

**Rationale for 2023-2024 Proposed Updates of the
Articles of Incorporation and Bylaws of the Convention
by the Articles of Incorporation and Bylaws Committee of the ABSC**

This endeavor required significant effort, time, and expertise, specifically including the assistance of financial and legal professionals and pastoral and lay leaders from across our state. The committee believes the proposed Amended and Restated Articles of Incorporation and Bylaws represent an important step toward clarity in our governing documents and unity with respect to the carrying out of the business of the Convention. Representatives of the ABSC staff, specifically Marcus Brown and Connie McCall, as well as Bobby Thomas, President of the Arkansas Baptist Foundation, as a representative of the agencies and institutions, attended all substantive meetings of the committee. The committee met with the presidents/executive directors of the agencies and institutions of the Convention and obtained their input. Additionally, the committee shared the restatement documents with the Executive Board.

Many people do not understand or realize that Articles of Incorporation and Bylaws are two separate and distinct documents serving different purposes. The Articles of Incorporation is a charter document most, if not all, of the provisions of which are required to be filed with the Arkansas Secretary of State in order to form and continue to operate a corporation. The Bylaws, on the other hand, set forth rules and guidelines for the corporation, many of which may be statutorily mandated, but Bylaws are not required to be filed with the Arkansas Secretary of State. Thus, a primary reason for amending the Articles of Incorporation and the Bylaws at this time is to relocate many of the provisions currently found in the Articles of Incorporation not required by Arkansas law and which, by inclusion, are made available to the public and thereby become public information. By submitting these proposals, we recommend removing language that is not required to be in the Articles of Incorporation and placing that language in the Bylaws. In this way, these provisions are not being eliminated. Rather, they are simply being moved to the Bylaws where they are not required to be publicly filed.

The newly proposed documents are presented in an effort to:

- (1) provide clarity in both sets of governing documents;
- (2) clarify existing discrepancies, both internally within the documents and with respect to practices within the Convention and its agencies and institutions;
- (3) provide clearer definitions of important terms, including but not limited to, the meaning of an "operating deficit";
- (4) bifurcate the role of Convention Executive Director and Treasurer in order to eliminate any perception of conflict and to add particular focus to the role of Treasurer, a fiduciary role with the duty to act in good faith for the benefit and interest of the Convention;
- (5) eliminate duplication within the documents;
- (6) define key terms used throughout the documents;
- (7) clarify the role and function of the Executive Board;
- (8) lean into our polity and trustee board structure to clarify that the entity boards govern and have the responsibility for our entities;
- (9) add further protection for our universities regarding accreditation.

This is a restatement of both the Articles of Incorporation and Bylaws so it's nearly impossible to track every single change or amendment. Therefore, this is not a redlined or highlighted version with changes marked. Below is a summary of substantive changes by document.

Articles of Incorporation

Article II. Section 2.

Allows for a new BF&M to be adopted by using the phrase "current version."

Article III. Section 1.

Defines Cooperating Baptist Church to include (1) financial support of the Cooperative Program, and (2) adherence in doctrine and in practice to the principles and the spirit of the BF&M.

Removes any limitation or description on interpretation of BF&M.

Also clarifies that this article is about Cooperation not Membership.

Article V. Section 2.

Requires that proposed amendments be reported to the Executive Board at least 60 days prior to the annual meeting.

Articles regarding Officers, The Executive Board, Trusteeships, Operation of Agencies, Meetings, Parliamentary Authority, and Districts have all been moved to Bylaws.

Bylaws

Article I. Section 1.

Treasurer is separated from Executive Director and established as a stand-alone officer position. This will mean there will now be five officers of the Convention: President, 1st Vice President, 2nd Vice President, Executive Director/Recording Secretary, and Treasurer. Only the Executive Director/Recording Secretary and the Treasurer may be employees of the Convention or any of its agencies or institutions.

Article I. Section 3

Clarifies run-off procedures in elections.

Article I. Section 7.

Treasurer authority is separated from Executive Director authority. The Treasurer helps shoulder the responsibility of the financial stewardship of the Convention's resources.

Article I. Section 9.

Provides for the removal of an officer.

Article II, Section 9.

Clarifies authority of Executive Board to withhold Cooperative Program funds from agencies and institutions.

Article II. Section 10.

Clarifies the Executive Board's responsibility to have the Convention audited annually as well as preparing the Convention budget for adoption.

Article II. Section 11.

Clarifies the definition of a deficit as well as process for reporting and addressing such deficit.

Article II, Section 14.

Updates provisions regarding notice of meetings.

Article II. Section 17.

Provides for the removal of members of the Executive Board.

Article II. Section 19.

Provides for a member of the Executive Board no longer being able to serve due to capacity.

Article III. Section 2.

Removes reference to Arkansas Baptist News as a separate entity.

Allows for a range of trustees versus a fixed number. All current boards' sizes are within range.

Article III. Section 9.

Clarifies the boards' responsibility to have each agency and institution audited annually.

Article III, Section 10.

Clarifies relationship between the Convention and agencies and institutions.

Article III. Section 11.

Provides for the ability of a trustee to resign.

Article IV. Section 1.

Clarifies the boards' responsibility to approve a budget for each agency and institution.

Article IV. Section 2.

Clarifies the definition of a deficit as well as process for reporting and addressing such deficit.

Article VI. Section 2.

Requires that proposed amendments be reported to the Executive Board at least 60 days prior to the annual meeting.

Article VIII.

Defines Cooperating Associations and sets forth a process for updating Geographic Districts in the future to provide equitable numerical representation from Cooperating Baptist Churches.

Article XI. Section 2.

Expands the Credentials Committee to 8 members.