



## **2018 MGC Draft Bylaws Summary of Changes and Rationale**

### **Background:**

At the June 2017 Board of Directors meeting, President Carol Brodbeck received approval to form a Bylaws Review Committee chaired by Nancy Stark Higgins, a former MGC President. They were tasked with reviewing the current MGC Bylaws for three reasons:

1. On January 15, 2015 significant amendments were made to the Michigan Non-Profit Corporation Act. Of particular importance to MGC was the expanded liability coverage for officers and board members, the use of mail and electronic transmissions guidelines for voting by the board and the members without a meeting and the authority that could be given to an Executive Committee within limits to act.
2. The need to streamline decision making between Board of Directors meetings so that vacant positions could be filled by the President.
3. To reflect a variety of changes recommended by the Board at the September, 2017 meeting.

### **Major Proposed Changes to the MGC Bylaws and Rationale :**

While some minor wording changes were made to clarify existing bylaws below are the proposed major changes:

#### **A. The Articles and the order in which they appear have been changed to follow the standard format used in writing bylaws for non-profit organizations.**

***Rationale:** This format focuses on first defining the overall purpose of MGC, second the membership and membership rights and third the leadership structure and authority. It provides a good model for all our member clubs, will be easily understood by grant-giving organizations which positions MGC to more easily pursue outside grants, and enhances the overall flow of the document.*

#### **B. Many of the procedural details on how the organization functions have been moved to the Policies and Procedures document.**

***Rationale:** The individual research done by committee members, along with the guidance of our outside counsel, stressed the importance of separating procedural detail from the overall framework that the bylaws are intended to provide. The current Policy and Procedures manual is being revised to include all of the procedural detail transferred from the bylaws. The role of the Bylaws as a framework should not need to be continually updated over time. However, the procedural detail or how we act in support of the overall bylaws may need to be updated more frequently as the environment around MGC changes.*



**C. Addition of Article IV -No Private Inurement**

**Rationale:** This is also included in the AOI and the Bylaws Committee felt it was important to include in the bylaws. It clearly separates personal benefit from remuneration. The MGC Remuneration Policy was approved by the Board of Directors at the November 2017 meeting.

**D. Clarification of Membership Classes in MGC Article V**

**Rationale:** The definition of members in the current bylaws includes individual “memberships.” MGC is structured as an organization of member clubs -groups who belong to MGC which was the foundation for the Michigan Federation of Garden Clubs, not as individual members. Life and Honorary Memberships are significant achievements reached by individuals and recognized as such. However, they do not represent a group of membership in the organization for purposes of voting and meeting.

**E. Membership Requirement Additional Language (Article VI: Section 6.1.2)**

**Rationale:** While retaining the exact wording defining Member Clubs or Associate Organizations found in our current bylaws, the Bylaws Committee felt it was important to add that such organizations admit members without consideration of race, creed, color, sex, age, religion, national origin, affinity orientation, disability or other factors protected by law.

**F. Change from use of “Affiliated” organization membership to “Associate” organization membership (Article VI: Section 6.1.3)**

**Rationale:** The use of the term “Affiliated” membership in an organization implies that the group will have some involvement and say in the dealings of the organization which is not what MGC intends. The term “Associate” focuses on a relationship by association without any involvement in the dealings of MGC. Note: This does not apply to any contractual arrangements that MGC may have with member clubs, such as the Group Tax Exemption Program as the IRS requires an affiliation relationship in order to be part of the Tax Exempt Group.

**G. Replace the Term “State Convention” with “State Conference” (Article VIII: Section 8.2)**

**Rationale:** The annual gathering of member clubs is better defined as a conference as education is always a key component. In addition, we believe this will facilitate attracting sponsors as conventions have a commercial connotation which doesn’t fit our organization’s purpose. The Board approved recommending this change at the September 2017 Board meeting.



**H. Definition of Districts -removal of the number of districts (Article X: Section 10.1)**

**Rationale:** *Circumstances may arise which require MGC to restructure the districts (e.g., wide discrepancy in the number of member clubs) and should not be encumbered by having to wait for the Annual Meeting for approval of a bylaw amendment.*

**I. Proposed authority changes for the President to fill District Director position (Article X: Section 10.4)**

**Rationale:** *The current bylaws speak to the President filling an officer vacancy which occurs during a term but not if the vacancy exists at the beginning of the term. This caused a significant delay in filling a District Director position. The proposed change would allow the President to appoint a person to fill the officer vacancy subject to Board of Director approval at the next board meeting and approval at the next Annual Meeting.*

**J. Proposed change in the Executive Committee Structure (add Finance Chair) Article XIII: Section 13.1.1**

**Rationale:** *Proposed Structure Change (13.1.1): The Executive Committee is currently comprised of twenty elected (20) officers and three (3) appointed officers who are ex-officio members. The proposed structure change adds the Finance Chair who has consistently been invited to attend every Executive Committee meeting so motions from the Finance Committee meeting, which occurs before the Executive Committee meeting, can be covered.*

