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Circular Resolution Policy

*Last updated April 2020*

|  |  |  |  |
| --- | --- | --- | --- |
| Policy number | [insert number] | Version | [insert number] |
| Drafted by | [insert name] | Approved by Board on | [insert date] |
| Responsible person | [insert name] | Scheduled review date | [insert date] |

Note: Your organisation’s governing document (your Constitution or Rules) may include clauses prescribing whether and how circular resolutions may be passed. Those clauses will **override** this policy to the extent of any inconsistency. This policy must be carefully reviewed in the light of your organisation’s governing document and particular circumstances. Areas that may require revision are highlighted throughout the document.

# Introduction

* 1. Decisions of the board are ordinarily made through motions moved at board meetings. Occasionally, however, it may be necessary for the board to make decisions when it is not feasible for the board to come together either in person or using technology. On these occasions the use of circular resolutions (sometimes referred to as resolutions without meetings) may be appropriate.

# Purpose

* 1. This policy is designed to provide guidance to board members on when and how circular resolutions may be passed.

# Scope

3.1 This policy applies to:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Employees** | **Directors** | **Officers** | **Contractors** (including employees of contractors) | **Volunteers** | **Suppliers** | **Consultants** |
|  | **✓** | **✓** |  |  |  |  |

# Policy

* 1. This policy applies where:
* [Name of Organisation] needs to make a decision before the next scheduled board meeting; and
* It is not feasible to call an ad hoc or emergency board meeting (including via technology); and
* The Chair does not believe that in-person debate or discussion would be beneficial.
  1. The Chair of [Name of Organisation] may, after discussion with the Secretary or Treasurer, propose a circular resolution (if permitted by the [Constitution/Rules and/or Standing Orders[[1]](#footnote-2)]).
  2. The proposed circular resolution must be circulated to the board by email from the Chair, or the Secretary or other Board member on direction of the Chair.
  3. As it cannot be guaranteed that any material submitted by any board member would be considered by other board members before they vote, no debate shall be entertained on any circular resolution.
  4. No amendments can be proposed to a circular resolution.
  5. Responses to a circular resolution must be made by email and must, to avoid confusion, contain both the text of the motion in question and the member’s vote on that motion.
  6. Circular resolutions must be passed [unanimously/by a XX% majority[[2]](#footnote-3)].
  7. Circular resolutions should be used infrequently and only for matters that are urgent and do not require lengthy discussion by board members. If a lengthy discussion is required to support the decision, a board meeting should be convened.
  8. The time within which votes must be returned, the format and the process must be clearly stated and must comply with the requirements of [the Constitution/Rules and/or Standing Orders]. The timeframe must be reasonable, with regard to the decision sought, the context, and board members’ availability.
  9. [If one or more board members opposes the use of a circular resolution, the proposed circular resolution must be withdrawn. The proposed resolution may then only be considered at a board meeting.]
  10. Once the Chair or Secretary has been advised of the outcome of the circular resolution, it should be communicated to all board members.
  11. The details and outcome of the circular resolution must be minuted and confirmed as part of the next board meeting.

# Related Documents

* Constitution/Rules
* Standing Orders

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Circular Resolution Procedures

|  |  |  |  |
| --- | --- | --- | --- |
| Procedure number | [insert number] | Version | [insert number] |
| Drafted by | [insert name] | Approved on | [insert date] |
| Authorised person | [insert name] | Scheduled review date | [insert date] |

# Responsibilities

* 1. The **Chair** is responsible for:
* Determining whether a circular resolution is warranted and consistent with this Policy.
* Seeking agreement from the Secretary or Treasurer that a circular resolution is warranted and consistent with this Policy.
* Ensuring all board members have been given an appropriate opportunity to respond to the resolution.
* Ensuring that the [Constitution/Rules], this Policy [and/or Standing Orders] regarding circular resolutions are followed.

Where the chair is absent, the Vice-Chair may act in their place.

* 1. The **Secretary** is responsible for:
* Ensuring the circular resolution is properly drafted, reviewed by the Chair, and circulated with any necessary supporting papers to all board members for review and response.
* Circulating to board members the outcomes of any circulating resolution.
* Ensuring the details and outcome of the circular resolution are minuted at the next board meeting.
  1. **Board members** are responsible for:
* Responding to circular resolution motions in good faith and in good time.

# Procedures

* 1. The circular resolution shall contain:
     + The text of the motion;
     + Any necessary supporting papers;
     + An instruction on how each board member should submit their vote on the motion;
     + The date by which a vote must be returned to the Secretary to be valid; and
     + [Notification that any board member can, if they wish, veto the use of the circulated resolution.]
  2. Votes on the circular resolution received after the specified date shall not be valid.

