

BEST PRACTICES

for Local Association Bylaws and Other Legal Documents



This is a guide for Local Association Boards regarding proper use and maintenance of local association bylaws and other legal documents. The purpose of this guide is to raise issues for your consideration, but you should make sure you engage and consult appropriate legal and tax counsel to help you make the proper decisions to put you in the proper place relative to compliance.

Bylaws

The importance of your association's bylaws cannot be stressed enough. Appoint someone to be responsible for making sure that the Board adheres to the local association bylaws and that they are updated as needed. Amendments should be reviewed by your association counsel, then voted on as prescribed in the bylaws.

Co-Extensive Local Associations

The definition of voting member in local association bylaws must be identical to the definition of voting member in the Big I New York bylaws: *The voting membership of this Association shall be composed of business entities doing business as individuals, partnerships, corporations, or other forms of business organizations holding valid New York resident agents' and/or brokers' licenses. These organizations shall be in the business of providing insurance and financial services products to end-users. Further, these organizations shall By-Laws/Big I New York By-Laws Rev 0216 - 2 - have the ability to represent multiple carriers and own the expirations and renewals on a portion of their business.*

Roberts Rules of Order

There is a public domain version of the Rules at <http://robertsrules.org/indexprint.html>

IRS Determination Letter – 501 (c)(6)

A business league exempt under Code section 501(c)(6) organization is a membership organization characteristically supported by dues. All 501C3 organizations should have a letter from the IRS stating the organization is exempt under the 501C6 section of the code. However, if you do not have this letter, consult counsel before requesting a copy from the IRS to make sure you are properly positioned to request the determination letter. Local associations must designate a person responsible to maintain this document in a permanent file.

Key Policies

Local associations should have key policies such as: Anti-Trust, Conflict of Interest, Confidentiality, Non-discrimination/Harrassment, Whistle Blower. Big I New York can provide any of these documents to local associations for their use.