
A Guide to Meeting Minutes

When, Why and How to Take Minutes

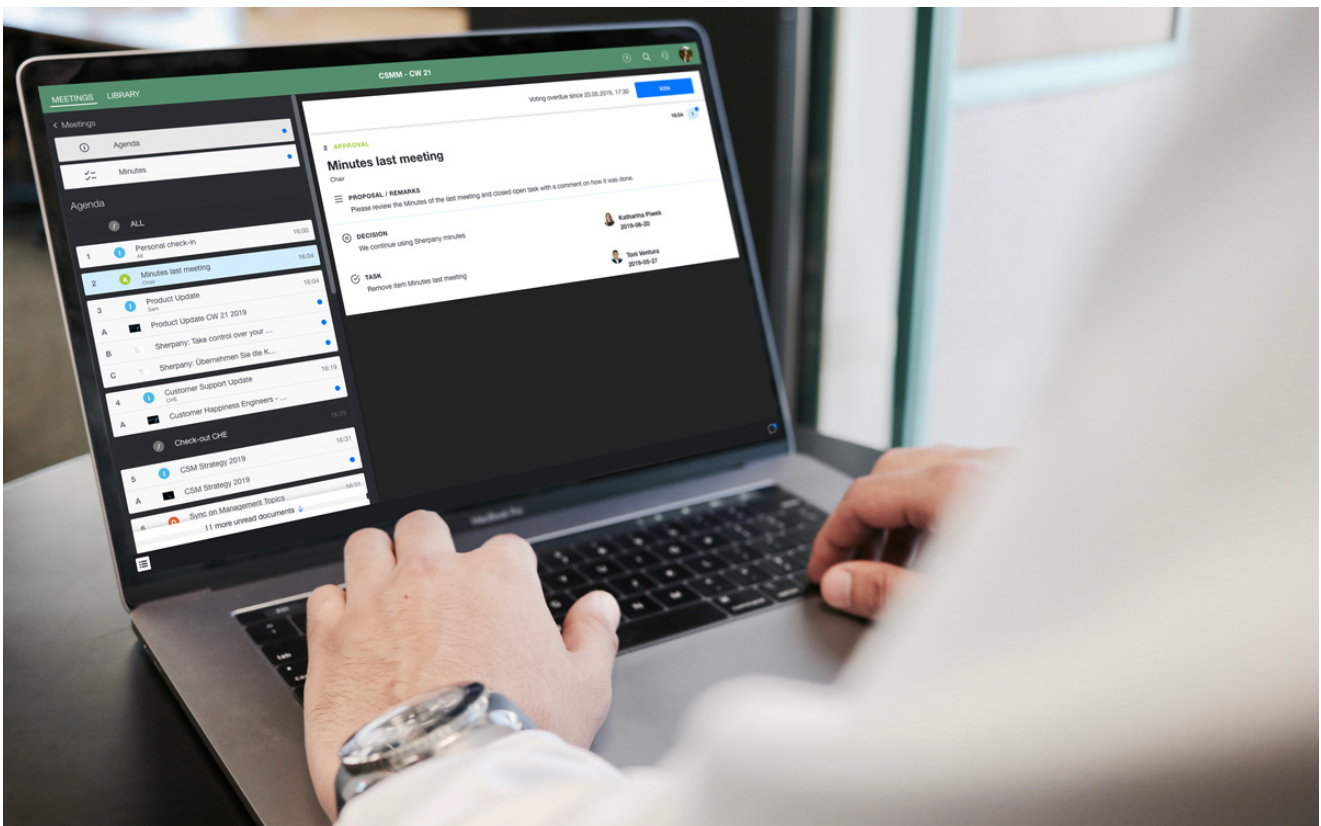
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1.

Why Meeting Minutes

Meeting minutes are universally recognised as a record of the decisions and decision-making process made during meetings and are typically recorded by a secretary or other designated employee. Meeting minutes, in particular those of the Board of Directors, are also recognised in courts and by auditors as legal documents. In many instances if a company needs to go to court to defend or deny a position, the court will rely on meeting minutes. If a decision made by the company was not recorded in the meeting minutes, it can be considered evidence in court as if it did not take place.



2.

When to Take Minutes

The question of when to take minutes varies according to many different factors, including: the type of meeting, the region where the meeting took place, the sector of the organisation, and the organisation's individual constitution. As a result, before a board meeting of any type takes place, it is important for all parties involved to understand the significance of the meeting, each member's role in it and their respective legal duties.¹

For instance, in France, the official recommendation of the [IFA](#), the Institut Français des Administrateurs, is to formalise meeting minutes of the Board.² [ICSA](#), the Governance Institute, on the other hand, defines Board meetings specifically as the "highest form of internal decision-making of an organisation." According to this definition, meeting minutes are considered the most accurate internal record of those meetings for that individual organisation, and not recorded explicitly for the interpretation by a third-party.³

3.

