



SECTION: TWO

# Articles of Incorporation & Bylaws



## Articles of Incorporation and Bylaws

The articles of incorporation and bylaws are the most important documents of a nonprofit organization. Like a birth certificate, the organization should keep track of these documents. All board members should have copies and the organization should keep the documents in a corporate record book. This notebook is designed to hold these documents. Any amendments or revisions should also be kept in the notebook. Additional information about amendments or revisions to articles of incorporation can be obtained from the Texas Secretary of State's Office, [www.sos.state.tx.us/corp/nonprofits.html](http://www.sos.state.tx.us/corp/nonprofits.html), which also contains model forms for articles and other nonprofit corporate documents.

### Amending the Articles of Incorporation

If a corporation needs to add, delete, or alter provisions of its articles of incorporation, or change its name, it needs to file articles of amendment with the Secretary of State. If extensive amendments are needed, the corporation should consider filing restated articles of incorporation instead of articles of amendment. A form for articles of amendment, which was promulgated by the Texas Secretary of State's office, is included below.

The method of adopting articles of amendment depends on whether the corporation has members with voting rights:

- ◆ **Corporations with members having voting rights.** The board of directors adopts a resolution setting forth the proposed amendments. The resolution is submitted to a vote at a meeting of the members. The proposed amendments must be approved by at least two-thirds of the votes which members present (in person or by proxy) are entitled to cast. In the alternative, amendments may be adopted by the unanimous written consent of the members. In addition, there are certain specific nonsubstantive amendments, such as deleting the names of the initial directors, which may be adopted by a majority of the board of directors.
- ◆ **Corporations with no members or no members having voting rights.** Unless the articles provide otherwise, the amendments must be adopted by a majority vote of the board of directors.

The articles of amendment should be signed by an authorized officer of the corporation. Two copies of the articles should be submitted to the Secretary of State, along with a \$25 filing fee, to Statutory Filings Division, Corporations Section, P.O. Box 13697, Austin, Texas 78711-3697. If the documents conform to law, the Secretary of State will file the documents, note the date of their filing, and return a file-stamped copy along with a certificate of amendment.

## Restating the Articles of Incorporation

A Texas nonprofit corporation which has made numerous amendments to its articles of incorporation or wishes to adopt all new articles of incorporation should adopt restated articles of incorporation, pursuant to Article 1396-4.06 of the Texas Non-Profit Corporation Act. After the restated articles are adopted by the board, two copies of the restated articles must be filed with the Secretary of State's office along with a \$50 filing fee. The Secretary of State, upon approval of the restated articles, will issue a restated certificate of incorporation. At the time the certificate is issued, the original articles of incorporation and all amendments are superseded, and the restated articles are deemed the articles of incorporation for the corporation.

The restated articles may take one of two forms. A sample form for each of the following is included in this section.

- a compilation of all previous amendments with no further amendments (simply a reinstatement of what has already been adopted by the corporation); or
- a compilation of all previous amendments with any new amendments included in the restated articles.

## SAMPLE FORM ARTICLES OF AMENDMENT

Pursuant to the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following articles of amendment:

### ARTICLE ONE

The name of the corporation is \_\_\_\_\_.

### ARTICLE TWO

The following amendments to the articles of incorporation were adopted on \_\_\_\_\_,

*[Insert amendments in one of the forms set out in (a), (b), and (c)]*

- (a) *[Insert the amendment in the following form if it alters any provision of the original or amended Articles of Incorporation:]* Article \_\_\_\_\_ of the Articles of Incorporation is hereby amended so as to read as follows: *[copy/insert new amendment here]*
- (b) *[Insert the amendment in the following form if it is an addition to the original or amended Articles of Incorporation:]* The Articles of Incorporation are hereby amended by adding thereto a new Article \_\_\_\_ to read as follows: *[copy/insert new article here]*
- (c) *[Insert the amendment in the following form if it is a deletion from the original or amended Articles of Incorporation:]* The Articles of Incorporation are hereby amended by deleting therefrom Article \_\_\_\_\_ which reads as follows: *(copy/insert here text of deleted article)*

### ARTICLE THREE

The amendments were adopted in the following manner:

*(If there are members having voting rights use statements (a) or (b); if no members have voting rights, use statement (c))*

- (a) The amendment was adopted at a meeting of members held on \_\_\_\_\_, at which a quorum was present, and the amendment received at least two-thirds of the votes which members present or represented by proxy were entitled to cast.

