



Sample Bylaws for Watershed Organizations

Drafting your organization's bylaws is a very important step in creating a successful river or watershed group. When writing bylaws, you will be forced to consider your organization's mission and purpose. You'll also decide important elements of how your group will be organized, led, and run. Your bylaws are the rule book of your organization. They give your organization structure, help prevent potential conflicts, and protect against the misuse of funds.

The Sample Bylaws included below were designed with the assistance of an attorney experienced in nonprofit law with three goals in mind:

- To provide an example of bylaws that incorporate many "best practices" for watershed organizations.
- To assist an organization in meeting the requirements of a "qualified river management organization" as defined by the Wisconsin DNR's Administrative Code (NR195), thus becoming eligible for DNR River Protection Grants. (Note: Adoption of language from this sample document does not automatically guarantee the DNR will find your organization eligible for this source of funding.)
- To protect organizations from being co-opted by members that may not share their goals, while at the same time being careful not to limit membership into the organization.

These Bylaws only provide a framework for your organization. If you have special issues or ways you want to operate, tailor this document accordingly. If you are considering removing any provision, note that a number of provisions relate to each other and there could be significant gaps if you simply "cut and paste." Throughout the document, we have placed comments and options in brackets indicating issues that require consideration and decision on the part of your organization. To receive this document electronically, email your request to info@wisconsinrivers.org.

Benefits of drafting bylaws

Effective Bylaws Must...

- Be specific enough to act as helpful guidelines, but be flexible enough to allow for the changing needs of an organization as it grows.
- Clearly define the roles of everybody involved; including the board of directors, members, staff or officers, and any committees.
- Establish a well-defined set of goals for your organization that isn't too broad, but that doesn't restrict your group too specifically;
- Include a clause to allow for updates and revision of the bylaws to ensure flexibility.

Tax Exemption – Bylaws are required by the Internal Revenue Service in order to claim tax exemption and by the state in order to incorporate.

Clearly Defined Mission – When you create bylaws for your organization, you will be forced to define the mission of your organization. This will help you stay on track and help you decide what methods will be most effective in achieving those goals.

Organizational Structure – Who is in charge? And who has the power to make decisions? These are some of the questions that your bylaws will help you answer. Bylaws will help you create an organizational structure that meets your needs.

Flexibility – Your organization might be wondering whether or not to become an incorporated non-profit. If you want to pursue this route, you'll need bylaws. If you're not ready to take that step, bylaws can help you decide where you want to take the organization and what you want to do with it. If you later decide to incorporate, you've already taken the first step.

[name of corporation]

BYLAWS [or “Restated and Amended Bylaws”, if replacing current bylaws]

ARTICLE 1
PURPOSE

The purpose of the [name of corporation] (the “Corporation”) is to [complete purpose statement].
[Note: A detailed purpose statement is important. It will be cross-referenced in the membership qualifications provisions. Also, note that according to DNR Administrative Code, a “qualified river management organization” eligible to receive a River Protection Grant must specify in its articles or bylaws that a “substantial purpose of its being incorporated is to support the protection or improvement of one or more rivers for the benefit of the general public... (NR195.02(2)(a).”

ARTICLE 2
MEMBERSHIP AND DUES

2.1 Eligibility. Any individual or group who supports the purpose of the Corporation is eligible for membership in the Corporation. An eligible individual or entity may become a member by completing a membership application and paying the annual dues in accordance with Section 2.2 (each a “Member”; collectively, the “Members”). The Board shall have the power to designate additional requirements for membership. [Note: According to the DNR Administrative Code, “qualified river management organizations... do not limit membership or deny the right of any member or any class of members to vote.” If the Board should designate additional requirements for membership that limit membership, the organization’s eligibility to receive DNR River Protection Grants may be placed in jeopardy.]

2.2 Dues Assessment. Dues for Members shall be determined annually by the Board. [Note: According to the DNR Administrative Code, membership fees to a “qualified river management organization” cannot exceed \$50. The Code does not establish a minimum membership fee.]

2.3 Rights of Members. Each Member is entitled to one vote. Each group that is a Member shall designate one individual to cast one vote on behalf of the group. A Member’s right to vote shall cease upon lapse of membership pursuant to Section 2.4 or for any other reason pursuant to § 181.0620, Wis. Stats. Voting by proxy is prohibited.

A Note on Members:
There is a distinction between members of an organization and members of its board of directors. If an organization does not have separate membership, the bylaws should indicate that the members consist of members of the board of directors only.

