

**Artisan’s Asylum, Inc. Code of Bylaws**

***Significant Issues List***

*This is a high-level review of the current bylaws of the Artisan’s Asylum (the “Asylum”). Set forth below are specific issues for consideration by the Asylum Board of Directors, Asylum executive staff, and Asylum members, as it contemplates revisions to the bylaws moving forward. The list is meant to flag possible areas of confusion that may require clarification, as well as processes or procedures that could be streamlined to allow the Asylum to function more efficiently and fluidly as it continues to grow. This is vital because the organization must run itself according to the written bylaws, thus the bylaws should reflect the current actions and needs of the Asylum.*

**Miscellaneous/Global Issues**

<b>Section</b>	<b>Issue</b>
§§ 12, 3.1.1.3, 5.8	Delete superfluous Articles and provisions that do not apply to a nonprofit organization and/or no longer apply.
Global	Standardizing terms—deciding what the position names will be (e.g., President, Executive Director, Clerk, Secretary, etc.) for consistency and clarity purposes.
Global	Consider adding a Defined Terms or Definitions section that is more comprehensive.

**Article 3: Members**

<b>Section</b>	<b>Issue</b>
§§ 3.1.1.2; 3.8.2	Consider clarifying whether the failure to vote, which constitutes a waiver of the right to vote on that particular matter, means that Voting Member is still counted for voting requirements mandating 2/3 of Voting Members for passage. For example, if there are 300 Voting Members and 100 Voting Members waive by failing to vote—to pass the vote, would 200 votes be required (200 out of 300 Voting Members) or would only 133 votes be required (two-thirds of 200 Voting Members, since 100 waived)?
§ 3.1.2	Reconcile inconsistent terms to avoid ambiguity: This provision states that a “Non-Voting Member[ ] shall be any Member who does not yet meet (or does not currently meet) the <i>Membership Threshold Requirement</i> .” However, only

	<i>Voting Membership Threshold Requirement</i> is a defined term in the document. In order to avoid confusion, consider making “Member,” “Membership,” “Voting Member,” “Voting Membership,” “Non-Voting Member,” and possibly “Non-Voting Membership” defined terms and ensuring consistent usage.
§ 3.3	Consider clarifying voluntary and involuntary termination of members, or eliminating the categories. Also consider clarifying whether termination of the membership of a Voting Member has the same consequences as termination of the membership of a Non-Voting Member (i.e., it seems clear that termination of the membership of a Non-Voting Member would end that individual’s affiliation with the organization; but does termination of the membership of a Voting Member have the same result, or does it result in an adjustment of status to that of a Non-Voting Member?).
§ 3.4	Because of the multiple categories of membership, consider using defined terms in order to avoid ambiguity (e.g., do “Voting Member’s membership” and “Voting Membership” have equivalent meanings?).
§ 3.6	Consider whether the 7:00pm meeting time is necessary and if the organization has been holding the meetings according to this provision. If the meetings have not been held at 7:00pm, it may be advisable to eliminate the time specification, so the organization is abiding by the written bylaws. If the time is necessary, consider clarifying the local time zone.
§ 3.7	Consider specifying when a special meeting is “called” for purposes of tolling the 48-hour statement-delivery deadline.
§ 3.9	Consider defining more explicitly what you mean by “remote communications.” Compare this with Section 3.10.1 where remote is defined as telephone, video phone, or “similar electronic medium,” and the member must be able to hear and be heard. Does online chat or email count? Consider updating.
§ 3.9.2.2	This provision ends with an “and,” suggesting that it was expected to be followed by a § 3.9.2.3; determine whether there is a missing provision. If so, determine what it is/was and consider replacing it. If not, delete the “and.”
§ 3.10	There are several voting processes described in the bylaws—from requiring a two-thirds vote of <i>all</i> Voting Members, versus a majority, another requiring two-thirds vote of all votes <i>submitted</i> , to another process requiring a two-thirds vote (unclear if it is votes submitted or of all Voting Members). Consider clarifying the voting requirements, such as the percentage needed and whether it is of total votes cast during the voting period, or if it is of all Voting Members, for possible vital voting issues. Also consider using defined terms for “Remote Communications” and “Remotely-Held Meeting” in order to minimize ambiguity. Consider clarifying that “[m]eetings...shall not require the <b>physical</b> presence of...members...,” in order to reconcile this provision with § 3.10.1, which indicates that members will be considered present when communicating through “telephone, video phone, or similar electronic medium.”
§ 3.11	Consider the usefulness and what you mean by a “proxy.” Consider specifying what constitutes “writing”, whether it is on paper, in email, and/or in text message, and making it a defined term.
§ 3.14	Consider increasing the dollar amount of expenses that require a Member vote given the organization’s growth and greater purchasing needs.

