

Bylaw FAQ's

AUTHORITY (Order of)

- The rules governing a club, beginning with the highest authority, are: applicable Laws of the State in which the club is incorporated; Constitution and Bylaws; Rules of Order (parliamentary procedure); and Standing Rules. Most corporate statutes usually provide clubs with latitude since they refer most issues back to the bylaws. There will be cases where the bylaws are silent and the statutes will prevail.

BYLAW AMENDMENTS

- Clubs are required to inform The AKC of the effective date of all bylaw amendments and provide an amended set highlighting the new wording.
- Amendments to non-member club bylaws become effective when voted on by the membership. Amendments to Member club bylaws become effective upon approval by AKC.
- Parent clubs can submit proposed bylaw amendments to The AKC, before they are sent to the members for a vote, for review.

COMMITTEES

- Committees are appointed by and subject to the final authority of the board of directors. The board of directors can accept, in whole or in part, any committee recommendation.
- It is strongly recommended that only voting members should be appointed to committees.

DISCIPLINE

- The effective date for the club's suspension can either run concurrently with the AKC's suspension or can begin when the club's board of directors is notified and determines the effective date.
- As far as AKC suspensions are concerned, a member of *a* club can be suspended *either if any or all* of their AKC privileges have been suspended. ***This determination is to be made by each club's board of directors until such time as the membership votes to amend the language in the bylaws.*** Since most bylaw provisions were adopted at the time when only all AKC privileges would be suspended, clubs have interpreted "the privileges" to mean all privileges, unless an amendment is adopted by the members which specifies "any" AKC privileges.
- Parent Clubs may conduct disciplinary hearing via teleconference call provided there is a bylaw provision which enables the board to transact business by teleconference and that all parties to the hearing consent in writing.
- Disciplinary matters are heard by the board of directors (or, for Parent clubs only, a committee of the board comprised of not less than three directors). The authority

to hear disciplinary matters cannot be transferred or delegated to any other individual.

- **Disciplinary Matters – Composition of the board hearing committee:**
When processing disciplinary matters clubs must make every effort to avoid even the slightest appearance of impropriety. The potential time necessary and cost of litigation to defend allegations of a hearing process not being fair and impartial might also adversely impact a club's insurance premiums or even the club's ability to secure such insurance in the future.

A number of clubs have found "The Hearing" process, contained in AKC's Dealing with Misconduct booklet, helpful as a guide to conducting an actual disciplinary hearing. Please note that this is the only section of the publication which can be utilized in connection with an internal club hearing which has resulted after charges have been filed in accordance with a club's Disciplinary Article.

Either the complainant or defendant may submit specific objections to any board member participating in the disciplinary process. The objection must be communicated via U S Mail or fax or electronically to the club Secretary within 7 days of receipt of the notification of the hearing. If the objection is upheld and the particular board member's vote directly affected the decision to entertain charges and schedule a hearing, the remaining eligible board members must first reconsider the decision to entertain charges and notify both the complainant and defendant within 7 days of the receipt of any objection.

ELECTIONS

- A nominating committee can reconvene if an individual selected by that committee resigns, but only if the nominating committee's report has not been mailed by the secretary to the members.
- In the case of the nominating committee's slate or the election ballots being mailed late, the club should extend the due (return) date for the additional nominations or the election ballots by the requisite number of days late.

MEETINGS

- **Absentee balloting** and **proxy voting** are not permitted.
- The members of Parent clubs who reside all over the country can ballot via US Mail pursuant to the Parent club's bylaws.
- Local club meetings should be held at least every other month. There are some circumstances which could warrant some modification to this frequency.

MEMBER STATUS

- **Loss of Voting Privileges** ^(1/12)
The unexcused absence of a voting member from three (3) consecutive meetings or failure to volunteer and work at one annual club event, unless excused by the board of directors, shall operate as the accepted change of that membership from

voting to non-voting status. All written requests for excusal will be considered by the club's board of directors. The difference in dues will be forfeited.

- **Resignations** can be accepted via email provided the sender's address is documented and readily recognizable. Usually, resignations can only be rescinded if they have not been announced or formally acted upon if the bylaws so require.
- Members who are **in debt** to the club for obligations other than dues can be disciplined in accordance with the applicable bylaw article.
- Denial of memberships must be based on a secret ballot and all procedures for processing such applications must be followed. The club can only inform applicants whether the constitutionally mandated affirmative majority vote was received.

OBJECTS

- The not-for-profit statement: "...remainder or residue from dues or donations to the club **shall (not) inure** to the benefit of any member or individual" must be included in the club's bylaws.
- While not required, IRS exemption can be considered: see IRS Publication 557.
- Clubs can hold events under the auspices of only those other organizations which are listed on AKC's website – Club Policies

OFFICER RESPONSIBILITIES

- Officer duties are described in Chapter XV of *Robert's Rules of Order Newly Revised*. The laws of the state in which the club is incorporated should also be checked.

TERRITORY

- Each local AKC club has a **focal point** which is usually located **in the center of its territory**. In addition, a club's show territory may extend further based on existing Event Plans policies.

TREASURER RESPONSIBILITIES

- The following duties and practices will prove valuable to clubs in handling their finances. These were developed by AKC's CFO James Stevens:
 - Duties:
 - The Treasurer shall collect and record all moneys due or belonging to the club. Moneys shall be deposited in a bank designated by the board, in the name of the club. The books shall at all times be open to inspection by the board and a report shall be given at every meeting on the condition of the club's finances and every item of receipt or payment not before reported; and at the annual meeting an accounting shall be rendered of all moneys received and expended during the previous fiscal year. The Treasurer shall be bonded in such amount, as the board of directors shall determine.
 - Suggested Financial Practices:
 - A. GENERAL
 - 1) Ensure that the Club's treasurer is adequately bonded.

- 2) Perform a periodic audit of the Treasurer's records to:
 - a) Ensure proper invoices (or other documentation) adequately support any payments.
 - b) Verify that bank reconciliations are performed accurately and timely.
- 3) If possible, it is preferable to have a person approving invoices different than the individual preparing and/or signing checks. Similarly, it is desirable to have an individual reconciling the bank accounts who is different from the person preparing and/or signing checks. Segregation of these duties provides a more desirable level of internal control.
- 4) Consider establishing an audit committee of club members not involved in preparing or signing checks. Their role would be to annually review the details of all cash receipts and disbursements.
- 5) The treasurer should prepare a quarterly balance sheet and an income statement. This should include an itemized listing of all cash receipts and disbursements during the quarter.
- 6) Ensure that all annual membership dues are collected on a timely basis.

B. CASH MANAGEMENT

- 1) All cash receipts should be deposited timely.
 - 2) Bank accounts should be formally reconciled each month on a timely basis.
 - 3) Follow-up on any checks outstanding for more than 3 – 6 months.
 - 4) Consider having a second authorized signer for all checks over a prescribed dollar amount.
 - 5) Consider investing excess funds in an interest bearing account or certificate of deposit.
- A detailed commentary from Ronald Menaker, AKC's Chairman of the Board of Directors, is available upon request.