AGM Pre-Meeting 2020

Bylaws Amendment
Webinar
2 June 2020
Housekeeping

Recording?  ✓
Questions?  ✓
Slides available?  ✓
AGM Pre-Meeting 2020
Bylaws Amendment
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Presenters
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Moderator:
Bridget John
Deputy Executive Director
AGM - 15 June 13:00 GMT
Calendar Reminder
Background

Nonprofit Governance Review

Advancing Nonprofit Management Best Practices

Ensuring Compliance with Applicable Laws

Accomplishments to Date

- Changing from Cash to Accrual Accounting
- Auditing Financial Books – Eide Bailly
- Secretary Signing Minutes
- Recording Who Makes Motions and Votes in In-Person Meetings
- Signed Ballots for All Electronic Meetings
- Updated Mission & Vision

Bylaws Update – Need Membership Support
IAIA is referred to as an Organization, rather than an Association, because an Association is a different legal structure. In reality, IAIA is a Corporation, and while our Attorney would have preferred that we use that designation, some on the Board were concerned it may cause confusion for some of international audiences and constituencies.
Article II - Purpose

The Association has as its primary purpose the Organization is organized and shall be operated exclusively for charitable, educational, scientific, and other purposes within the meaning of Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “Code”), specifically to include the betterment of society through the encouragement of improved policymaking processes concerning the analysis of the future consequences of present decisions. In furtherance of this purpose, the Association may.

This language is required by the US Internal Revenue Service for 501(c)(3) nonprofits and with an updated year, it conforms to our Articles of Incorporation.
The role of Directors and Officers have been separated into different Articles, because their functions are different. Directors are typically elected by the membership to provide trustee-type governance to an organization. The Directors hire/appoint the officers (President, Treasurer and Secretary) to run the organization and report to the Board. These revised bylaws retain the IAIA custom of the Director/President being elected by membership.
Article IV – Board

Section 2. Election of Directors

Section 2. Any voting member of the Association Organization may serve as a Director or an Officer. Termination of membership shall automatically terminate eligibility to be a Director or an Officer. Directors shall be elected by the membership as specified in Article VII.

It was noticed during the preparation of this presentation that neither the current Bylaws or these Bylaws Amendments, specifically say that the Directors are elected by the membership. This addresses that insufficiency and also defines the election process as the one outlined in Article VII.
Article IV – Board

Section 3. Number of Directors

Section 3. The number of Directors shall consist of not less than seven (7) nor more than nine members, as may be determined from time to time by the Board, provided that the President, the Immediate Past President, and the President-Elect shall serve as Directors. The President shall preside at all meetings of the members and the Board.

The number of Directors has been changed from nine to a range of seven to nine, to allow the Board to function if a member is suddenly not able to serve in that role. Without a range of Board membership, the Board would cease to function, because currently it cannot do anything with less than nine members – including fill openings on the Board to get it to nine members.
Article IV – Board

Section 4. Virtual Meetings

Section 4. Directors may participate in and act at any meeting of the Board through the use of a conference telephone, video conference or other means of communications by which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

This specifically permits video conference meetings of the Board as an in-person meeting, and is very pertinent in these Covid-19 times.
Article IV – Board

Section 5. - Quorum

Section 5. - and six Directors. A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Directors then in office if there is an odd number of Directors, or one half of the number of Directors if there is an even number of Directors in office. In addition to regular meetings, actions of the Board of Directors may be taken by mail or electronic communication. Five of the members of the Board of Directors shall constitute a quorum for decisions taken at meetings of the Board of Directors, where permitted by state law. An absolute majority of all members of the Board of Directors shall be required for decisions taken by electronic communication. Electronic voting may be conducted by either.

Changes to the number of members on the Board, also requires a change to the number of members at an in-person or virtual meeting that would represents a quorum. For electronic or mail votes, passage continues to require an absolute majority of all members.
Article IV – Board

Section 5. – Electronic Voting

Electronic communication. Electronic voting may be conducted by either:

[a] signing a ballot or consent that is scanned or
[b] signing a ballot or consent through an electronic signature service.