General Style and Approach

There are many elements that should be taken into consideration with regards to the style and format of meeting minutes.

Level of Detail

It is our opinion, based on experts from the field, that meeting minutes shouldn't focus too much on the details, otherwise those reading them will be lost and the minutes won't be of use to anyone. On the other hand, the minutes can't be too vague and general. Be sure to record not only what went on generally, but also the actions that occurred as a result of the details provided.⁴

Here are a few tips for Corporate Secretaries to keep in mind regarding the level of detail required:

- Each proposal should be explained fully, including the names of those who initiated the motion, as well as, who voted for, against, and abstained.
- Essential details in the minutes should include the names of participants and external stakeholders and other documents.
- Record the date, time and place of the meeting minutes, an overview of the minutes of the Board of Directors, conclusions of previous meetings, and the decisions taken.

Verb Tense

Minutes should be written in the past tense with conditional verbs that refer to possible future actions.⁵

Style Guide

Organisations should have Style Guides that include bolding and capitalising keywords such as: Approved, Decided, Resolved, Noted Accepted, and Agreed, etc. All actions should be recorded with their corresponding conclusion(s).⁶

Useful Words and Acronyms

Minutes should be written as clearly and concisely as possible. Unnecessary adjectives, colourful language, and undefined acronyms should be avoided. Corporate Secretaries should avoid any internal company references or terminology unless absolutely necessary.⁷

4.

Essential Elements of Minutes

The essential elements of meeting minutes include not only the body of the minutes, but the details taken before and after the minutes as well.

The Beginning and End of Minutes

Over the past 50 years, meetings have increased in length and frequency, and the average executive now spends 23 hours a week in meetings.⁸ Meetings are considered to be more effective when a goal is set ahead of time, and the meeting agenda reflects this goal. This may include providing reading materials to members of the Board before the meeting even takes place.⁹

Once the need for a meeting is confirmed, preliminary information that ought to be recorded before the meeting takes place should include:

- The date of the meeting
- Time and location of the meeting
- Whether the meeting took place with Board Members in live attendance or if they participated through the telephone or other virtual/digital device
- The full title of those in attendance, and whether or not they were there for all or part of the meeting
- If there is a quorum (according to this specific organisation's constitution).

At the end of a meeting, the minutes and action plan must be distributed and published. Publishing the minutes immediately after a meeting encourages members of the Board to see actions and start trying to tackle them while the meeting is still fresh in their minds.¹⁰ To ensure the accuracy of the details of the minutes, they should be reviewed and distributed to each member that attended as soon as possible after the meeting to confirm the accuracy of the text.¹¹

Best practices for the conclusion of meeting minutes include the recording of the following details:^{12 13}

- The time that the meeting ended
- Names of the Chair and the Secretary of the meeting (the person recording the minutes)
- Names of all members present and the reason for their absence
- Attendance of Board Members at the time of each vote
- The location of any directors who are present at a remote location
- A quick summary of the minutes of the Board of Directors and conclusions of previous meetings
- The agenda of the current meeting
- Any action agreed on, and the name of the person assigned to each action
- Each item of the agenda shall be summarised in 1-2 lines
- The date and time of the next meeting.

The Body of the Minutes

Meeting Minutes as Official Records of Actions Taken

The most important element for Corporate Secretaries to keep in mind when drafting minutes is that these minutes are records of important business decisions of the Board and these decisions must be understood by those who were not at the meeting.¹⁴ Communicating both the process of arriving at the decisions and the decisions reached without going into too much detail is probably the greatest challenge for the Corporate Secretary.

In addition, the person taking minutes must keep in mind that meeting minutes, in particular those of the corporate Board of Directors, are also recognised in courts as a legal record.

The Meeting Agenda

The Board, headed by its Chairman, is responsible for developing the agenda of the board meeting with the assistance of the Corporate Secretary. An effective Board Chairman can set a positive tone for the meeting to ensure maximum productivity. They also do their best to lead the Board rather than becoming a spokesman for the group. For example, some Chairs are deeply involved and ask the Board Members separately for their opinion, including asking directors explicitly if they would like to change the agenda for the next meeting.¹⁵

A more general method the Board Chairman may use for determining the agenda is by reviewing the minutes of the last meeting and preparing an outline for the upcoming one.¹⁶ Another is to decide on a specific challenge to focus on or goal to achieve. Examples of goals could be deciding on a change in management, a new focus for a revenue base, or finding ways to decrease costs.¹⁷

A general structure of a Board meeting agenda might include:¹⁸

- Going over the minutes from the last meeting
- An update on the market conditions and company's revenue outlook
- An update on the operations of the company
- Any future projects or products in progress
- If any of the directors have a conflict of interest with any part of the agenda.

