

BOARD MINUTES BASICS FOR KENTUCKY NONPROFIT CORPORATIONS A BRIEF Q & A

This publication is for general information only and cannot substitute for legal advice. Different organizations will have different needs and problems resulting in different legal consequences. In addition, some organizations have provisions in their bylaws that may require a different approach to minutes. Every issue discussed is complex, so always consult an attorney for advice on specific situations.

Why do board meeting minutes matter?

The law of nonprofit corporations requires that boards of directors make decisions in a particular way: at a meeting with a quorum by (most commonly) majority vote. Minutes are the way that boards document exactly what those decisions were, and that they were properly made. They are the official record of the board's meetings, decisions and actions. Minutes are important for preventing or clarifying any future disputes and can be critical evidence of whether the board acted properly in the event of a lawsuit, an audit by the Internal Revenue Service (IRS) or other challenge.

On a more day-to-day level, banks or funders may ask to see minutes as evidence that the board has authorized certain actions (such as, for example, the signatories on a checking account). Minutes showing that the board voted to authorize an action may also help protect the individual carrying out that action, should it or they ever be questioned.

Is there a legal requirement to keep minutes?

Kentucky nonprofit corporations must keep minutes. Kentucky Revised Statutes §273.233 states "[e]ach corporation ... shall keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors...."

What should go in the minutes?

Meeting minutes are proof of what happened at that meeting. They should report mainly on what is done at the meeting, not what is said. Minutes should report proposals, motions, votes and decisions *verbatim*, using the exact same words used at the meeting. Important facts should be included as well. In addition, *brief* summaries of important discussions may be helpful to remind people in the future about why certain decisions were made.

The minutes of each meeting should include at least the following:

- The name of the organization and date and time of the meeting
- Where the meeting was held, or whether it was by conference call or video

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- Which board members were present and which were absent, and whether there was a quorum
- Whether it was a regular meeting, the annual meeting or a special meeting and, if a special meeting, who called it
- The name and title of the person chairing the meeting
- A statement that the minutes of the previous meeting were read and approved at this meeting by vote of the board. (Note: this should always be an agenda item.) If there were any corrections made to the minutes before they were approved, that should be noted as well.
- A record of what occurred at this meeting, including:
 - Any proposals or motions made (and the name of the person making them)
 - Any votes on proposals or motions, including the results (e.g. adopted/passed, defeated, tabled)
 - If requested by a board member, names of those who voted for or against a particular proposal or motion
 - Reports, if any, of the officers and committees
 - If elections were held, the names of the candidates and the results
 - If the board discussed a decision in which a board member or officer might have a conflict of interest, descriptions of (1) the steps the board took to ensure that no one with a conflict of interest would improperly influence or vote on the decision and (2) any steps taken under the board's conflict of interest policy,
 - The time that the meeting adjourned
- Next meeting date, time and place
- Signature of the Secretary and date

How should minutes be prepared and finalized?

The bylaws usually state who is responsible for taking and keeping minutes. (The Secretary does this for most organizations.) That person takes notes at the meeting, uses those notes to prepare minutes and reads or distributes them to the entire board of directors. At the next meeting, the board should vote on any necessary corrections and then to approve the minutes. Corrections should be made in ink on the document and initialed in the margin by the Secretary. The Secretary then dates and signs the minutes. **The minutes belong to the corporation, and should then be made part of its permanent recordkeeping system.**