2.4 Removal of Members. Members whose actions and/or statements demonstrate positions contrary to the goals and purposes of the Corporation may be removed from the membership rolls by approval of [two-thirds] of the Members entitled to vote. [Note: This percentage can be lower. Alternatively, this power can be given to the Board of Directors]

2.5 Renewal of Membership. Unless otherwise determined by the Board, the membership of a Member who completed a membership application when he/she joined the organization may be renewed from year to year without an additional application, upon payment of the annual dues as provided in Section 2.2; provided, however, that the Members [or Board] shall have the authority to reject the renewal of a membership pursuant to Section 2.4.

ARTICLE 3

MEMBER MEETINGS

3.1 **Annual Meeting.** The Corporation shall hold one Annual Meeting at a time and place to be fixed by the Board of Directors.

3.2 **Special Meetings.** Special meetings of the Members may be held at the call or the request of the President, a majority of the Board of Directors, or at least [**X percent (X%)**] of the Members. Notice of the time and place shall be given in sufficient time for the convenient assembly of the Members. [*Note: This provision must be coordinated with the quorum requirements*]

3.3 **Attendance and Voting.** The attendance at the Annual Meeting and any special Meeting is open to all Members. In accordance with Section 2.3, each Member is entitled to one vote. Unless otherwise stated in these Bylaws, all matters submitted to the Members are determined by a majority vote of those present and voting at a meeting at which a quorum is present.

3.4 **Quorum for Member Meeting.** Except as otherwise provided in these Bylaws, the presence in person of Members who have at least [**fifty (50%) percent**] of the total voting power of the Members constitutes a quorum at all meetings of the Members. [*Note: This number should be given serious consideration. While you don't want it to be too easy for a faction of members to be able to hold a meeting, you also don't want it to be too difficult to get a quorum.*]

3.5 **Conduct of Meetings.** The President shall preside over all meetings of the Members. The Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as recording all transactions occurring at the meeting.

3.7 **Informal Action.** In accordance with §181.0704, Wis. Stats., any action required or permitted to be approved by the Members may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by Members holding at least [**two-thirds**] of the voting power of the Corporation. Any such written consent signed by [**two-thirds**] of the Directors has the same effect as a [**two-thirds**] vote and may be stated as such in any document filed with the Department of Financial Institutions. For purposes of this section, "in writing" includes a communication that is transmitted or received by electronic means, and "signed" includes an electronic signature, as defined in Section 181.0103 (10p), Wis. Stats. [*Note: Wisconsin law permits written consents with as few as two-thirds of the members if stated in the Articles of Incorporation or Bylaws. Thus, the Articles or Bylaws may have to be amended to have anything less than unanimous consent. If you do not include such a provision, Wisconsin statutes govern and 100% approval will be required to take actions without a meeting.*]

3.8 **Notice of Meetings.** Notice of the Annual Meeting and each special meeting shall be given to each Member, stating the time and place of the meeting, and in the case of a special meeting, the purposes of the special meeting. Notice of a Member meeting shall be given not less than [**seven**] (7) days, nor more than [**forty-five**] (45) days, before the date scheduled for the meeting referred to in the notice. Notice may be given by electronic mail; provided, however, that Members who cannot receive notices electronically shall receive notice via mail or personal delivery. Whenever any notice whatsoever is required to be given under the provisions of the Nonstock Corporation Law of the State of Wisconsin or under the provisions of the Articles of Incorporation or the Bylaws of this Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. The attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting and objects to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 4
BOARD OF DIRECTORS

4.1 General Powers. The management, control and operation of the affairs and properties of this Corporation are vested in the Board of Directors of the Corporation. The Board is responsible for planning, coordinating, communicating and managing all Corporation activities.

4.2 Number of and Qualifications for Directors. The Board of Directors will consist of no more than **[maximum number]** nor fewer than three (3) persons (a “Director” or, collectively, the “Directors”). The number of directors shall be set from time to time by resolution of the Directors. Directors must be Members of the Corporation who meet the criteria set forth in Section 4.5 of these Bylaws. Other qualifications for Directors and criteria for the selection process may be established from time to time by the Board. *[Note: Wisconsin state law requires a minimum of three Directors]*