-OR-

- (b) The amendment was adopted by consent in writing by all members entitled to vote.

-OR-

- (c) The amendment was adopted at a meeting of the board of directors held on \_\_\_\_\_, and received the vote of a majority of the directors in office, there being no members having voting rights.

Dated \_\_\_\_\_, \_\_\_\_\_.

*(Enter name of corporation)* \_\_\_\_\_

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

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

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Before me, a notary public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**SAMPLE FORM  
RESTATED ARTICLES OF INCORPORATION  
WITHOUT NEW AMENDMENTS**

**ARTICLE ONE**

*(Insert name of Corporation)* \_\_\_\_\_, pursuant to Article 4.06 of the Texas Non-Profit Corporation Act, hereby adopts Restated Articles of Incorporation which accurately copy the articles of incorporation and all amendments thereto that are in effect to date and such Restated Articles of Incorporation contain no change in any provision thereof.

**ARTICLE TWO**

The Restated Articles of Incorporation were adopted in the following manner:

*[Where there are members having voting rights insert either (a) or (b); for corporations with no members with voting rights, insert (c)]*

- (a) The Restated Articles of Incorporation were adopted at a meeting of members held on   *(insert date)*  , at which a quorum was present, and the Restated Articles of Incorporation received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.

-OR-

- (b) The Restated Articles of Incorporation were adopted by consent in writing by all members entitled to vote.

-OR-

- (c) The Restated Articles of Incorporation were adopted at a meeting of the board of directors held on   *(insert date)*  , and received the vote of a majority of the directors in office, there being no members having voting rights.

**ARTICLE THREE**

The Articles of Incorporation and all amendments and supplements thereto are hereby superseded by the following Restated Articles of Incorporation which accurately copy the entire text thereof:

*[Insert here entire text of restated articles]*

Dated \_\_\_\_\_, \_\_\_\_\_.

*(Name of Corporation)* \_\_\_\_\_

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

\_\_\_\_\_  
Secretary

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Before me, a notary public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**SAMPLE FORM  
RESTATED ARTICLES OF INCORPORATION  
WITH AMENDMENTS**

**ARTICLE ONE**

*(Insert name of Corporation)*, pursuant to Article 4.06 of the Texas Non-Profit Corporation Act, hereby adopts Restated Articles of Incorporation which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended by such Restated Articles of Incorporation as hereinafter set forth and which contain no other change in any provision thereof.

**ARTICLE TWO**

The Articles of Incorporation of the corporation are amended by the Restated Articles of Incorporation as follows:

*[Set forth here the new amendment or amendments]*

**ARTICLE THREE**

Each such amendment made by these Restated Articles of Incorporation has been effected in conformity with the provisions of the Texas Non-Profit Corporation Act and such Restated Articles of Incorporation were duly adopted in the following manner:

*[Where there are members having voting rights, insert either (a) or (b); for corporations with no members with voting rights, insert (c)]*

- (a) The restated articles and the amendments made by such restated articles were adopted at a meeting of the members held on (insert date), at which a quorum was present, and the restated articles and the amendments made by such restated articles received at least two-thirds of the votes which members present or represented by proxy were entitled to cast.

-OR-

- (b) The restated articles and the amendments made by such restated articles were adopted by consent in writing by all members entitled to vote.

-OR-

- (c) The restated articles and the amendments made by such restated articles were

adopted at a meeting of the board of directors (or trustees) held on (insert date), and received the vote of a majority of the directors (or trustees) in office, there being no members having voting rights.

**ARTICLE FOUR**

The articles of incorporation and all amendments and supplements thereto are hereby superseded by the following restated articles of incorporation which accurately copy the entire text thereof and as amended as above set forth:

*[Insert here the entire text of the articles of incorporation as they have been amended to read.]*

Dated \_\_\_\_\_, \_\_\_\_\_.

