



## Sunrise Table Tennis Club, Inc.

A Not-For-Profit 501(c)(3) Public Charity Organization

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### EXECUTIVE DIRECTIVE 2

November 13, 2015

#### CORPORATE RECORDS

Florida laws specify which records a Not-For-Profit Corporation must keep. Here is the complete provision from the statutes, which I will follow with a line-by-line explanation as it applies to our organization:

- “(1) A corporation shall keep as records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.
- (2) A corporation shall maintain accurate accounting records.
- (3) A corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the names and addresses of all members in alphabetical order by class of voting members.
- (4) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- (5) A corporation shall keep a copy of the following records:
- (a) Its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect.
- (b) Its bylaws or restated bylaws and all amendments to them currently in effect.
- (c) The minutes of all members’ meetings and records of all action taken by members without a meeting for the past 3 years.
- (d) Written communications to all members generally or all members of a class within the past 3 years, including the financial statements furnished for the past 3 years under s. 617.1605.
- (e) A list of the names and business street, or home if there is no business street, addresses of its current directors and officers.
- (f) Its most recent annual report delivered to the Department of State under s. 617.1622.”

***(1) A corporation shall keep as records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.***



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Here this is broken down to a list of records that must be kept:

1. Minutes of meetings of the Board of Directors.
2. Minutes of meetings of the Members.
3. Actions taken by the Board of Directors without a meeting.
4. Actions taken by Members without a meeting.
5. Actions taken by a Committee in place of the Board or Directors.

Per our bylaws, the Directors of the Corporation and the Officers of the organization are the same. However, there is a difference between an action taken by or as Directors and an action taken by or as Officers. For instance, if the Treasurer purchases new nets within the approved yearly budget, this is an action as an Officer and does not require an official record, other than normal accounting transaction records. On the other hand, if the Directors discuss and decide to purchase some new tables outside the yearly budget, this should be done officially at either a meeting of the Board of Directors (with minutes) or using a written and signed resolution by the majority of Directors, to be kept with the Corporate Records. If there is a question whether or not an action to be taken requires an official record, it is best to assume it does and make one.

Similarly, a Committee can be just helping with the projects of an Officer (e.g., a tournament committee running a tournament under the Programs Manager; or a Facility Manager running a club location); or a Committee can be taking actions “in place of the Board of Directors” (e.g. a Committee creating a new fund-raising campaign with a set of plans for its execution). When a Committee has a meeting to develop new projects and/or plans, there should be someone acting as a secretary at the meeting to keep minutes, which then need to be typed up and added to the Corporate Records. The Committee’s new projects and/or plans should also be approved by the Board of Directors before execution, in most cases, which can be done by vote or by a majority of the Directors signing the Committee meeting minutes, approving them for execution.

***(2) A corporation shall maintain accurate accounting records.***

Accurate accounting records would include:

1. Banking ledgers and statements.
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2. Proof of Income (invoices, membership dues records, donation acknowledgement letters, etc.).
3. Proof of expenses (invoices, receipts, vouchers, etc.).
4. Petty cash journal (if a petty cash fund is kept).
5. Wages journal (if there are any hired staff).
6. Accounting books (e.g. QuickBooks or Quicken software).
7. Yearly Profit and Loss Statements.
8. Yearly Balance Sheets (showing all assets and liabilities).
9. Tax filings.

Under income tax regulations, it would be normal practice to keep #1 thru #5 for just seven years. However, there is no reason why we shouldn't maintain the records perpetually, although at some point the Board of Directors might decide to trash some paper records in favor of electronic copies only. #6 thru #9 should always be kept, perpetually.

***(3) A corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the names and addresses of all members in alphabetical order by class of voting members.***

Our club members are one class of voting members under our bylaws, as they all have the same voting rights under our By-Laws.

***(4) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.***

We have both a Book of Corporate Records (Book) for paper records and an Online Archive (OA) to keep our electronic records. Since most records are electronically generated anyway, both should be kept for each of our Corporate Records. It is the responsibility of the Secretary to see that these are kept up-to-date and complete, and the responsibility of each Officer to ensure that any required Corporate Records are forwarded to the Secretary for keeping. The originals of any signed or hand-written documents are placed in the Book rather than photocopies whenever feasible.