**K. Proposed change in Executive Committee authority (Article XIII: Sections 13.4; 13.6)**

**Rationale:** *The changes in the Michigan Non-Profit Act allow the Board of Directors to delegate its management authority, within limits, to an Executive Committee, provided that the Executive Committee consists exclusively of Board members. Currently the bylaws provide no authority to the Executive Committee. In the event that an action is required through written consent (via email) in which all members must respond affirmatively, it would be unlikely that with the exceptionally large size of the MGC Board that this would occur. The change brought about by this act is intended to give non-profits the ability to respond in limited but more expeditious manner -something that has been a challenge for MGC and a source of irritation for our member clubs.*

**L. Use of the Term “Disqualified” in not “disqualified from voting” Executive Committee (Article XIII: Section 13.5)**

**Rationale:** *In April 2017, the MGC Board approved the adoption of the MGC Conflict of Interest Policy. A member of the Executive Committee may be disqualified from voting because a possible conflict of interest has been identified, usually by that member. As a result the*



*individual member may be disqualified from voting on the specific action being considered by the Executive Committee. The remaining members of the Executive Committee may, by unanimous vote, appoint another member of the board to act in the place of the disqualified Executive Committee member. This also allows an Executive Committee member to send another board member to take their place if that Executive Committee member cannot attend.*

**M. Action by Written Consent authority has been added and event of inclement weather wording removed (Article XIII: Section 13.7).**

***Rationale:** The changes in the Michigan Non-Profit Act clearly define how action without a meeting via written consent is to be conducted and this language has been added (12.3). This makes the inclement language weather no longer applicable as it is not supported by law.*

**N. Change in when the First Vice President assumes the title and duties of President – Elect to June 1 in the even numbered years from at the close of the last Board of Director meeting (Article XIV: Section 14.3).**

***Rationale:** This change allows the First Vice President to begin preparations and planning with a specific date not tied to the timing of the last Board Meeting and also provides an opportunity to interact in the official capacity of the President Elect at the last Board Meeting in the even numbered years to facilitate the transition.*

**O. Duties of Officers in proposed bylaws include changes to clarify authority (particularly of the President) and responsibilities rather than completion of individual tasks. (Article XVI)**

***Rationale:** The purpose of Bylaws is to define the organization's leadership structure and then the authority of that structure. The changes removed many of the procedural tasks which will be included in the Policies and Procedures. The committee also felt it important to list the duties of each of the elected officers.*

**P. Proposed authority change for President to appoint Committee Chairs without board approval (Article XVI: Section 16.1.4):**

***Rationale:** The current bylaws allow the President to appoint Committee Chairs for Standing and Special Committees subject to the approval of the board. This causes a delay and filling board positions is a challenge. The proposed change would give the President the authority to appoint the Chairs without Board approval so the Chair may begin working without the worry of whether the approval will occur. In fact, the majority of the Board approving the appointment are appointed themselves.*

**Q. Changes to the Finance Committee Membership (Article XVIII: Section 18.3)**

***Rationale:** The addition of the State Conference Treasurer is in alignment with the recent NGC change and allows the Finance Committee to provide greater support and direction. If the State*



*Conference Chair is not able to attend the meeting, they would be asked to submit a brief report to the Finance Chair which would then be reviewed at the meeting. The Bylaws Committee felt that the Scholarship Committee would be represented by the Treasurer and the Editor represented by the President.*

**R. Move the Detailed Listing of Responsibilities of Finance and Scholarship Committees to Policies and Procedures (Article XVIII: Sections 18.3.1 and 18.4.1)**

***Rationale:*** *The current bylaws combine structure and lists detailed responsibilities for these two committees. The structure for the Finance Committee is outlined in Section 18.3 and the Scholarship Committee in Section 18.4. The detailed list of responsibilities will be covered in Policies and Procedures.*

**S. Addition of Indemnification Article XX**

***Rationale:*** *Matches language proposed for revised AOs and necessary to assure our board members (current, former and future) will be covered. As we all know we live in a litigious society and this article, while lengthy and legalese in tone, leaves no doubt as to our intent to indemnify our board members.*

**T. Removal of Dissolution Article XX**

***Rationale:*** *This is covered in the Articles of Incorporation which is where it should be as it explains how the corporation will be dissolved.*

**Current Bylaws Which Have Not Been Changed**

*The following sections of the current bylaws remain the same though may appear in a different location and intent clarified*

**Current Article:**

**Article I The Name –The Principal Office was Added**

**Article II The Mission**

**Article VII Dues –The Word Fees was added**

**Article VIII Meetings of Member Clubs**

**Article IX: Officers -structure remains the same (Now Article XIV)**

**Article X: Election of Officers (Now Article XV Terms of Office)**

**Article XII: Board of Directors -structure remains the same (Now Article XI)**

**Article XIV: The Advisory Council (Now Article XVII)**

**Article XVII: The Nominating Committee (Now Article XIX)**

**Article XVIII: Committees**

**Article XXI: Parliamentary Procedure**