*(Name of Corporation)* \_\_\_\_\_

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

\_\_\_\_\_  
Secretary

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

Before me, a notary public, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

## Amending the Bylaws

### Overview

These model bylaws are meant to serve as a guideline for nonprofit corporations in Texas which are drafting or revising their bylaws. Bylaws govern the internal operations of a corporation. As a result, before drafting bylaws, you need to first consider how you want your corporation to operate. The Important Issues to Consider section below outlines many of the most important issues you need to first consider. After answering the questions below, you may then need to add, delete, or modify provisions in the model bylaws to fit the needs of your organization.

Some of the provisions included in the model bylaws are dictated by state law, while other provisions are optional. Moreover, the law often provides that “unless the articles or bylaws state otherwise, then . . . .” In these circumstances, when the articles and bylaws are silent on a topic, state law governs as the default. When the articles or bylaws are not silent on a topic, the provisions in the articles and bylaws apply, provided they are not illegal. In the event that the articles conflict with the bylaws, the articles govern.

### Important Issues to Consider

The following are some of the more important issues to consider when drafting or revising bylaws:

- ◆ **Members:** Does the corporation have voting members? If so, what are their qualifications, voting rights, method of selection, terms, dues and fees, method of removal, etc.?
- ◆ **Meetings:** When will the corporation hold its meetings and how will the meetings be called; where will meetings be held; how will directors or members be notified?
- ◆ **Directors:** How many directors will the corporation have, how will they be elected and removed, what are their qualifications, what is their term of office, will there be term limits, and will they serve staggered terms? State law requires that nonprofit corporations have at least three directors.
- ◆ **Officers:** What officers will the corporation have and what are their qualifications, duties, and methods of selection and removal? State law requires that nonprofit corporations have at least a president and secretary, which cannot be the same person.
- ◆ **Committees:** What committees will the nonprofit have, what is the scope of the committees, who is eligible for service on the committees, and how are they managed?
- ◆ **Quorum:** How many members or directors are required for a quorum to conduct business, and what proportion of votes is required to take action on a matter?

- ◆ **Internal control:** What types of processes can help the corporation adequately control its internal operations? For example, who can sign checks and in what amount; what signatures are required to purchase or sell property?
- ◆ **Fiscal year:** What is the corporation's fiscal year?
- ◆ **Amendments to bylaws:** What are the procedures for amending the bylaws?
- ◆ **Other considerations:** Specific government programs may require specific bylaw provisions. For example, nonprofit corporations seeking certification as Community-Based Housing Development Organizations (CHDOs) are generally required to include in their bylaws a specific provision governing the types of persons who can and cannot serve as directors on the board (a sample provision is included in the model bylaws). Check with specific government programs for more information.

## SAMPLE BYLAWS FOR TEXAS NONPROFIT CORPORATION

### ARTICLE I

These bylaws constitute the code of rules adopted by the *[insert name of corporation here]* for the regulation and management of its affairs.

### ARTICLE II

#### Purpose

*[Enter purpose here; can list purpose contained in articles of incorporation, or list a more detailed purpose here.]*

*[Example:]* The ABC Corporation (“the Corporation”) shall exist for the purpose of expanding opportunities available to low- and moderate-income residents in the ABC Neighborhood of the City of Austin, Texas, to obtain affordable housing by constructing, rehabilitating, preserving, and providing decent, safe, and sanitary housing for such residents. Through related activities, the Corporation shall also seek to preserve the character of the ABC Neighborhood, and engage in community projects for the benefit of the ABC Neighborhood. The Corporation shall be and is a non-profit corporation under the laws of the State of Texas. The service area of the Corporation is the ABC Neighborhood, which consists of *[enter geographic boundaries of corporation’s service area here]*.

### ARTICLE III

#### Board of Directors

**(1) Powers**

The Board of Directors (“Directors”) of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these bylaws.

**(2) Qualifications**

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Employees of the Corporation are ineligible to serve on the Board of Directors.

