

Record Keeping for Non-Profits

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Introduction

Board members of voluntary, non-profit organizations must perform their legal duties with care. An effective way to minimize risk to themselves and the organization is to ensure permanent official records exist of the board's activities. Good record keeping helps an organization function efficiently, effectively and ensures accountability to its members and the public.

Record keeping obligations include maintaining:

- minutes of meetings of the members, directors and committees
- proper financial and accounting records
- legal documents such as incorporation certificates, letters patent or articles of incorporation and official seals (where applicable)
- an official register of its members and directors

The new Societies Act, which comes into force on November 28, 2016, similarly requires a British Columbia society to keep the following records:

- the society's certificate of incorporation;
- certified copies of the constitution and bylaws of the society and the statement of directors and registered office of the society;
- each confirmation or other certificate or certified copy of a record provided by the registrar (other than those provided pursuant to a request);
- a copy of each order made in respect of the society by any court or tribunal, or a federal, provincial or municipal government body, agency or official;
- the society's register of directors, including contact information provided by each director;
- each written consent to act as a director and each written resignation of a director;
- a copy of each record evidencing a disclosure by a director or senior manager;
- the society's register of members, organized by different classes of member if different classes exist, including contact information provided by each member;
- the minutes of each meeting of members, including the text of each resolution passed at a meeting;
- the financial statements of the society and the auditor's report, if any, on those financial statements;
- directors' meeting minutes and consent resolutions; and
- adequate accounting records for each of the society's financial years, including a record of each transaction materially affecting the financial position of the society.

Record Keeping

Organizations must have rules outlining how all records will be retained and stored. These rules are usually part of their constitution or bylaws.

- Clearly label all official records. Keep current records at head office.
- Store historical records offsite in a safe location. Since claims can occur at any time, make sure they can be retrieved when needed.
- The Canada Revenue Agency requires financial records be kept for at least 10 years.

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Hard Copy vs. Electronic Records

In the past organizations kept minutes and records written in long hand in bound books. But technology has changed that. Consider using two binders as one way to organize and store all hard copies and accompanying materials.

One binder could hold all official documents such as:

- certificate of incorporation
- letters patent or articles of incorporation
- constitution and/or bylaws
- other important organizational documents such as insurance, leases, banking resolutions, corporate seal, etc.

In a second binder keep:

- the official listing of the board of directors, their names, addresses, phone numbers and emails, and details regarding each director including their date of election, term reappointments and resignations
- the minutes of all meetings, categorized according to annual general meetings, board meetings and committee meetings with copies of reports and additional information that was filed at the meeting

Store all pages in chronological order and number consecutively to ensure the records are kept complete. Use additional binders as needed.

The information in the binders is part of the organization's official legal records. They are the historical record of the organization, and must be kept and not destroyed.

Another option is to scan and save documents on CD or DVD. Be aware that electronic storage does not guarantee long-term retention of your records due to technology changes and degeneration of disks.

Registry of Members

All organizations need to keep an official membership registry. A membership roster, usually maintained by the Secretary, must:

- include names, addresses, phone
- be kept for a minimum of 10 years

Email addresses are optional. Make sure there are policies in place to control the use, accessibility and confidentiality of this information. This includes systems to ensure all computer systems are protected from viruses, malicious infiltration and hardware failure.

Meeting Minutes

Minutes are an important part of an organization's records. They:

- document actions that determine the fulfillment of legal duties
- are a record of the proceedings of a meeting
- record how decisions are made, the resulting actions and persons responsible
- clarify what actually happened at a meeting
- help orient new members to the organization (especially beneficial for organizations or committees experiencing a high turnover)
- are useful for evaluating the work of the organization

Recording Minutes

It is the Secretary, either appointed or elected by the Board of Directors, who takes the minutes. The Board also determines the degree of openness and transparency of organizational information that the organization will follow.

Before the Meeting

- Decide how the minutes will be recorded.
- While written minutes are still most common, electronic methods are growing in popularity. If using computer technology, make sure policies exist to ensure no alteration or manipulation of content, and that personal data contained in the minutes is kept private. This is especially important with home-based computers.

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- Taping meetings and transcribing the minutes afterwards is another option. While the tape itself is not an official record, organizations still need a policy on how long to keep the tapes, who has access to them and how to ensure no tampering.

Develop a Meeting 'Minute Template'

A template will standardize minute content, aid in retrieving information and help reduce error. A basic template is divided into three sections.

- Logistics – date, time, place, list of those present and absent, name of the meeting chair and recorder of the minutes.
- Minutes – where the actual minutes are noted.
- Actions – completed as the minutes are written and includes a list of the actions committed to during the meeting with columns for actions to be taken, persons responsible, timelines and dated completed.

Examples of templates are available on the Internet. If an item does not fit within the objectives then the organization needs to rethink its involvement.

