

2020 EFMLS Bylaws Committee Proposed Amendments Rationale

As a general statement, many articles and sections of the current (2016) EFMLS Bylaws do not comply with the Nonprofit Revitalization Act of 2012 passed by New York State.

Removal of Article I through Article III, Section 4 - Redundancy, these articles and sections are contained in the Constitution. The Constitution has been removed as a requirement of the New York State Nonprofit Laws. As an historical document the Constitution will continue to be included as a part of the Bylaws

Article 2 Section 2C - Updated "Federation mail" to "Federation communications," to reflect current standards of communication.

Article 2 Section 2D - The information about membership in the American Federation has been encompassed in Article 11 Section 11A.

Article 3 Section 3A - This section has been added pursuant to the NY Charities Bureau guidelines for all nonprofits. Please see Internal Controls and Financial Accountability for Not-for-Profit Boards and Right From the Start: Responsibilities of Directors of Not-For-Profit Corporations, publications by the Office of New York State Attorney General Charities Bureau, www.charitiesnys.com.

Article 3 Section 3B – This has been added, as required for all nonprofit organizations incorporated in the state of New York. See law 715a.

Article 4 Section 4A - General Officers changed to Officers, as the primary officers of the Federation to be more specific and per legal counsel advice.

The Secretary, Editor and Assistant Treasurer have been withdrawn as Executive Committee members. This is due to research done by the Committee, which found that these are subordinate positions not typically part of the governance of an organization.

The RVP's have been withdrawn as members of the Executive Committee, because traditionally these officers were President Directors of their own local Societies and in order to represent individual societies more ethically in the voting process. The Regional Vice Presidents are meant to be a conduit between the local societies and the Federation, as such it is their duty to meet and communicate with the stakeholders in their respective regions, bringing their concerns to the Federation and acting on behalf of those stakeholders.

Change of name from Executive Board to Executive Committee, to comply with New York State laws. There is only ONE board, the Board of Directors and other groups within the context of the organization are committees, either Board or Corporate. Committees of the Board are comprised only of Board members and may be authorized to bind the Board. Committees of the Corporation may include anyone but may never bind the Board.

Directive for ALL official members of the Federation to submit original documentation to the Archivist / Historian for compliance with the current New York Charities Bureau guidelines. Further requirements shall be included in a revised Operating Procedures Manual.

Article 4 Section 4B -The President of the Federation has always been the Chief Officer of the organization; this section simply names the office as such. This section comes directly from the legal adviser for the Bylaws committee. This section was brought up at the initial Q&A for the Bylaws discussion and concluded.

Article 4 Section 4C - The Committee believes that the current bylaws are lacking in clarity.

Article 4 Section 4D - The Committee believes that the current bylaws are lacking in clarity.

Article 4 Section 4E - The Committee updated the language for more specificity and guidance.

Article 4 Section 4E1 - The Committee believes that it is necessary to have the minutes amended and accepted in a more reasonable time frame particularly for archival purposes.

Article 4 Section 4F - Based on the Committee's findings of the New York Charities Bureau guidelines, all nonprofit audits must be conducted by an independent auditor, not associated with the organization. The Committee has expanded the Treasurer's role in the Budgetary matters of the Federation as this is the only Officer within the Federation who has the financial understanding of the organization.

Article 4 Section 4G - Change of the composition of the Nominating Committee, to align with the direct representation of each region. The RVP's should be more connected to the local societies in their regions and this will foster better involvement of more people in the Federation.

Article 4 Section 4H - Besides avoiding having people overextend themselves with more positions than can be effectively dealt with, this will serve the Federation's stakeholders more beneficially.

Article 4 Section 4I – Struck from this Article to be included in Article 3 and expanded upon in a separate document, per legal counsel's advice.

Article 5 Section 5A - See rationale for Article 4 Section 4B.

Article 5 Section 5B - The Committee updated the language for more specificity and guidance.

Article 6 Section 6A - According to the independent Professional Registered Parliamentarian and legal counsel consulted by the Bylaws Committee, Robert's Rules is not in favor of Executive Committees as large as current Bylaws provide for. This Committee has chosen to allow the full complement of the Board of Directors stand, as has historically been the norm for the Federation. Due to the New York Nonprofit laws that allow for meetings to be conducted virtually, the Committee believes that this is workable.

Article 6 Section 6B - The Board of Directors directs, and the Executive Committee executes. Per advice of legal counsel, New York Nonprofit law states that the Executive Committee exists to act in emergencies on very short notice when the full board cannot meet. This is a moot point due to the availability of virtual meetings to be called at short notice.

Article 6 Section 6C - The proposed change is a significant limitation of the Executive Committee's ability to expend the stakeholder's monies and under what circumstances.

Article 6 Section 6C1 – These are specific prohibitions of the Executive committee by the NY State Not-For-Profit laws which has been in force since 2013.

Article 7 Section 7A - The Committee updated the language for more specificity and guidance.

Article 7 Section 7B - The Committee added this clause to provide for extenuating circumstances, to allow for business to continue. New York State Nonprofit laws have been in existence for a number of years that allow for business to be conducted virtually.

Article 7 Section 7C - Compliance with the current New York Charities Bureau guidelines. Although this is not a requirement by law, it is good practice.

