions are made.

There is the expectation both in Oregon corporate law and within the insurance industry (risk management), that the board is in control of the association and the members have a limited role.

If your association wishes to give more authority to the membership than defined in this section, you must describe the specific powers in your articles of incorporation and bylaws. Also, be aware that expanding the authority of members will at least increase the need to track members and roles, and may make your association uninsurable.

Empowering the members to make decisions does align with ONI's mission to encourage participation, but needs to be balanced with risk management.

If your association wishes to strengthen the authority of the membership, this section (and the articles of incorporation) need to clearly define (1) what the membership must approve, (2) what the board or membership may approve, depending on circumstance, and (3) how are conflicts between the membership and board resolved.

The neighborhood association should check with its neighborhood coalition and insurance provider to determine what affect adopting a member-governed model will have on insurance coverage for the organization.

The membership is entitled to vote to elect directors. They may, if specified in the bylaws and/or articles, vote to elect officer(s), amend the bylaws, amend the articles, vote on sales of substantially all the corporate assets, and determine merger or dissolution or of the association. They may also be empowered to remove directors, determine conflicts of interest, and in some matters connected with indemnification.

The members' main influence rests in their power to choose who serves on the board.

ARTICLE V: BOARD OF DIRECTORS Section 1. Number and Composition of Board Members. The number of directors may vary between a minimum of three and a maximum of [insert number].	<u>Option:</u> The number of directors will be [insert number].
--	---

NOTE: *State law states that associations incorporated as public benefit corporations must have at least three directors.*

There is no upper limit to how many directors you may have, however, take into consideration how many people it will take to reach quorum and whether your organization can expect to reach quorum with higher numbers of directors.

A variable number of directors allows the board to expand and contract from year to year without requiring revision of the bylaws.

Directors either are all at-large or may include positions that represent geographical districts within your neighborhood, business or youth representatives, etc. This intent of establishing these types of positions is to ensure that these particular perspectives are represented on the Board. The bylaws, in the elections section, should describe how people are nominated to fill these position and how they are selected.

All officers are considered directors.

Section 2. Eligibility for Board Service. Only members shall be qualified to hold an elected or appointed position.	
Section 3. Terms of Office and Term Limits. Except for the initial adjustments of shorter terms needed in order to create staggered terms, the term of office for directors shall be two years. The board shall make provisions to stagger the terms of directors so that each year the terms of about one-half of the directors shall expire. A director may be reelected without limitation on the number of terms s/he may serve.	<u>Option:</u> [Longer or shorter terms.] <u>Option:</u> Term Limits: Directors may serve on the board no more than [insert number] consecutive terms. A director who is termed out is eligible to serve on the Board again after one full term off the board.

NOTE: The maximum term of office for elected directors for an Oregon corporation is five years. A director can be re-elected without limitation. Some neighborhood associations choose to limit the number of terms a director may serve to assure leadership turnover. If you set term limits, identify the length of time before that person may serve again.

Some boards choose to stagger terms for directors in order to prevent the entire board turning over all at once, and to ensure that some experienced members remain on the board after each election.

Section 4. Removal. Any elected or appointed director may be removed, with or without cause, by a majority vote of the members at a membership meeting called by the board for that purpose.	<u>Option:</u> Removal for non-attendance: A director who has missed [insert number] consecutive board meetings shall no longer be a member of the board. <u>Option:</u> [removal by board of directors] ...by a majority vote of the directors at a board meeting called for that purpose.
--	--

NOTE: Directors who do not attend board meetings make it more difficult for the board to achieve a quorum and usually do not actively contribute to leadership of the association.

Removal of a board member (other than for non-attendance) is an extreme step that only should be taken as a last resort.

Conflict between directors is not, by itself, a justification for removing a director. We recommend that directors work to develop collaborative relationships on the board to avoid situations in which directors may want to remove a fellow director from the board. Explicit meeting “ground rules” and a “code of conduct” can help establish expected constructive norms of behavior.

Directors should be very careful not to remove a fellow director primarily because he/she may hold views or opinions or have priorities that differ from many or all of the other directors.

Removal of a director would be most justified when the individual’s behavior is consistently disruptive or damaging to the functioning of the association.

The recommended bylaws language allows for removal with or without cause.

If you want your bylaws to allow the board or the members to remove a director “for cause,” the reasons that would justify removal should be listed in the bylaws.

If you want to allow the members to remove directors for certain reasons, you must also state that members have this power in your articles of incorporation. You may want to seek legal assistance in crafting this language.

Section 5. Board Vacancies. Vacancies on the board shall be filled by a vote of the directors currently serving on the board. A member appointed to fill a vacancy shall serve until the next election.	<u>Option:</u> Board Vacancies: Vacancies on the board shall be filled by a vote at the next general membership meeting.
--	--

NOTE: Bylaws can permit the Board or membership to fill vacancies. Allowing the board to do so means the Association will not have to call a special membership meeting to fill the vacancy. If multiple people are interested in filling a vacancy on the board, hosting a special election will lend your organization the most credibility.

Section 6. Powers and Duties of the Board. The board shall be responsible for managing the affairs of the association, and for assuring that members are informed of business that	<u>Option:</u> “Directors must carry out the duties of non-profit corporation board members as defined by the Oregon Attorney General.”
--	---

affects them through reasonable means of notification. The board must act in the best interest of the association, but is not bound specifically to act according to the desire of the majority of Members attending a particular meeting. Elected and appointed directors have the same powers and responsibilities.	<u>Option:</u> The Board will establish a yearly work plan that identifies priority issues and projects for the association.
--	---

NOTE: For reasons of accountability for liability purposes and to ensure eligibility for insurance coverage, the Board (assisted by any committees given board authority in the bylaws) should manage the affairs of the association.

