



THE LIVESTOCK  
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# CULTIVATING LEADERSHIP INITIATIVE

## Breed Organization Training

[www.livestockconservancy.org](http://www.livestockconservancy.org)

# MODULE 1: ESTABLISHING & MANAGING ARTICLES OF INCORPORATION & BY-LAWS

Presented by:



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**Jeannette Beranger**

Senior Program Manager, The Livestock Conservancy

**Judy Brummer**

Board Member, The Livestock Conservancy  
Board Member, Rocky Mountain Horse Foundation  
Board Member, Rocky Mountain Horse Association

**Becky Mahoney**

President, American Guinea Hog Association

**Brittany Sweeney**

Communications Manager, The Livestock Conservancy

**Kathryn Matchett**

Nonprofit Consultant

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# HOUSEKEEPING

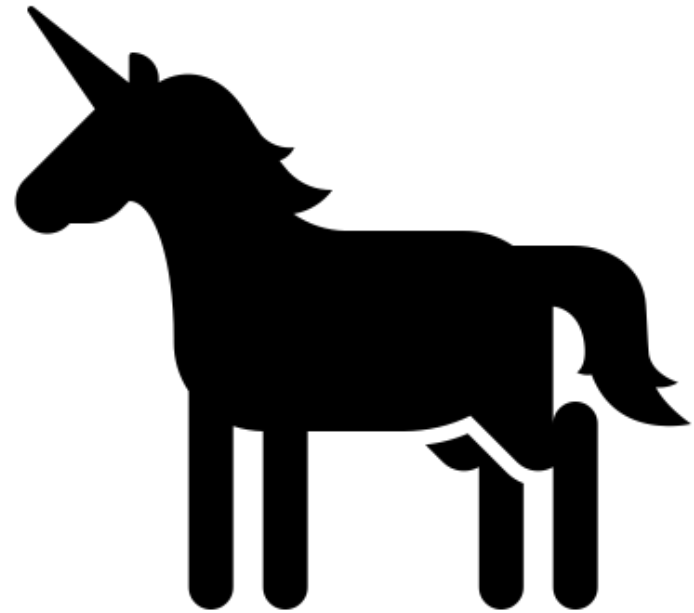
- Please mute yourself during the presentation.
- The presentation is being recorded & will be shared.
- Please save questions for Q&A.
- Please complete the quick survey at the end.





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**Western  
Black  
Unicorn  
Association**



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## LEARNING OBJECTIVES

1. The **importance of incorporating**
2. The purpose of **Articles of Incorporation**, what they include, and where to file them
3. **501(c)3 vs. 501(c)5** organizations
4. The purpose of **by-laws**, what they include, tips, pitfalls, and best practices
5. Writing effective **mission statements**



## DISCLAIMER

1. These are **legal documents**.
2. Regulations vary from **state to state**.  
**Check your state's laws.**
3. We are **not legal experts** and do not know every state's laws.
4. Consult with an **attorney**.



## ARTICLES OF INCORPORATION

- **Charter** that creates the corporation
- **Founding document** (like the U.S. Constitution)



# ARTICLES OF INCORPORATION



## Other terms used:

- Constitution
- Charter
- Articles of Association
- Articles of Formation
- Certificate of Formation
- And more!





# ARTICLES OF INCORPORATION



- File with appropriate state agency, such as **Secretary of State**
- Makes you a **legal corporation** **registered to do business** in that state
- Where you pay **taxes**



# ARTICLES OF INCORPORATION



**Which state do we file in? Consider ...**

- Where the **breed is most popular**
- **Location of the people** who are involved in getting the organization incorporated
- **Cost/fees** for incorporating in a given state
- **Rules** governing corporations in a given state



# IMPORTANCE OF INCORPORATING



- Sets foundation for **how organization operates**
- Gives **credibility** to programs and services
- **Limits liability** of Officers and Directors
- IRS requires it for **tax-exempt status & EIN**
- EIN will be required for **corporate bank account**



# ARTICLES OF INCORPORATION



- Differs from **state to state**
- Consult an **attorney** to ensure:
  - correct **forms**
  - sound **legal** footing



# ARTICLES OF INCORPORATION



- First ... Find the perfect name!
  - Search **state database** to make sure not taken
  - Check USPTO to see if already **trademarked**
  - Check website **domain names**
- Once you decide on a name ...
  - If not ready to file, **reserve the name**
  - **Register URL**



# ARTICLES OF INCORPORATION



## Typically included ...

- Names & addresses of **initial board members**
- Location of primary office & mailing address
- Name and address of **registered agent**



# ARTICLES OF INCORPORATION



**Typically Included ... Statement  
directing the **distribution**  
of assets upon dissolution.**

# ARTICLES OF INCORPORATION



## Typically included ... **Statement of Purpose**

- Can be somewhat **broad**
- Does **NOT** need to include your mission statement
- Does need to include one or more of **the exempt purposes of Section 501(c)** of the Internal Revenue Code **IF** you plan to apply for tax-exempt status





Which **type** of  
corporation is  
your breed  
organization?