*[For CHDOs, add the following:]* At least one-third of the Board of Directors shall be composed of residents of the *[insert name of neighborhood here]*, a low-income neighborhood. At no time shall more than one-third of the Board of Directors be composed of public officials or public employees. No governmental body shall have any power to appoint any member of the Board of Directors. No board member who is a public official or employee shall have the power to appoint any other member of the Board of Directors other than through the individual vote of that board member as a director.

**(3) Number of Directors**

The Board of Directors will consist of *[insert number of Directors here—cannot be less than three]* Directors. Upon majority resolution of the Board of Directors, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three Directors. Until the first meeting for electing the Directors occurs, the initial Board of Directors shall consist of the persons listed in the Articles of Incorporation as constituting the initial Board.

**(4) Term of Directors**

*[Insert terms of Directors here. The following two options clarify whether the directors have term limits: one option provides for term limits and the option provides for no term limits]:*

*[Term limits:]* Directors shall serve terms of *[enter # here]* years. A Director may succeed himself for only one consecutive term. After serving two consecutive terms, a Director must vacate his position for at least one year before seeking re-election to another term.

*[No term limits:]* There are no term limits and, therefore, Directors may serve any number of consecutive terms.

**(5) Election of Directors**

Elections for Directors filling expired terms shall be held at the last meeting of the fiscal year. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election). Board members whose terms have expired may continue serving until they are either re-appointed or until their successors are chosen.

**(6) Staggered Terms *(optional)***

There shall be staggered terms of office for Directors so that one-third of the directorships shall be up for election each year (or if the number does not evenly divide by thirds, the board shall be divided as close to thirds a possible). The system for staggered terms of office shall be implemented as follows: At the meeting of the Board of Directors at which these bylaws are adopted there shall be a drawing in order to determine the initial terms of the Directors. *[The following clause is for boards with five original members—adjust accordingly for boards with more members]*. After the drawing, one board member shall have an initial term of one year, two board members shall have terms of two years, and two board members shall have terms of three years. The minutes of this board meeting shall show the results of the drawing. *[Add, if term limits:]* Initial directors serving less than a full three-year term as their initial term (i.e., directors who draw a one-year term or two-year term), shall be considered to have served a full three-year term for purposes of the limits on more than two successive terms.

**(7) Resignation**

Any Director may resign at any time by delivering written notice to the Secretary or President of the

Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

**(8) Removal**

Any Director may be removed without cause, at any time, by a majority of the entire Board of Directors, at a Regular or Special Meeting called for that purpose. Any Director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

**(9) Vacancies**

Vacancies shall be filled by majority vote of the remaining members of the Board of Directors, though less than a quorum, and the Director filling the vacancy shall serve for the remainder of the term of the directorship that was vacated. Vacancies shall be filled as soon as practical. Any Director may make nominations to fill vacant directorships.

**(10) Compensation**

Directors shall not receive any salaries or other compensation for their services, but, by resolution of the Board of Directors, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested Board of Directors approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

## **ARTICLE IV** **Committees**

**(1) Executive Committee**

The President, Vice President, Treasurer, and Secretary of the Corporation shall constitute the executive committee. The executive committee shall have the authority to act on behalf of the Corporation in between Regular Meetings of the Board of Directors. The Board of Directors must validate the actions of the executive committee at its next Regular or Special Meeting. Any such action not so validated will not be legally binding on the Corporation. The President shall act as chairperson of the executive committee. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and all decisions shall be by majority vote of those present.

**(2) Standing Committees [Optional]**

The Corporation shall have three standing committees which shall assist the Board of Directors in carrying out the management of the Corporation: The Finance and Resource Management Committee, the Development Committee, and the Program Committee. The Board of Directors shall appoint the members of each committee. Each standing committee shall have at least three Directors as members, and the Directors must comprise a majority of the committee membership. Employees of the Corporation and members of the community may also be appointed to serve as committee members. Committees shall meet upon call of the Board of Directors or the chair of the Committee, review the activities of the Corporation in the Committee's respective areas, and make recommendations to the Board of Directors for the Board's final approval. The Treasurer of the Corporation shall serve as the Chair of the Finance and Resource Management Committee. Other standing committees shall elect a Chair by a majority vote. The Chair of each committee shall

ensure that minutes of the committee meetings are taken and present a copy of the minutes to the Secretary within the two weeks following the meeting. Committee meetings shall be open to all members of the Board of Directors.