Note: if the Circular Resolution Policy has been separated from its associated Procedures, copy and paste here the information under ‘5. Related Documents’.

About this document

This policy sample has been developed by the [Institute of Community Directors Australia](https://www.communitydirectors.com.au?utm_campaign=policybank&utm_medium=doc&utm_source=website&utm_content=template) (ICDA), with the assistance of [Moores](https://www.moores.com.au/?utm_campaign=policybank&utm_medium=doc&utm_source=website&utm_content=template), and is free for any not-for-profit organisation to download and use, so long as it is for a non-commercial purpose and that the organisation is not paying a consultant to carry out this work. [Click here](http://www.ourcommunity.com.au/general/general_article.jsp?articleId=2153#16) for our full copyright guidelines.

# Important notes

* You can't (or shouldn't) rely on these sample policies and procedures alone. They’re a starting point, but you will have to adapt them to suit your own language and requirements.
* Most samples include both policies and procedures (the policies provide guidance on standards, while procedures give instructions on implementing standards). We recommend adopting policies at a board level, while procedures can be developed/signed off by the organisation's CEO.
* We use the term ‘board’ to cover boards, committees of management, or anybody that has final authority in your organisation. And the term ‘CEO’ extends to executive directors, or your chief administrator. You should change the terms in these policies to match those used in your organisation.

# Other Policies

There are numerous policies available on the Community Directors website: [www.communitydirectors.com.au/icda/policybank](https://www.communitydirectors.com.au/icda/policybank/?utm_campaign=policybank&utm_medium=doc&utm_source=website&utm_content=template). You can hunt for what you need with our site search function.

# Make a deposit

If you have some great policies that your organisation thinks would be of use to other groups, email them to [service@ourcommunity.com.au](mailto:service@ourcommunity.com.au). We'll review them, amend them so that they're applicable to the greatest number of not-for-profits possible, push them into our format, and load them up.

# Join us!

ICDA is a best-practice governance network for the directors serving on Australia’s 600,000 not-for-profit boards, committees and councils, and the senior staff who support them.

ICDA members get access to a range of educational, capacity building and networking opportunities that build knowledge, connections and credentials.

If you appreciated this free policy, we would appreciate your ongoing support by joining ICDA from only $65 p.a

[Join up now](https://www.communitydirectors.com.au/icda/subscribe/?utm_campaign=policybank&utm_medium=doc&utm_source=website&utm_content=template) to realise the benefits of membership:

1. **Receive ‘responsible person’ status** –ICDA members are recognised by the ATO under ‘responsible person’ rules
2. **Recognition –** three membership post-nominal options, providing community and professional recognition for educated and engaged not-for-profit members
3. **Capacity building publications –** current trends, issues and emerging areas of risk via member-only newsletters governance help sheets
4. **Policy alerts –** receive notificationwhen changes are made to governance, human resources, financial management, values and communications policies you’ve downloaded through the Policy Bank
5. **Preferential member pricing –** members receive discounts for the Festival of Community Directors events and online Compact Courses
6. **Alumni events –** access to deep connections and a vibrant network of believers and doers. There’s an online forum, as well as regular invitations to events like Communities in Control Conference
7. **Access to forums, networks, information and opportunities –** boost your confidence (and competence) and open career doors
8. **Budget-friendly –** for as little as $65 a year you get all the benefits outlined above and so much more.

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#### Moores – Legal advice at a pre-agreed price

#### Please note that this is a template policy for guidance only. For assistance in tailoring this policy to suit your organisation, or for legal advice at a pre-agreed price or training in this area, please do not hesitate to contact Our Community’s preferred legal supplier [Moores](https://www.moores.com.au/?utm_campaign=policybank&utm_medium=doc&utm_source=website&utm_content=template).

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1. It is advisable for the board’s Standing Orders to be amended (if necessary) for consistency with the [Constitution/Rules] and to state:

   1. The protocol for circular resolutions, which may include the types of decisions that can be decided via circular resolution.
   2. What is the minimum percentage required for the proposed recommendation to be passed (for example, a majority vote [51%].)
   3. The correct form of response expected from a board member (e.g. receipt of a signed consent form via email, or consent received by email [no form])

   [↑](#footnote-ref-2)
2. E.g. 50%/66%/75% of the board/board members present/board members voting. [↑](#footnote-ref-3)