The agenda of the meeting is approved with a vote from the Board and signed by the Chairman.¹⁹ Changes to the agenda can be made only by general consent, or through a two-thirds majority vote.²⁰

Speakers and Individual Directors of the Board

Above all, the final decisions of the meeting must be recorded, as well as, any names of speakers of specific agenda items. According to experts, Corporate Secretaries should only record the name of specific individuals in the meeting minutes upon their request, if they are making a recommendation or if they have specific professional experience on a subject.²¹

The Body of the Minutes

Decisions are not made by single individuals, but by a group or quorum, such as the Board of Directors. [Robert's Rule of Order](#), regarded as the standard for governing meetings in the United States, defines a quorum as a group that is: as large as can be depended upon for being present at all meetings when the weather is not exceptionally bad.²² Most Boards define their terms for a quorum in their individual constitution.

A majority vote of a quorum means that a decision has been made. But, at times, that majority vote isn't achieved because not all members of the quorum show up to the meeting. Although official business cannot be conducted in the absence of a quorum, there are exceptions, such as the Board's definition of a quorum or deciding when the meeting should be adjourned.²³

The minutes of the meeting must reflect any debate or discussion that took place, without mentioning the individual names of directors or speakers - unless specifically requested by that individual. The idea behind this is to demonstrate that the discussion achieved consensus while, at the same time, avoiding any singling out of an individual and having them liable in court at any point in the future.²⁴ In addition, the recording of discussions should make a clear differentiation between important topics and regular "housekeeping" items.²⁵

Dissent

Another exception to naming individuals is in the case of dissent. Since most resolutions of the Board of Directors are unanimous, it is vital to name the individuals who abstain or are dissenting for an accurate reflection of the debate.²⁶ When requested, the names of specific dissenting individuals should be recorded in the minute meetings along with the reason for their dissenting view.²⁷

Actions

According to experts, Corporate Secretaries may include the names of individuals responsible for specific actions for executing decisions to be recorded. Some Boards even have a separate schedule for actions that includes the individuals responsible for each action, as well as, the corresponding deadlines. The schedule and timeline are essential to include as they are a vital part of executing the strategy decided at the Board level. Including a schedule in the meeting minutes also helps give management some measure of accountability. It is the job of the Corporate Secretary to only include Board-level actions in the minutes, rather than suggestions to management or lower-level actions.²⁸

Conflicts of Interest

Yet, another time in which individual names should be recorded in the meeting minutes is if abstention occurs as a result of a conflict of interest. There is no need to record the reason for the individual's conflict of interest in the meeting minutes.²⁹ Directors, in particular, should do their best to avoid situations in which their own personal interests are in conflict with those of the company. This is not always possible, and when a conflict of interest arises that cannot be avoided, it is the responsibility of the Corporate Secretary to learn what is the legal action the director can take under the law (e.g. disclose to the Board, and vote or abstain from voting completely).³⁰

When necessary, directors must declare their interest and have it authorised by the other directors - either in person, at a meeting, or in writing.³¹ It can then be discussed and recorded in the minutes of the next meeting.

5.

