



Allowing Boards and Members to Meet and Vote Remotely Would Help Nonprofits During and After the Pandemic

The North Carolina Center *for* Nonprofits works with nonprofits serving all 100 counties of North Carolina. Many of these nonprofits normally hold all of their board meetings and membership meetings in person. During the COVID-19 pandemic, however, many of these organizations have been unable to conduct board meetings and membership meetings in person. ***The General Assembly can help nonprofits conduct board meetings and membership meetings safely and efficiently – both during and after the pandemic – by modernizing the state nonprofit laws to facilitate electronic meetings and voting.***

Background

- Every nonprofit is required to have a board of directors. Nonprofit boards typically meet several times each year, and nonprofit boards often vote on matters outside of meetings by unanimous written consent. North Carolina’s nonprofit corporation statute requires nonprofits must “opt in” to laws allowing the board members to use email to vote by unanimous written consent.
- Many nonprofits – including trade associations, homeowners associations, and many charities – have members. These nonprofits are required to have at least one membership meeting every year. Under current law, nonprofits must hold membership meetings in person. Nonprofits can also allow members to vote on matters outside of meetings, but organizations must “opt in” to laws allowing members to vote by email.
- Nonprofits that have not elected in their bylaws or by board resolution to allow for remote actions by boards or members may have difficulty meeting their legal obligations while practicing social distancing.
- During the COVID-19 pandemic, Governor Cooper has used executive order to allow nonprofits with members to hold their membership meetings remotely. Many membership nonprofits have seen increased participation in these meetings during the pandemic as members have been able to join meetings online.

Potential solutions

The General Assembly could modernize North Carolina’s nonprofit laws by making two common sense changes to allow nonprofits to use technology to allow the members and boards to meet and vote remotely:

1. **Allowing nonprofits to conduct membership meetings remotely.** By using video meeting technologies like Zoom, nonprofits can have safer meetings during the pandemic and ensure full participation by members.
2. **Changing the “opt in” laws on use of email for votes by unanimous written consent to “opt out” rules.** This would enable more nonprofits to save time and money by allow their directors and members to vote by email on time-sensitive but non-controversial matters.

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