

Fail to provide proper notice of meetings, and you may end up paying the price out of your own pockets!

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The Problem

Fire Companies and Not-For-Profit Ambulance Companies beware! If you are not complying with the strict "notice of meeting" requirements stated in the Not-For-Profit Corporation Law, then all of the actions taken at a members meeting can be overturned. If the directors or officers had made any purchases, regardless of whether the members attending the meeting approved the purchases, then the directors and officers may be personally liable for the expenditure of funds.

Let us provide a very possible example: Assume that the fire department or ambulance company holds a meeting which was not properly noticed in accordance with the law. At that meeting, the company elects to purchase an automated external defibrillator ("AED") in the amount of \$15,000.00. A member who does not attend that meeting, or who attends and complains about the lack of notice, disagrees with the purchase and challenges the purchase once it is completed. Since the money is already spent, the directors and officers could be personally liable for the expenditures of funds. In plain language, the directors and officers could be forced to pay back the fire department or ambulance company for the funds used to purchase the AED.

Now, imagine that the purchase was a new engine in the amount of \$450,000.00!

This is not a "what if" situation, as there are numerous recorded cases where actions taken at meetings have been overturned. In addition, many cases involve "voiding" the election of officers and directors and ordering a new election to be conducted.

The Fault in the Law

In order to comply with the law, the fire department or ambulance company must mail written notice of the members meeting to the proper address of each member no less than ten days and no more than fifty days prior to each meeting. The notice must contain the place, date and hour of the meeting, and indicate that it is being issued by or at the direction of the person calling the meeting. Notice can also be given personally, but it is extremely difficult to prove that legal notice was actually provided.

Most fire departments and ambulance companies state the date, time and place of the members meeting in the bylaws or post the meeting dates on a public board. These practices do not comply with the law and can only lead to trouble.

However, complying with the law can cost your organization hundreds of dollars each year in postage and photocopying. We believe that there is a solution to this problem.

The Solution: Amend the Law To Protect You!

We believe that Section 605 of the Not For Profit Corporation Law should be amended just for fire departments and ambulance companies. We propose an amendment to the law that provides sufficient notice being given by stating the time, date and place of regular

meetings in the bylaws or by posting the same in a prominent location in each fire house. This may save these organizations hundreds of dollars each year in photocopying and postage.

The Association for Not For Profit Emergency Medical Service Organizations is working on this problem. You can link to their site from our main page at www.emsfirelaw.com to learn more about the Association and its vital mission.

We strongly encourage your department or company to participate. Each year, the Association will notify its members of additional problems that could lead to liability or unanticipated costs, and each year, the Association will seek to change the laws that create those problems.