

Your Legal Rights and Responsibilities



Donald C. Collins

COVERING LIABILITY IN BYLAWS

Q I'm on the bylaw committee of our local association and we're looking to revise our bylaws for the first time in anyone's memory. We want our new bylaws to be as comprehensive as possible in our protection from potential liability. What are the three most likely areas of potential liability for a sports officials association?

A Officials associations generally see three types of legal proceedings. First, lawsuits from disgruntled members over assignments, evaluations or discipline. Second, disputes from teams or schools over game results and decisions, and injuries. Third, legal proceedings over business transactions, payment disputes and taxes.

Before an association does anything else, it needs to protect itself, its board, and its members. Next, an association can try to reduce its likelihood of being involved in a legal dispute.

An association can best protect itself by having a bylaw requirement that it buy good insurance. The bylaw requirement protects against future boards being oblivious to the need for insurance. Every association needs a good liability policy, and a bylaw requirement to buy such insurance.

Then the board should consult a local attorney to find out the extent it can defend and indemnify individual directors and officers, and put that in the bylaws. An association has to face reality. Defense and indemnity clauses are only as good as an association's ability to pay. Most associations can't afford legal bills. Thus, directors and officers' insurance should be purchased and bylaws should require the purchase. Finally, an association's bylaws should either require all members to purchase insurance covering every game the member could work or the association should have a bylaw requirement that the association simply purchases that insurance for all members.

Next, associations should take steps to reduce their likelihood of being sued by members. Association bylaws should provide for evaluations, define the evaluation process and provide internal due process; it's better to have the disgruntled member in one's own appeal system than running off to court. Associations should also link assignments to evaluations, and have a process for reviewing assignments. Associations should also have a bylaw that provides for the without-cause dismissal of probationary members in their first year or two as association members.

Associations can reduce their risk of being sued by teams or schools by making sure they meet state training standards. If there are no state standards, then associations should consult with local counsel to make sure they meet industry standards in training their members.

Associations can reduce the likelihood of bad business practices by requiring their treasurers to issue regular reports to the board and the membership, and they need to regularly report on the terms of their agreements with client schools and leagues. Many associations open the door for poor business practices and even financial misconduct by not monitoring the people who conduct association business.

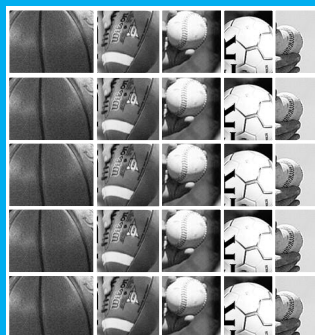
Finally, an association that is amending its bylaws should follow its bylaws' amendment process. Hopefully the people who vote on bylaw amendments buy into the need for change. *Donald C. Collins is the executive director of the San Francisco Section of the California Interscholastic Federation. He is a longtime basketball official and lawyer. This material is intended for informational purposes and is not legal advice.* □



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