

NEWSLETTERS

Reinventing The Membership Model

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Associations continue to reinvent the membership model to ensure their organization's relevancy in the marketplace. Many organizations are expanding their membership categories and membership eligibility to allow participation from individuals and organizations outside their industry and profession. These changes will likely necessitate revisions to bylaws.

Current Membership Trends

Among the current trends with association membership is to modify the membership categories by either opening up new categories or expanding the scope of existing categories. With each new or revised membership category, it is important to ensure that any corresponding rights for the membership categories, including any voting rights, are properly identified in the association's bylaws.

Bylaws Revisions

If the association has members, often either due to the state law under which the association is incorporated or its bylaws, the members will need to vote to approve any bylaws revisions. The vote can take place as part of the association's regular meeting or at a special meeting. Before launching the process, associations need to carefully evaluate the timeline for members to review and to vote on the bylaws revisions in order to ensure the required notice period is met and the voting process is managed properly. Depending on the association's bylaws and state of incorporation, voting via electronic means may also be available provided the voting is conducted through a secured third party vendor.

Practical Considerations

If the bylaws revisions have the potential to be controversial among the membership, it is a good idea for the association to appoint a task force to develop the bylaws revisions. The task force should consist of members who represent a wide segment of the membership and who are well regarded by the membership. It is also a good idea to host webinars or all-member calls to answer any commonly asked questions from the membership regarding the changes.

Policies and Implementation Issues

When initiating bylaws revisions such as expanding the scope of membership categories or revising the number of directors, their terms, etc., it is important to ensure that the Board is mobilized to develop and to adopt policies which will implement the changes if approved. Among the

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considerations with changes to board seats and terms will be whether existing directors will be “grandfathered” in and when the new requirements will become effective. Unlike bylaws revisions, policies can be adopted by the board alone and do not require a membership vote.

Compliance with State Incorporation Law

As state laws for nonprofit corporations can vary and change over time, it is important that associations have their bylaws reviewed periodically to ensure that they are in compliance with the law of the state in which the association is incorporated.

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