

Chapter III

The Constitution and Bylaws

ORGANIZATION ESSENTIAL TO MODERN LIFE. Organization is one of the fundamental characteristics of modern civilization. The great bulk of the business of our Western world proceeds through corporate endeavor.

Furthermore, almost every adult in America is a member of one or more organizations—church, civic club, chamber of commerce, cultural organization, veterans' organization, fraternal order, professional society, labor union, social club, and so on, to seeming infinity. The number of organizations appears to multiply as individual interests shift from the concerns of family or neighborhood to the infinitely varied, specialized, and attenuated economic and professional affiliations of community, state, nation, and world. Practically all of us, then, are members of organized groups, usually incorporated. We shape them and in turn are shaped by them. Some of us are perhaps best known by the organizations to which we belong. We all know the "professional" college alumnus, who retreats from the frustrations of adult life to attempted recapture of the recalled delights of uninhibited college days!

IMPORTANCE OF ORGANIZATION IN SOCIAL WORK. It is only natural, therefore, that social work should have developed from the neighborly mutual aid of individuals into organized and corporate activity. In a complex urban community the individual is unable to know the needs of his fellow citizens or to call upon the community's resources for meeting those needs. Moreover, his interest, fitful at best, is likely to be deflected quickly into activities other than those of direct and personal philanthropy. It is easy to take a basket to the poor at Christmas but hard to nurse a chronic invalid through the years.

The charitable corporation or social agency, through its diversified staff, can know all the community's resources for human welfare and can evoke those resources to the aid of any individual according

to his needs. A charitable organization may have continuity and permanency. By its unification of the efforts of individuals it prevents duplication and makes possible effective, specialized service. Organization can cope with the intricacy and variety of modern social problems as the lone individual cannot.

The philanthropic or humanitarian organization, with its board of directors, its committee members, its volunteer workers, its paid staff, and its constituency, can develop the benefits of group thinking and of collective action. It can work out a division of responsibility among these groups collectively and individually so that each interested individual may serve according to his ability. It can prevent the "riding of hobbies" to which the enthusiastic, independent worker is susceptible.

It can develop specialized functions, establish permanent and steadily improving standards of service, and follow a continuous progressive policy, independent of the life or death of any individual. It can secure public support and funds impossible for the individual to obtain and can conserve them through the years.

Governmental agencies, as part of a permanent organization, partake of these same values. Still, such agencies are restricted by law and regulation to specific authorities. What we shall say here refers primarily to non-governmental agencies.

IMPORTANCE OF LEGAL INCORPORATION. Social work by an unincorporated committee, though usually better than individual action, is not ordinarily so satisfactory for long-time results as that engaged in by a legally incorporated organization. Corporate organization absolves the members of the corporation from personal liability to pay debts of the organization for which they as individuals or as members of an unincorporated committee would be responsible. Incorporation further gives the social agency legal standing. In the pleasing legal fiction, the agency has a "personality." A corporation may sue and be sued. We hope, however, that neither of these unpleasant exigencies may occur to any of the charitable corporations in which you are interested.

Incorporation gives the organization additional prestige, because legal status denotes permanency and responsibility. Charitable corporations in general are the only kind which can exist in perpetuity and may hold funds and property so long as their original purposes are being reasonably well fulfilled.

In addition, incorporation is important from the standpoint of raising contributions. Ordinarily, individual and corporate gifts, up

to limits seldom reached, are deductible from federal and state income tax returns, but only when the gifts are made to charitable corporations and not to individuals. Charitable corporations, because of their permanence, are preferred above committees as the beneficiaries of bequests.

Unincorporated committees are desirable for temporary or indefinite activities. Surely the social service landscape should not be cluttered up with corporations too hastily established, without regard to permanency of need or to the activities of other established agencies. As already stated, a corporation has great durability. The need for incorporation, therefore, should be carefully considered.

When, however, permanency is legitimately desired, the first step toward the efficient management of an unincorporated agency should be to incorporate the agency. Local charities endorsement committees and better business bureaus, the National Information Bureau, and charitable foundations usually require incorporation of those social agencies which they endorse or aid. Community chests ordinarily make the incorporation of a social agency a prerequisite for membership. Unless an organization is a temporary affair created to meet a transient need, it should by all means be incorporated. In almost every community are to be found a few so-called social agencies which operate merely as committees or individuals. Their incorporation should practically always be required as one evidence of responsible administration.

LAWS OF CHARITABLE OR "NON-PROFIT" INCORPORATION. To discuss here the laws of charitable or "non-profit" corporation would be unprofitable, for they vary from state to state. Every social executive should be familiar with the state laws and local ordinances which affect the organization and activity of social agencies in his community. Further, each agency should have available, in board or committee, one or more competent legal advisers versed in corporation law. The effective social agency should operate within the law and with the law.

It is not necessary to treat here the divers special ways of creating a charitable or non-profit corporation in the various states, the procedure to be followed in amending a corporate charter, or the limitations which may be placed by law on the activities on a non-profit corporation. These constitutional and legal provisions vary from one jurisdiction to another. The best advice for you if you are interested in this is to see a good corporation lawyer. In addition, study for yourself the laws that are applicable. Knowledge of what your

agency may or may not do, and of what public authorities are authorized to do for public and private welfare, may be of great importance to your agency.

