

Asking questions, getting answers, and taking action whenever there is a concern identified by a director

It is incumbent upon each director to ask questions and raise concerns whenever there is a “red flag” or other concern or question identified by the director with regard to any information provided to the directors or any aspect of the nonprofit corporation’s operations. A director should not be shy about raising such questions or concerns and the board, as a whole, should make sure whatever questions or concerns are raised receive adequate and acceptable responses.

In addition, it is important that the board of directors, upon becoming aware of any possible unethical or illegal acts of the corporation, its officers, or employees, investigate the matter and take appropriate corrective action.

Rules of Procedure and Minutes

The board should adopt rules of procedure appropriate to its size, the constituencies represented on the board, and the diversity of its membership. Minutes of the board and committee meetings also should be prepared regularly.

Any working board will work out its own standard procedures for board meetings and the degree of formality, or lack thereof, used in submitting motions, amendments to resolutions, recording votes, etc. Matters of importance should always be acted on by formal resolution. Sometimes, formal procedural rules, such as Robert’s Rules of Order, will be noted by a director for the proper procedure on a matter. Robert’s Rules of Order are not applicable until the organization adopts them for use. Formal procedural rules can be very helpful to organizations that often have issues debated. On the other hand, because such rules are complicated, they can cause confusion for those who are not thoroughly familiar with them. Since such rules are generally intended for use by large membership organizations or delegated assemblies rather than small boards, many nonprofits opt to follow simpler rules of procedure, often based on general meeting conventions with which the directors are familiar.

The corporation’s minutes should be prepared on a regular basis by a director or other individual with the ability to accurately record and produce in a timely manner the minutes of each meeting. At a minimum, minutes of board meetings should note the names of all directors and other persons who attended each meeting, and the outcome of each vote taken (specifically noting the names of the directors who voted for, against, or abstained). Further, when the board or committee is acting on a matter involving a conflict of interest for, or compensation or other benefit to, a director or executive officer, the minutes should recite the documentation and information relied on by the board or committee in making its decision. The minutes also should reflect the