

HOW TO WRITE MICROFINANCE ASSOCIATION BYLAW

Use this sample bylaw template to help you write bylaws for your microfinance association's board of directors.

Keep in mind that your association's bylaws (sometimes referred to as the constitution or articles of incorporation) are the foundation for your organization, in particular the board of directors. They guide the board in how to conduct the business of the association and ensure that the association is effectively and democratically governed.

A few things to keep in mind:

- It is a good idea to keep the bylaws clear and brief.
- They should be general so that they do not need to be frequently changed, but specific enough to help the board navigate likely or potential situations such as procedures for removing a board member or establishing a conflict of interest policy.
- They should lay out the basic structure of the board and the expectations for the people who will serve on the board.
- Policy positions should not be included in the bylaws.
- If your organization is using the bylaws to register as a legal entity, it is a good idea to consult a local lawyer to ensure that the document is compliant with local laws.

Sample Bylaw Form

- I. Name
 1. The name of the association/network/organization/agency/group shall be [Name]
- II. Board of Directors
 1. The Board of Directors shall serve without pay and consist of [number of] members.
 2. [Eligibility criteria, if any.]
 3. Board members shall serve [number of years, usually two to four] terms.
 4. **Vacancies** shall be filled by the Board, with the recommendation of the Executive Director.
 5. Board members with [number] of absences shall be dismissed from the Board.*
- III. Officers
 1. The **officers of the board** shall consist of a Chair, Vice Chair, Secretary, and

Treasurer nominated by the Board.

2. Elected officers will serve a term of one year.
3. (a)The Chair shall preside at all Board meetings, appoint committee members, and perform other duties as associated with the office. (b)The Vice-Chair shall assume the duties of the Chair in case of the Chair's absence. (c)The Secretary shall be responsible for the minutes of the Board, keep all approved minutes in a minute book, and send out copies of minutes to all. (d) The Treasurer shall keep record of the organization's budget and prepare financial reports as needed.

IV. Committees

1. The Board may appoint standing and ad hoc committees as needed.

V. Meetings

1. Regular meetings shall be held on [frequency and time of meetings]
2. Special meetings may be held at any time when called for by the Chair or a majority of Board members.
3. Agendas shall be provided at least [number of days] in advance.

VI. Voting

1. (a) A majority of board members constitutes a quorum. (b) In absence of a quorum, no formal action shall be taken except to adjourn the meeting to a subsequent date.
2. Passage of a motion requires a simple majority (ie, one more than half the members present). [Or whatever your board's decision-making process is]

VII. Conflict of Interest

1. Any member of the board who has a financial, personal, or official interest in, or conflict (or appearance of a conflict) with any matter pending before the Board, of such nature that it prevents or may prevent that member from acting on the matter in an impartial manner, will offer to the Board to voluntarily excuse him/herself and will vacate his seat and refrain from discussion and voting on said item.

VIII. Fiscal Policies

1. The fiscal year of the board shall be[start date to end date]

IX. Amendments

1. These by-laws may be amended by a two-third vote of Board members present at any meeting, provided a quorum is present and provide a copy of the proposed amendment(s) are provided to each Board member at least one week prior to said meeting.

Source: Adapted from Kenan, Estela. "Sample Non-profit Bylaws." *Suite 101 Non-profit Governance*. 7 February 2007. Web. 10 November 2009. [http://non-profit-governance.suite101.com/article.cfm/how to write bylaws for nonprofits](http://non-profit-governance.suite101.com/article.cfm/how_to_write_bylaws_for_nonprofits).