This board-governance model can appear to work against the long-standing goal of encouraging neighborhood associations to be participatory and democratic.

The participatory culture of neighborhood associations can be reinforced under the board-governance model by ensuring regular communication with the membership and holding meetings at which Members can inform the Board of their priorities and views. Membership meetings can be scheduled in tandem with board meetings to reinforce the connection between input from the members and board actions.

Under the board-governance model, the members of a non-profit membership corporation are limited in their authority to make formal decisions for the organization. At a minimum, members elect the board members. If the association wants to give members additional authority—e.g. to vote on bylaws amendments and the merger or dissolution of the Association—this added authority should be documented in the articles of incorporation and the bylaws.

An association that wants to give members even greater authority to make decisions—such as voting on taking whether the association should take positions on policy issues or directing the management of the association—carefully should consider the possible effects on liability—board vs membership—and the association’s insurability.

Directors should carry out the “board member duties” as defined by the Oregon Attorney General (see Glossary for definitions).

ARTICLE VI: OFFICERS Section 1. Titles and Eligibility. The officers of this association shall be [list the officer positions, e.g. president or chair, vice president or vice chair, co-chairs, secretary, treasurer, etc.]. To be eligible to be an officer, an individual must be a member of the Board.	
---	--

NOTE: ORS 65 says that incorporated organizations must have a “president” and a “secretary,” although the same person can fill both roles and the association can use different names for these offices. This individual, or these individuals, must be responsible for ensuring that minutes of board minutes are prepared and for authenticating the records of the corporation (e.g. acting as a formal signer for the association and submitting required reports to the state and other bodies.).

It is highly recommended that neighborhood associations also have a treasurer and that at least two sets of eyes review all financial records. ORS 65 does not require that officers must be board members, although for simplicity we recommend it.

Section 2. Terms of Office. Officers shall serve one year terms and may be reelected without limitation on the number of terms s/he may serve.	<u>Option:</u> [designate longer terms, e.g. “2 years,” “3 years,” etc.]
	<u>Option:</u> Term Limits: Officers may serve no more than [insert number] consecutive terms. Individuals are eligible to serve in the same office again after being out of the office for one full term.

NOTE: Neighborhood associations have broad discretion to limit or not limit terms of office. Be sure to consider both the pros and cons when deciding whether to adopt term limits.

Term limits can help prevent entrenchment and can encourage the involvement of new leaders who bring new energy and ideas to the board.

Term limits also can force effective and knowledgeable leaders off the board or out of leadership positions in which they provide value to the association.

Section 3. Vacancy. A vacancy in any office shall be filled by a vote of the board not later than the first regular meeting of the board following the vacancy or as soon as possible.	<u>Option:</u> Vacancy: Vacancies in any office shall be filled by a vote of the members at the next general membership meeting.
--	--

The board must delegate the duties of a vacant office to one or more directors until the position is filled.	
--	--

NOTE: Vacancies in officer positions do arise. It's important that the board designate one or more directors as being responsible for carrying out the duties of a vacant officer position until the position is filled.

Section 4. Duties of Board Officers. a. [President/Chair]: The [president/chair] shall be the chief officer of the association and shall act as the chair of the board. The [president/chair] shall: prepare the agenda for board and membership meetings, preside at all board and membership meetings; represent the position of the board and the interests of the association; act as spokesperson for the association; and serve as the public contact for the association.	<u>Option:</u> Co-Chairs: The co-chairs shall mutually share the responsibilities of the chief officer of the association and the chair of the board. The co-chairs shall: prepare the agenda for board and membership meetings; preside at all board and membership meetings; represent the position of the board and the interests of the association; act as spokesperson for the association; and serve as the public contact for the association. <u>Option:</u> The co-chairs will make decisions by consensus.
--	---

NOTE: Certain tasks need to be done to ensure the effective functioning and management of the association. Each association can divide up the roles and responsibilities of its officers to match the participant skills and interests. Keep in mind that it is better to keep descriptions in the bylaws more general. You can describe officer duties in more detail in a separate board policy document.

*Each neighborhood association should ensure that the tasks listed under “**Basic Governance and Management Tasks**” in the introduction to this document are assigned to an officer or director.*

Sharing leadership equally between two co-chairs can be complicated. One of the challenges of having “co-chairs” vs. a “chair” and a “vice-chair” is determining how the two individuals will make decisions for the association. What happens if the co-chairs don’t agree? One option is to state that: “The co-chairs will make decisions by consensus.” The bylaws also should clarify whether one of the co-chairs can make decisions on their own if the other co-chair is not available—e.g. out of town.

b. <u>Vice-President/Chair</u> : The [vice president/vice chair] shall perform the duties of the [president/chair] in his/her absence and when requested.	
c. <u>Secretary</u> : The secretary shall: record and maintain minutes of membership and board meetings, assist the [president/chair] with the correspondence of the association; maintain the non-financial files of the association; provide notice of all membership and board meetings; authenticate the records of the corporation; maintain current and accurate board and membership lists; and send approved minutes to the neighborhood district coalition office.	
d. <u>Treasurer</u> : The treasurer shall have overall responsibility for all the association's funds. The treasurer shall: maintain full and accurate accounts of all financial records of the corporation; and present financial reports as directed by the board.	

NOTE: Ideally, at least two directors—potentially in addition to the officers--should be involved in all financial transactions. One individual should be responsible for receiving and disbursing funds and one with the responsibility to document and report on the financial activities of the association. This is a basic accounting best practice. We also recommend that each neighborhood association adopt formal financial accountability policies.

e. <u>Neighborhood Coalition Delegate</u> : The neighborhood coalition delegate shall represent the association at all meetings of the neighborhood coalition board.	
--	--

NOTE: The neighborhood association may adopt a policy that requires the neighborhood coalition delegate to advocate for positions taken by the association.