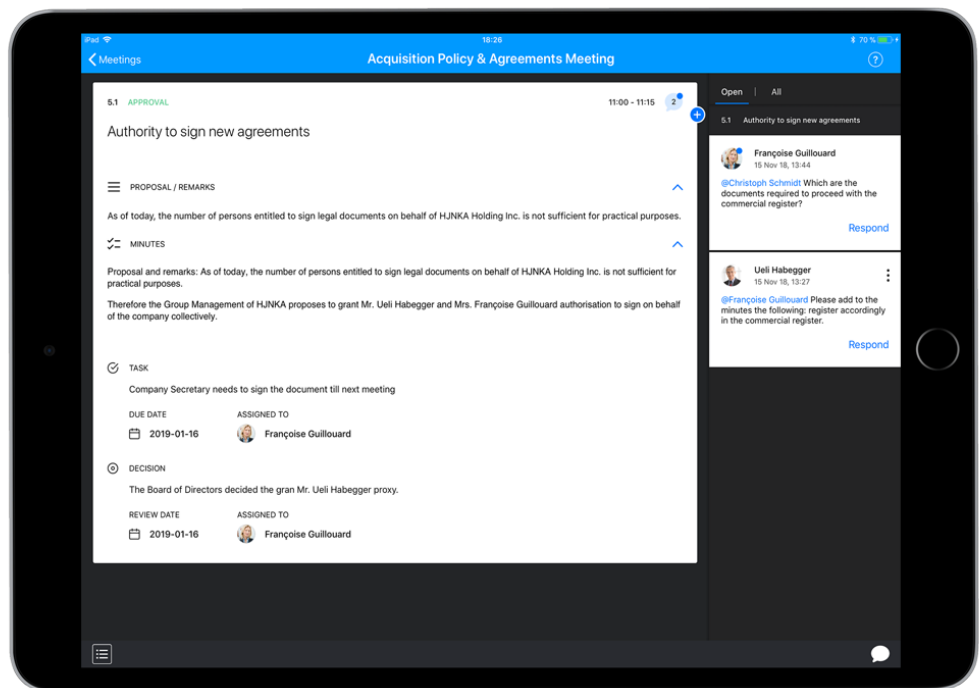
Approval of the Minutes

Following a Board meeting, the Corporate Secretary is responsible for seeing that the drafts of the minutes are reviewed and approved by the Board. At times, this review process starts with positions such as the General Counsel and the Chief Financial Officer, and then continues with other members of management, including any of those who spoke at the meeting. After review by these parties, the minutes can be distributed to every member of the Board.³²

Final drafts of minutes are distributed to directors of the Board with the documents needed for the next meeting. Minutes will be formally approved at the next meeting.³³

Once the minutes are approved by the entire Board, they cannot be changed unless another meeting is held and the change is noted in those meeting minutes.³⁴ It is the responsibility of the Corporate Secretary to maintain a permanent copy of these finalised minutes for the organisation.³⁵

Digital meeting minutes have the advantage in that the process of any changes or revisions to the notes can be more easily traced. This can be particularly important in cases where the meeting minutes are used in court.³⁶ In addition, the approval process for the minutes can be simpler, faster when digitalised.



6.

Publishing and Access to the Minutes

Since the meeting minutes often contain important information concerning the inner workings of an organisation, different policies exist as to which parties are allowed access to meeting minutes.

In the UK, for example, minutes are considered internal records of the company and CEOs, Committees and Board Members are granted access to them. Shareholders are not. There are exceptions to this rule, however. Certain regulatory organisations have now started to publish minutes on their company website, and auditors also sometimes need to see minutes to complete their inspection. Some organisations solve the challenge of granting access to third parties while protecting confidentiality by limiting access to senior audit partners or giving view-access only if the documents can be accessed digitally.³⁷

7.

A Short Checklist

Here is a simple checklist for Corporate Secretaries to follow when taking meeting minutes:³⁸

- ✓ The name of the organisation
- ✓ The time, date and location of the meeting
- ✓ The goal of the meeting or summary of the agenda
- ✓ The names of the attendees
- ✓ The names of those absent from the meeting and the reason for their absence
- ✓ Whether or not a quorum was established
- ✓ A clear record of motions requested and whether or not they were executed or defeated in addition to the name of the member who requested, abstained from or defeated the motion
- ✓ If there was a conflict of interest
- ✓ The time the meeting was concluded
- ✓ The date, time and location of the next meeting.

8.

Some International Case Studies

Here are some real-life applications to meeting minutes.

One of the more famous cases where meeting minutes were actually used to win a legal court case was in a court case involving Walt Disney corporation versus the State of Delaware. In this case, Disney's shareholders were unhappy about the compensation package of \$130 million of the new CEO, Michael Ovitz, after only 14 months on the job. The verdict? The courts upheld the compensation package, in part because the meeting minutes had no written record of a serious debate of the Board Members of the new CEO's contract and compensation.³⁹

Another court case resulted in a change in who was allowed access to Board minutes. In this legal case, the Federal Deposit Insurance Corporation (FDIC) sued a large law firm hired to defend the Board of Directors of a bank that did not survive financially. The law firm supposedly circulated copies of the Board minutes not long before the bank's financial problems had been disclosed. The problem was that this was not allowed according to FDIC practice. In response, the American Association of Bank Directors asked the FDIC to change its policy to allow bank directors access to Board minutes, especially in the case in which the Board of Directors are responding to FDIC investigation before a court case.⁴⁰

In a less successful incident, meeting minutes from Parmalat, an Italian company in the food industry, were doctored so as to not reveal the true financial state of the company. As a quick background: at one point Parmalat operated in 31 countries across six continents and included more than 36,000 employees. The Board was almost completely made up of family members of the company, and profits were often delivered to them directly.

In 1999, new legislation had been introduced in Italy that recommended making the appointment of Board Members more transparent, and to include both executives and non-executive members for a better balance of power. Instead of making an effort to restructure the Board, however, Parmalat ignored it. One of the meeting minutes even stated outrightly that they believed their existing Board structure to be sufficient to "identify, prevent and manage risks of a financial and operational nature and fraudulent behavior that may damage the company."⁴¹ The company was charged with securities fraud by the Securities and Exchange Commission in 2003.⁴²

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