4.3 Term. Each Director shall serve a term of **[number]** years and shall serve until his/her successor is elected. At least half of the Directors shall serve a term that expires at the Annual Meeting of each even-numbered year and the balance of the Directors shall serve a term that expires at the Annual Meeting of each odd-numbered year *[Note: Alternatively, term expiration can be staggered by thirds, in the case of 3 year terms]*. When vacancies on the Board occur by reason of death, resignation, failure of qualification, or otherwise, the number shall be reduced by such vacancies until qualified replacements are appointed. Replacements shall be selected by the President subject to the approval of the remaining Directors for unexpired terms, but in no event will the number of Directors be fewer than three. No Director may serve for more than **[three (3) consecutive terms]** of **[number]** years, unless this restriction is waived by the affirmative vote of two-thirds (2/3) of the Directors not affected by this restriction. After an absence of **[one]** year(s) from the Board, an individual shall become eligible again for election to the Board. *[Note: This term-limit provision is optional but can be helpful. The waiver option is also optional; instead, you may want a firm rule requiring the 1 year hiatus off the Board for members who have served the maximum number of terms.]*

<p>A Note about Tenure: Usually, board members serve one, two, or three year terms. Terms can be staggered so that only a part of the board is elected each year. Often, the number of terms a member can serve is limited in order to encourage new input. The goal is stability without stagnation!</p>
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4.4 Election of Directors. The Directors shall be elected by the Members at the Annual Meeting of Members. The Directors shall be selected from the slate of nominees put forward by the Nominating Committee pursuant to Section 4.5 of these Bylaws. Each Member shall vote for the number of directors to be elected. The nominees with the greatest number of votes are elected.

4.5 Nomination of Directors. The Board shall appoint a nominating committee of three Members, at least two of which shall be Directors. Recommendations for director nominees may be submitted by Members, Directors, officers, or any other interested persons, unless otherwise determined by the Board. The Nominating Committee shall select a slate of candidates based on the following criteria and any other criteria determined by the Board from time to time: *[Note: You may choose to increase size of the nominating committee.]*

- a) A demonstrated commitment to the purpose of the organization as stated in Article 1;
- b) An ability to make a positive and material contribution to the operation of the organization; and,
- c) A commitment to participate actively as a director by attending meetings, serving on committees, promoting the goals of the organization and participating in the activities of the organization.

The slate of nominees shall be included with the notice of the Corporation’s Annual Meeting of Members and shall be sent at least **[number]** days in advance of the Annual Meeting.

4.6 Resignation, Removal and Vacancies. A Director's resignation from the Board must be in writing and is effective when received by the Secretary. A Director may be removed by a majority vote of the other Directors present at a meeting at which a quorum is present if that Director has **[three (3)]** unexcused absences from meetings of the Board in a single year. A Director may be removed from the Board for any reason by a vote of **[two-thirds (2/3rds)]** of the other Directors present at a meeting at which a quorum is present. If a Director is removed from the Board for any reason, the Board shall elect a Director to fill that vacancy which Director shall serve until the next Annual Meeting of the Members, at which time the replacement Director shall be elected by the Members or replaced by another Director elected by the Members. *[Note: The provision regarding missed meetings is optional, but may be helpful. Also, this power of removal can alternatively be granted to the Members, instead of the Board.]*

4.7 Regular and Special Meetings. Regular meetings of the Board of Directors shall be held at such times as the President may designate, at the office of the Corporation or such other place as the President may designate. Special meetings of the Board of Directors may be called by the President of the Corporation, or by at least two Directors of the Corporation at such time and place as the officer or Directors calling the meeting may specify and in accordance with the notice requirements of this Article 4.

4.8 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the Directors are present, those Directors present may adjourn the meeting from time to time without further notice.

4.9 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors except where otherwise provided by law or by these Bylaws.

4.10 Informal Action. In accordance with §181.0821, Wis. Stats., any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action to be taken, shall be signed by **[two-thirds]** of the Directors entitled to vote with respect to the subject matter thereof, provided all directors receive notice of the text of the written consent and of its effective date and time. Any such written consent signed by **[two-thirds]** of the Directors has the same effect as a **[two-thirds]** vote and may be stated as such in any document filed with the Department of Financial Institutions. For purposes of this section, pursuant to Section 181.0821(1m) of the Wisconsin Statutes, "in writing" includes a communication that is transmitted or received by electronic means, and "signed" includes an electronic signature, as defined in Section 181.0103 (10p), Wis. Stats. *[Note: Wisconsin law permits written consents with as few as two-thirds of the directors if stated in the Articles of Incorporation or Bylaws. Thus, the Articles or Bylaws may have to be amended to have anything less than unanimous consent. If you do not include such a provision, Wisconsin statutes govern and 100% approval will be required to take actions without a meeting.]*

4.11 Compensation. Directors will not be paid compensation for their services as Directors; provided, however, this section shall not be construed to prohibit payment of compensation to an individual who serves as a Director for services rendered to the Corporation in another capacity and the Board may, from time to time, approve reimbursement of out-of-pocket expenses incurred by an officer in the direct pursuit of the Corporation's business.