The neighborhood coalition delegate, as a member of the neighborhood coalition board, also has a responsibility and duty to make decisions and act in the best interests of the neighborhood coalition.

ARTICLE VII: COMMITTEES Section 1. Establishment of Committees. The board may establish standing and ad hoc committees as it deems necessary and desirable. Such committees may be advisory to the board or may exercise the authority of the board. Upon establishment of any committee, the board shall identify the scope of the committee’s authority and duties and the number of members and appoint the committee’s membership.	<u>Option:</u> “The [president/chair] may establish standing and ad hoc committees....”
---	--

NOTE:

Committee Types:

Two types of committees are commonly used—“standing” and “ad hoc.” Standing committees provide continuity and carry forward institutional memory. Ad hoc committees are useful for when focused attention is needed on an item for a short term basis.

Authority of committees:

Committees usually advise the board. Advisory committees meet to discuss topics but must bring recommendations to the board for approval before taking action. Committees that are given “board authority” in the bylaws may exercise the decision making powers of the board—to the extent set forth in the bylaws.

A “committee” cannot consist of just one person.

Section 2. Advisory Committees. The board may establish advisory committees as standing or ad hoc committees. Members of the association are eligible to serve on these committees. The board appoints the committee members. Advisory committees are not required to comply with open meeting, notice, quorum [unless the bylaws establish a quorum requirement for advisory committees], or public records requirements. Advisory committees may make recommendations to the board but cannot implement recommendations or projects without board approval.	<u>Option:</u> “The [president/chair] may establish advisory committees....” <u>Option:</u> “The [president/chair] appoints the members of advisory committees.” <u>Option:</u> “The committee chair appoints the committee members.” <u>Option:</u> “Once a committee is established, committee members appoint new members to the committee.”
---	---

	<u>Option:</u> “Membership on these committees is open to any interested member or community member.” <u>Option:</u> “[insert number] directors must serve on each advisory committee.” <u>Option:</u> “An individual who wants to serve on a committee must attend [insert number] of committee meetings prior to being appointed appointment as a member of the committee.”
--	--

NOTE: Advisory committees may meet as is convenient for the committee members.

Section 3. Committees with Board Authority. Any committee that exercises any of the authority of the board shall be composed of two or more directors, elected by a majority vote of all directors. All members of a committee with board authority shall be members of the association. Committees with board authority must abide by the requirements of the board regarding open meetings, notification, public records, and quorum.	<u>Option:</u> “The [president/chair] appoints the members of committees with board authority.” <u>Option:</u> <u>Executive Committee:</u> The executive committee shall be composed of the [president/chair], [vice president/vice-chair], secretary and treasurer. <u>Option:</u> <u>Land Use Committee:</u> The land use committee shall respond to City land use notices and reviews, proposed planning regulations, and local jurisdiction policy questions involving land use. <i>[A land use committee also could be given responsibility for other policy areas, such as transportation, sustainability, etc.]</i>
---	--

NOTE: Neighborhood associations usually create committees with board authority to respond to issues with time constraints that would limit the ability of the board to act in a timely manner, especially between regular meetings.

If your association decides to grant a committee the decision making authority of the board, use this area of your bylaws to define and outline the scope of work of these committees.

***Important Note:** To give a committee board authority, an association must also amend its articles of incorporation to reflect this decision. Making the change in your bylaws alone is not sufficient.*

An executive committee usually is composed of the officers (President, Vice President, Secretary and Treasurer) of the organization. An executive committee does not have the authority to act on behalf of the board unless this authority is granted in the bylaws and articles of incorporation.

Section 4. Limitations on Committees with Board Authority. Any committee action outside the approved guidelines shall be null and void. All decisions of a committee with board authority must be reviewed by the board at the next regular meeting. The board may reverse a committee's decisions in full or in part or may remand the decision back to the original committee by a majority vote.	<u>Option:</u> "All decisions of a committee with board authority may be reviewed by the board at the next regular meeting." [This option substitutes "may" be reviewed for "must" be reviewed.] <u>Option:</u> "Anyone directly affected by a decision of a committee with board authority can appeal the decision to the board." [This would require establishing a policy that describes the appeal process.]
---	--

***NOTE:** Bylaws should regulate committee meeting notice, quorum, voting to the same extent that they regulate these matters for the board.*

Do not make actions of committees with board authority "contingent on approval by the board." Doing so means that the actions of any committee with board authority are not binding until board meets. This essentially makes the committee an advisory committee.

	<u>Option:</u> Limitations on the Powers of All Committees: No committee may authorize payment of a dividend or any part of the income or profit of the corporation to its directors or officers; may approve dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets; may elect appoint, or remove directors or fill vacancies on the board or on any of its committees; nor may adopt,
--	--

	amend or repeal the articles of incorporation, bylaws, or any resolution by the board.
--	--

NOTE: These limitations are set by law, and it is helpful to include them so that committees do not inadvertently perform any actions they cannot perform.

ARTICLE VIII: MEETINGS Section 1. Membership Meetings. a. <u>Annual Meeting</u>: The annual meeting of the membership shall be held each year in the month of [month] on a date set by the board. The business of the annual meeting shall include a report from the board on the state of the association, and the annual election of directors to the board. Notice of the annual meeting to the public must be at least 7 days in advance. Notice to members must be provided at least 7 days in advance, or 30 to 60 days in advance if by other than first class mail or registered mail. [See “Article IX: Elections” for required content of notice for Annual Election.]	<u>Option</u>: [The annual meeting could be set for a season (e.g. “fall”) instead of a particular month.]
---	---

NOTE:

Bodies that Meet: Meetings may be of the membership, or of the board or its committees.

Types of Meetings: Meetings may be annual, regular, special or emergency depending on the body and circumstances.