- (a) The Finance and Resource Management Committee shall assist the Executive Director in preparing and presenting the annual budget to the Board of Directors, make necessary investment choices, and generally protect the soundness of the corporation's finances and fiscal operations.
- (b) The Development Committee shall be responsible for fundraising and capital campaigns, public relations, maintaining the visibility of the corporation, and governmental relations.
- (c) The Program Committee shall be responsible for planning, developing, and evaluating the Corporation's programs.

**(3) Additional Committees**

The Board of Directors may from time to time designate and appoint additional standing or temporary committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designated by the Board of Directors. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Articles of Incorporation and these bylaws.

**ARTICLE V**  
**Code of Ethics**

The corporation and its Directors and Employees will comply with the Corporation's Code of Ethics, attached as Exhibit A.

**ARTICLE VI**  
**Board Meetings**

**(1) Place of Board Meetings**

Regular and Special Meetings of the Board of Directors will be held at *[enter location here]* or at any other place that the President may designate *[optional:]* within the city limits of *[enter city's name here]*.

**(2) Regular and Special Meetings**

Regular meetings of the Board of Directors shall be held each month, or more frequently as deemed necessary by the Board of Directors. Special Meetings may be called by the President or any three Directors. An orientation meeting will be held each year for the new members of the Board of Directors.

**(3) Notice of Board Meetings**

Notice of the date, time, and place of Regular Meetings shall be given to each board member by regular mail, telephone (including voice mail), facsimile, or e-mail no less than *[enter # here]* days notice prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each board member using the same methods, but with no less than *[enter # here]* days notice prior to the meeting, with the exception of special meetings held to amend the Articles of Incorporation or bylaws, for which a *[enter # here]*-day written notice by mail or facsimile shall be

required specifying the proposed amendment.

**(4) Waiver of Notice**

Attendance by a Director at any meeting of the Board of Directors for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

**(5) Quorum**

A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Articles of Incorporation or by any provision of these bylaws.

**(6) Actions without a Meeting**

Any action required or permitted to be taken by the Board of Directors under the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these bylaws may be taken without a meeting, if *[enter either "all" or "a majority of"]* Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent shall have the same force and effect as a unanimous vote of the Board.

**(7) Open Meetings**

Meetings shall be open to the general public, except when personnel, real estate, or litigation matters are being discussed.

**(8) Proxy Voting Prohibited**

Proxy voting is not permitted.

## ARTICLE VII

### Officers

**(1) Roster of Officers**

The Corporation shall have a President, Vice President, Secretary, and Treasurer. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be appointed by the Directors. One person may hold two or more offices, except those serving as President or Secretary.

**(2) Election and Removal of Officers**

All officers shall serve one-year terms. The election shall be conducted at the Board of Directors' first meeting of the fiscal year and following the election of the new Board of Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board of Directors attending the meeting.

**(3) Vacancies**

If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.

**(4) President**

- The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given her by the Board of Directors.
- The President will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board of Directors. The President shall preside at all board meetings and shall exercise parliamentary control in accordance with Roberts Rules of Order.
- The President shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board of Directors or these bylaws.
- The President shall, with the advice of the Board of Directors and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board of Directors.

**(5) Vice President**

- The Vice President shall act in place of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the board.
- The Vice President shall serve as the parliamentarian and interpret any ambiguities of the bylaws.