4.12 Meetings by Electronic Means of Communication. Members of the Board or any committee of the Board may conduct any regular or special meeting by use of any electronic means of communication provided, (1) all participating Directors may simultaneously hear or read each other's communications during the meeting or (2) all communication during the meeting is immediately transmitted to each participating Director and each participating Director is able to immediately send messages to all other participating Directors. Before the commencement of any business at a meeting at which any Directors do not participate in person, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted. Participation in such manner shall constitute presence in person at such meeting for the purposes of these Bylaws.

4.13 Notice. Meetings must be preceded by at least forty-eight (48) hours written notice to each Director if personally delivered or if given by electronic mail, or seventy-two (72) hours notice if given by mail or private carrier. Written notice shall be deemed given at the earlier of the time it is received or at the time it is deposited with postage prepaid in the United States mail or delivered to the private carrier. Notice may be given by electronic mail; provided, however, Directors who cannot receive notices electronically shall receive notice via mail or personal delivery.

4.14 Director Conflict of Interest. No contract or other transaction between the Corporation and one or more of its Directors or officers or any other corporation, firm, association, or entity in which one or more of the Directors or officers are Directors or officers or has a material financial interest shall be entered into by the Corporation unless the fact of such relationship or interest is disclosed or known to the Board and the Board authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested Directors or officers. Common or interested Directors or officers may be counted in determining the presence of a quorum at a meeting of the Board that authorizes, approves or ratifies such contract or transaction.

ARTICLE 5 **OFFICERS**

5.1 Officers. The officers of the Corporation are a President, a Secretary, and a Treasurer of the Corporation. The Board may elect such other officers as it deems desirable. Only the President of the Corporation need be a Director. *[Note: You may opt to require that some or all of the officers be Directors]*

5.2 Election and Term of Office. At the first meeting of the Board of Directors following the annual meeting, the newly constituted Board shall elect the officers of the Corporation. Officers shall be elected for one-year terms and shall serve until their successors are elected.

5.3 President. The President will preside at all meetings of the Board of Directors and the membership meetings. The President will have the necessary authority and responsibility for the administration of the affairs of the Corporation subject only to such Bylaws as may be adopted and such orders as may be issued by the Board of Directors. The President will advise and make recommendations to the Board of Directors relating to the operation and long-range planning of the Corporation. The President may sign with the Secretary or other proper officer of the Corporation authorized by the Board of Directors any deeds, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, and shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

5.4 Vice-President. If such position exists, the Vice-President will have such duties as determined from time to time by the Board of Directors. The Vice-President will discharge the duties of the President in the event of his or her absence or inability to act, in order of rank. The Vice-President will assist the President in the performance of his or her duties as the President directs.

5.5 Secretary. If the Corporation employs an Executive Director, he/she may serve as Secretary of the Corporation. The Secretary will sign documents of the Corporation from time to time as required, perform such duties as may be assigned by the President, and will keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; be custodian of the corporate records.

5.6 Treasurer. The Treasurer will be responsible for the custody of the funds and securities of the Corporation which will come into the Treasurer's hands, and will advise the Board of Directors respecting its financial condition and the handling of its monies and investments and perform such additional duties as may be assigned to the Treasurer by the President.

ARTICLE 6
COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors may designate by resolution one or more committees, each committee to consist of three or more Directors elected by the Board of Directors. To the extent provided in said resolution, such committees will have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the affairs of the Corporation, except action in respect to election of officers or the filling of vacancies in the Board of Directors or committees. The Board of Directors may elect one or more of its members as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee. The designation of such committee or committees and the delegation thereto of authority will not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him or her by law. The Board may also designate one or more advisory committees to assist it in any capacity as it directs. *[Note: Alternatively, you can opt to define a number of Standing Committees to the Board in your Bylaws. Examples of such are the Executive Committee, Finance Committee and Development Committee.]*

ARTICLE 7
CONTRACTS, CHECKS, DEPOSITS AND FUNDS

7.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

7.2 Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, will be signed by such officer or officers, agent or agents of the Corporation and in such manner as is from time to time to be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments will be signed by the Treasurer and countersigned by the President or a Vice-President of the Corporation.