CHARTER OR CONSTITUTION AND BYLAWS ESSENTIAL. If an organization is to be incorporated it must have some sort of fundamental law of its own—usually called the “charter,” “certificate of incorporation,” “constitution” and “bylaws”—for the conduct of its business. In some states the charter serves as the constitution. For convenience, the term “constitution” will be used here to indicate the skeleton or fundamental law of the organization and the term “bylaws” to indicate the details or rules. The constitution and bylaws provide the framework for the operation of the organization. They state the relationship of the board, the executive officer, the staff, and the members to each other and provide a legal basis for the activities of the organization.

If the agency is already incorporated, it may well examine its constitution and bylaws to see whether they are adequate to carry on its work. Many social agencies operate under antiquated regulations which are cumbersome and impede rather than aid the agency’s work. They sometimes actually prevent the agency from making highly desirable changes in procedures. The constitution and bylaws should be checked, perhaps once a year, to see if they correspond to the best thought and practice in the field and to the situation in the community. They should be dynamic, not static!

It is well to remember that the same process must be followed in amending a charter as in setting up a new corporation. We recently observed an important agency which vitally amended its charter but waited for three years before filing the amended charter with the secretary of state and securing his certificate of approval. Much trouble could have been created in those three years if someone had challenged the acts of the agency during the period when its procedures had been altered but not approved!

RELATION OF CONSTITUTION TO BYLAWS. In general, the constitution should be brief. It should state only the fundamental elements of name, location, purpose, mode of government, and means of amendment. The constitution usually has to be filed with the court, the secretary of state, or some other legal personage. Some legal action as a rule is necessary to change the constitution.

On the other hand, the bylaws should contain the details of organization and operation which are not delegated to administrative decision and should provide for easy amendment. This process should be so simple as to enable an agency to meet readily the chang-

ing requirements of effective service. Some social agencies have special committees on the revision of the constitution and bylaws which give more or less continuous consideration to their improvement.

Ordinarily, therefore, the constitution is a brief statement which sets forth the general plan of organization. The bylaws, in contrast, give the details by which that plan shall be followed.

IMPORTANCE OF A GOOD LEGAL NAME. The first clause of the constitution usually states the legal name of the organization. That name should be clearly stated. It should be used in all the organization's communications and documents. Many agencies are not careful to use their legal names in their publicity and printed matter. Therefore legal difficulties sometimes ensue when philanthropic citizens make bequests or contributions to an agency specified by some other than the official cognomen. The cannily conducted organization will make wide use of its legal name and will have it especially well known among persons who make wills, such as the trust officers of banks, attorneys, and influential citizens. Where there is a will, there may be a bequest—to the properly known social agency!

The nature of the name is important. When possible it should be short enough to be readily used in newspaper headlines, for publicity's sake. The name should be simple, so as to be easily remembered. If the organization is one that depends on popular understanding and support, the very words which make up the name should be in current use. Thus they will have both significance and memory value for even the duller members of the community.

The name, furthermore, should be descriptive of the work of the organization and, if possible, have association value. Obviously the name "Red Cross" is excellent, because it suggests the actual symbol used by the organization, the red cross. That symbol in turn has connotations of healing and of religious faith. The name is simple, made up as it is of only two short words that can readily be used in headlines and be easily remembered.

In many communities the name "Council of Social Agencies" has been discarded. It is too long and too incomprehensible for the mental consumption of the average citizen. Furthermore, the name is not descriptive of the modern council, which includes civic and religious organizations and a cross-section of the citizenry as well as public and private health and welfare agencies. In place of the old name, such an organization has frequently adopted the name "Community Council." This designation has most of the qualifications already given for a good name, plus the added benefit of alliteration.

The emotional values of names are well indicated by such names

as the "Rainbow Hospital for Crippled Children" and "New England Home for Little Wanderers," even though they are too long for ordinary newspaper headlines. These very names have publicity and financial values.

Not all social agencies are able to popularize their initials throughout the country, as have the Young Men's Christian Association, the Young Women's Christian Association, the Young Men's Hebrew Association, and the United Service Organization of the Second World War. Initials do not always have the same significance to the layman as they do to the philanthropic cognoscenti.

The popularity of initials in reference to the "alphabetical" agencies of government during the recent war period merely indicates that the names were too complex and the agencies too numerous for the layman to remember anything but the initials and the general restriction which their namesake placed on the life of the victim. One may well ask, without expecting an accurate answer, "Where are the initials of yesteryear?"

Naming a charitable organization is just as important as naming a baby. Some charitable organizations in their adult years have suffered as greatly through carrying around cumbersome and incomprehensible names as have certain unhappy citizens under the ludicrous names given them in infancy by thoughtless or foolish parents. It might indeed be well to consider changing the existent names of some badly named organizations. Still, under some circumstances it might be unwise to take this action for fear of arousing resentment in the breasts of persons to whom those names are dear. Consider well the name of your organization.

A CLEAR BUT BROAD STATEMENT OF PURPOSE. Equally important is the statement of the organization's purpose. Even though the name indicates this—and it should—the purpose should be clearly stated in unmistakable terms. Thus the legal powers of the organization may be made definite. At the same time, that purpose should be so broadly stated that in future years the organization may undertake additions to its work or extensions of service without having to go to legal measures to make such changes possible. A good rule to follow in stating the purpose of a social agency or in revising the statement is to list all the activities that the organization might want to carry on in pursuance of its general purpose for several years ahead and then make that statement sufficiently broad to cover those prospective wants.

