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Article
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ASSOCIATION TRENDS

BALANCING TRANSPARENCY vs. CONFIDENTIALITY AT BOARD MEETINGS

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The Board of Directors of a non profit organization is responsible for the management of the affairs of the organization. Members of the Board have a fiduciary obligation to the organization. In meeting that obligation, Board members are expected to be knowledgeable about the organization finances, operating procedures, programs and personnel practices. At Board meetings, individual members of the Board should be encouraged to express their views, even if those views are contrary to the views of a majority of the Board.

At the same time, a Board should be encouraged to speak with one voice. Even after vigorous debate on an issue, once the Board reaches a decision, even if it is a split decision, that decision is the decision of the Board. It should be supported by the entire Board. Yet, the opinions of the Board minority should not be stifled.

It is the policy of some organizations to require that all Board meetings be open to any members of the organization that wish to attend. Most non profit organizations do not follow such a policy. Most non profit organizations limit access to Board meetings to members of the Board, invited members of the staff, legal counsel, and invited guests. Most non profit organizations have specific policies governing conduct of Board members at Board meetings. A common Board policy involves confidentiality. Generally, a Board agrees that in order to encourage open and frank debate, individual Board members will not publically disclose which Board members took which positions during a Board meeting debate. An extension of this

policy relates to minutes of Board meetings. Properly prepared minutes should not describe in detail, who said what, where and when. As an example, the minutes should state: "The Board considered the issue of whether the organization should support establishment of a professional certification program. On motion made and seconded, the Board voted to establish a professional certification program..." There is no need to disclose the vote count or who voted in favor of the motion and who voted against.

If a member of the Board strongly opposed the establishment of the program, she could ask that the minutes reflect that she voted against the motion. However it would not be appropriate for the Board member to make a public disclosure of who said what at the Board meeting.

A Board member may object so strongly to action taken by the Board that she believes that as a fiduciary, she must speak publically in opposition. There is certainly nothing wrong with the Board member expressing her opinion as long as she makes it clear that she is speaking as an individual and that she is not speaking on behalf of the organization or on behalf of the Board.

Modern governance practices dictate enhanced transparency. As organization's members should have access to basic financial information about the organization. The salary of the chief staff officer should be public. In most instances, members of the organization should have access to the minutes of Board meetings. Yet, balancing out this demand for transparency is the need to establish a level of confidentiality regarding conduct at Board meetings. The point of balance may vary from organization to organization but I believe that the Board will be more productive if there is policy that the statements that individual Board members make at Board meetings will be kept confidential.