Email balloting presents security risks of hacking, and in many jurisdictions electronic voting may not be legal. A signed ballot is legal everywhere. Electronic voting between in-person meetings requires a signed ballot or an electronic signature service.
Article IV – Board

Section 6. Terms & Term Limits

Section 65. Directors elected in addition to the President, the Immediate Past President and the President-Elect shall serve for a term of three (3) years, such that approximately one-third of the Directors are elected at each annual meeting, and provided that no Director shall be elected to serve for a third consecutive term. Official duties of all members of the Board shall commence and cease at the commencement of the first meeting of the Board after each Annual General Meeting.

Director terms will remain at three years, but a limit that no Director may be elected to a third consecutive term is being established.
Article IV – Board

Section 7. Removal & Resignations

IAIA currently has no provision for Director removal or resignation. If a person would be convicted of a crime, or not fulfilling Board duties, this provides an avenue for removal. As well, this outlines the process that a Director may use to resign.
Current IAIA Bylaws allow for an undefined process of “co-opt” to fill vacancies. This new section provides Board leadership with more guidance and a defined process. Combined with the change in Director numbers to be range of 7-9, it permits to Board to function without going outside the legal boundaries of the Bylaws.
Article V – Officers

New Article & Title

Section 1. There shall be a President, Treasurer and Secretary of the Organization, and there also may be such Assistant Treasurers and Assistant Secretaries as the Board may elect from time to time. Any two offices may be held by one person, except that the President shall not concurrently hold the offices of Secretary or Treasurer.

This new Article more clearly defines the roles of the Officers, and differentiates them from the role of Directors. In addition, it ensures that the President does not assume other vital Officer roles that may compromise the Organization.
Article V – Officers

Section 1. (a)-(c) President

[a] Election of a President-Elect shall occur annually by the membership. The President-Elect shall serve one-year in that capacity, one-year as President and one-year as immediate Past-President. The President-Elect shall perform all of the duties of the President in the event of the absence or disability of the President, and shall have such other duties and powers as may be assigned by the Board.

[b] The President shall be the chief executive officer of the Organization, and as such shall ensure the supervision and administration of the business and affairs of the Organization, and shall have such other duties and powers as may be assigned by the Board.

[c] The Immediate Past President shall have such duties and powers as may be assigned by the Board.

This Section more clearly defines the roles of President-Elect, President and Immediate Past President. In addition, it clarifies the length of time that the President serves in these capacities in years rather than “terms.”
Article V – Officers

Section 1. (d)-(e) Secretary & Treasurer

[d] A Secretary shall be appointed by the Board from amongst the Directors or the Organizational membership. The Secretary shall be the chief record-keeping officer of the Organization, and as such shall ensure the maintenance of all of the permanent corporate and non-financial records of the Organization, and shall have such other duties and powers as may be assigned by the Board.

[e] A Treasurer shall be appointed by the Board from amongst the Directors or the Organizational membership. The Treasurer shall be the chief financial officer of the Organization, and as such shall ensure the preparation and maintenance of the accounting and financial records of the Organization, and shall have such duties and powers as may be assigned by the Board.

This Section more clearly defines the roles of Secretary and Treasurer. In addition, it permits the Board to name a Secretary and/or Treasurer from the membership, if a highly skilled and motivated member is available. Note, however, that these changes do not affect the number of members serving on the Board, because Directors and Officers are each selected through a separate process of election.
Article VI – Offices

Article With New Number & Title

Section 1. The Board shall appoint administrative offices for such periods and under such conditions as they shall from time to time determine.

Section 2. Other offices, groups or task forces may be appointed to assist the Organization in promoting its objectives to special interest groups or to non-English-speaking members of IAIA. Such relationships will only be established through a special Memorandum of Understanding governing specific activities.

This is the same as Article V in the current Bylaws. It is just more general since it does not specifically mention HQ in the phrase “(known at this time as IAIA Headquarters)”.
Article VII – Committees

Section 1. (a) Nominations Committee

Section 1.