The New York City Chapter of the American Association of Social

Workers has some ideas on this subject which were expressed in the report of its Committee on Principles in Agency Administration, adopted June 27, 1945:

"The purpose for which an agency is organized should be clearly defined and stated, and designed to meet demonstrated community needs. The agency should also have a statement of its general program and of the method by which the purpose will be carried out. Both statements of purpose and of program should be generally available."

The statement of purpose need not necessarily be long, as witness that of a typical Travelers Aid Society: "The objects of the Society are to provide information, advice, guidance, and protection to travelers who by reason of ignorance, inexperience, illness, infirmity, or other disability are in need of assistance" (a wide enough purpose, surely, for all practical uses).

Purposes, as can readily be seen, make a great deal of difference in the operation of social agencies, just as they do in the operations of individuals. Further, stated purposes may as greatly affect the life history of the corporate individual as they do that of its human prototype. Make your agency's ideals high and its purpose broad. If your organization's wagon is hitched to a star, the framework of the organization may be wide enough to allow the passage of that wagon on its ethereal course.

MEMBERSHIP REQUIREMENTS. After the legal name and purpose have been stated, constitutions of social agencies frequently give the basis of membership in the organization. This is on the manifestly logical presumption that the membership gives the organization its life and existence. The members are the legal voters.

(a) *Financial Provisions.* Membership qualifications sometimes are simple, as in organizations which state that every contributor of \$1 or more, or of \$5 or more, shall be considered a member. Such a financial basis of membership usually is intended to stimulate donations.

Many organizations, capitalizing on the fondness of human beings for being members of more or less exclusive groups, provide for various classes of membership based on the amount of the contribution. Thus a \$5 member may be an "active" member, a \$10 member a "contributing" member, a \$25 member a "sustaining" member, a \$100 member a "special" member, and a \$1000 contributor a "life" member. Manifestly part of the financial "game" of the organization under these circumstances would be to lift members from one

classification to another by various devices calculated to appeal to their pride and to their sense of exclusiveness as well as to their sense of the values to be created by increased gifts.

(b) Membership when the Agency Belongs to a Community Chest. Classified financial distinctions in membership usually disappear when organizations join community chests. Membership on a financial basis is no longer important to the agency if its budget is made up from contributions pledged to the community chest and paid through it.

Some organizations insist that they must have paying members even though the community chest finances them. In such cases some chests allow organizations to appeal for memberships on the basis of a nominal sum, say \$1 each.

In general, however, the rule in community chests is that, provided they meet the other membership qualifications in the organization (if there are others), those persons shall be considered members who either have designated the organization in their community chest gifts and also given to the chest, or have not given to the community chest but only given direct to the organization.

This rule does not apply to organizations like YMCA's and YWCA's, which may have a membership fee roughly proportioned to the cost of the service rendered to the member.

Several forward-looking organizations, notably local travelers aid societies, under the stimulus of their national organization have entirely dropped the financial requirements for membership when the local society is a member of the community chest, and have built up memberships on the basis of interest. Selected groups of people are invited to become members of the organization on the promise that they will interest themselves in its work, will help to spread the word of its service, and besides will attend perhaps one or two meetings a year. Such members may be kept in touch with the organization by bulletins and by questionnaires on organization policy. This procedure seems valid for social agencies which are members of community chests.

(c) Other Provisions. Sometimes other than financial qualifications are set up for membership. Some organizations, for example, establish more or less rigid religious or other qualifications. As the executive of a health agency has suggested, "In some organizations certain types of individuals would not make good members. For example, quack doctors might use membership in a health agency to promote their standing. The organization should seek members

who would be good for it and for the community." Under such peril, a membership might be controlled by admission only of those persons who are invited to join.

Again, as has just been suggested, membership may be really a payment for the use of privileges such as gymnasiums, clubs, classes, and the like, as in YMCA's. What has previously been said regarding the "supporting" nature of membership does not apply in this case, because the individual member is usually not so much subscribing to the purpose of the organization as paying for service which he expects to receive. Such memberships should be continued, as far as possible, on the basis of the members paying the full cost of the service rendered, even though the organization belongs to a community chest. A contribution to a community chest should not pay for the average individual's membership in an organization of this sort any more than it would pay for his bill in a hospital which happens to be a member of a community chest if he himself could afford to pay for that service.

Another form of membership may consist of participants who are reasonably continuous users of the agency's facilities. For example, the members of the clubs and classes in a social settlement or boys' club might elect one or more representatives to the board of the agency.

THE DIRECTING BOARD. If the membership provides the voters of an organization, the board of directors or trustees usually is the delegate body which administers its affairs. Most constitutions contain some provision regarding the duties, requirements, and mode of election of this group. Some constitutions set up special qualifications for the members of the board of directors—for example, that they must be members in good standing of the organization (although this seems a self-evident qualification). It might be said that the board of directors of a social agency, in terms of the Federal government, combines both the legislative and judicial functions of Congress and of the Supreme Court, whereas the power of carrying out its policies and decisions is delegated to the executive of the agency.