# 501 (c) 3 VS. 501 (c) 5

501 (c) 3	501 (c) 5
Organization is tax-exempt	Organization is tax-exempt
Donations are tax-exempt	Donations are NOT tax-exempt
Scope of allowable activities is MORE RESTRICTIVE	Scope of allowable activities is BROADER



# ARTICLES VS. BY-LAWS

<b>Articles of Incorporation</b>	<b>By-Laws</b>
Legal document	Legal document
Must be registered	Some states require registration
Public document	Internal operating manual
Like U.S. Constitution	Like laws

# IMPORTANCE OF BY-LAWS



- **Protection from potential problems**  
for the organization, members and breed
- **Written, agreed-upon protocols**  
ensure doing what is supposed to be done and all  
situations are treated the same
- **Accountability**  
Members can hold Board accountable to the By-laws



# BY-LAWS IN GENERAL



- **MUST** be in compliance with the state's laws, regulatory statutes, or guidelines for the type of organization established.
- **SHOULD** be basic rules stating what actions are to be taken and how decisions are to be made.



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# NAME & LOCATION

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# MISSION STATEMENT

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# Mission Statement Poll



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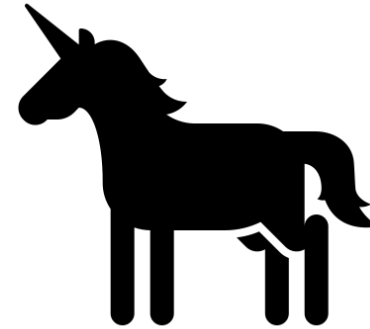
# MISSION STATEMENT

- What you exist **to do**
- Includes **breed integrity/conservation**
- Clear, concise; easy to **remember**
- **Specific enough** to prevent mission creep
- **Broad enough** to allow for flexibility



## MISSION STATEMENT

- ✓ What they exist **to do**
- ✓ Includes **breed integrity/conservation**
- ✓ Clear, concise; easy to **remember**
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***“To conserve the  
Western Black Unicorn  
throughout the  
United States and  
internationally.”***

# BY-LAWS: WHAT TO INCLUDE



## Board of Directors (Nov. 17 & Dec. 15)

- Board **composition**
- **Nominations**, fair **elections** and **term limits**
- Board **resignation** and **termination**
- **Responsibilities/duties** of board members, officers, committees

# BY-LAWS: WHAT TO INCLUDE



## Board of Directors

- Board **meetings** (frequency, Robert's Rules of Order, voting, quorum, special meetings)
- Board **reporting**
- Board **orientation**
- Standards of conduct/Code of **ethics**
- Board **compensation and indemnification**

# BY-LAWS: WHAT TO INCLUDE



## Membership Program (October 20)

- Membership **process** and member **agreement**
- **Classes/types** and **fees**
- Voting **rights and other privileges**
- Member/breeder **responsibilities**



# BY-LAWS: WHAT TO INCLUDE



## Membership Program

- Regular member **meetings** and special meetings
- **Quorum and voting**; voting by proxy
- Organization's **right to rescind membership**

# BY-LAWS: WHAT TO INCLUDE



## Financial Controls (January 19)

### “Accountability and Transparency”

- Employer ID Number
- Bank account with **2 signatories**
- Treasurer **reports/responsibilities**
- **Audit** procedures



# BY-LAWS: WHAT TO INCLUDE



## Breed standard or description

- Working standard for standardized breeds
- Description/matrix for landrace breeds
- **Helps keep the breed true to its origins**



# BY-LAWS: WHAT TO INCLUDE



- **Executive Director** (Board's only employee)
- **Trademarks** (Name and logo)
- **Dissolution** (Process to be followed)



# BY-LAWS: WHAT TO INCLUDE



## Procedure for amending by-laws

- Well-written by-laws **rarely** need amendment
- **Check state laws** on procedure for amending
- **Review regularly** for compliance