**(6) Secretary**

- The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these bylaws.
- The Secretary shall attest to and keep the bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.
- The Secretary shall take or ensure that someone takes minutes of all meetings of the committees and Board of Directors, and shall keep copies of all minutes at the principal office of the Corporation.
- The Secretary shall keep a record of the names and addresses of the Directors at the principal office of the Corporation.
- The Secretary shall, with the approval of the Board of Directors, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.
- The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board of Directors at the principal office of the Corporation during regular business hours.
- The Secretary shall see that all notices are duly given in accordance with these bylaws or as required by law.
- The Secretary shall see that all books, reports, statements, certificates, and other documents and records of the Corporation are properly kept and filed.
- In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the Vice President shall perform the functions of the Secretary.

**(7) Treasurer**

- The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accountings to the Directors as required by the Board of Directors, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these bylaws, or which may be assigned from time to time by the Board of Directors.
- The Treasurer shall give to the Corporation a bond with one or more sureties for the faithful performance of the duties of the office and for the restoration to the Corporation—in the case of his or her death, resignation, retirement, or removal from office—all books, papers, vouchers, money, and other property of whatever kind in his or her possession or under his control belonging to the Corporation. The amount of the bond shall be determined by the Board of Directors.
- The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board of Directors.
- The Treasurer, with the approval of the Board of Directors, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.
- The Treasurer's signature shall be the authorized signature for all checking, savings, and investment accounts of the Corporation unless the Treasurer, with the approval of the Board of Directors, designates another member of the Board of Directors or employee of the Corporation as the authorized signatory for a particular type of disbursement.
- The Treasurer shall prepare a monthly report for the Board of Directors, providing an accounting of all transactions and of the financial conditions of the Corporation.
- The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

**ARTICLE VIII****Members**

*[The following is a form clause for a corporation with members. If the corporation does not have members, this clause should be deleted. This Article is for a corporation that has members with limited voting rights. A corporation may choose to provide its members with broader voting rights, in which case the following article needs to be redrafted accordingly. State law has very specific provisions regarding the rights of members. Before drafting or revising bylaws, a corporation with members should review these provisions to make sure it is in compliance with the law].*

**(1) Eligibility**

*[enter eligibility guidelines here]*

*[Example:]* All residents of the ABC Neighborhood who are eighteen years of age or older are eligible for membership in the Corporation.

**(2) Rights of Members**

Each member of the Corporation shall be entitled to one vote on each matter submitted by the Board of Directors to a vote at a Regular or Special Membership meeting, except to the extent that the voting rights are limited or denied by the Articles of Incorporation. No member shall be entitled to any dividend or any part of the income of the Corporation or to share in the distribution of the corporate assets upon dissolution. The Board of Directors has the discretion to decide which, if any, matters shall be submitted to the members for a vote, except that the following decisions will always be submitted to the membership for a vote: dissolution of the corporation, merger or consolidation with another corporation, sale of substantially all the corporation's assets, and most amendments to the corporation's articles of incorporation. *[Under Texas law, the above items must be submitted to members for a vote, except that some minor amendments to the articles of incorporation do not require a vote by the members. See the Texas Non-Profit Corporation Act for more information].*

**(3) How the Membership can Legally Act**

The membership may act only at a properly called meeting of the membership where a quorum is present. At such a meeting, a vote of a majority of the members in attendance shall be an act of the membership, except that a two-thirds majority of the members in attendance shall be required for the following: dissolution of the corporation, merger or consolidation with another corporation, sale of substantially all the corporation's assets, and most amendments to the corporation's articles of incorporation *[state law requires two-thirds vote for these items unless the percent is changed in the articles of incorporation]*. The attendance of *[enter # or percent here]* members shall constitute a quorum for the conduct of business at either a Regular or Special Membership Meeting.

**(4) Regular Membership Meetings**

The Membership shall meet at least once a year during the month of *[insert month here]*, at a time designated by the Board of Directors, for the purpose of transacting any business that the Board of Directors may submit to the members. Regular Membership Meetings shall take place at *[enter location here; meetings must be held at the registered office of the corporation or the location listed in the bylaws]*.

**(5) Notice of Regular Membership Meetings**

Written notice of the Regular Membership Meeting shall be given not less than 10 calendar days nor more than 60 calendar days before the date that such a meeting is to be held *[can change the notice period, but under Texas law, notice cannot be less than 10 days nor more than 60 days]*. Such written notice shall be delivered by mail, in person, or by facsimile, and shall state the place, day, and time of the meeting. The Board of Directors, in the alternative, may provide notice through other means such as by posting notice in a conspicuous place at the principal office of the Corporation, newsletter, newspaper, church bulletins, or such additional means as the Board of Directors shall deem effective.

