

# Running a Tight Ship During the COVID Storm

## Learning Objectives

- Identify areas of board governance and participation to be reassessed
- Review standard by-laws and identify possible risk areas for noncompliance
- Understand your state statutes and how to best use them to your advantage

# COVID Storm

Priorities changed

Weather the storm financially

Mission impact

Ensure compliance



# Governance Liability

- Nonstock corporation
- Essential duties
- Reasonable care





## What to Know

- Bylaws
- IRS regulations
- State statutes

# What to Know

- Bylaws
  - Meeting frequency and requirements
  - Terminology (Ex. Member)
  - Standing committees
  - Ability to form task force as needed
  - Authority of executive committee
  - Size of the board
  - Voting

# What to Know

- IRS regulations
  - The Internal Revenue Service believes that a well-governed charity is more likely to obey the tax laws, safeguard charitable assets, and serve charitable interests than one with poor or lax governance.
  - As a measure of our interest in this area, we ask about an organization's governance, both when it applies for tax-exempt status and then annually as part of the information return that many charities are required to file with the Internal Revenue Service.

# What to Know

- State statutes
  - Read your state statutes (ex. <https://docs.legis.wisconsin.gov/statutes/statutes/181>)
  - Filing requirements
  - Board member minimum
  - Emergency bylaws





## Other Considerations

- Remote meetings
- Impact to internal control
- Expectations of board members
- Minutes adequacy
- Policies
- Financial literacy
- Board training

# Bylaw Considerations

- Only fundamental rules, not items that may change more frequently or impeded flexibility
- Avoid specifics
- Shall versus may



# Bylaw Considerations

- Size of board
- Board terms
- Meeting guidelines
- Officers
- Committees
- Dissolution

# Thank You!

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