

NONPROFITS PERMANENT DIRECTOR



Someone reached out to me to complain that his Board ousted him even though he started the nonprofit, funded the nonprofit, and put all of his time and energy into getting the nonprofit started and operating. The directors had creative differences. It doesn't seem fair that you're an integral part of the nonprofit but can be removed.

First, please read your Bylaws. Many directors do not review the Bylaws so they do not understand their rights, roles, and responsibilities. In order to protect the Directors, we require a ½ vote to remove a Director. It's possible your Bylaws may have a similar requirement.

Second, review the Bylaws to determine who has removed the Directors. Our Bylaws allow only the Directors to remove another Director. So, for example, an officer cannot remove a Director. Check your Bylaws to determine who has the power to remove Directors and whether they followed the proper procedures.

Third, we recommend our clients include a clause where a founder can become a Permanent Director. This will protect a founder from being removed.

We recommend that you include a clause that makes you a Permanent Director, but of course, we caution you that as a Permanent Director, please make sure you are carrying out activities that are in the Nonprofit's best interests.

Please reach out to our team at **nonprofits@andersonadvisors.com** if you would like to include language within your Bylaws that will allow you to serve as a Permanent Director.