**(6) Special Membership Meetings**

Special Membership Meetings may be called at any time by the President, by a majority of the Board of Directors, or on written request of *[enter # or % here]* members.

(7) **Notice of Special Meetings**

Notice of Special Membership Meetings shall be given in the exact same manner as notice for the Annual Membership Meeting as provided for above, except that the notice shall contain the purpose for which the meeting is called.

(8) **Enrollment of Members**

The Board of Directors shall adopt a membership application form. The application form shall require the name, address, and telephone number of each applicant. There shall be a space for the secretary to sign certifying that the secretary believes the applicant to be eligible for membership. The applicant becomes a member upon the secretary's signature of the application form. The secretary shall keep an up-to-date membership list.

## **ARTICLE IX**

### **Rules of Procedure**

The proceedings and business of the Board of Directors shall be governed by Robert's Rules of Parliamentary Procedure unless otherwise provided herein.

## **ARTICLE X**

### **Executive Director**

The Board of Directors may, upon resolution, appoint an Executive Director to serve at the board's discretion and to carry out whatever tasks the board from time to time resolves. The Executive Director shall be paid an annual salary set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these bylaws.

The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. The Executive Director shall generally be expected to attend all meetings of the Board of Directors and meetings of the general membership.

## **ARTICLE XI**

### **Indemnification [Optional]**

(1) **Insurance**

The Corporation will provide indemnification insurance for its Board members, and the Board shall select the amount and limits of such insurance policy.

(2) **Indemnification**

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a Director or Officer of the Corporation shall be indemnified by the

Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein.

**(3) Limits on Indemnification**

Notwithstanding the above, the corporation will indemnify a person only if he acted in good faith and reasonably believed that his conduct was in the corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe his conduct was unlawful.

## **ARTICLE XII**

### **Operations**

**(1) Execution of Documents**

Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the Executive Director and the President (or such other person designated by the Board of Directors), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President or two other members of Executive Committee and must be approved by a resolution of the Board of Directors.

**(2) Disbursement of Funds**

Financial Transactions which have a value of *[insert value here]* or more shall require majority approval of the Board of Directors or Executive Committee if a majority of the Board of Directors is not immediately available to vote on the transaction. In all other transactions, the Executive Director may dispense with the funds of the Corporation in accordance with the annual budget approved by the Board of Directors and the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. Notwithstanding the above, all checks of more than *[enter value here]* disbursing funds from any of the Corporation's accounts shall require the signatures of at least two of the following: the Executive Director, President, Vice President, Secretary, or Treasurer.

**(3) Procurement Policy**

The Corporation shall abide by its procurement policy, set forth in Exhibit B.

**(4) Records**

The Corporation will keep correct and complete records of account and will also keep minutes of the proceedings of the Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Corporation *[add if members: and a membership roster giving the names and addresses of members.]*.

**(5) Inspection of Books and Records**

All books and records of this Corporation may be inspected by any Director for any purpose at any reasonable time on written demand.

**(6) Loans to Management**

The Corporation will make no loans to any of its Directors or Officers.

**(7) Amendments**

The Board of Directors may adopt Articles of Amendment (amending the Articles of Incorporation) by a vote of two-thirds of Directors present at a meeting where a quorum is present. *[If Members, Members must vote on most amendments to the Articles of Incorporation]*. The bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present.

**(8) Fiscal Year**

The fiscal year for the Corporation will be *[enter fiscal year here, e.g., "the calendar year, January 1 to December 31"]*.

**(9) Audit**

The Corporation shall have an annual audit to be completed by *[enter date here]* of each year for the previous fiscal year.

### CERTIFICATION

I hereby certify that these bylaws were adopted by the Board of Directors of the *[insert name of corporation here]* at its meeting held on *[enter date here]*.

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Secretary