(a) *Duties of the Board.* A typical statement of the duties of the directing board is:

The Board of Trustees shall have general charge and direction of the property and affairs and the execution of the purposes of the corporation and shall fix the salaries of the executive secretary, and no member of any committee shall receive any compensation for his service as such. The Board of Trustees shall have sole authority to make appropriations from

the treasury. In addition, the Board of Trustees shall have power to make rules and regulations relating to the affairs of this corporation and shall fix the terms and conditions of membership of the members.

Sound ideas on the duties, make-up, and operation of a directing board were expressed in the report of the Committee on Principles in Agency Administration of the New York City Chapter of the American Association of Social Workers, already quoted in respect to agency purpose and program:

The board of a social agency is the governing body and is responsible for program formulation and for control of fiscal matters. It should be an active participating body composed of persons representing a variety of appropriate community interests, with background and experience that would assist in furthering the purposes of the organization. It should act as liaison in interpreting the agency and the community to each other. In order to carry out its function effectively the board needs to have a clear understanding of the purpose of the agency. It should maintain a continuing relationship with community chests and councils. Through this and other means the board is responsible for insuring that the agency continues to meet a community need and is operating effectively with other agencies.

The powers and duties of the board should be clearly defined in the agency's bylaws. Members and officers of the board should be selected on a rotating basis for a specified term of office, and with a limitation on consecutive terms. Meetings should be regular and planned. A method of continuous evaluation of agency programs should be established, for example, through the use of joint board and staff, and community participation.

The agency board is responsible for the selection of the agency executive to whom it delegates full responsibility for the administration of the agency's program, within a budget adopted by the board, including responsibility for the selection, direction, and release of staff and responsibility for the administration of personnel policies as determined by the board. The executive should actively participate in board meetings and in general planning, and should be present at all board meetings as a non-voting member. It is good practice for a board to consider the executive's performance annually. The board should provide channels through which the staff are encouraged to contribute their technical knowledge and experience to policy formulation, and should establish appeals machinery on personnel matters.

We shall not here discuss directing boards of public welfare agencies or differentiate between administrative and ordinary public boards. The subject has been adequately covered in our book *The Public Welfare Administrator*.¹ Nor shall we discuss the responsibilities and methods of appointment of board members by members

¹ New York, McGraw-Hill Book Co., 1940.

of a religious hierarchy or other authoritarian body for its branches. Our purpose is to describe the administrative board of the private social agency which has a specified membership or constitution and a more or less democratic origin and procedure.

(b) *Size of the Board.* The constitution (or bylaws, as the law of the state may prescribe) usually provides for the size of the board of directors of an organization. The board should not be so small in number that representative opinion will be impossible, nor yet so large that discussion will be unduly difficult. From fifteen to thirty members is considered about the right size for most social agency boards. If the number is larger, as is sometimes necessary to secure representation of co-operating groups or of various elements in the community, it is wise to provide for a relatively small executive committee which can hold frequent and more intimate meetings in the intervals between the less frequent and less intimate meetings of the board of directors.

(c) *Rotation in Office.* It is now a generally recognized and standard practice for social agency boards that members may be elected to serve for a definite period of years but that before being re-elected they must be out of office for at least one year. This prevents the organization from becoming too much the property of one group of people with whom other elements in the community will not co-operate. The arrangement also makes it easy to drop without offense ineffective and uninterested members. The board can be divided into two or three equal parts, with one-half or one-third of the members elected each year. Thus at no time is there any great change in membership, while at all times a majority of the members have had experience in the operation of the organization.

In support and amplification of the above, we submit the following excerpt from *So . . . You Serve on a Board*, published by the Volunteer Placement Bureau of Pasadena, California, in February, 1946:

How long a board member should serve is a matter of much controversy. The present trend is definitely toward a limited term, as the advantages far outweigh the disadvantages. These should be clearly recognized by every board so that, whatever policy for board member re-election is enacted, safeguards can be maintained to meet the disadvantages.

Advantages of a limited term:

1. Boards cannot become ingrown.
2. More people become acquainted with and interested in the agency.
3. New members bring a fresh point of view.
4. Non-contributing members can be eliminated.

5. Valuable members can transfer their experience to other fields, thus strengthening the total community program.

6. Community thinking is encouraged, rather than agency isolationism.

7. Domination by a few is minimized.

Disadvantages of a limited term:

1. Loss of officer material.

2. Loss of experts on phases of work.

3. Loss of continuity.

The most widely accepted plan for tenure of board membership is a three-year term allowing one re-election for a second full term. By staggering the terms, two-thirds of the board returns each year. After a year's absence, a former member may be asked to serve again. Valuable members may be invited to remain affiliated with the agency as an associate or advisory member, serving on special committees and advising on specific points.

Some device may be set up so that re-election of every member to a second term is not automatic. It is suggested that at the end of the first term a letter be written to every retiring board member, whether or not he is to be re-elected, thanking him for the services rendered and tactfully saying that he will be missed at the next meeting. At the following meeting, such members as are desired may be elected for a second term. This calls the attention of the indifferent or inadequate board member to the termination of his service on the board. He will often express unwillingness to continue, and thus facilitate the work of the nominating committee in eliminating weak material.

