Nonprofit Governance: Oregon's New Electronic Meetings Law

Thanks to a new law that went into effect January 1, 2006, Oregon nonprofits may now conduct board meetings by electronic means, using either of two methods. Under both methods, all participating directors must be informed that a meeting is taking place at which official business may be transacted. Under the first method, all directors participating in the meeting must be able to simultaneously read each other’s communications during the meeting. This allows the use of internet “chat rooms” without audio capabilities. Under the second method, all communications during the meeting must be immediately transmitted to each participating director, and each director must be able to immediately send messages to all other participating directors. This permits nonprofit boards to use email to conduct official business, assuming all directors have access to functioning email.

Don’t forget your bylaws! Before using either method, make sure electronically-based meetings are permitted under your bylaws. Many nonprofits will need to amend their bylaws to specifically allow use of electronic meetings. Also, keep in mind that an electronically-based meeting is still a meeting that requires appropriate notice of time, “place” and any other information required by law or your articles or bylaws.

Good in theory, but good in practice? Email meetings may be a helpful tool for volunteer directors with limited time, but are they always a good idea? Email is not an efficient way to discuss complex or contentious issues, and even discussion of simple issues may be cumbersome if your board is large (or one of your directors just likes typing a lot). You’ll also want to have a clear start and stop time for the meeting, so prior or later informal email discussions don’t unintentionally become part of the board’s official record. We recommend that if your board decides to conduct email meetings, it should first consider adopting more specific procedures about the manner in which such a meeting may be called and conducted and the meeting’s duration. Unless your board wants more email clutter, that is.

Action Without a Meeting. If an issue really is simple or needs little discussion, your board can still take action without a meeting (if your bylaws permit it). For action without a meeting, each director must sign a written consent that describes the action taken. The new law clarifies that directors may give written consent by electronic signature. Like their physically signed cousins, electronically signed consents should be printed and kept with the organization’s records.

This legal update was authored by the Community Development Law Center for the general information of our clients and friends. It should not be regarded as legal advice. If you have any questions, please contact us at (503) 471-1177.