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The exception would be the accounting records, which are the responsibility of the Treasurer rather than the Secretary. #1 thru #5 of the accounting records can be kept in either paper or electronic format, or both, with copies of any electronic documents archived by the Treasurer in our OA. The yearly Profit and Loss Statement and Balance Sheet should be generated at the completion of each year, with copies kept by the Treasurer and archived to our OA, and printed copies added to the Book by the Secretary.

The Book has divided sections for each type of records: Minutes and Resolutions; Committee Actions; Bylaws and Articles of Incorporation; Communications to Members; State of Florida filings; IRS filings; Financial Reports; etc. Each section is kept in date order, newest on top. The OA is divided into a folder structure to match the sections in the Book. There is a naming convention for the electronic files, to keep them in date order when sorted alphabetically by filename. The Secretary shall ensure this convention is maintained for the electronic files, or updated as needed.

Any electronic documents should be converted to a non-editable format such as .pdf or .jpg, at the time of creation, such that the document file is date-stamped when created and cannot be altered later. Both the original document file and the non-editable file can be archived to the OA, but at a minimum the non-editable file.

Our OA can also be used for backup purposes by Directors or Officers, for any documents related to the organization. These are kept in a separate folder system from the official Corporate Records, under the main folder named "Officers", with a subfolder named for each Officer (President, Vice President, Secretary, Treasurer, Programs Director, etc.). This is also useful for sharing of documents among the Officers.

No one outside of the Directors and Officers should be given the username and password for access to our OA. Whenever a Director or Officer resigns or is removed from office, it is the responsibility of the President to see to it that the password is changed.

A separate OA, with its own username, password and folder system, can be created for Committees. It is the Secretary's responsibility to oversee the OA, working with the Webmaster, to make sure access is always limited to only authorized persons.



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**(5) A corporation shall keep a copy of the following records:**

**(a) Its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect.**

**(b) Its bylaws or restated bylaws and all amendments to them currently in effect.**

There is a section of the Book and the OA for these records, which should always be kept in both formats. Although the law requires keeping of only the “currently in effect” records, we keep all earlier versions as well.

**(c) The minutes of all members’ meetings and records of all action taken by members without a meeting for the past 3 years.**

Under our bylaws, the only time members meet or take an action is when there is a vote at a General Membership Meeting. We keep these records beyond the three years required, in perpetuity. These minutes go in the same section as BOD Minutes and Resolutions.

**(d) Written communications to all members generally or all members of a class within the past 3 years, including the financial statements furnished for the past 3 years under s. 617.1605.**

This does not mean that every time we send out an email, announcement or newsletter to the club members we need to add it to the Corporate Records. Once again, it is a matter of distinguishing between a communication sent as Directors or one sent as Officers. The “New Membership Policy Explained” document sent to members in April of 2014 and the “Message from the President” sent in August of 2015 are good examples of communications to members to be kept in the Corporate Records, as they are related to actions, decisions and policies taken or set by the Directors.

“s. 617.1605” refers to Florida Statutes Section 617.1605, which gives any member of the organization the right to make a written request for a copy of the latest annual financial reports, which would be our most recent yearly Profit and Loss Statement and Balance Sheet. Although the law only requires keeping the reports furnished to members (which we are already keeping in our



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records anyway), we should also keep in our Book the written member requests, with a notation of which reports were furnished to the member and the date.

***(f) Its most recent annual report delivered to the Department of State under s. 617.1622.***

This is the Annual Report filed online with the State of Florida by May 1<sup>st</sup> of each year (at sunbiz.org). It lists the names and addresses of all the current Directors. The filing of this report maintains the active status of the Corporation with the State. Failure to file this report will result in an administrative dissolution of the Corporation by the State after the third Friday of September. Should this happen, the Corporation can be reinstated by filing a reinstatement form online, along with payment of the reinstatement and annual fees. The Corporation name is reserved for just one year after dissolution and then becomes available to anyone forming a new Florida corporation.

### **Other Records**

There are other records which are not required to be kept under the law, but are still useful to be archived as part of the Corporate Records, such as Executive Directives; Change of Directors; Donors; Grants; Members; Sponsors; and Insurance. The Directors can add new sections to the Corporate Records as it sees fit, assigning the responsibility for maintenance of each section to the appropriate Officer. It still falls to the Secretary to ensure that all these sections are properly maintained by the Officers, both in the Book and the OA. There may be some instances where maintaining a section of additional records in only one form or the other, printed or electronic, makes sense, at the discretion of the Directors.

Martin Shapiro  
President, Sunrise Table Tennis Club, Inc.  
Approved by the STTCI BOD.