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## Board Motions - Strategic or Tactical?

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In March (2023) the Silicon Valley Bank collapsed. In April the Federal Reserve published a 118-page autopsy on the causes of the failure.

The Fed's first paragraph reads, "Its board of directors failed to oversee senior leadership and hold them accountable<sup>1</sup>."

In associations and chambers, some boards seem unaware of how motions can protect the organization.

Keep in mind the board acts as trustees of the organization and fiduciaries on behalf of the members. Review your board minutes to see if evidence exists of the board's fiduciary duties.

Reading board meeting minutes, one may find more tactical than strategic motions. For example, painting the conference room or selecting the entertainment at the annual meeting. Tactical motions are often lower-level program details or directives to the staff. Most tactics do not require a board motion.

I've heard directors say, "We see the budget every year, but we didn't know it is important to approve the budget and record the action in the minutes."

Boards should be aware of their duties in compliance, risk management practices, and internal controls.

This list is to help the board avoid omissions governance. It is not intended to be comprehensive. Rely on legal, accounting and insurance counsel.

<b>Motion</b>	<b>Purpose</b>
Budget	Proof that the board reviewed and approved the budget.
Financial Statement	Motion to accept the financial report, having had opportunity to discuss.
Policies	Policies are the wisdom of the board; they are approved by motions.
Amendments	Amendments or recommendations to amend the bylaws require a board motion.
Government Positions	The board usually approves recommendations made by a Government Affairs Committee or lobbying staff.

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<sup>1</sup> [Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank](#)

<b>Motion</b>	<b>Purpose</b>
Minutes	The board motion indicates that the minutes are accurate.
Consent Agenda	Reports that were circulated in advance of the meeting should have a motion to accept as presented.
Auditor	The board selects the financial auditor, indicated by a motion in the minutes.
Audit	The board reviews and makes a motion to approve.
IRS Form 990	For exempt organizations, the IRS expects the governing body to see Form 990 prior to submission. While the board does NOT approve the report, the minutes should reflect they have had an opportunity to review.
Conflicts of Interest	Conflicts of interest should be noted in the minutes.
Confidentiality	Reminders about who speaks for the board and confidentiality of discussions and documents may be noted in the minutes.
Antitrust Avoidance	The fine for price fixing, bid rigging or boycotting for example, may run to \$10 million. Noting in the minutes that notice was given may potentially protect the board.
Strategic Plan	Associations and chambers tend to update a strategic plan every three years. A board motion to approve the strategic plan ensures future leaders understand its importance.

This list of motions can serve as a guide for nonprofit boards to ensure they are fulfilling their trustee and fiduciary responsibilities. By recording these motions in the minutes, boards can provide evidence to members and stakeholders that they are fulfilling their governing duties.

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Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).