

## ASSOCIATION GOVERNANCE

### ONLINE VOTING

#### Issue Summary

The Arizona Non-Profit Corporation Act (NCA) at A. R. S §10-3821(A) provides:

Unless the articles of incorporation or bylaws provide otherwise, action required or permitted . . . to be taken at a directors' meeting **may be taken without a meeting if the action is taken by all of the directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken.**

Pursuant to the Arizona Electronic Transactions Act (ETA) at A.R.S. §44-7007, a record or signature in electronic form cannot be denied legal effect and enforceability solely because the record or signature is in electronic form. The ETA provides that an electronic record satisfies any law that requires a record to be in writing and an electronic signature satisfies any law that requires a signature.

The AAR Executive Committee is an extension/committee of the Board of Directors and therefore subject to the same restrictions as the Board of Directors under NCA. The AAR Executive Committee has been using email voting for non-controversial issues for more than 10 years.

As a practical matter, we do not always receive a 100% response on email votes. This raises a concern with respect to the “unanimous consent” provision in NCA.

Each year, the Executive Committee reviews the options:

1. Terminate the practice of email voting  
**or**
2. Agree on limitations with respect to email votes in terms of subject matter and if one or more member(s) of the Executive Committee prefer to handle a given email vote issue at a special or scheduled meeting of the Executive Committee, that will immediately negate the email vote process on that given issue.

**Further, Executive Committee members must agree to make their best effort to respond to email votes within the stated time deadline.**