



**Taking Minutes of Nonprofit Board Meetings**

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## **Taking Minutes of Nonprofit Board Meetings**

### **A. Minutes of Meetings.**

Board meeting minutes are an important form of recordkeeping for all organizations. Minutes serve as the official (and legal) record of the meeting of the board of directors. They are presumed to be correct and are considered legal evidence of the facts they report. Thus, they should consist of a clear, accurate, and complete report of all business transacted and should be worded in a manner that is simple and unambiguous.

Because minutes hold such legal importance, it is necessary to make certain that every organization records minutes in such a way to ensure that they accurately reflect the actions of the board of directors; however, all language which might be used to the organization's disadvantage in the future should be eliminated.

Minutes should be worded in a way that is clear and concise and accurately conveys the meaning of the action taken. They should hold enough detail to make them useful if they are ever needed for reference or used as evidence that an action was taken or that the directors fulfilled their fiduciary duties. While it is not necessary (nor recommended) to record everything that was said at a meeting of the board, some things that should always be recorded are:

- the date and time of the meeting,
- whether the meeting is a special or regular meeting,
- whether notice was given or a waiver of notice signed by all directors,
- names of directors in attendance and directors not in attendance,
- names of other guests in attendance,
- whether a quorum was established,
- any departures and re-entries of attendees,
- any board actions (e.g., approvals, delegations of authority, directives), and
- whether any directors abstained from voting.

In addition to the duties listed above, the person charged with taking minutes should include in the minutes:

- alternatives considered for important decisions,
- a note of what board action was taken (e.g., "RESOLVED," "action"),
- a summary of key points from any reports given to the board,
- recusals from discussions and abstentions from voting,
- votes that were against a motion, and
- actions items.

Also, the person keeping the minutes should know and record what vote is required by the bylaws for certain actions and indicate if such a vote was reached. If no vote is taken on a certain question and the consensus of the directors is obtained in an informal manner, it is sufficient to note "it was the consensus that," "each director present expressed his/her approval

of,” or “doubt was expressed as to,” and to follow with a statement of the facts. This places on record evidence of what was agreed to at the meeting.

When taking minutes, there are a few mistakes that are commonly made that secretaries should be cognizant of. Some of these mistakes include:

- failing to document a quorum was present,
- failing to document or provide a clear description about a board action taken,
- drafting a transcript of everything said at the meeting including information that might be harmful to the organization if read by someone with access to the minutes or by a court reviewing a board action,
- drafting and distributing minutes to directors after a lengthy period of time has passed,
- waiting to approve minutes from past meetings until a substantial period of time has passed decreasing the likelihood that mistakes will be caught and corrected, and
- failing to maintain a reasonable document management system resulting in the loss of minutes from past meetings.

Because minutes are considered to be a true and accurate record of meetings of the board and can be used as legal evidence of actions of the board, it is very important to keep minutes that are clear, free of harmful and excessive information, and signed and verified in a timely manner to ensure that the minutes always reflect the true intentions of the board.

## **B. Resolutions.**

A resolution is an action taken by the board of directors which applies to a single act (as opposed to bylaws which are the rules that govern an organization and regulate its affairs). If a resolution conflicts with a bylaw, the bylaw prevails unless amended or repealed (a process which can be done through a resolution). Although resolutions are not required by law, they are an important action for boards to take. Resolutions are the best way to revoke action taken by a previous resolution. If a resolution is clear and concise, it can minimize future misunderstandings between board members and the organization as a whole. A resolution is proposed by a motion, made and seconded, that the resolution be adopted.

There is no formal rule to govern when a resolution should be made; however, there are some circumstances when a resolution is the most appropriate course of action. These include:

- if the matter is one that the statute, charter, or bylaws require to be covered by a resolution;
- if a certificate showing that the authority granted by directors to perform a certain act is required to be filed, or likely to be required at some future time;
- if the matter regulates the management of the corporation and is meant to be permanent until changed;
- if the matter is one of importance or is likely to be referred to from time to time; and
- if the matter consists of amendments to the charter or bylaws.

The secretary of the meeting typically drafts resolutions. Key resolutions are usually drafted in advance of the meeting in order to clarify the subject matter and facilitate discussion. Often a draft of the resolution is given to the officer who originated the proposition to ensure the resolution reflects the wishes of those who proposed it.

One exception is a resolution which involves legal technicalities. This kind of resolution is generally drafted or reviewed by legal counsel. It is also common practice to provide a copy of the resolution to the chairman or president of the organization prior to the meeting for review. In cases where new topics are brought up in a meeting and no resolution has been drafted, it is acceptable for the secretary to immediately write out the resolution in full and submit it to the chairman for approval, or write out the resolution after the meeting.

When recording a resolution in the minutes, the exact wording of the resolution, the names of proposers and seconders, and the names of those voting in favor of or contrary to the resolution should be recorded.