[a] A Nominations Committee shall comprise the President, President-Elect and three or more voting members of the Organization appointed by the Board to serve staggered terms as determined by the Board. One such member of whom shall be designated by the Board to serve as Chair. The Chair shall be appointed by the Board for a specified term. The other members shall serve staggered terms as determined by the Board, and vacancies shall be filled through appointment by the Past President. The Nominations Committee shall seek suggestions of voting members to be considered as possible candidates for the offices to be filled. In preparation of slates of two or more candidates for each office, the Nominations Committee shall seek to ensure that the Board maintains a balance of regional, racial, ethnic, gender, experience and professional expertise.

Much of this Section was pulled from Article IV. Board. Currently the Nominations Committee is supposed to be appointed annually by the Past President. With there being no restrictions on Past Presidents serving again, providing a Past President that much power did not seem wise. Now, beyond the President and President-Elect, the Board not only selects the Chair, but the members too.
Article VII – Committees

Section 1. (c) Ballots

[c]. The Nominations Committee shall supervise preparation of a ballot comprising such candidates as the Board has determined to be consistent with the requirements set forth in these Bylaws and the guiding principles of the Organization, and shall use best efforts to ensure that such ballot is mailed/delivered to each voting member of the Association/Organization consistent with the contact information provided by each such member. Ballots shall be valid and counted if received at the IAIA Headquarters Office on or before such time as designated by the Board. Candidates on each slate receiving the highest number of votes will be declared elected.

This section details the guidance the Nominations Committee receives from the Board in ballot preparation, how the Committee & staff ensure it is delivered to each member at addresses on record, when ballot are considered valid and how the winners are declared.
Article VIII – Meetings

Section 1. AGM

The number of days needed to call a AGM has been reduced from 60 to 30 days. In some cases, these may be virtual meetings. See the Section 3. However, any AGM to amend Bylaws remains at 60 days See Article XIII.
Article VIII – Meetings

Section 3. Virtual Meetings

Section 3. Members may participate in and act at any meeting through the use of a conference telephone, video-conference or other means of communications by which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

This new Section 3 explicitly allows for virtual AGM meetings.
Article IX – Restrictions

New Article & New Section 1. Inurement

- **Article IX.**

**Article VIII. Amendment of By-Laws.**

**Restrictions**

Section 1. The by-laws No part of the Association may be amended by:

A two-thirds majority vote of the voting members present at an Annual General Meeting of Organization shall inure to the association benefit of or at a special meeting of be distributable to any private individual or person, provided that the Association called Organization may pay reasonable compensation for this purpose, or services rendered to it and reimbursement of expenses reasonably incurred on its behalf.

This Section prohibits anyone from profiting personally from the work of the nonprofit mission of IAIA. It does, however, allow IAIA to pay for services or reimburse expenses.
Article IX – Restrictions

New Article & New Section 2. Lobbying & Political Activity

Section 2. No substantial part of the activities of the Organization shall be the carrying on of propaganda, or otherwise attempting, to influence legislation (except as otherwise permitted by Section 501(h) of the Code), and the Organization shall not participate in, or intervene in (including the publishing or distributing of) any political campaign on behalf of or in opposition to any candidate for public office.

IAIA may lobby up to about 10 percent of its budget, but it must elect a 501(h) designation from the US Internal Revenue Service. However, IAIA has not elected that designation, and currently has no plans to do so. Political activity, or more precisely electioneering, in support of a candidate is never permitted.
Article IX – Restrictions

New Article & New Section 3. (a) Self Dealing

Section 3. The Organization shall at all times be organized and operated so as to qualify as an Organization that is not a private foundation, as defined in Section 509(a) of the Code. If, however, at any time or times, the Organization shall be classified as a private foundation under United States internal revenue laws, then at such time or times the Organization.

[a] Shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code (or corresponding section of any future federal tax code).

If IAIA became a private foundation, (which it has no plans to do) then it should guard against any nonprofit insider engaging in a financial transaction in which they are both the provider and receiver of benefit.
Article IX – Restrictions

New Article & New Section 3. (b) Undistributed Income & (c) Business Holdings

If IAIA were to become a private foundation, it would:
(b) spend a certain percent of its income on charitable purposes; and
(c) not own large percentage of private businesses, except for those related to it charitable purposes.