An annual meeting is required, regular meetings and special meetings are allowed. The ONI Standards do not explicitly require an annual meeting; ORS 65 requires non-profit membership corporations to hold an annual meeting.

The annual meeting of the members is the occasion for the election of directors, and for the board to report its activities to the membership. It may also—if allowed by the bylaws—include other matters that the membership is allowed to determine, as above.

ORS 65 requires 30 to 60 day notice if notice is not by first class or registered mail.

The ONI Standards (2005) describe other ways neighborhood associations can meet the notification requirements.

b. <u>Regular (or General) Membership Meetings</u>: Regular membership meetings will be held at least [insert number] times a year at a regular day and time set by the board. The membership shall advise the board of current concerns and possible actions. Notice of regular membership meetings to members and to the public must be at least 7 days in advance.	<u>Option</u>: “The association will not hold a regular membership meeting in [name months, e.g. December, August, etc.].”
--	---

NOTE: Regular meetings of the membership provide an opportunity for the board, members, and the general public to communicate about items of interest and concern. The membership does not have the authority to take positions on behalf of the association or to vote on the day-to-day activities of the association--this authority rests with the board. The formal business of the association should be conducted at board meetings.

c. <u>Special Membership Meetings</u>: The board may call a special meeting of the membership. Notice of special membership meetings to members and to the public must be at least 7 days in advance.	<u>Option</u>: The board is required to schedule and convene a special membership meeting upon receipt of a petition signed by [insert number] of members requesting such a meeting.
--	---

NOTE: Allowing members to require the board to call a special meeting gives members the opportunity to have a stronger voice in setting the association’s agenda and priorities.

Section 2. Board Meetings.	
a. <u>Regular Board Meetings</u>: The board shall meet at least [insert number] times a year on [insert day] of [insert month names] at [insert time] to conduct the business of the association. Notice of regular meetings of the board to the public must be at least 7 days in advance. Direct notice to the directors and individuals known to have an interest in topics on the meeting agenda	<u>Option</u>: The board shall meet at least [insert number] times a year on a day and time set by the board to conduct the business of the association. <u>Option</u>: The association will not hold a regular board meeting in [name months, e.g. December, August, etc.].

must be provided at least one day in advance.	
---	--

NOTE: The Board conducts the business of the association. Votes taken by the board represent the official actions of the association, if notice and quorum requirements have been met.

The bylaws may designate that the president, executive committee, or the full board can set the agenda for the board meeting. Agendas should be set in advance with sufficient time to be included in the notice of the meeting.

b. <u>Special Board Meetings</u>: The [president/chair] may call a special meeting of the board when the timeliness of the regular meeting is insufficient to take action on particular issues. Notice of special meetings of the board to the public must be at least 7 days in advance and must identify the topics on the agenda. Direct notice to the board and individuals known to have an interest in the agenda topic(s) must be provided at least one day in advance. The board only can discuss and make decisions at special meetings on the topics on the agenda.	<u>Option</u>: [insert number] of board members may call a special board meeting.
--	--

NOTE:

Purpose: Special meetings are called when there is timely business that requires attention before the next regular meeting. Votes taken represent the official actions of the association, if quorum and notice requirements are met.

Agenda: The bylaws may designate the president, executive committee, or full board to set the agenda. Agendas should be set in advance with sufficient time to be included in the notice of the meeting.

Be clear on the difference between:

- “special meeting” where the board wants to get input and then take action; and
- “community forum,” which is not a formal board or membership meeting and is meant for dialogue and information exchange, but not deliberation and action.

One option is to schedule—back-to back—a community meeting to gather input and a formal board meeting to take action.

a. <u>Emergency Board Meetings</u>: The [president/chair] or a majority of the board may call an emergency meeting of the board when there is insufficient time address timely business within the notice requirements of a regular or special meeting. Notice of an emergency meeting to all parties may not be less than 24 hours in advance. Direct notice to individuals known to have an interest in a particular agenda item must be provided.	
---	--

NOTE: Emergency meetings should be rare. Such a meeting must address an actual emergency where a real deadline exists and a special or regular meeting will not occur in time to respond.

Section 3. Quorum.	
----------------------------------	--

NOTE: A “quorum” is a minimum number of people required by rule or bylaw to be present before business can be transacted by the general membership, board of directors, or a committee.

The ONI Standards (2005) require that a quorum must be either a fixed number or number that can be calculated from a clear formula in the bylaws or other rules of the association. Calculation of a clear formula will allow the quorum to vary for reasons such as vacant seats on a board or committee.

Do not use the phrase “present and voting.” The quorum needs to be the number of directors present—not just those who are voting (e.g. vs. abstaining).

It is invalid for bylaws to set a quorum as “whatever number of members is present.”

A common “quorum” requirement for boards and committees is a majority of those currently serving on the body (NOT the total number of positions filled and unfilled).

When does a quorum need to be in place? The chair or person presiding over the meeting needs a quorum to be present to start the meeting. Robert’s Rules says that the “continued presence of a quorum is presumed unless the chair or a member notices that a quorum is no longer present.” Robert’s Rules also says that “The chair has the duty to declare the absence of a quorum if he notices a quorum is no longer present, at least before taking any vote or stating the question of any new motion—which he can no longer do” except to take actions allowed when no quorum is present.

a. <u>Membership Meeting</u> : A quorum for a membership meeting constitutes attendance by [insert a number] members.	<u>Option</u> : A quorum for a membership meeting constitutes attendance by [insert a number] members including at least [insert a number] members not on the board.
---	--

NOTE: Pick a quorum number that is a realistic expectation of the number of people who will attend. (Robert's Rules suggest setting the quorum at the number of people likely to turn up on a rainy day.)

15-30 members are common quorum requirements for neighborhood association general membership meetings.

Don't set your quorum too low, however. Ask "What's the fewest number of people you'd feel comfortable making decisions for the body?"