**MINUTES OF ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF**

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1. Time and Place. The Board of Directors (“Board”) of \_\_\_\_\_ (the “Corporation”) held its organizational meeting on \_\_\_\_\_, 2011 at \_\_\_\_\_ at \_\_\_\_\_ (a.m./p.m.) Arizona time.
2. Attendance. The following directors of the Corporation were present:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following directors of the Corporation were absent:

\_\_\_\_\_

The following guests were also present by invitation of the Board:

\_\_\_\_\_

Although a meeting notice had been sent to the directors, it may not have complied with the requirements of the Corporation. Therefore, the chair asked that all the directors waive their requirement of formal notice of the meeting, as the entire Board was present at the meeting. Each director waived notice of the meeting and agreed to proceed with the meeting as though formal notice had been given to the directors in accordance with the Corporation’s Bylaws.

3. Presiding Officers and Quorum. \_\_\_\_\_ called the meeting to order and acted as chair thereof, and \_\_\_\_\_ acted as secretary of the meeting. The chair announced that a quorum of the directors was present, and that the meeting, having been duly convened, was ready to proceed with its business.
4. Articles of Incorporation. The chair stated that the original Articles of Incorporation had been filed in the \_\_\_\_\_ of the state of \_\_\_\_\_ on \_\_\_\_\_, 20\_\_\_\_. The chair presented to the meeting the original Articles of Incorporation, showing the filing date, and the Secretary was directed to insert the articles in the minute book of the Corporation.
5. Adoption of Bylaws. The matter of the adoption of Bylaws for the regulation of the Corporation was next considered. The chair presented to the meeting a form of Bylaws prepared by \_\_\_\_\_ and recommended that the same be adopted as the Bylaws of the Corporation. On motion duly made and unanimously carried, the following resolutions were adopted:

WHEREAS, there has been presented to this meeting a form of Bylaws for the regulation of the affairs of the Corporation; and

WHEREAS, it is deemed to be in the best interests of the Corporation and its members that said Bylaws be adopted as the Bylaws of the Corporation;

NOW, THEREFORE, be it

RESOLVED, that the Bylaws presented to this meeting be and the same hereby are adopted as and for the Bylaws of the Corporation.

RESOLVED, that the Secretary of the Corporation is authorized and directed to execute a certificate of the adoption of said Bylaws and to insert the Bylaws as certified in the minute book of the Corporation.

6. Election of Officers. The meeting then proceeded to the election of officers. Upon motion duly made, seconded and unanimously approved, the following preamble and resolution were adopted:

WHEREAS, the Bylaws of the Corporation call for the election of corporate officers by the Board,

NOW, THEREFORE, be it

RESOLVED, that the following persons are elected to the office set beside their respective names until their successors are duly elected and qualified:

Chair - \_\_\_\_\_  
President - \_\_\_\_\_  
Vice President - \_\_\_\_\_  
Secretary - \_\_\_\_\_  
Treasurer - \_\_\_\_\_

The officers so elected, each being present, accepted his or her office(s).

7. Depository of Funds. To provide for a depository for the funds of the Corporation and to authorize certain officers to deal with the corporate funds, the following resolutions were adopted upon motion duly made, seconded and carried:

RESOLVED, that all funds of the Corporation be deposited with such commercial bank or depository as the President of the Corporation shall determine, that the President and Treasurer of the Corporation, acting jointly on behalf of the Corporation, are authorized to open such bank or depository accounts as may be necessary or appropriate for the conduct of the business of the Corporation, that all resolutions required by the depository banks with respect to such accounts are hereby adopted, and that the Secretary of the Corporation is authorized to certify to any bank the adoption of the resolution in the form used by that bank; and

RESOLVED, that the President, the Vice-President, and the Treasurer shall be authorized to endorse checks, drafts, or other evidences of indebtedness made payable to the order of the Corporation, but only for the purpose of deposits; and

RESOLVED, that all checks, drafts, and other instruments obligating the Corporation to pay money shall be signed on behalf of the Corporation by any [one/two] of the following persons:

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8. Expenses of Incorporation. In order to provide for the payment of the expenses of incorporation and organization of the Corporation, on motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the President, Vice President or the Treasurer of the Corporation be, and they hereby are, authorized and directed to pay the expenses of the incorporation and organization of the Corporation.

9. Ratification of Acts of Incorporator. Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that all purchases, contracts, acts, decisions, proceedings and appointments made by the incorporators prior to this meeting of the Board hereby approved and ratified.

10. Retention of Professional Firms. Upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the law firm/accounting firm of \_\_\_\_\_ be retained as legal/accounting counsel for the Corporation in the completion of this incorporation and for such other matters as may be directed by the officers of the Corporation or this Board.

11. Fiscal Year. The first fiscal year of the corporation shall terminate on \_\_\_\_\_, and thereafter each fiscal year of the corporation shall commence on \_\_\_\_\_ and terminate on \_\_\_\_\_ of the following year.

12. Adjournment. There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned at \_\_\_\_\_ (a.m./p.m.) Arizona time.

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Secretary of the Meeting

**ACTION OF DIRECTORS**

**IN LIEU OF ORGANIZATIONAL MEETING**

The undersigned, constituting the initial Board of Directors (“Board”) of \_\_\_\_\_, an Arizona nonprofit corporation (the “Corporation”), acting pursuant to Section 10-3704 of the Arizona Revised Statutes, consent to the adoption of the following resolutions, to have the same force and effect as if unanimously taken and adopted at the organizational meeting of the initial Board duly called and held on the \_\_\_\_ day of \_\_\_\_\_, 2011.

