

## Vassar Temple Bylaws – 2015 Proposed Updates

The Board recommends changes to the Vassar Temple Bylaws to change board side and to comply with to the newly established NY State Nonprofit Revitalization Act.

1. Article III: Membership and Dues
  - a. Section A2 describes a membership unit (individual, married couple or two adults who reside in the same household ...).
    - i. Add the following to the end of this section: *Vassar Temple welcomes people of all genders, races and sexual orientation.*
    - ii. **Delete** the following: *Members of the family over the age of twenty-one years who are self-supporting shall be required to maintain individual memberships.*
  - b. Section A3 indicates that members in good standing have the right to vote on all matters in congregation meetings. Add the following to this section: *Vote by proxy at the Congregation meeting shall not be permitted.*
2. Article V, Board of Trustees

Update number of Board Trustees to be lower than 15, reflecting the smaller congregation size.

  - a. Section 2: The Board of Trustees shall consist of the Officers of the Congregation, the immediate Past President, fifteen Trustees elected by the Congregation, and such additional members as provided for in Section 3 of Article V.  
*Change the number of Trustees from “fifteen” to “nine”.*
  - b. Article V, Section 4:  
The Congregation shall annually elect five Trustees to serve for a three-year term.  
*Change the number of Board members elected per year for 3-year term from “five” to “three”.*
  - c. Article V, Section 5 currently says:  
The Board of Trustees shall meet monthly. Special meetings may be called by the President or upon the written request to the secretary by five (5) members of the Board of Trustees. *Ten* members of the Board of Trustees shall constitute a quorum, and the vote of a majority present and voting shall be necessary to carry any motion.  
*Change the Board of Trustees quorum to be six, which is 2/3 the Board size.*
3. Article VIII: Committees
  - a. From attorney: The Nonprofit Revitalization Act eliminates the difference between standing and special committees of the board in favor of one type of board committee. All committees must be elected by the majority of the entire board and *must contain at least three members of the board.* The existing bylaws should be revised to remove the references to the

committees being described as “standing” and all committees must be elected by the majority of the board rather than the President. It should also be noted that committees of the Temple, other than committees of the board, whether created by the board or members, cannot bind the board.

- b. Replace “The following standing committees shall be appointed by the President:” with: *All committees shall be elected by a majority of the Board of Trustees and must contain at least three members of the board. Temple committees, other than committees of the board, whether created by the board or temple members, shall not bind the board. Example committees include the following:*
  - c. Continue to list example committees in the subsequent sections, and remove all indications that the chair is appointed by the president (except definition of the Executive committee, where 2 additional members can be appointed by the President).
    - i. Section B1 (nominating cmte): Change “The Committee members shall be appointed annually by the President, with the advice and consent of the Board.” to “*The Committee members shall be appointed annually by the Board.*”
    - ii. Section C1 (cemetery): Change “The President shall appoint a Chairperson for the Cemetery Committee.” to “*The Board shall appoint a Chairperson for the Cemetery Committee.*”
    - iii. *Delete* section D3 (ad hoc cmtes): The President shall appoint and may remove committee and task force chairs, who are responsible to the Board of Trustees.
4. Article X: Nominations and Elections
- a. Section 5 currently says: To be eligible for nomination, a candidate must be a member in good standing for at least two (2) consecutive years immediately preceding his/her nomination.
  - b. Modify to: *To be eligible for nomination, a candidate must be a member in good standing for at least one (1) year immediately preceding his/her nomination. The nominations process must determine that the candidate has a commitment to Vassar Temple.*
5. State of NY requires nonprofit agencies to update their bylaws to ensure compliance with the Nonprofit Revitalization Act of 2013, related to nonprofit governance and policy-making, enhancing accountability of nonprofits incorporated in the state. We will need to determine the necessity of adding each of the areas.

## **ARTICLE XVIII – Compliance with Nonprofit Revitalization Act of 2013**

### **Section 1. Compensation: Deliberations and voting**

No person who may benefit from a compensation arrangement may be present at or otherwise participate in any Board or committee deliberation or vote concerning that person's compensation, except that the Board or committee may request that the person present information as background or answer questions at a committee or Board meeting prior to the commencement of deliberations or voting thereon.

**Section 2. Chair of the board**

No employee may serve as chair or hold any other title with similar responsibilities. [This provision is not applicable until January 1, 2016.]

**Section 3. Related party transaction rules**

Vassar Temple may not enter into a related party transaction unless the Board determines that the transaction is fair, reasonable and in Vassar Temple's best interest at the time of determination. A related party includes any trustee, officer or key employee of the Temple.

A related party is defined as 1) a trustee, officer or key employee, (2) relatives of any trustee, officer or key employee; and (3) any business or entity where a person stated in section (1) or (2) owns a 35% or greater stake. Any related party transaction must disclose in good faith to the Board or an authorized Board committee the material facts concerning such interest.

No related party with an interest in a related party transaction may participate in deliberations or vote on the related party transaction, except that the Board or an authorized committee may request that such related party present information concerning the transaction at a meeting of the Board or such committee prior to commencement of deliberations or voting thereon.

If a related party of Vassar Temple has a substantial financial interest in a related party transaction, the Board or authorized Board committee must:

- (a) Prior to entering into the transaction, consider alternative transactions to the extent available;
- (b) Approve the transaction by not less than a majority vote of the trustees or committee members present at the meeting; and
- (c) Contemporaneously document in writing the basis for its approval of the transaction, including consideration of any alternative transactions.

**Section 4. Conflict of interest policy**

Whenever an officer or Board trustee has a financial or personal interest in any matter coming before the Board of Trustees, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote

involving a potential conflict of interest shall be approved only when a majority of disinterested trustees determine that it is in the best interest of the temple to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

Annual signed disclosure statements shall be maintained by the Board Secretary and provide to the chair of the audit committee, or if there is not one, to the chair of the board.

**Section 5. Policy oversight**

The Board shall oversee the adoption and implementation of, and compliance with, the Conflict of Interest policy adopted by Vassar Temple, unless this function is performed by a committee of the Board consisting solely of independent trustees.

**Section 5. Audit requirements**

As a religious institution, Vassar Temple is exempt from registration with the NYS Attorney General Charities Bureau. The temple is therefore exempt from the Financial Report and Audit regulations.

*In the event that the temple is not exempt from registration with the charities bureau, a “review report” from an independent CPA is required to be done in years when the temple’s annual gross revenue is between \$250K and \$500K, Note that this threshold will increase in 2017 to \$500K to \$1M. In addition, in the event that the temple receives support in excess of \$500,000 annually, an audit committee shall be established, responsible for retaining an outside auditor and review findings, to be filed with the State Attorney General’s office. This threshold will increase to \$750K in 2017.*

The following policy definitions are offered by the New York State Nonprofit Revitalization Act:

- a. Affiliate. An “Affiliate” of the Corporation means any entity controlled by, in control of, or under common control with, the Corporation.
- b. Director. A “Director” means any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.
- c. Key Employee. A “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of the Corporation.
- d. Officer. An “Officer” means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.
- e. Related Party. A “Related Party” means (i) any Director, Officer or Key Employee of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Employee of the Corporation, or any Affiliate; or (iii) any entity in which any individual described in clauses (i) and (ii) herein has a thirty-five percent (35%) or

- greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).
- f. Related Party Transaction. A “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.
  - g. Relative. A “Relative” of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.