The members in attendance (including directors and officers) all count toward the quorum for a member meeting.

b. <u>Board of Directors Meeting</u> : A quorum for a board meeting shall be a majority of the number of directors in office immediately before the meeting begins.	
---	--

NOTE: For purposes of calculating a quorum or majority, count all officers and non-officer directors.

c. <u>Committee with Board Authority Meeting</u> : A quorum for a meeting of a committee with board authority shall be a majority of the number of committee members immediately before the meeting begins. Advisory committees do not require a quorum to meet.	<u>Option: Advisory Committee Meeting</u> : A quorum for an advisory committee meeting shall be a majority off the number of committee members immediately before the meeting begins.
Section 4. Setting Meeting Agendas. a. <u>Board Meetings</u> : Board meeting agendas shall be set by [the president/chair; the executive committee; the board]. b. <u>Membership Meetings</u> : Membership meeting agendas shall be set by [the president/chair; the executive committee; the board].	<u>Option: Membership Meetings</u> : Items can be added to a membership meeting agenda by request of [insert number] of general members.

c. <u>Committee Meetings</u>: Committee meeting agendas are set by the [committee chair; or committee members] d. <u>Amending the Agenda</u>: Members of the body that is meeting can amend the agenda at the beginning of the meeting.	
---	--

NOTE: Anyone can ask that an item be included on a meeting agenda. Usually, it is up to the person or persons responsible for preparing the agenda whether they choose to include the requested item on the agenda.

Some neighborhood associations have chosen to provide a formal mechanism by which members can assure that an item will be included on a general membership meeting agenda. This usually takes the form of a formal petition to the board, signed by a certain number of members.

Section 5. Calling a Meeting. a. <u>Board meetings</u>: Regular board meetings are established in the bylaws or set by board. The [president/chair] may call a special board meeting. b. <u>Membership meetings</u>: Regular membership meetings are established in the bylaws or by the board. The [president/chair] or board may call a special membership meeting. c. <u>Committee meetings</u>: Committee meetings are scheduled by the committee chair and/or the committee members. d. <u>Cancelling a Meeting</u>: Meetings can be cancelled by the same individual who or body that called the meeting.	<u>Option</u>: A special board meeting may be called by [insert number] of board members. <u>Option</u>: A special membership meeting may be called by a petition of [insert number] members. [Make sure this is consistent with earlier sections in the bylaws.]
---	--

NOTE: Some neighborhood associations have run into questions about who has the authority to call a special meeting—the chair, the board, the members? It is helpful to clarify who has this authority.

Section 6. Deliberation and Decision Making. Action is taken by a majority vote of those eligible to vote at a meeting. The procedures for deliberation and decision making shall be established by the Board.	
--	--

NOTE: It is important to clearly describe the process by which decisions are made.

Robert's Rules, generally, is too detailed and complex for the purposes of most neighborhood associations. If a neighborhood association states in its bylaws that it follows Robert's Rule, neighborhood association leaders need to be very familiar with and follow all the various aspects of Robert's Rules.

We suggest neighborhood associations adopt, as a policy, a simpler version of parliamentary procedure to guide how people can propose actions, discuss them, and make a formal decision. Another option is to make decisions by consensus.

Always be clear on which decisions making process you are going to use.

Both the voting and consensus methods of decision making are designed to encourage participation and allow minority opinions to be heard and incorporated into the decision.

Voting does not require as much agreement because only a majority of participants are needed to agree to pass the decision.

Consensus better accommodates diverse opinions and stresses cooperation, inclusiveness, and participation of all involved.

There are two objections in consensus that do not prevent a group decision. A minor objection is when a participant does not agree with the decision, but doesn't feel strongly and can still participate in the decision. To stand aside means that the participant does not agree, and will not participate with the group in that decision.

Neither voting nor consensus can keep powerful participants from driving decisions or ensure minority opinions are heard. Participants should not blindly follow procedures but should pay attention to the group dynamics to build trust and encourage inclusion.

ARTICLE IX: ELECTIONS

Section 1. Annual Election. The members shall elect the directors at the annual election. The annual election will be held at the annual meeting during the month of [name of month].

The board [or [president/chair]] will assign the following tasks to one or more individuals or committees:

- Confirm terms of office of current directors [and officers if members elect them directly]
- Determine number of open director positions [and offices]
- In cooperation with the board, seek eligible candidates to run for open director [and officer] positions
- If not already established, develop a process for the election, including who will preside over the annual election, and submit it to the board for approval
- Establish a process to determine, at the election, who is eligible to vote (e.g. formal membership roster, sign-in check box, presentation of formal documentation of eligibility to be a member).
- Provide formal notice of the annual election. The notice should include:
 - Date, time, place
 - Number and type of open seats
 - Process by which a Member can declare their interest in being a candidate for a board position.
 - Who is eligible to vote.
 - Process by which individuals can become a member and be eligible to vote
 - Process at the election by which members will be asked to prove their member status and eligibility to vote.
- Prepare ballots and any other materials needed for the election

Option: [The bylaws could assign one or more of these tasks to: the secretary, another officer, a nomination committee, an election committee, or the board itself.]

NOTE: We recommend that neighborhood associations hold their annual election elect their board directors at the association’s annual meeting.

The time and location of the annual election do not need to be in the bylaws. The bylaws can state that the board will set the day and time of the election during a certain month.

The association does need to provide adequate “notice” of the meeting.

Neighborhood associations can have their annual election outside their annual meeting by establishing a polling place and a period of voting, of up to 24 hours.

Neighborhood associations should consider specifying who will preside over the annual meeting as well as who will preside over the annual election. The association may want to avoid having a person who is running for a contested position preside over the election process. Having such an individual run the election could cause some members to question the fairness of the election.