# BY-LAWS: WHY AMEND?

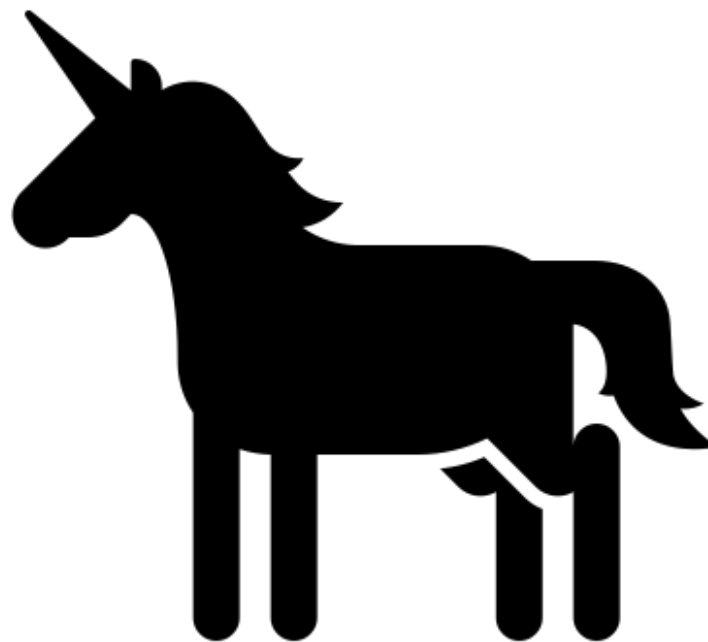


- **Strengthen the integrity** of the organization
- **Allow for continuity of management** of the breed organization
- **Protect rights of members**
- **Align with state or federal laws** that change



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# Western Black Unicorn Association



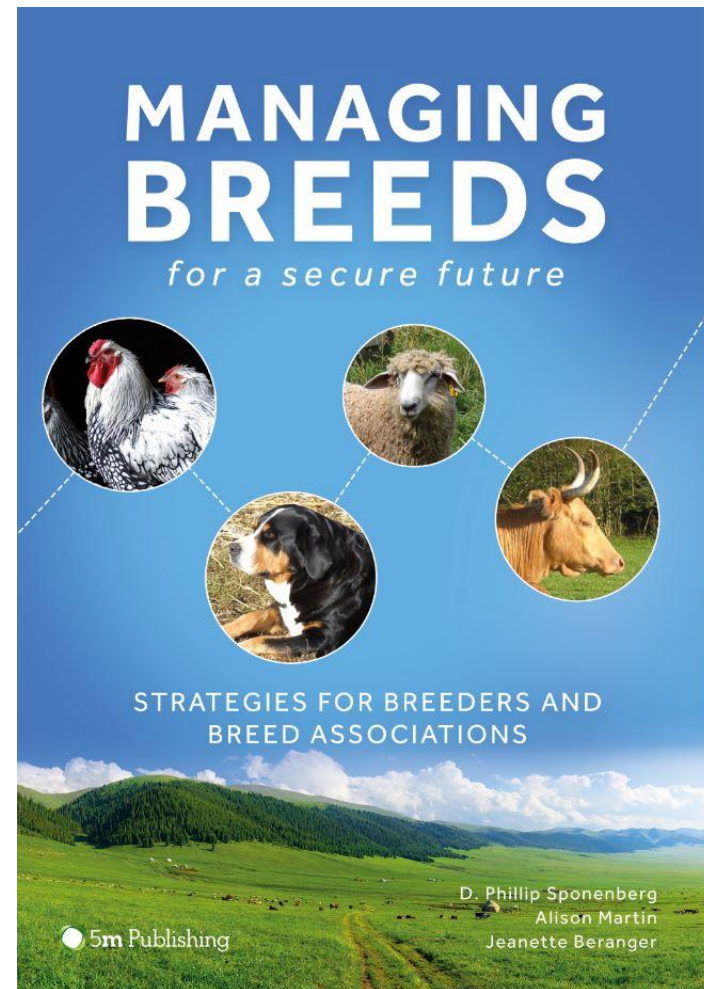
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## BY-LAWS: TIPS FOR WRITING

- **Do** consult an attorney.
- **Do** tailor them to meet your organization's needs.
  
- **Don't** be too specific.
- **Don't** include info that changes frequently.
- **Don't** be too ambitious; be realistic.
- **Don't** restate in more than one section.
  
- “**shall**” = required; “**may**” = optional

A link to **resources** related to today's webinar will be emailed to you.



# WEBINAR TRAINING SERIES

- Monthly on the 3<sup>rd</sup> Thursday
- 6:30 – 7:30 pm Eastern
- September 2022 – May 2023
- Corresponds with bronze-level accreditation requirements



# WEBINAR TOPICS

<b>Oct. 20</b>	<b>Managing Membership</b>
Nov. 17	Board Roles & Responsibilities
Dec. 15	Building & Maintaining an Effective Board
Jan. 19	Ensuring Accountability & Transparency



# WEBINAR TOPICS

Feb. 16	Managing External Communications
March 16	Managing Internal Communications
April 20	Managing Risk
<b>May 18</b>	<b>Managing Herd Book / Registry</b>



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QUESTIONS



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## ACTION STEPS

1. Think of 1 or 2 things you will **apply** from today's session.
2. Think of 1 or 2 things you will **share** with others



Please take a **brief survey** to let us know how helpful this overview was for you.



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# THANK YOU!

We hope to see you on **Oct. 20<sup>th</sup>** at the  
**Managing Membership** training.

*Additional questions? Email  
[info@thelivestockconservancy.org](mailto:info@thelivestockconservancy.org)*

[www.livestockconservancy.org](http://www.livestockconservancy.org)