7.3 Deposits. All funds of the Corporation will be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may elect.

7.4 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purposes of the Corporation.

7.5 Books and Accounts. The Corporation will keep or cause to be kept correct and complete books and records of account and also keep minutes of the proceedings of the Board of Directors and its committees, and the meetings of the Members. In addition, the Corporation will cause to be filed the necessary reports, tax returns or other documents as may be required by law on its own behalf.

ARTICLE 8
INDEMNIFICATION

The Corporation shall, to the fullest extent authorized by ch. 181, indemnify each Director and officer of the Corporation against reasonable expenses and against liability incurred by a Director or officer in a proceeding in which he/she was a party because he/she was a Director or officer of the Corporation. These indemnification rights shall not be deemed to exclude any other rights to which the Director or officer may otherwise be entitled. The Corporation shall, to the fullest extent authorized by ch. 181, indemnify any employee who is not a Director or officer of the Corporation, to the extent the employee has been successful on the merits or otherwise in defense of a proceeding, for all reasonable expenses incurred in the proceeding if the employee was a party because he or she was an employee of the Corporation. The corporation may, to the fullest extent authorized by ch. 181,

indemnify, reimburse, or advance expenses of Directors, officers, or employees.

ARTICLE 9 FISCAL YEAR

The fiscal year of the Corporation is **[the calendar year]**.

ARTICLE 10 DISSOLUTION

The Corporation shall be dissolved in accordance with the articles of incorporation of the Corporation and with the law of the State of Wisconsin to the extent the articles of incorporation do not conflict. *[Note: If the process for dissolution is not specified in the articles of incorporation, it should be done so in the Bylaws. In addition, note that the DNR requires that any sale or transfer of assets acquired with River Protection grants subsequent to a corporation's dissolution be subject to the Department's prior approval.]*

ARTICLE 11 OFFICES

The Corporation shall have and continuously maintain in this state, a registered office and registered agent whose office is identical with such registered office, and may have other offices within or without the State of Wisconsin as the Board of Directors may from time to time determine.

ARTICLE 12 AMENDMENTS

12.1 **By Members.** These Bylaws may be amended or repealed and new Bylaws may be adopted by a **[majority]** of the Members present at an Annual or special meeting, provided that notice of the meeting is given stating the proposed amendment, repeal or new Bylaws to be considered. *[Note: You may choose to require the participation of more than a majority of Members, but beware not to make it too difficult to obtain approval.]*

12.2 **By Directors.** These Bylaws may be amended by the Board at any meeting upon the vote of **[two-thirds (2/3)]** of the Directors then in office, provided that included in the meeting notice is a statement of the nature of the proposed amendment; but no bylaw adopted or amended by the Members shall be amended or repealed by the Directors unless the bylaw adopted by the Member confers such authority upon the Directors.

Additional Resources

- ◆ **501(c)3 To Be or Not To Be**, The Grantmanship Center Magazine, Summer '96. Call (213) 482-9860 or visit www.tgci.com.
- ◆ **(c)3 or (c)4? Choosing a Tax-Exempt Status**, by Christine M. Cook for River Network. Call (800) 423-6747 or visit www.rivernetwork.org.
- ◆ **Being a Player: A Guide to the IRS Lobbying Regulations for Advocacy Charities**, by Gail Harmon et al. Available from the Alliance for Justice. Call (202) 822-6070 or visit www.afj.org/pubs.html.
- ◆ **Forms for becoming an incorporated organization** (e.g. to file or amend articles of incorporation, to reserve or change the name of the corporation, the registered agent or office) are available through the Wisconsin Dept. of Financial Institutions. Call (608) 261-9555 or visit www.wdfi.org/corporations/forms.
- ◆ **Internal Revenue Service Publications** (Publication 557: *Tax Exempt Status for Your Organization*, Package 1023: *Application for Recognition of Exemption*, Form SS-4: *Employee Identification Number*) are available by calling (800) 829-3676 or visiting www.irs.gov (Forms and Publications).
- ◆ **The Nonprofit Management Education Center** from UW-Extension's Learner Resource Center. Available online at http://www.uwex.edu/li/learner/sites_start.htm.