[b] Shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code (or corresponding section of any future federal tax code).

c] Shall not retain any excess business holdings as defined in Section 4943(c) of the Code (or corresponding section of any future federal tax code).

Article IX – Restrictions

New Article & New Section 3. (d) Investments & (e) Taxable Expenditures

[d] Shall not make any investment in such manner as to subject it to tax under Section 4944 of the Code (or corresponding section of any future federal tax code); and

[e] Shall not make any taxable expenditure as defined in Section 4945(d) of the Code (or corresponding section of any future federal tax code).

If IAIA were to become a private foundation, it would: (d) exercise ordinary due diligence in making investments; and (e) not make grants for personal gain, rather than educational purposes.
Article X – Indemnification

New Article

Article X. Indemnification

The Organization shall indemnify all of its present and former Directors, Officers, employees and agents to the fullest extent permitted by the Code or applicable state laws, the relevant indemnification provisions of which are hereby incorporated herein by reference. To the extent determined from time to time by the Board, the Organization shall also cause to be purchased insurance for such indemnification of its Officers and Directors.
Article XI – Contracts & Finance

New Article & New Section 1. Contracts

Section 1. In addition to the officers so authorized by these Bylaws, the Board may authorize any officer or agent of the Organization to enter into any contract or sign any instrument in the name of the Organization, and such authority may be general or confined to specific instances.

This new section permits the Board, officers and agents to enter into contracts.
New Article & Section 2. Loans, Section 3. Checks

Section 2. No loan shall be contracted on behalf of the Organization, and no evidence of indebtedness shall be issued unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 3. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness (issued in the name of the Organization) shall be signed by such officers or agents of the Organization as shall, from time to time, be determined by the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and may be countersigned by the President or other officer authorized by the Board when countersignature is required.

This new Article and Section 2 allows only the Board to obligate IAIA under a loan. In Section 3, IAIA permits its Directors, officers and agents to write checks.
Article XI – Contracts & Finance


Section 4. The Board, or such other officers or agents authorized by the Board, may accept on behalf of the Organization any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Organization.

Section 5. The Organization shall keep correct and complete books and records of account and shall also keep minutes of the meetings of the Board. The financial accounts of the Organization shall be reviewed on an annual basis by a finance committee of the Organization, or by such individual or individuals with relevant expertise as determined by the Board. The fiscal year shall be determined by the Board.

In this new Article and new Section 4, the Board, officers and agents may accept gifts and contributions aligned with IAIA’s mission. Section 5 is an expansion of current Article IV, Section 8 which says, “The financial accounts of the Association shall be reviewed by an external auditor annually. The fiscal year shall be determined by the Board of Directors.”
Article XII – Dissolution

Section 2. Distribution of Assets

Section 2. Upon the dissolution of the Organization, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Organization is then located, exclusively for such qualified purposes or to such Organization or Organizations, as said court shall determine are organized and operated exclusively for such purposes.

This expanded language on current Article IX, Section 2 is required by the US Internal Revenue Service, and conforms with IAIA Articles of Incorporation, with the verbiage updated from the early 1980s.
Article XIII – Amendment to Bylaws

Section 1. & 2.

Article XIII. Amendments to Bylaws

Section 1. The Bylaws of the Organization may be altered, amended or repealed, and new Bylaws may be adopted by:

[a]. A two-thirds majority vote of the voting members present at an Annual General Meeting of the Organization or at a special meeting of the Organization called for this purpose; or

[b]. A two-thirds majority vote of the eligible voting members submitting a ballot for this purpose, in accordance with the requirements for mail or electronic communications as set forth in Article IV Section 5.

Section 2. Proposals for amendments must be submitted to members at least sixty (60) days prior to a meeting described in Article XIII Section 1, or by ballot submitted by mail or electronic communication. Amendments may be proposed by the Board or by a petition signed by at least fifty (50) members of the Organization representing at least five (5) countries.

No change from the current Article VIII except the word Bylaws is capitalized and the hyphen removed.
AGM 15 June 13:00 GMT

Register at:  https://bit.ly/IAIA2020agm

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