(d) *Filling Vacancies.* Constitutions (or bylaws) of social agencies often provide that by a vote of their body the boards of directors may fill vacancies which arise from death or resignation until the next annual meeting of the organization. At that time the membership fills the vacancy in the way prescribed.

Occasionally constitutions contain detailed regulations for the election of board members. It is usually better, however, to make this provision in the bylaws rather than in the constitution. Then procedure readily can be changed if the need arises.

NOMINATION AND ELECTION OF BOARD AND OFFICERS. Many social agencies elect their trustees and officers casually, by haphazard nomination from the floor at the annual meeting or perhaps by nomination at the hands of a committee which is sent out during the course of a meeting to bring in nominations. Such methods, of course, are neither good business nor good administration.

(a) *Participation by the Constituency.* The field of prospective candidates for trustees should be carefully canvassed, the best available persons nominated, and their acceptance secured in advance. The whole membership of the organization should be given the

opportunity to vote for those nominated and, if they wish other representatives, to make nominations on their own account. If the principles of participation are to be followed, the members of the organization should certainly be able to influence the make-up of the directing body and of the officers of the organization as completely as they desire.

(b) *A Typical Plan of Nomination.* A typical plan of nomination which might be included in the constitution or the bylaws (preferably bylaws) of almost any social agency would prescribe that the president of the organization should appoint a nominating committee, subject to ratification by the board of trustees, at a suitable time in advance of the annual meeting. This nominating committee might be announced in the newspapers or in the official bulletin of the organization. Suggestions for nominations could be invited from members. The nominating committee would consider all such proposals but would make any nominations for the positions to be filled which it thought desirable.

(c) *Single or Double Slate.* Some question exists as to whether a nominating committee should on its own account submit more names than there are vacancies to be filled. The constitutions or bylaws of some social agencies require that at least two persons shall be nominated for every vacancy for which there may be a contest. This procedure hardly seems advisable for most agencies; those who are defeated may be offended and may be of less use to the organization in the future because of their injured feelings.

(d) *Nomination by Petition.* No matter how many persons are nominated, however, full publicity should be given to the nominations when they are complete. Before the ballots are sent out, an opportunity should be given for any group of members, say twenty-five or more, to make additional written nominations. The names of all nominees should be printed on the ballot. The source of nomination should be clearly indicated. This ballot should be mailed to members from ten days to a week before the annual meeting. A prepaid business reply envelope should be enclosed, so that the member can readily mail in his marked ballot. Ballots should be receivable up to some definite time, say ten o'clock on the morning of the annual meeting.

(e) *Ballots and Public Relations.* The ballots can be mailed to the members with the invitations to the annual meeting. Further use may be made of the postage by enclosing descriptive material about the organization or a questionnaire that asks the opinions of

members on some policy. The legal requirement of sending ballots to contributors is a good excuse for sending this publicity material. Its mailing might be criticized as an unnecessary expense if sent in any other form and at any other time. The ballot "takes the curse" off the publicity matter.

If the number of members is large, it may be wise to specify that only those who contribute certain amounts (as, for example, \$10.00 or over) shall receive ballots by mail, although contributors of smaller amounts may obtain them by request at headquarters of the organization.

Ballots may also be printed in the newspaper. They may be made even more readily available by distribution to the public at booths in department stores and to employees in business and industry through key men in places of employment, as has been done by the Community Chest of Richmond, Virginia. Technically, ballots received in this way should be checked against the list of contributors to determine eligibility for voting.

(f) *Committee of Tellers.* Provision should be made for the appointment by the president of a committee of tellers, to be approved by the board of trustees. This committee should count the ballots and certify the vote at the annual meeting.

The operation of this rather elaborate "model" plan for nomination and election of course, would, usually be a formality, but it does provide a valuable safety valve in case a group of members becomes discontented. Moreover, the very fact that nomination and election are conducted thus publicly often prevents criticism and ill feeling which otherwise might develop. It is true of human nature that people frequently do not wish to exercise the privileges they possess, yet if they do not have those privileges they wish mightily to exercise them. This same attitude is true of participation in the work of social agencies. Some such plan as this, carefully executed with regard to its interpretive value, should be highly serviceable in developing the feeling and actuality of democratic participation in the work of the social agency.

(g) *Provision for Holdover.* In order to make sure that the organization does not lose its legal powers because of failure to hold an election at the specified time, the constitution or the bylaws should provide that board members and officers shall hold office until their successors are duly elected and qualified.

OFFICERS OF THE AGENCY. The constitution or the bylaws must prescribe also the duties and responsibilities of officers. Social agency

officers usually are the same as those of any other organization: a president, two or more vice-presidents (sometimes more are chosen to please various interests in the community or elements in the agency's constituency), a treasurer, and a secretary.

Some agencies provide for both a recording and a corresponding secretary. Others rule that the executive officers of the organization (the executive secretary, director, or superintendent) shall serve also as the secretary of the board. It seems wise to have a secretary in addition to the executive officer. Thus a person is always available who can carry on the secretarial functions in intervals, if any, between terms of executive officers. Ordinarily, however, the executive, with his facilities for stenographic service and with the records of the organization in his custody, can perform the secretarial duties better than a board member who has no such resources available. Sometimes the executive writes the minutes, and the secretary, as an elected officer, reads them at the meetings. This procedure may be wise in order to lessen the tendency of the executive toward excessive participation in the meeting and to give the secretary an appropriate share in the proceedings.

