

Just One More Thing About Meetings and Minutes

11.24.14 | Linda J. Rosenthal, JD



You probably thought we've told you all you need to know about charity board meeting minutes in "[Breach of Duty by Ogling the Doughnuts](#)," "[Fun Facts About Corporate Minutes](#)," and "[Nonprofit Corporate Minutes: What Not To Do](#)."

There's just a bit more.

It's about motions and resolutions. They aren't the same. All resolutions start out as motions, but not all motions end up as resolutions. The distinction is important.

Motions

Generally, corporate board meetings – for-profit or nonprofit – are run according to some system of parliamentary procedure. We've already suggested [avoiding Robert's Rules of Order](#) like the plague.

But there has to be some kind of order. The opposite of order is chaos. Even when boards follow some kind of rules or order, the proceedings often disintegrate into mind-numbingly boring, unproductive repetition of what the board already discussed at earlier meetings.

When new agenda items are raised for discussion, there should be some action taken – or an affirmative decision not to take a particular suggested action. So motions are key.

"[Motions](#) are how action is proposed at a meeting run under parliamentary procedure, . . ."

A motion doesn't have to be in writing. Any director may propose a motion. As long as another director seconds the motion, the board can proceed to discuss and debate the proposed action. Discussion and debate on a significant issue may include several motions.

But – and here’s the key point – “motions are generally considered actions by the board of directors and not necessarily the corporation.”

Resolutions

While a resolution starts out as a motion, it is a much formal and consequential matter.

“Corporate resolutions are written records of all formal decisions made by a company’s board of directors... The resolutions are binding.” They are official acts of the corporation.

At the initial meeting, certain, standard, key resolutions are made, including, for example:

- adopting proposed bylaws
- electing officers
- authorizing officers to take actions including opening bank account
- selecting corporate tax year
- designating annual meeting date
- authorizing payment of incorporation expenses
- filing documents with government, including applying for tax exemption

and later:

- approving real property transactions (purchase, lease)
- entering into major contracts
- hiring and terminating key employees
- amending bylaws
- making any important decisions

There is no required format for a resolution, but it should clearly state its purpose, and be signed by the corporate secretary, with a declaration proving that the board members took that act on behalf of the corporation.