

TITLE 14. CORPORATIONS, PARTNERSHIPS, AND ASSOCIATIONS  
CHAPTER 3. NONPROFIT CORPORATIONS  
ARTICLE 8. DIRECTORS AND OFFICERS  
PART 3. STANDARDS OF CONDUCT

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O.C.G.A. § 14-3-830 (2010)

§ 14-3-830. Standards of conduct for directors

Unless a different standard is prescribed by law:

(1) A director shall discharge his or her duties as a director, including his or her duties as a member of a committee:

(A) In a manner the director believes in good faith to be in the best interests of the corporation; and

(B) With the care an ordinarily prudent person in a like position would exercise under similar circumstances;

(2) In discharging his or her duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

(A) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

(B) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence;

(C) A committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence; or

(D) Religious authorities, ministers, priests, rabbis, or other persons whose positions or duties in the corporation the director believes justify reliance and confidence and whom the director believes to be reliable and competent in the matters presented;

(3) In the instances described in paragraph (2) of this Code section, a director is not entitled to rely if he has knowledge concerning the matter in question that makes reliance otherwise permitted by paragraph (2) of this Code section unwarranted;

(4) A director is not liable to the corporation, any member, or any other person for any action taken or not taken as a director if the director acted in compliance with this Code section; and

(5) A director shall not be deemed to be a trustee with respect to the corporation or with respect to any property held or administered by the corporation, including, without limit, property that may be subject to restrictions imposed by the donor or transferor of such property

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O.C.G.A. § 14-3-831 (2010)

§ 14-3-831. Liability for unlawful distribution

(a) Unless a director complies with the applicable standards of conduct described in Code Section 14-3-830, a director who votes for or assents to a distribution made in violation of this chapter is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating this chapter.

(b) A director held liable for an unlawful distribution under subsection (a) of this Code section is entitled to contribution:

(1) From every other director who voted for or assented to the distribution without complying with the applicable standards of conduct described in Code Section 14-3-830; and

(2) From each person who received an unlawful distribution for the amount of the distribution whether or not the person receiving the distribution knew it was made in violation of this chapter.

**HISTORY:** Code 1981, § 14-3-831, enacted by Ga. L. 1991, p. 465, § 1.

O.C.G.A. § 14-3-1601

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TITLE 14. CORPORATIONS, PARTNERSHIPS, AND ASSOCIATIONS  
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ARTICLE 16. RECORDS AND REPORTS  
PART 1. RECORDS

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O.C.G.A. § 14-3-1601 (2010)

§ 14-3-1601. Required corporate records

(a) A corporation shall keep as permanent records minutes of all meetings of its members and board of directors, executed consents evidencing all actions taken by the members or board of directors without a meeting, a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation, and waivers of notice of all meetings of the board of directors and its committees.

(b) A corporation shall maintain appropriate accounting records.

(c) A corporation or its agent shall maintain a record of its members in a form that permits preparation of a list of the name and address of all members, in alphabetical order by class, showing the number of votes each member is entitled to cast.

(d) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

**HISTORY:** Code 1981, § 14-3-1601, enacted by Ga. L. 1991, p. 465, § 1

O.C.G.A. § 14-3-1602

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TITLE 14. CORPORATIONS, PARTNERSHIPS, AND ASSOCIATIONS  
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PART 1. RECORDS

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O.C.G.A. § 14-3-1602 (2010)

§ 14-3-1602. Members' right to copy and inspect records

(a) A corporation shall keep a copy of the following records:

(1) Its articles or restated articles of incorporation and all amendments to them currently in effect;

(2) Its bylaws or restated bylaws and all amendments to them currently in effect;

(3) Resolutions adopted by either its members or board of directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;

(4) Resolutions adopted by either its members or board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;

(5) The minutes of all meetings of members, executed waivers of notice of meetings, and executed consents, delivered in writing or by electronic transmission, evidencing all actions taken or approved by the members without a meeting, for the past three years;

(6) All communications in writing or by electronic transmission to members generally within the past three years, including the financial statements furnished for the past three years under Code Section 14-3-1620;

(7) A list of the names and business or home addresses of its current directors and officers; and

(8) Its most recent annual registration delivered to the Secretary of State under Code Section 14-3-1622.

(b) A member is entitled to inspect and copy, at a reasonable time and location specified by the corporation, any of the records of the corporation described in subsection (a) of this Code section if the member gives the corporation written notice or a written demand at least five business days before the date on which the member wishes to inspect and copy.

(c) A member is entitled to inspect and copy, at a reasonable time and reasonable location

specified by the corporation, any of the following records of the corporation if the member meets the requirements of subsection (d) of this Code section and gives the corporation written notice at least five business days before the date on which the member wishes to inspect and copy:

(1) Excerpts from minutes of any meeting of the board of directors, records of any action of a committee of the board of directors while acting in place of the board of directors on behalf of the corporation, minutes of any meeting of the members, and records of action taken by the members or the board of directors without a meeting, to the extent not subject to inspection under subsection (a) of this Code section;

(2) Accounting records of the corporation; and

(3) Subject to Code Section 14-3-1605, the membership list.

(d) A member may inspect and copy the records identified in subsection (c) of this Code section only if:

(1) The member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member;

(2) The member describes with reasonable particularity the purpose and the records the member desires to inspect;

(3) The records are directly connected with this purpose; and

(4) The records are to be used only for the stated purpose.

(e) This Code section does not affect:

(1) The right of a member to inspect records under Code Section 14-3-720 or, if the member is in litigation with the corporation, to the same extent as any other litigant; or

(2) The power of a court, independently of this chapter, to compel the production of corporate records for examination.

**HISTORY:** Code 1981, § 14-3-1602, enacted by Ga. L. 1991, p. 465, § 1; Ga. L. 2004, p. 508, § 62.

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PART 2. REPORTS

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O.C.G.A. § 14-3-1620 (2010)

§ 14-3-1620. Furnishing financial statements to members

(a) A corporation upon request in writing or by electronic transmission from a member shall furnish that member its latest prepared annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries or affiliates, in reasonable detail as appropriate, that include a balance sheet as of the end of the fiscal year and statement of operations for that year. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

(b) If annual financial statements are reported upon by a public accountant, the accountant's report must accompany them. If not, the statements must be accompanied by the statement of the president or the person responsible for the corporation's financial accounting records:

(1) Stating the president's or other person's reasonable belief as to whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and

(2) Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

**HISTORY:** Code 1981, § 14-3-1620, enacted by Ga. L. 1991, p. 465, § 1; Ga. L. 2004, p. 508, § 63.