One weakness in the writing of the minutes by a volunteer secretary when there is an executive officer available is that often an unduly long period intervenes between the time of the meeting and the secretary's preparation of the minutes. The same objection applies to having a corresponding secretary who carries on the correspondence of the organization apart from the activities either of the secretary or of the executive officer.

Actually there is little need for either a recording secretary or a corresponding secretary in a modern social agency which has a qualified professional executive. Usually he serves as secretary of the board. Arrangement is usually made that the board of directors shall elect the paid executive officer of the organization, by whatever title he is known.

(a) *Duties of the Officers.* A typical statement of the duties of the officers of a community chest—and one applicable to many social agencies—is as follows:

The President shall preside at all meetings of the members of the Board of Trustees and of the Executive Committee. He shall also have, exercise, and perform such other powers and duties as may be assigned to him herein or from time to time by the Board of Trustees.

The Vice-Presidents shall have, exercise, and perform such powers and duties as may be assigned to them from time to time by the Board of Trustees. In case of the President's absence, disability, or failure to act,

the Vice-Presidents in turn shall exercise the powers and perform the duties of the President.

The Treasurer shall have charge of the funds of the Community Chest, shall make reports to the Board of Trustees at each of its regular meetings, and shall give bond with approved surety for the faithful performance of his duties in such amount as shall be fixed by the Board of Trustees. The Treasurer shall annually appoint, with the approval of the Executive Committee, an Assistant Treasurer. All disbursements shall be made by check. Checks shall be signed by the Treasurer, or in case of his absence from the city or sickness, by the Assistant Treasurer, or in the absence from the city or sickness of both, then by one of the other officers, and countersigned by the Director or his authorized representative.

The Secretary shall perform the usual duties of secretary at such times as the secretarial services of the Director are not available.

The Director shall be the active executive and administrative officer of the corporation and shall be charged with the direction of its activities and of the measures for the accomplishment of its corporate purposes, subject, however, to the supervision and control of the Board of Trustees and of the Executive Committee. He may, with the approval of the Board of Trustees or the Executive Committee, employ such assistants as he may deem necessary. He shall render an annual report to the Board of Trustees and such other reports as it or the Executive Committee shall from time to time request. He shall co-operate with and furnish information and assistance to all committees of the corporation. The Director shall act as secretary at all meetings of the members of the corporation, the Board of Trustees, and any committee of the corporation. He shall be the custodian of all papers, documents, and records of the corporation and of the seal of the corporation. He shall also have, exercise, and perform such other powers and duties as may be assigned to him herein or from time to time by the Board of Trustees.

(b) Election of Officers. The mode of election of the officers, as well as their duties, is usually prescribed in the constitution or the bylaws. Sometimes election is through ballot by the contributors or members. Generally, however, election is on nomination by a committee appointed by the chairman, which reports at the first meeting of the board of directors after their election. Officers are usually chosen from the board membership. The principles of rotation in office already suggested for the board of directors apply to the officers as well. Some organizations rule against the re-election of officers. Others allow re-election for one term but provide that their officers may not serve for more than two successive terms. That is plenty!

A sound practice is to have a one-year term of office, with the understanding that the officer may be re-elected for one year and for no more. The danger of unduly long duration in office for a

president or a treasurer is that he may become too much the personification of the organization. In consequence members of the board will probably become less and less interested and less and less responsible. These dangers are greater than the disadvantages of training new officers in the duties of the organization. The retiring officer who is really interested will serve in any capacity, even though he is no longer president. Through election to his vacant position the services of other capable citizens can be secured, and other interpreters of the work of the organization can be trained.

Some agencies provide that a president, whose term as officer and as board member have both expired and who cannot be re-elected to the board, shall serve for one additional year as an *ex officio* member of the board. In that way his experience need not be lost. At the end of that year, he may be eligible again for election to the board and to office.

LEGAL PROVISION FOR MEETINGS. The legal frequency of meetings of the board of directors is also specified by many agencies. A large board, with an executive committee which operates in the interval between meetings, may perhaps need to meet only four or five times a year, if the executive committee is required to meet monthly except in the summer. On the other hand, if the board of directors is a small, working board, it is wise to provide that it shall meet at monthly intervals except in the summer. Special meetings of the board may be called by the president. In some organizations the secretary is required to call meetings on the petition of a specified number of board members.

Meetings should be often enough to maintain contact, infrequent enough not to lose their novelty, and well enough attended, to insure representation and participation. Often one-third of the members of the board is held to be a quorum for doing business. This seems to be a good provision because of the difficulties sometimes experienced in securing attendance in communities where there are many meetings. On the other hand, in some jurisdictions it is legally required that half the members of a board constitute a quorum. You had better find out the legal provision which applies to your community. Then have as small a proportion of the membership constitute a quorum as is legal and consistent with the principle of having enough persons present to arrive at a representative decision.

At least an annual meeting of the voters or members should be included in the scheme of things—for example, in the month of

January, at a date to be fixed by the board of directors. A constitution recently read cannily provides that at meetings of the society nine members present in person or by proxy shall constitute a quorum for the transaction of business. Almost any social agency should be able to get a quorum on that basis. It is to be hoped, however, that no reader will consider nine persons, present in person or by proxy, enough for a satisfactory annual meeting.

