

Board of Directors By-law Requirements

The following sections should be included in By-laws when discussing the Board of Directors

i) General Powers of the Board

According to the governance model used by your organization, outline what powers the Board of Directors holds. Detail what areas they are expected to govern and if they expected to govern alone or in cooperation with others.

State who the board of directors is accountable to (ex. The members) and how they will be held accountable. Are they required to regularly report to the members, will they be subject to regular evaluations?

ii) Requirements for appointment

Outline the specific requirements individuals must meet to be a member of the Board. Do they have to be a member of the organization? Do they have to reside in the Province/Territory where the organization conducts business? Must they give a donation to the organization to be a Board member? Do they have to reach the age of voting majority before they can be eligible?

Think about the kind of board you want to develop, (consider governance models) and create your eligibility criteria accordingly.

You may also want to think of requirements for specific positions, for example, you may want your treasurer to be financially literate.

iii) Positions Available

Set out the minimum and the maximum number of directors your board can accommodate. Sometimes this will be regulated by statute, so check the statute in the jurisdiction where your organization was incorporated.

This is a good place to include officer positions you may want on your Board, such as chairperson, secretary, and treasurer. Specifying these positions in the By-laws will make it easier (and perhaps necessary) to fill them on the board. You can also include job descriptions for these positions.

iv) Term Limits

Set out limits for how long a director can serve in a position on the Board. Generally, term limits range from 2-5 years. Consider how you can create rolling term limits so the Board of Directors will have an appropriate mixture of new and experienced directors.

You should also state if directors can renew their positions, and if so how many times they can be renewed. If you do not allow directors to renew their positions, state if they can re-join the Board after a specific period of time.

Ex. Positions may not be renewed but directors may be re-appointed to the board two years from the last day they were on the Board of Directors.

If you have officer positions, state if the term limits will be different from term limits for Board members and if these positions have the possibility of renewal.

v) Filling positions

Make sure to have a section that states how positions on the Board will be filled if a director quits or is removed. A provision in the by-laws that allows directors to select interim directors can be helpful.

Set out who will be able to appoint interim directors and how they will be chosen.

vi) Removing a director

Similarly, to the section above it is important to have provisions for the removal of a Director.

Set out guidelines for when a director can be removed from the Board (ex if they fail to attend Board meetings) and how they will be removed (ex. By a majority vote of directors)

vii) Elections

Electing members for the Board should be done on a regular basis at the Annual General Meeting. Consider how you would like individuals to be nominated for Board positions, who will identify potential nominees and how those individuals will be evaluated by the membership of the organization.

Set out which members will vote to elect members of the Board of Directors.

Consider establishing a nominating committee to help with this process.