

Social Accountability Standards (SAS) 3

Meetings and Resolutions

OBJECT

03.01 The main objective of this draft standard is to provide clarity on the required procedures pertaining to board and general meetings. It should help in establishing desirable practices regarding various meetings.

EXPLANATORY STATEMENT

03.02 Sound governance largely depends on the effective interaction between the decision making persons of the organisations. It is very important that regular meetings are conducted for :

- Planning & Budgeting
- Resource mobilisation
- Legal Compliances
- Internal Control
- Appointment of Auditor
- Purchase of Capital Assets
- Opening of Bank Accounts
- Appointment of Staff etc.
- Election of functionaries.

03.03 The general members and the board/trustees exercise the power entrusted to them as per the memorandum of association and articles of association and the

provisions of the prevailing law through meetings. The power is generally exercised at meetings and not exclusively, in other words the power bestowed upon the board by the memorandum are generally available and not exclusive. In an NGO two types of meetings are normally held, (i) General meetings, (ii) Board meetings.

GENERAL MEMBERS & MEETING

03.04 A meeting of the general members should be held at least once in a year to discuss and approve important matters like approval of audited accounts, appointment of auditors, review of activities during the year, election of the board members. This meeting is called Annual General Meeting (AGM). It is normally conducted within six months from the end of the financial year and all the activities and accounts for the previous financial year are placed.

03.05 Apart from the AGM, general meetings can also be called during the year if the circumstances so demand. All general meetings other than the AGM are normally called as Extraordinary General Meeting (EGM).

03.06 In the general meeting all the members of the organisation should have a right to participate and vote. (Therefore all the decisions of enduring significance should be taken in a general meeting. The NGOs which are formed as companies or registered under the Societies Registration Act, normally have both general body and the board. But NGOs registered as trusts normally do not have a general body and therefore the trustees happen to be the ultimate body.)

BOARD MEETINGS

03.07 The meeting of the governing body or the board of an organisation should be held at least once in every three months. The board may meet more frequently as may be required.

NOTICE

03.08 A notice of every meeting is required to be given in writing. Care should be taken to provide for the length of the notice while framing the bye laws of the organisation. In the absence of any time limit of notice in the bye-law, it is desirable to give 21 days notice for a general meeting and 7 days notice for a governing body meeting. See *Annexure - 7*.

AGENDA

03.09 Alongwith the notice of a meeting ; it is desirable to enclose of list of items to be discussed, such list is known as AGENDA. It is very important that the agenda of a meeting is sent in advance preferably with the notice, it helps a member to prepare for the meeting. Issue of a meticulous agenda in advance shows the transparency and democratic functioning of an organisation. A format of notice and agenda is enclosed as per *Annexure - 7*.

QUORUM

03.10 The term quorum implies the minimum number of members that must be present to make the proceedings of a meeting valid. Normally the bye-laws of an organisation specify the quorum required for different meetings.

03.11 If the quorum is not available in a meeting then the meeting should be adjourned. Normally the meeting is adjourned to the same day of the next week, at the same time and place. If a quorum is not present even in the adjourned meeting the meeting, can be held as a valid meeting.

03.12 For general meeting, the quorum should be at least one third of the total members. For board meetings at least 50% of the board members should be present to form the quorum. If the quorum is not present in any particular meeting then the meeting should be adjourned to a future date by the members present on that day. If on that future date again the quorum is not present then the members present should be considered as valid quorum. The future date for the adjourned meeting should ideally be within 7 to 14 days.

03.13 It may be noted that proxies are not permissible for the determination of quorum in a meeting.

PROXY

03.14 Proxy refers to a person or a representative empowered to attend a meeting on behalf of a member. Any member of an organisation who is entitled to attend and vote at meetings is also entitled to appoint a proxy who can also attend & vote. A proxy has to carry an authorisation form ; the member entitled to attend the meeting should authorise his/her representative in writing in a proxy form, see *Annexure - 8*.

03.15 A proxy form should be deposited in advance at the registered office of the organisation atleast two days before the meeting the date of the meeting.

03.16 A proxy is not permissible for board meetings. Proxy should preferably be avoided in a voluntary organisation and be used in general meetings only.

CHAIRPERSON OF THE MEETING

03.17 All meetings are normally facilitated by a Chairperson. The bye-laws of the organisation normally provides for the person who would be the Chairperson and preside over the meetings. In the absence of any such provision in the bye-laws, one of the member present should be elected as the Chairperson.

CASTING VOTE OF THE CHAIRPERSON

03.18 The Chairperson shall have a casting board in all meetings. It is desirable that the bye laws should also provide for such a casting vote. The Chairperson can pass or reject a resolution in case of a tie in the number of votes. In other words, whenever there is a tie over a resolution the Chairperson can vote once again and resolve the issue.

03.19 The Societies Registration Act is silent about the casting vote of the Chairman but clause 54 of table A to schedule 1 of the Companies Act clearly provides that in case of equality of vote, the Chairperson shall be entitled to second or casting vote. This convention is normally followed by all types of organisation.

MINUTES

03.20 Minutes is the formal record of the proceedings of the meeting. It is important to record the summary of the proceedings of the meeting in a written form. A minutes book can be of loose sheets chronologically bound together or a bound register. The pages of the minutes should be consecutively numbered.

03.21 Minutes of the previous meeting should be read and confirmed at the beginning of the meeting. The confirmed minutes should be signed by the chairperson and subsequently it cannot be altered or corrected.

03.22 All the members are required to sign in an attendance register during the meeting, but if the number is small then the members can sign in the minutes itself. A model format of minutes with resolutions is given as per *Annexure - 9*.

RESOLUTIONS

03.23 A resolution is a formal expression of the decision taken by the members in a meeting. It is required to specifically mention the decision or opinion in the shape of a resolution alongwith the number of members voting in favour and against that particular resolution.

03.24 There are two kinds of resolutions i) General Resolution where a simple majority is required to pass, ii) Special Resolution, where a higher percentage of support is expected to pass the resolution. Normally the support of 3/4th of the members present is sufficient for a special resolution. However one should verify its bye-laws for the numbers required to pass a special resolution.