CONSTITUTIONAL COMMITTEES. Although the membership delegates to the board the formation of policy, most of the detail work of the agency is done through committees, standing or special. Hence provision for committees is usually made either in the constitution or in the bylaws. The standing committees, for example, might be an executive committee, a budget committee, a finance committee, a public relations committee, a case work committee, or whatever permanent committees are required to carry on the routine business of the organization.

Some constitutions specify that the executive committee shall exercise the powers of the board in the intervals between board meetings, and that its proceedings shall be submitted to the board for approval at its next regular meeting. An executive committee should be small, from seven to fifteen members, since it is to act in place of the larger board of directors.

Special committees, the constitution or the bylaws usually state, may be created on authorization by the board of directors or by the executive committee. These committees, it is understood, shall be dissolved when their work is finished. It is better organization practice to have few standing committees and to create special committees when needed than to have numerous standing committees with nothing to do. Activity is the only excuse for the existence of any committee.

To make sure that the actions of committees are integrated and that the board is reliably informed of their action, constitutions or bylaws generally provide that chairmen of standing committees shall be *ex officio* (non-voting) members of the board.

OFFICIAL YEAR. A fiscal or official year is usually prescribed in the constitution. There seems to be no uniformity, however, as to the dates when this year begins and ends.

Social agencies which receive appropriations from the Federal government often find it convenient to make their fiscal year correspond with the government's business year, which ends on June 30. In this way these agencies' reports can be made to conform with

those required by the Federal authorities. Social agencies which receive appropriations from states and cities may find it desirable to have their fiscal year correspond with that of the state or city.

On the other hand, the calendar year is a good one for many social agencies, because many people plan their giving on that basis and it may thus be easier to raise money in accordance with this than on some other basis. Community chests and their member agencies usually follow the calendar year. Most chest campaigns are in the autumn. Budgets made at that time conveniently become effective at the beginning of the new year. The chest usually requests its member agencies to put their fiscal year on a uniform basis for ease in preparing budgets and making financial reports.

Again, in many social agencies, such as social settlements, activities run in a cycle which begins with October first. In those agencies the fiscal year may well correspond to the cycle of operation.

A minor difficulty in respect to having the fiscal year correspond to the calendar year is that many social agencies depend on accounting firms for services which are rendered free or at cost, and the auditors may have a great deal of trouble in harmonizing the agency's wish to get an audited financial report in time for its annual meeting—which probably is early in the calendar year—with the demands of their paying clients, who want to close their books on December 31 or to devote the first part of the year to the preparation of income tax reports due on March 15. A good plan in such a situation is to let the volunteer auditors do their work for the agency whenever they conveniently can. The agency then can publish the audited statement when it is ready, but in the meantime a more or less informal treasurer's report can be presented at the annual meeting with the explanation that an audited accounting will be available later. With such an arrangement it might be possible for the auditors to do this work at odd times during the year; they might, for instance, work on the accounts for the first six months of the year in the summer when their work is slack, and do the remainder in the spring when their winter's rush is over.

As a matter of fact, except for the statement of assets and liabilities and of profit and loss—which may differ at various times in the year—it does not make much difference what fiscal year is adopted for a social agency. If the agency prepares monthly financial reports it should be able to determine on any twelve successive units which seems desirable. A sound principle to follow is to decide what fiscal year will be best from all points of view and then choose it. Do not

adopt the calendar year merely because it seems the conventional thing to do. The fiscal year, like every other part of the plan of the organization embodied in the constitution and bylaws, should be carefully thought out in terms of the specific social agency and its community.

AMENDMENT MADE EASY BUT NOT TOO EASY. As a final clause in the constitution there is usually a provision for amendment, unless the basic law of the state covers this point. Amendment should not be made too easy, lest hasty action be "put over" by an enthusiast with some pet hobby who catches the organization unawares and overturns its fundamental laws before the membership knows what is happening.

It is prudent to require that a proposed amendment be discussed at the meeting of the board of directors immediately previous to that at which action is taken, and that it shall be sent in writing to the members of the board, together with notice of the meeting, ten days before the meeting at which final action is taken. Under such circumstances a majority vote should be sufficient. Some social agencies, however, have thought it wise to provide that amendments shall require a two-thirds vote of those present. Ordinarily, if the need for the amendment is clear and the proposal is thoroughly explained, this safeguard would seem to be unnecessary. On the other hand, there have been instances where cliques have tried to "railroad" proposals through the board of a social agency exactly as propositions are said sometimes to be railroaded through legislative bodies. Adequate safeguards can do no harm, and they may save a great deal of difficulty. The social agency has an important responsibility to its contributors, to its clients, and to the community. A change in the way in which that responsibility is handled should be made only after thorough consideration and as the result of a group decision in which the largest possible number of board members have participated and to which they all, if possible, agree. Speedy, ill-considered amendment should be made difficult; thoughtful, well-considered amendment should be made easy.

If state law or the principle of participation requires that the constitution or charter be amended by vote of a certain proportion of the voting membership of the agency, care should be taken that the membership is of such a number and so accessible that a quorum can be assembled without undue difficulty.

