



## SUMMARY OF PROPOSED CHANGES TO AIHP'S BYLAWS

AIHP's Board of Directors has approved certain changes to the Bylaws of the organization. In order to take effect, the proposed changes must be approved by two-thirds of the members voting. The following is a summary of the changes approved by the Board of Directors.<sup>1</sup>

### Article I. Purposes

- Section 2 is new and is designed to confirm that AIHP will be operated and managed in a manner designed to maintain its tax exempt status.

### Article II. Members

- Section 1, Par. C. is being revised to limit Life Member status to individuals.
- Section 2 is being changed to authorize voting by electronic/online ballots.
- Section 3 is being changed to allow lapsed members to remain on membership rolls for up to one year (rather than the current six months) after their membership lapses.
- Section 4 is new. It allows members to call a special meeting of the Institute's membership if ten percent of members so request in writing.

### Article III. Board of Directors

- In AIHP's current Bylaws, the Board of Directors is addressed in Articles IV and VI. The revised Bylaws consolidate all provisions dealing with the Board of Directors in Article III.
- Section 1 is comparable to Article VI, Section I of the current Bylaws, but the language has been updated to reflect contemporary governance principles that the role of the Board of Directors is to set the organization's policies and strategic direction. This provision also acknowledges that the Board has delegated management of the Institute's day-to-day affairs to the Executive Director.
- Section 2 makes one substantive change to the composition of the Board of Directors. The Institute's Historical Director is being added as a nonvoting, ex officio director. (The Dean of the UW-Madison School of Pharmacy remains a nonvoting, ex officio director.) The composition of the Board otherwise remains unchanged, with five officers, three elected directors (the current "At Large" designation is being eliminated), and up to three appointed directors.

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<sup>1</sup> This Summary references the article and section numbers used in the proposed bylaws, which differ in some cases from the numbering scheme used in the existing bylaws.

- Section 3 (allowing for the appointment of up to three directors) is identical in substance to the final two sentences of Article IV, Section 1 of the current Bylaws.
- Section 4 (allowing for the election of the President, Vice-President and Secretary for staggered three-year terms and the appointment of the Treasurer) is identical in substance to Article III, Section 2 of the current Bylaws.
- Section 5 retains the substance of the term-limit provision currently in Article IV, Section 2 of the existing Bylaws. However, it adds language to allow an existing director who is elected as President to serve two three-year terms in that position.
- Sections 7 through 10 are new. They address a variety of matters typically addressed by bylaws, including authorizing online Board meeting, taking action by written consent, director resignations, and filling vacancies on the Board of Director.

#### Article IV. Officers

- AIHP's current Bylaws address Officers in Articles III and VII. All matters related to Officers have been consolidated in Article IV of the proposed Bylaws,
- The description of the responsibilities of some officers have been updated to better reflect current practice and the delegation of certain responsibilities to the Executive Director, but no substantive changes are intended.
- The provision in Article VI, Section 3 of the existing Bylaws, allowing for the election of an Honorary President, has been eliminated.

#### Article V. Nomination, Election and Installation of Elected Director

- Revised Article V is designed to shorten the process for nominating, electing and installing a director from the current 13 months to approximately four months.
- Assuming the Annual Business Meeting is scheduled for mid-November, nominations must be announced by mid-October and presented at the Annual Business Meeting. Members retain the right to nominate additional candidates at the Annual Business Meeting.
- Within 30 days after the Annual Business Meeting, the Executive Director must distribute ballots to members containing the slate of candidates approved at the meeting. Members will have at least 21 days to return their ballot.
- After returned ballots are counted, elected directors will be installed at a special (virtual) meeting of the Board of Directors, which should occur in late January or early February.

#### Article VI. Committees

- Article VI, dealing with the Institute's standing committees, is identical in substance to Article VII of the current Bylaws except that reference to an Awards Committee is being eliminated.

#### Article VII. Annual Business Meeting

- Article VII is identical in substance to Article IX of the current Bylaws.

Article VIII. Conflicts of Interest

- The Institute’s current Bylaws do not address director conflicts of interest. The bylaws of nonprofit organizations typically address this issue. This new Bylaw requires a director to fully disclose any conflict of interest and to refrain from voting on any matter related to the conflict.

Article IX. Indemnification

- The Institute existing bylaws do not have a provision providing for the indemnification of directors and employees against claims or lawsuits arising from decisions they make in the course of their official duties for the organization. This indemnification obligation exists under statutory law, but it is standard practice for the bylaws of organizations to include indemnification protection in order to assure prospective directors that the organization will shield them from personal liability for their work on behalf of the organization.

Article X. Parliamentary Authority

- Article X is identical in substance to existing Article X.

Article XI. Amendments

- Article XI is identical in substance to existing Article XI.

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Effective Date: Upon approval by the requisite majority of AIHP’s voting members, all proposed Bylaws shall take effect, and supersede existing Bylaws, on January 1, 2021, except that the slate of nominees to the Board of Directors approved at the 2020 Annual Business Meeting shall be elected and installed pursuant to process specified in Article V of the existing Bylaws.