Article 7 Section 7D - Distributed responsibility for preparation and publishing the agenda, in order to allow oversight. The required time span for the agenda to be distributed to a short number of days, as advised by legal counsel.

Article 7 Section 7E - Business can be conducted over the entire year rather than at a single event. The quorum has been increased due to the anticipation of more members participating with the use of virtual meetings. See New York State Nonprofit law 707, which says in part: *"... in the case of a board of more than fifteen members the quorum shall be at least five members plus one additional member for every ten members (or fraction thereof) in excess of fifteen"*. Using this calculation and the current membership of 112 societies (plus the President), a quorum would be 21 President Directors, using the proposed quorum of 20 percent the number would be 22.

SFMS (Southeast Federation) has held quarterly meetings for over 10 years to run their Federation more efficiently and be more "viable to their affiliate societies" -Jerri Heer, SFMS Secretary

Article 7 Section 7E1 - The Committee updated the language for more specificity and guidance. As the current Bylaws exist, there is ambiguity as to the ability of one person to represent multiple societies for voting purposes. New York State Not-For-Profit laws prohibit proxy voting.

Article 7 Section 7F - No change from current Bylaws.

Article 7 Section 7G - The Committee updated the language for more specificity and guidance.

Article 7 Section 7H - The quorum has been increased due to the ability to involve more President Directors via virtual meeting. Also pursuant to New York State Nonprofit law 707. See rationale for Article 7 Section 7E.

Article 7 Section 7I - The Committee updated the language for more specificity and guidance.

Article 7 Section 7J - The Committee updated the language for more specificity and guidance.

Article 7 Section 7K – As suggested by a President Director at the 3rd Question and Answer Discussion for the proposed Bylaws amendments.

Article 8 Section 8A - No change from current Bylaws.

Article 8 Section 8B - The Committee believes that no President can adequately determine the course of their administration and effectively implement necessary measures to benefit the stakeholders in a single year. Limiting ability for additional terms also limits the potential for abuse of power or inertia

and encourages more participation of a wider audience in the Federation. The NFMS has had a Bylaw of this nature on their books for more than 50 years and it has operated well.

Further, it is the recommendation of this Committee that no Officers hold positions for more than the allotted term and that each office should have a nominee, to discourage complacency in the movement amongst the top offices of the Federation. Thus, the current practice of the 2nd RVP moving into the 1st VP position and the 1st VP moving into the Presidency should not be possible nor encouraged and in fact this practice should be stopped altogether.

Article 8 Section 8C - The ability to hold virtual meetings eliminates the need for the issue of officers continuing their positions if an Annual Meeting is not held prior to November 1st.

Article 8 Section 8D - See above statements regarding term limits.

Article 8 Section 8E - See above statement regarding term limits.

Article 8 Section 8F - No fundamental change from current Bylaws.

Article 8 Section 8G - No fundamental change from current Bylaws. With regard to the use of "their" as opposed to "his / her", legal counsel's advice – "Legally I find it a distinction without a practical difference."

Article 9 Section 9A - No fundamental change from current Bylaws, except to designate co-Chairpersons for all committees.

Article 9 Section 9B - The Committee updated the language for more specificity and guidance. As per New York State Nonprofit law 711, standing committees have been abolished. They are replaced with either "corporate" or "board". Committees of the Board are comprised only of Board members and may be authorized to bind the Board. Committees of the Corporation may include anyone but may never bind the Board.

Article 9 Section 9C - The Committee updated the language for more specificity and guidance.

Article 9 Section 9C1 - No fundamental change from current Bylaws, except the proposed Nominating Committee's composition of the Regional Officers. This assumes that each Regional Officer is in touch with the constituents in their region and is best suited to encourage fresh ideas, insights and the desire to serve to better the Federation as a whole.

Article 9 Section 9C2 - Self-explanatory.

Article 9 Section 9D - No fundamental change from current Bylaws.

Article 9 Section 9 – Removal of The Eastern Foundation Fund from the Bylaws as it is not a committee; it is a financial instrument.

Article 10 Section 10A - The Committee updated the language for more consistency, specificity and guidance.

Article 11 Section 11 – The Article previously designated as 11 has been removed as per advice of legal counsel. A separate Policy document needs to be created for dues and fees. Current Article 11 is Affiliations.

Previous Article 11 has been removed, following Articles have been re-numbered accordingly.

Article 11 Section 11A – Removal of Dues and Fees to a separate, yet to be created, Policy Document.

Article 11 Section 11 B - The Committee is considering combining this section with the previous section due to redundancy.

Article 12 Section 12A / B / C / D – No fundamental change from current Bylaws.

Article 13 Section 13A - Compliance with NY Charities Bureau guidelines.

Article 13 Section 13B / B1 / B2 - No fundamental change from current Bylaws.

Article 13 Section 13B2 – Compliance with NY Charities Bureau.

Article 13 Section 12C – Vote specifically defined as being of the Board of Directors and the quantity of affirmative votes necessary to pass proposed amendments to the Bylaws.

The previously proposed amendment regarding a 3-year ban on amending Bylaws has been struck from the final document, due to advice of the legal counsel hired to review the proposal. The original intent was to discourage incoming officers from immediately overturning newly established bylaws. However, New York State laws specifically prohibit the Executive Committee from adopting new bylaws, amending or repealing bylaws, from amending the certificate of incorporation, or submitting to the members of any action requiring the member's approval.