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# Best Practices for Governance in a Digital Age

**Nisha Thakker, Esq.**

**Partner**

**Tenenbaum Law Group PLLC**

**AEA Annual Meeting and Conference**

**Wednesday, November 15, 2023**

# Introduction

- Experience and background
- Roadmap
- Takeaways

# WHAT IS GOVERNANCE?

- The bodies, tools, and documentation that oversee an organization and provide strategic direction
- Distributed between the Board, committees, task forces, etc.
- Management of regional or local chapters and affiliates

# HIERARCHY OF GOVERNANCE

- State Nonprofit Corporation Law
- Articles of Incorporation
- Bylaws
- Policies and Procedures

# FIDUCIARY OBLIGATIONS - BOARD

- **Duty of Care**

- Prudent steward of the organization
- Due diligence in decision-making
- Exercise good business judgment at all times

- **Duty of Loyalty**

- Act in the best interests of the (entire) organization
- Avoid conflicts of interest that are harmful to the organization
- Includes a duty of confidentiality

- **Duty of Obedience**

- Faithful to the mission and purposes of the organization
- Follow the governing documents and external laws and rules

# GOVERNANCE PRACTICES

- Regular meetings of the Board and committees
- Participation and preparation
- Proper meeting minute-taking
- Strategic direction
- Prudent oversight and fiduciary duties

# PAPER-AGE CHALLENGES

- Board Books
  - Cumbersome to prepare
  - Must be prepared in advance
  - Information not timely
  - Potential for loss
- Travel
  - Attending in-person meetings can be challenging
  - Expensive for the association
- Paper Files
  - Messy
  - Ability to get lost

# DIGITAL TOOLS IN GOVERNANCE

- Virtual/hybrid meetings of the Board, committees, and membership
- Recording meetings
- Board books
- Communication tools
- AI



# VIRTUAL MEETINGS

- Allow for remote participation – increased chances of obtaining quorum
- Save on travel expenses
- Many options for platforms at a variety of price points
- Ability to call for a meeting on short notice
- Ability to record or AI-enabled note-taking for ease of discussion recollection

# BOARD BOOKS

- Multiple options for platforms
- Able to update quickly for timely information
- Portable
- Accessible on a variety of devices
- Can segregate information depending on audience – Board, committees, staff
- Discussion/chat features
- Revocation of credentials/access
- Restrict printing ability

# COMMUNICATION TOOLS

- Online communities
- Ability to reach audiences quickly
- Ongoing communication between Board/committee meetings

# ARTIFICIAL INTELLIGENCE

- Streamline reporting and documentation
- Guide strategic discussions
- Can pool information from a variety of resources

# SOUNDS GREAT! WHAT'S THE CATCH?

- Associations must consider all of the benefits and risks when implementing technology solutions in their governance
- Statutory requirements
- Complying with your own governing documents
- Data privacy
- Personal privacy
- Intellectual property protection

# VIRTUAL MEETINGS

- Does your state nonprofit corporation law allow you to have a meeting using remote communications? What are the requirements? Different requirements for Board/committee and membership meetings
- Some state statutes require the use of virtual meetings to be expressly authorized in governing documents
- Relying solely on virtual meetings can reduce active preparation and participation

# BOARD BOOKS

- Organizations need a policy governing the use of a digital Board book
- Sharing passwords and access are violative of a Director's fiduciary obligations to the organization
- Data breaches/hacks
- It's unlikely you can use your Board software for voting without a meeting – again your state law and Bylaws need to be checked!

# COMMUNICATION TOOLS

- Staff time to monitor these communities
- Antitrust concerns when Directors/members are engaging in communities that are not monitored
- Potential for breaches of confidentiality
- Organizations should have a policy for all users to agree to – behaviors and consequences



# ARTIFICIAL INTELLIGENCE

- Data privacy concerns – when using AI, often your own information makes it out into the public space. Make sure you notify your members/constituents how their information will be used
- Intellectual property – be mindful that you are not sharing confidential or proprietary information
- Potential for inaccuracies – must be carefully reviewed

# WELL, GREAT. NOW I'M SCARED.

- Digital tools streamline and make for more effective governance
- Organizations can use digital tools to continue to evolve and encourage more robust participation
- It's important to be mindful of both the pros and cons and take the necessary steps to protect against the risks

# QUESTIONS?

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NISHA G. THAKKER, ESQ.  
PARTNER

**Tenenbaum Law Group PLLC**

1101 K Street, NW, Suite 700

Washington, DC 20005

202-221-8004

[nthakker@TenenbaumLegal.com](mailto:nthakker@TenenbaumLegal.com)

[www.TenenbaumLegal.com](http://www.TenenbaumLegal.com)