BYLAWS FOR FLEXIBLE PROVISIONS. The desirability of making it difficult to amend the constitution is the reason for the usual prac-

tice of social agencies, in framing their fundamental laws, to put a large part of the regulations into the bylaws. These can usually be amended much more readily than can the constitution. In a sense they are explanations, elaborations, and detailed arrangements for the application of the constitution.

MEMBERSHIP AND THE BYLAWS. A statement of the qualifications for membership in the organization may be relegated by the constitution to the bylaws, so that from time to time these requirements may be readily changed. Similarly, those qualifications which have already been mentioned as appearing in the constitution may be put in the bylaws.

DETAILS OF MEETINGS IN THE BYLAWS. The bylaws may give details of the way in which the annual meeting shall be called or in which trustees and officers shall be nominated and elected. The bylaws should also specify the kind of notice required for meetings of different bodies. For some groups newspaper publicity is sufficient. On the other hand, to make sure that each person has ample notice, written notification by mail at least one week in advance is often required for the meetings of all important boards and committees.

FINANCIAL DETAILS. Again, the bylaws may specify methods of handling funds and signing checks. It may be wise to provide that the treasurer shall sign all checks and that the director or executive secretary shall countersign all checks. Provision should be made for the appointment of an assistant treasurer to sign checks in the absence of the treasurer, and for signature by the assistant director if the director is unable to sign; also, failing these two additional resources, there should be provision for the signing of checks by any two elected officers of the organization. This requirement of signature and countersignature is a valuable safeguard. It helps to build public confidence in the care with which the organization handles its funds. Signatures of all the persons who are authorized to sign checks, as well as copies of the minutes or of the clause in the bylaws which authorizes them to sign, must be filed with the bank or banks upon which checks are drawn.

If it is undesirable for officers to take the time to sign numerous small checks, the bylaws may provide for a pay roll and petty cash account on which the bonded executive may draw checks of limited amount for budgetary purposes. The account can be set up and reimbursed monthly by regular checks of the agency. It should be subject to audit and should be included in the regular financial reports of the agency.

COMMITTEE DETAIL COVERED IN BYLAWS. Committees may be given further consideration in the bylaws. The frequency of meetings may be specified, as well as the mode of appointment of committee members. It is well to provide in either the constitution or the bylaws that the personnel and action of all committees of the organization shall be subject to the general control and supervision of the board of trustees, for the board is manifestly the seat of all authority in the organization.

BYLAWS AS A CATCHALL. The bylaws, as a sort of catchall for the regulations of the organization, may also include requirements for the auditing of accounts. The bylaws may provide, too, for the bonding of the treasurer and other persons who sign checks or handle money—not through doubt of their honesty but as an extra protection and a means of increasing public confidence. They may provide for an official seal for the organization. They may also provide for a limitation (say, \$500) upon the amount of debts which any committee or officer may contract without the approval of the board of directors. They may provide for a headquarters in which records shall be kept and business transacted. Any other matters subject to change which it seems unwise to include within the more rigorous confines of the constitution rightfully belong in the bylaws.

Amendment of the bylaws, as has been suggested, usually is easier than that of the constitution. Bylaw amendment may be made on written notice of the proposed change mailed to the members of the board of directors at least five days before the meeting at which action is to be taken. Either a regular or special meeting will do. Action may be taken by a majority of those present rather than by a two-thirds majority.

INTERPRETATION OF THE BYLAWS. It may be wise, further, to provide in the bylaws that authority to interpret and to construe them shall be vested in the board of directors, so that there will be no question as to ultimate authority. In this respect the board of directors is seen emerging from the status of a legislative body to that of a supreme court, binding the staff and all committees by its interpretation as well as by its legislation.

These, then, are some of the considerations which go into building the constitution and bylaws as the framework of the organization. This framework, thoughtfully planned, carefully adapted to the needs to be met, corrected after study of the constitution and bylaws of similar organizations, or, if out of date, modified to meet

modern conditions, will serve well to facilitate the human service of the social agency.

QUESTIONS

1. Make a list of all the corporations to which you belong or with which you do business.
2. How do you think the effectiveness of each compares with what it would be if the functions were carried on by individuals or committees?
3. What instance can you give of the advantage of organized over individual effort in social work?
4. What evidence can you show of the advantage of charitable corporations over committees, or vice versa, and what are the reasons for these advantages?
5. If your community has a community chest, a better business bureau, or a charities endorsement committee, what is its requirement regarding incorporation of member agencies or endorsed charities?
6. What are the laws regarding incorporation of charities in your state? in your city? in your nation?
7. Compare the constitution and bylaws of some social agency with which you are familiar with the discussion in this chapter, and see how you think they could be improved.
8. How do you think the proposals in this chapter might be improved?
9. How does the constitution studied compare in length and content with the bylaws?
10. What improvement, if any, could be made in your sample constitution and bylaws in regard to:
 - a. Name?
 - b. Purpose?
 - c. Membership requirements?
 - d. Duties of directors?
 - e. Mode of selecting directors?
 - f. Size of the board?
 - g. Rotation in office?
 - h. Duties of officers?
 - i. Their nomination and election?
 - j. Legal meetings?
 - k. Quorum?
 - l. Committees?
 - m. Official year?
 - n. Financial procedure?
 - o. Amendment?