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ATTORNEYS AT LAW

A question often arises as to what extent an association's board of directors may delegate its authority to a committee of board members. During the summer months, for example, many board members leave the state and want to delegate their authority to board members who remain year-round.

Arizona law restricts the nature and function of board member committees. The vast majority of associations in Arizona are non-profit corporations. Under Arizona law, the board of directors of a non-profit corporation may create one or more committees and appoint members of the board to serve on them, unless the association's articles of incorporation or bylaws provide otherwise. A committee may have one or more members, and each member serves at the pleasure of the board of directors.

The creation of a committee and appointment of members of the board of directors to it must be approved by the greater of: (1) a majority of all the directors in office when the action is taken; or (2) the number of directors required by the articles of incorporation or bylaws to take action. The board may also designate one or more directors as alternate members of any committee who may replace any absent member of any meeting of the committee.

Each committee of the board may exercise only the authority specified by the board of directors or the association's governing documents. However, a committee may not (1) authorize distributions; (2) approve or recommend to members any action that requires the members' approval under the Non-Profit Corporation Act; (3) fill vacancies on the board of directors or on any of its committees; (4) adopt, amend or repeal bylaws; or (5) fix any compensation for directors for serving on the board or any committee of the board.

Finally, it is important to remember that any time a majority of the board meets to discuss association business, even if the meeting is a meeting of a board committee, the meeting must be open to association members and duly noticed under the law.

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