1. RESOLVED, that the Articles of Incorporation in the form attached as **Exhibit A** of this corporation as prepared by counsel and filed with the Arizona Corporation Commission are hereby approved and ordered made a part of the records of this corporation, and that all actions taken by the incorporator in connection therewith are hereby ratified, approved and confirmed.
2. RESOLVED, that the Bylaws of this corporation, as prepared by counsel and in the form attached as **Exhibit B**, are hereby adopted as the Bylaws of this corporation.
3. RESOLVED, that the following persons are hereby elected directors of this corporation to serve until the first annual meeting of the Board or until their respective successors are duly elected or appointed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. RESOLVED, that the members of the Board are herewith classified according to term as follows:

[Class 1. (Expiring at 2012 Annual Meeting):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Class 2. (Expiring at 2013 Annual Meeting):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_]

5. RESOLVED, that the following persons are hereby elected officers of this corporation to the offices set forth opposite their respective names, to serve until

<sup>1</sup> Example of classification of directors according to term where the bylaws call for a staggered board.

the first annual meeting of the Board, or until their respective successors have been duly elected or appointed:

\_\_\_\_\_ President  
\_\_\_\_\_ Vice President  
\_\_\_\_\_ Secretary  
\_\_\_\_\_ Treasurer

- 6. RESOLVED, that \_\_\_\_\_ is hereby designated as depository for bank accounts in the name of this Corporation, with the President and Treasurer of this Corporation as authorized signatories.
- 7. RESOLVED, that the Treasurer of this Corporation is hereby directed to furnish said depository with a certified copy of said resolutions and certified specimens of the signatures, and that said depository may rely on this resolution until receipt by them of a certified copy of a resolution by the Board revoking or modifying the same.
- 8. RESOLVED, that each of the following policies are adopted as the policies of the Corporation:
  - Conflict of Interest Policy;
  - Whistleblower Policy;
  - Document Retention and Destruction Policy;
  - Travel and Expense Reimbursement Policy; and
  - Compensation Policy.<sup>2</sup>
- 9. RESOLVED, that this Action of Directors in Lieu of Organizational Meeting (“Consent”) may be signed in counterparts each of which will be deemed to be an original copy of this Consent and all of which, when taken together, will be deemed to constitute one and the same Consent. The exchange of copies of this Consent and of signature pages by electronic transmission shall constitute effective execution and delivery of this Consent as to the parties and may be used in lieu of the original Consent for all purposes.

IN WITNESS WHEREOF, the undersigned have executed this consent to be filed as a part of the minutes of the corporation as of the day and year first above written.

\_\_\_\_\_  
, Secretary of the Meeting

<sup>2</sup> Note these policies are common governance policies. Others may be called for depending on the nature of the nonprofit.

**ANNUAL MEETING MINUTES**

\_\_\_\_\_ ,

**an Arizona nonprofit corporation**

**Annual Meeting of the Board of Directors**

**Held on \_\_\_\_\_, 2011**

The Board of Directors (“Board”) of \_\_\_\_\_ an Arizona nonprofit corporation (the “Corporation”), met in person at the Corporation’s headquarters in \_\_\_\_\_, Arizona on \_\_\_\_\_, \_\_\_\_\_, 2011, with all Board members present in person, including:

Present at the invitation of the Board [was/were]: \_\_\_\_\_

The Chair, \_\_\_\_\_, called the meeting to order at \_\_:\_\_ [a.m./p.m.] Arizona time and appointed \_\_\_\_\_ as secretary of the meeting.

**Waiver of Meeting Notice**

Although a meeting notice had been sent to the directors, it may not have complied with the requirements of the Corporation. Therefore, the Chair asked that all the directors waive their requirement of formal notice of the meeting, as the entire Board was present at the meeting. Each director waived notice of the meeting and agreed to proceed with the meeting as though formal notice had been given to the directors in accordance with the Corporation’s Bylaws.

**Election of Directors and Officers**

The Board discussed the election of directors and officers. By a vote of [\_\_\_] for and [\_\_\_] against, the following resolutions were approved and adopted by the Board:

RESOLVED, that the following named persons are elected as directors of the corporation until the next annual meeting or until their successors are elected and qualified:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

RESOLVED, that the following named persons are elected to the offices stated beside their respective names to serve at the pleasure of the Board:

_____	President
_____	Vice President
_____	Treasurer
_____	Secretary

RESOLVED, that each and every act and decision of the directors and officers of the corporation in managing the affairs of the Corporation since the last annual meeting of the Board not heretofore acted upon otherwise be, and the same are, in all respects ratified, approved and confirmed.

With unanimous consent, the Chair moved to adjourn the meeting at \_\_:\_\_\_ [a.m/ p.m.] Arizona time.

The foregoing minutes are hereby respectfully submitted by:

\_\_\_\_\_  
\_\_\_\_\_, Secretary of the Meeting