Section 2. Election of Officers. Board members shall meet after the annual meeting and, by a vote of the board, elect [list officer positions here].	<u>Option:</u> Election of Officers. The members shall elect the officers at the annual election. Election of officers requires a majority vote of the membership present. Officers automatically become directors.
---	--

NOTE: Some neighborhood associations have the members directly elect both board directors and officers. Others have the members elect the board of directors and allow the directors to elect the officers at a subsequent board meeting. Be clear in your bylaws which process your association uses.

We recommend that directors choose the officers. This ensures that the officers have the support of the board. Also directors may have a better sense of who has the skills to fulfill the duties of different officer positions than the general members.

Direct election of officers by general members may lead officers to remain in office for many years because people are reluctant to run against them or just because they are popular (vs. effective).

Ideally, a neighborhood association president should act as an effective “convener” vs. a “CEO.” The former leadership style puts more emphasis on the community, whereas the later emphasizes the leadership of a single individual.

Directors and officers who are elected at a meeting take on their elected positions after the adjournment of the meeting at which they formally were elected unless the bylaws specify that they take office at a different time.

Section 3. Voting Eligibility. Current members are eligible to vote in the annual election.	
--	--

NOTE: A person must be registered as a member to vote in the annual election.

See “Article IV: Membership” for options for how individual can apply to be members and verify their identity and eligibility to vote in the annual election.

Your association should develop a policy on how voting eligibility is determined.

- *Will your neighborhood association keep a member list? Will you check people off as they come to the annual meeting/election? Will you track who voted—e.g. through the sign in sheet?*
- *Will you allow people to sign up to be a member at the election?*
- *Will you require some sort of identification or proof of residency in the neighborhood at the door or require some sort of affidavit, or will you rely on the honor system—is it enough that someone declares that they are eligible and want to be a member?*
- *Who is responsible or determining whether a person is eligible to vote—the secretary, members of an elections committee, someone else?*
- *Are there time limits for registering to vote? Some neighborhoods allow whoever shows up and can prove that they are a member to vote on the day of elections. Other neighborhoods stop voter registration three days in advance of the election.*
- *Could be just everyone signs in and checks the box indicating that they want to be a member and then is able to vote at that meeting.*

Section 4. Nomination Process. a. <u>Nomination [or Election] Committee</u>: The board [or [president/chair]] shall create a nomination [or election] committee, which shall: ○ [list the tasks for which the committee is responsible] b. <u>Nomination from the Floor at the Annual Election</u>. Time shall be provided at the annual meeting for members to nominate members from the floor to be added to the ballot. Nominations from the floor do not require a second. Individuals nominated from the floor must consent to be nominated.	[Possible tasks the committee might be assigned to carry out include: • Manage the nomination process • Prepare election ballots • Manage the election • Appoint individuals to fill board or officer vacancies.]
---	---

c. <u>No Write-in Votes</u> : Votes for individuals written in on ballots who have not been nominated through the designated nomination process(es) will not be counted.	
--	--

NOTE: The association needs to identify a clear process for how individual members can declare their interest in running for an open seat in the annual election.

If you form an election or nomination committee, lay out details about how the committee is formed, who is eligible to serve on such a committee, timelines for actions and communication with the public, and process for selecting candidates.

Also, address whether the committee has authority to choose among candidates vs. simply collect and organize candidate information for presentation during the annual meeting.

If your board allows for nominations from the floor during the annual election, consider who will verify the eligibility of the candidate at the meeting. This duty could be assigned to the secretary or to members of a nomination or elections committee.

If you allow nominations from the floor, make sure that the pre-printed ballot includes blanks spaces so members can write in the names of individuals nominated from the floor on the formal ballot.

We recommend that neighborhood associations clarify that write-in votes for individuals who have not been nominated through the formal nomination process or processes will not be counted.

Section 5. Voting Process. Voting at the annual election shall be by secret paper ballot, unless a member makes a motion from the floor—subsequently approved by a vote of members present—to dispense with paper ballots and instead to vote by a show of hands or by voice. If none of the open seats are contested, a member may make a motion from the floor to adopt the full slate of candidates by acclamation. Election of an individual requires a majority vote of the members voting in the annual election. Members must be present to vote. Proxy voting and voting by mail are prohibited.	<u>Option: Voting Outside the Annual Meeting</u>: The board can allow members to cast their ballots at a polling place and during a time period of up to 24 hours as determined by the board. <u>Option</u>: If more than two candidates are running and none receives a majority of affirmative votes, the candidates that receive the two highest vote counts advance to a second round of voting.
---	--

Candidates do not need to be present to be elected.	
---	--

NOTE: Identify how people may vote and what the process will be. This will change based upon whether your board decides to allow for nominations from the floor at the meeting or whether people have to declare their candidacy in advance.

We recommend that neighborhood associations clarify that a candidate must receive the votes of a majority of the members voting in the election to be elected. This avoids the situation in which an individual who nominates himself from the floor for an uncontested director position (e.g. when only five individuals declare their candidacy for ten open director positions) can be elected with only one vote—their own—but not support from any other members.

The ONI Standards (2005) prohibit proxy voting and voting by mail.

Neighborhood associations can have their annual election outside their annual meeting by establishing a polling place and a period of voting up to 24 hours.

Neighborhood associations should consider specifying who will run the meeting as well as the elections themselves. This is important because you might not want to have a person running for a contested position facilitating the process for electing himself or herself.

ARTICLE X: GRIEVANCE PROCESS Section 1. Other Forms of Conflict Resolution are Encouraged. All parties are encouraged to resolve disagreements and disputes through one-on-one dialogue, discussions with directors and members, and/or formal mediation whenever possible.	
--	--

NOTE: The ONI Standards require that each neighborhood association include a formal grievance process in their bylaws. The ONI Standards set some minimum requirements for the process. This template reflects these requirements and provides additional suggestions as well.

