



Essential Board Governance Documents – Live Q&A

Presented by:
Anni Safarloo & Casey Williams
October 15, 2025

Sponsored by  **NONPROFITS[®]**
INSURANCE ALLIANCE

Agenda

- Essential Board Documents
- Key Board Policies & Best Practices
- Practicalities of Board Meetings & Taking Minutes
- Conclusion: Common Challenges & Helpful Strategies
- Q&A

Purpose of Presentation

- To help new (and returning) nonprofit directors understand the practical mechanics of governance through the essential board governance documents.
- To demystify key documents and policies, including drafting and disseminating policies.
- To highlight your duties and role in meetings and the logistics/procedures of keeping meeting minutes.

Essential Documents: The Articles and Bylaws



Basics of Articles & Bylaws

Articles (Birth Certificate)

- Must be filed with the state
- Identify purpose of the nonprofit
- Controls what activities board may authorize nonprofit to engage

Bylaws (Governance Manual)

- Required, but generally not filed with the state
- Internal governance document that sets out the governance structure of nonprofit
- Describes board structure, composition, elections, meetings, quorum, committees, and more

Articles of Incorporation

Articles of Incorporation establish the organization's legal existence, spell out its mission, and set the broad parameters of what the nonprofit is and is not allowed to do. They also inform the state about essential aspects of the corporation's operation:

- The corporation's purpose
- Name and address of the corporation and registered agent
- Whether the corporation has members or not
- Basis for nonprofit status

Articles of Incorporation (Cont.)

Important basics of the Articles that you should understand:

- Ultra vires doctrine (beyond corporate powers)
- IRS & 501(c)(3) Requirements
 - Charitable Purpose Clause
 - Irrevocable Dedication and Dissolution Clause
- Amendments to Articles
- Hierarchy with Bylaws
- Permanence vs. Flexibility

Bylaws

- Internal governance document
- Not publicly available but often asked to file with gov't agencies
- Address things like:
 - Number of directors; time, place and manner of calling and conducting meetings; duties and powers of directors, time and method of electing directors and length of term; quorum requirements; membership (if any), officer appointments, committee structures, amendments to articles and bylaws.

Question!!

A nonprofit's bylaws should be reviewed:

1. When one of the Board's practices changes
2. At least every year by the entire Board
3. At least every 2-3 years by legal counsel
4. All of the above

Board Policies & Best Practices



Board Policies

A board policy is a formal written directive adopted by a nonprofit's board of directors that establishes standards or procedures to guide the organization's governance and operations in a specific area, such as conflicts of interest or gift acceptance.

- Ensure accountability
- Reduce risk/liability
- Promote transparency
- Provide a consistent procedure for handling similar scenario
- Protect Directors

Board Policies – IRS Recommended

- **Conflicts of Interest**
 - Protects against self-dealing
 - Keeps decisions mission-driven
- **Document Retention**
 - Clarify record-keeping requirements especially when the organization is legally obligated to maintain same
- **Whistleblower Protection**
 - Protect reporters of wrongdoing and protects against potential claims
- **Joint Venture**
 - Ensure joint ventures further the organizations charitable purpose and avoid activities that could jeopardize tax-exempt status

Board Policies – Other Common Policies

- Investment
 - Guides financial stewardship
 - Supports responsible decision-making
- Gift Acceptance Policy
 - Defines acceptable gifts
 - Prevents risk (real estate, crypto, restricted trusts)

Drafting and Disseminating Policies

- **Clarity First:** Write in plain, accessible language
- **Consistency:** Align with bylaws, laws, and mission
- **Review Process:** Circulate drafts for board/committee feedback
- **Approval:** Finalize via formal board vote (when required)
- **Accessibility:** Store in shared, secure, and easy-to-find location, such as a board manual or director's handbook
- **Updates:** Schedule regular review & revision cycles
- **Transparency:** Share with staff, members, or donors when appropriate

Case Study

A major donor offers to contribute \$50,000 in cryptocurrency to the nonprofit for any purpose. During a discussion as to whether or not the Board should accept the gift, a Director offers to manage the crypto through their private investment firm for a small fee. The Director ensure everyone that he can double the money in no time and that the fee charged is below market cost.

Can the Board accept the donor's gift? Can it accept the director's offer to manage the gift through his firm?

Board Meetings & Meeting Minutes



Board Meetings

A board meeting is the formal gathering of the nonprofit's governing body to deliberate and make decisions on behalf of the organization.

What Directors Are Expected to Do:

- Attend regularly (attendance is part of fiduciary duty)
- Ensure a quorum for valid decision-making
- Review and approve prior meeting minute
- Provide oversight, not day-to-day micromanagement
- Ask thoughtful and informed questions
- Engage in deliberative discussions
- Approve or disapprove proposed actions

The Basics of Meeting Minutes

- Minutes are the official written record of a board meeting, documenting the discussions, decisions, and actions taken by the board.
- **Why They Matter:**
 - Provide a legal record of the board's actions
 - Are often legally required (including with respect to committee meetings)
 - Demonstrate fulfillment of fiduciary duties
 - Serve as a reference for future decisions
 - Protect the organization in case of disputes or audits

Best Practices & Minutes

- Record actions, decisions, and votes (not verbatim dialogue)
- Note quorum, motions, and approvals clearly
- Keep the tone objective, concise, and accurate
- Identify who made and seconded motions
- Capture key points of deliberation, not every comment
- Don't forget to take minutes during executive or closed sessions
- Distribute draft minutes promptly for review
- Maintain final approved minutes in the corporate records

Case Study

At its quarterly meeting, the board of a community nonprofit approved the organization's annual budget by a majority vote. When reviewing the draft meeting minutes circulated before the next meeting, one director noticed that the minutes incorrectly recorded the budget as having been "tabled" rather than approved.

What action should the Director who noticed the mistake take?

Case Study Con't.

Following the Director speaking up about the error, the board discussed the error and agreed the record must be corrected before approving the minutes. During this discussion, one board member suggests recording future meetings and another suggests using an AI notetaking tool to prepare future minutes to reduce clerical mistakes, prompting debate about the benefits and risks of relying on technology tools.

What concerns should the Board consider when using technology for taking and keeping meeting minutes?

COMMON CHALLENGES



**FAILURE TO
BE FAMILIAR
WITH
DOCUMENTS**



**FAILURE TO
TIMELY REVIEW
AND UPDATE**



**INCONSISTENCY
ACROSS
DOCUMENTS**



**INADEQUATE
MEETING
PARTICIPATION**



**INCONSISTENCY
ACROSS
BYLAWS,
ARTICLES,
POLICIES,
AND LAWS**



**INADEQUATE
MEETING
PARTICIPATION**

Questions & Answers

Anni Safarloo

Associate | Los Angeles

310.981.2313 |

asafarloo@lcwlegal.com

www.lcwlegal.com/people/anni-safarloo/

Casey Williams

Partner | San Francisco

415.512.3018 |

cwilliams@lcwlegal.com

www.lcwlegal.com/people/casey-williams/