During the Meeting

The Secretary needs to see and hear all members to keep an accurate record.

- Records the attendance as people assemble.
- Numbers agenda items. While writing the minutes, the Secretary can identify or index the minutes with the items on the agenda. The agenda is then attached to the minutes and filed as a complete package.
- Records as much detail in the minutes as determined by the Board. What to include in the minutes is open to debate. Some minutes are very detailed, almost verbatim accounts of the meeting; others are a summary of the significant points of discussion; and others just highlight the motions discussed. The Board decides how much detail is necessary to reflect that they have exercised due diligence. Including discussion points or the pros and cons of discussions is helpful for members who missed the meeting. It is also background information for future members explaining the reasoning behind decisions. Too much detail can be onerous to review. Any discussion recorded should be an objective summary with no editorializing or personal opinions.
- Depending on policy, record the names of persons who moved and seconded motions. There are arguments both for and against this.
 - By recording names, the emphasis changes from a collective to a personal focus. However, neither the mover nor the seconder “owns” the motion; it belongs to the group. This means the mover is not held to his position and can weigh the discussion points and vote accordingly. Naming individuals politicizes the process: there are those who want their name in print and others who do not want public recognition.
 - The Freedom of Information and Protection of Privacy Act (FIPPA) stipulates that minutes and other documents of non-profit organizations are public records; encouraging organizations that the fewer names recorded the better.
 - On the other hand, recording the names of the mover and seconder demonstrates that members are exercising their due diligence as directors.
- Again, depending on policy, record votes and list who voted for, against and abstained. For significant motions this may be useful to help limit a member’s liability. A recorded vote can be requested at any time during a meeting.
- Many organizations run informally but motions and decisions should be clearly articulated and discussed openly. It can be recorded that the decision is by consensus.
- If a lengthy report is given, obtain the notes from the person giving the report and summarize. Rather than recording excess information, refer in the minutes to the committee/organization files where those minutes will be kept.
- Ensure a clear statement of motions. Clarify if needed. This is especially important with lengthy, complicated ones. Some organizations use a motion sheet that is completed by the person moving the motion and kept by the Secretary.

Example of Motion Sheet

Moved by: _____

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Seconded by: _____

That _____

- Complete the Action section of the meeting template with the commitments made by various people
- List any unfinished business to add to next meeting's agenda.
- Record the time of adjournment.

After the Meeting

- Write up the final version of the minutes while the meeting is still fresh.
- Have the Chairperson review the draft minutes to ensure accuracy.
- Distribute the minutes no later than one week after the meeting. This gives members a reminder of the actions they committed to do.

At Subsequent Meetings

- Minutes are presented at the next meeting for approval. This gives the members a chance to confirm decisions reached at the previous meeting.
- Only corrections to the minutes are made. There is no debate on content. The motion to accept is then passed by majority vote.
- The minutes of the current meeting would read that the minutes of the past meeting were approved, or approved as corrected.
- To correct minutes further in the past, a motion is presented and passed and the correction becomes part of the permanent record of the current meeting. This can be done by motion and approval.
- Access to the past minutes encourages transparency in the organization.
- It is not necessary to have the Secretary and Chairperson sign their approval of the minutes. This is contingent on the policies and culture of the organization.

In Camera Sessions (Executive or Closed Door Sessions)

This type of meeting is confidential and is restricted to the Board of Directors and others asked to attend. In camera sessions are used to discuss human resource and payroll matters, and buying or selling property. The use and frequency of in camera sessions depends on the size of the organization, the level of and type of governance. Minutes for these meetings are usually brief and afterwards major decisions are entered into the regular minutes of the meeting by a follow up motion. Any written minutes are confidential. The main purpose of taking minutes is to ensure all board members, including those not in attendance, are informed about the decision.

In camera meetings must focus on issues that require privacy. All other discussions should take place in meetings that are open and transparent.

Every Organization Needs a Good Secretary

The position of Secretary is key to an organization's success. The position requires a commitment of time, organizational abilities and enthusiasm. The Secretary has the primary responsibility of maintaining the records to provide an accurate history of the organization, its activities and the members involved.

A secretary needs good writing, note taking, summarizing and public-speaking skills, as well as some knowledge of parliamentary procedure. It is helpful if the person is familiar with the organization and topics under discussion. The Secretary is responsible for ensuring the following record keeping tasks are completed:

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- keeping an accurate set of minutes of each meeting in the records of the organization
- keeping an up-to-date membership list
- keeping a list of all committees and members
- handling the organization's correspondence, distributing minutes to members and notifying them of upcoming meetings
- helping the Chairperson with preparing the agenda and meeting arrangements
- providing advice on meeting procedure, reference materials and information retrieved from the records
- keeping necessary files for the organization's archives
- working closely with the treasurer to ensure safekeeping of financial records
- implementing the decisions of the Board specific to confidentiality, access and file retention