Section 2. Eligibility to Grieve. A person or group harmed as a result of a decision of this association may file a formal grievance if they believe the action taken by the association violated a provision of these bylaws, a formally-	
---	--

adopted policy of the association, or the ONI Standards.	
Section 3. Filing a Grievance. Grievances must be submitted, in writing, to the association[president/chair] and/or secretary, within 45 business days of the alleged violation. A grievance must identify the date of the action being grieved and the provision of the association's bylaws or the ONI Standards which allegedly were violated, describe how the provision was violated and how the grievant was harmed by this action, and identify the remedy the grievant is seeking.	<u>Option:</u> The Association may require the grievant to submit the grievance on a form that follows the ONI Standards.

NOTE: "In writing" can be either a hard copy or via email.

ONI has developed a standard grievance form that follows the ONI Standards. Neighborhood associations can choose to require grievants to submit their grievances using such a form. This helps ensure the grievant provides the information a neighborhood association needs to determine whether the information provided meets the criteria for a grievance.

Neighborhood associations should clearly identify to whom the grievant should submit their grievance.

"Business" vs "Calendar" Days: ONI Standards require that a grievance be filed within 45 "business" days of the alleged violation of the neighborhood association bylaws or ONI Standards. The neighborhood association then has 60 "calendar" days to review and respond to the grievance. If the grievant is not satisfied with the response, the ONI Standards allow the grievant to appeal the association's response to the associations' neighborhood coalition within 14 "calendar" days.

Section 4. Initial Review and Response. The board or the board's designee will review the proposed grievance and determine whether it meets criteria for a grievance as defined in this article. If the proposed grievance is found not to meet the criteria, the board or its designee will inform the grievant in writing of this determination and the reasons for the determination. If the proposed grievance is found to meet the criteria, the review process continues.	
--	--

NOTE: The board as a whole body may review the grievance, or the board can assign this task to an individual or committee. The board should consider adopting a formal

policy that states who will carry out the initial review of a proposed grievance—BEFORE A GRIEVANCE IS FILED.

This initial review is not to determine whether a provision of the bylaws or ONI Standards was violated and harm done to the grievant, but rather to confirm that provision(s) alleged to have been violated and the harm done to the grievant are identified.

Section 5. Grievance Committee. If the process continues, as per Section 4, the board, or a committee designated by the board, shall offer the grievant an opportunity to present information relevant to the grievance and shall gather other relevant information. The body carrying out the review will develop its findings and recommendations and submit them to the board.	
--	--

NOTE: The reviewing body should strive to be balanced and neutral in its review.

The offer to the grievant to submit additional relevant information could be accomplished through written correspondence or a face-to-face meeting.

Process should focus narrowly on whether rules were violated.

Findings must, at a minimum, state whether bylaws or ONI Standards were violated. If a violation is found, recommendations should focus on remedy for the violation. Additional findings and recommendations may be included that address broader issues uncovered during the review.

Keep records of what was submitted, findings and recommendations, and final action.

Section 6. Board Action. The board shall consider the findings and recommendations and render a decision on the grievance. The board shall notify the grievant of the board's decision, in writing, within 60 calendar days from the receipt of the grievance.	<u>Option:</u> Remedies may include: acknowledgement of error and appropriate apologies; repeal of a decision; redoing a process—where feasible; rectification of a procedure; or a good faith commitment not to repeat the error. <u>Option:</u> Remedies only may rectify the harm done and do not include punishment—such as the removal of board members and/or officers.
---	--

NOTE: Remedies need to focus on the harm done. Where possible harm should be undone and changes instituted, when possible, to ensure that the harm does not occur again.

Remedies in the grievance process do not include punishment—such as the removal of a board member or officer. The removal of a board member or officer is a separate process.

ARTICLE XI: INDEMNITY This corporation will indemnify to the fullest extent not prohibited by laws any person who is made, or threatened to be made, a party to an action, suit, or other proceeding, by reason of the fact that the person is or was a director, officer, volunteer, or agent of the corporation.	
--	--

NOTE: Only neighborhood associations that are registered as nonprofit corporations with the Oregon Secretary of State's Office need to think about including a section on indemnity in their bylaws.

"Indemnification" means that the corporation agrees to pay the legal fees, expenses, judgments and settlement costs, if a director/officer/employee/agent is sued as a result of his/her service with the organization.

The Oregon Nonprofit Corporation Handbook says some directors won't serve without this protection. The Handbook says an organization can choose to provide no indemnification or to provide more limited indemnification. (Oregon Nonprofit Corp Handbook 5th ed. p. 87)

It's not clear whether neighborhood associations would require all of the language suggested by the Handbook. We've recommended an abbreviated version of this language.

Indemnification language—in bylaws or articles of incorporation? The Oregon Secretary of State's Office suggests that non-profit corporations include much shorter indemnification language in their articles of incorporation. The suggested language is:

"The corporation elects to indemnify its directors, officers, employees, agents for liability and related expenses under ORS 65.387 to 65.414." [Source: Oregon Secretary of State Corporation Division, online Article of Incorporation filing form.]

The Handbook and other sources recommend that indemnification language be put in bylaws instead of articles of incorporation to make the language easier to amend and update.