#### **Article 4: Board of Directors**

<b>Section</b>	<b>Issue</b>
§ 4.2	Consider specifying that “majority” in this provision refers to a “simple majority.”
§ 4.3	Consider whether all employees should be ineligible from serving as Directors or if certain exceptions should be made, such as the CFO/Treasurer, for efficiency purposes. The language could state that all officers may serve as a Director.
§ 4.5	Consider whether directors should be eligible for unlimited reappointments or whether the organization would like to ensure fresh blood is brought in.
§ 4.8	Consider prescribing a mechanism for appointing/electing temporary members of the Board in the event that filling a vacant seat, which was originally filled by a vote of the Voting Members, takes longer than anticipated (e.g., due to failure to achieve quorum, failure to achieve the requisite majority, etc.).

#### **Article 6: Officers of the Board of Directors**

<b>Section</b>	<b>Issue</b>
§ 6.1	The Officers of the Board of Directors listed in Section 6.1 are actually required Officers of the organization. Consider whether these Officers should also be on the board.
§ 6.2	Generally, officers are appointed by the Board, not Voting Members. Consider whether the Directors should be appointing these officers going forward.
§ 6.2	Consider who should be electing the Chairman of the Board, which may be a non-officer position or whether this should be the Executive Director.
§ 6.2	Consider whether Officers should serve until the next Annual Meeting or until employment is terminated. Also, consider this with strictly Director positions.

#### **Article 7: Duties and Powers of the Officers**

<b>Section</b>	<b>Issue</b>
§ 7.X	Consider clarifying the distinction between Officers of the Corporation and Members of the Board of Directors by separating the “Duties and Powers of the Officers” from a separate section entitled “Duties and Powers of the Board of Directors”; as written, Article 7 seems to suggest that the Chair and Vice Chair of the Board of Directors are “Officers of the Corporation.”
§ 7.2	Consider specifying the procedure for the selection of the Chair of the Board of Directors (e.g., by a majority vote of the members of the Board at a meeting called for that purpose).

§ 7.3	Consider specifying the procedure for the selection of the Vice Chair of the Board of Directors.
§ 7.4	The phrase “Executive Committee” is used four times in the bylaws, but it is never defined; include a section prescribing the nature of the Executive Committee, its duties, its makeup and its selection.
§ 7.5	This is the only provision in the document in which the “Executive Director” is mentioned. If this is a position independent of those previously mentioned in the document, include a section prescribing the nature, duties and selection of the position. If the phrase “Executive Director” is intended to refer to the President/Chief Executive Officer or Chair of the Board of Directors, the phrase should be modified to ensure consistent usage.
§ 7.7	Consider whether Voting Members or Directors should remove officers.

**Article 8: Compensation**

Section	Issue
§ 8	Consider whether the Executive Director’s salary should be set by the Board, but the Executive Director should set employee’s salaries. Consider specifying a ratification procedure.

**Article 9: Board of Advisors**

Section	Issue
§ 9.1	Consider specifying an appointment procedure for advisors to the Corporation.