“Indemnification” vs. “limiting liability”

- **INDEMNIFICATION:** *Indemnification means that the organization says it will pay expenses/settlements if anyone sues a director because of their service to the organization.*
- **LIMITING LIABILITY:** *Limiting liability means that the organization (board and members) agrees to limit what the organization could sue the director for (this doesn't limit what a third party could sue the director for).*

The Oregon Nonprofit Corporation Handbook (5th Edition) recommends putting indemnification language in the bylaws and limiting liability language in the articles of incorporation. The Handbook suggests that the following language be included in the articles of incorporation:

“The personal liability to the corporation or its members, for monetary or other damages, of each member of the Board of Directors and each uncompensated officer of the corporation for conduct as a director or officer shall be eliminated to the fullest extent permitted by current or future law.” [Oregon Non-Profit Corporation Handbook, 5th Ed. p. 40)

ARTICLE XII: CONFLICT OF INTEREST To protect the integrity of the association's decision-making processes, Directors will disclose to the board any interest they have in a transaction or decision of the board that may result in a financial benefit or gain to them and/or their business, family members and/or significant other, employer, and/or close associates, and other nonprofit organizations with which they are affiliated. The director will not be present for or participate in any board discussion of or vote on the transaction or decision.	
--	--

NOTE: Neighborhood associations should avoid the appearance that a director's participation in a board transaction or decision is influenced by the likelihood that they or a person, business, or organization associated with them would benefit financially from the decision.

Neighborhood associations should adopt a clear conflict of interest policy and consider having directors sign a statement that they have read and will follow the policy.

A director who may have a conflict of interest related to a particular project or decision may present information to the board about the project or decision, but may not participate in the board discussion and vote on the project or decision. For instance, if a director is the architect on or developer of a project that is brought to the neighborhood association, the director can step out of her/his director role and present information to the board about the project. The director just cannot participate in the board discussion and vote about how to respond to the proposed project.

In some cases, a director may not have a financial interest in a decision, but may be faced with a board decision that could affect another non-profit organization for which they also serve as a board member. This is known as a “conflict of loyalty.” Directors, when participating in board decisions, always should act in the best interests of the association. This is the “duty of loyalty,” which is one of the legal duties of non-profit corporation directors.

ARTICLE XIII: AMENDMENT OF BYLAWS

All amendments to these bylaws must be proposed in writing. Amendments may be proposed by the board or by a petition signed by [XXX] number of members and presented to any board officer.

The board shall submit proposed amendments to the members for a reading at a general meeting. The board shall schedule a vote on the adoption of the amendment(s) at a subsequent general meeting.

NOTE: “In writing” can be either a hard copy or via email.

Allowing members to propose bylaws amendments, in addition to the board, increases board accountability to the membership and the voice of the members in the governance of the association.

Requiring a certain numbers of members to sign a petition—e.g. 5, 10, 15, etc.—ensures that the amendment is supported by more than just one person or a couple people.

The two-step review and approval process increases the opportunity for members to become aware of proposed bylaws amendments and then to participate in the discussion and vote.

The board should consider adopting a policy that would require the board to schedule the review and vote on a member-proposed amendment as soon as possible after the

members submit the proposed amendment. The board should not “sit on” a proposal and drag out the process.

Any amendments proposed should be in agreement with the association’s articles of incorporation.

Section 1. Notice. Notice of a proposal to amend the bylaws, specifying the date, time and place for consideration, must be provided to all members a minimum of 30 days before the general meeting at which the amendment(s) will be voted on. The notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the bylaws and shall contain a copy of the proposed amendment(s).	
--	--

NOTE: Bylaws are a significant governance document. State law only requires seven-day notice of a vote to amend a non-profit organizations bylaws. State law also allows board members to vote to amend the bylaws on their own. This template recommends a minimum of 30-day notice and recommends that only members have the power to amend the bylaws. Member participation is a priority for the neighborhood system. Members also need more notice to increase the likelihood that they will have time to understand the proposed changes and participate in the vote.

Section 2. Adoption. Adoption and amendment of these bylaws shall require a two-thirds (2/3) vote by the members present at a general membership meeting.	
--	--

NOTE: Make sure that your bylaws and articles of incorporation are in agreement about who has the power to adopt and amend the bylaws.

Your neighborhood association should consider adopting a policy that would determine whether members can offer changes to a proposed amendment, or whether they need to vote down the proposed amendment and then propose a new amendment with the changes they want and start the whole process over. The neighborhood association may determine that simple changes may not justify starting the process over, while substantive change should. If substantive changes are proposed to an amendment, the question arises of whether the notice to members would still be valid because what members were told was being considered has changed.

Bylaws amendments take effect after the adjournment of the meeting at which they formally are approved UNLESS a neighborhood association’s bylaws indicate otherwise.

ARTICLE XIII: ONI STANDARDS The association, in all its activities, shall comply with the requirements of the Office of Neighborhood Involvement Standards for neighborhood associations.	
--	--

NOTE: Including this language in an association's bylaws can help emphasize for members that the association must comply with the ONI Standards.

[final date/signatures/previous revisions]	
Date Adopted: [insert date on which the Members or Board approved the bylaws amendment(s)]	

NOTE: It's important to note the date of on which the bylaws amendments were approved to document clearly which version of the bylaws people are viewing. The date also allows someone to seek out the meeting minutes to confirm that the association followed the appropriate process in voting to approve the bylaws amendments.

Previous Revisions: [list the dates earlier bylaws amendments revisions were adopted]	
	<u>Option:</u> Have a board officer sign the bylaws (e.g. president/chair, secretary, etc.).

NOTE: It is helpful to list the dates of previous bylaws changes as well. This helps maintain an historical record of previous versions of the bylaws, in case someone wants to research earlier language and to know when changes occurred.

SAMPLE:

- *Original Bylaws adopted by the Board: April 1, 1977*
- *Original Bylaws previously amended by the Board: May 13, 1977; August 12, 1999; June 10, 2003; February 17, 2009; June 21, 2010; September 20, 2010.*
- *These Bylaws adopted as amended: March 24, 2011*

(Source: Non-profit Association of Oregon (NAO) bylaws)

Signing of the bylaws does not appear to be required by ORS 65 or the ONI Standards (2005). Some neighborhood associations have an officer sign, and others do not.