



Florida Nonprofit Corporation Act (HB 797) Compliance Self-Assessment Tool For 501(c)(3) Nonprofit Organizations

Introduction

Under House Bill 797, revisions to Florida's nonprofit law, Chapter 617 of the Florida Statutes (the "Act"), take effect on **July 1, 2026** and set out new default rules for how nonprofits are governed. This self-assessment tool helps your organization quickly identify whether—and where—you may need to take action.

You do not need to be a lawyer to work through this form. Answer based on your current Articles of Incorporation and Bylaws. If you answer "No" or "Unsure," develop a plan to address your action item.

Scope

This tool is designed primarily for public charities recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. If your organization holds a different tax-exempt classification, the statutory changes may still apply. Be sure to consult legal counsel about applicability to your specific structure.

How to Use This Tool

For each question below, check one box: Yes, No, or Unsure.

- **Yes**—Your governing documents clearly address this topic. Move to the next question.
- **No**—Your governing documents are silent or unclear. Read the explanation below for:
 - (a) What the law now says as a default rule, and
 - (b) A recommended next step for your organization.
- **Unsure**—You're not certain what your documents say. Treat this the same as "No"—it's your action item.

Tip: Have a copy of your Articles of Incorporation and Bylaws handy before you begin. This assessment typically takes 15–20 minutes to complete.

Section 1: Membership

Questions 1–12

Membership is one of the areas most affected by HB 797. If your organization is a non-member nonprofit, you may skip ahead to the Section 2. If your organization has members—or if you are unsure—these questions are especially important. The Act supplies default rules wherever your governing documents are silent.

Q1. Do your Articles or Bylaws clearly state whether the corporation has members or operates without members? (§ 617.0601)

Yes No Unsure

If No: *The Act will supply default governance rules where membership status is unclear. This may result in the board exercising authority that members thought they held—or vice versa.*

Action: Clarify membership status in your Articles or Bylaws. Bring this to your next board meeting for discussion.

Q2. Do your Articles or Bylaws provide a method for admitting members? (§ 617.0601)

Yes No Unsure

If No: *The Act states that a corporation may admit a member for no consideration or for consideration determined by the board. Payment terms will be governed by the board's discretion if your documents are silent.*

Action: Document your admission process in your Bylaws. Include eligibility criteria, application steps, and approval authority.

Q3. Do your Articles or Bylaws define membership classes and the rights associated with each class? (§ 617.0601)

Yes No Unsure

If No: *By default, the Act treats all members as having equal rights. If your organization intends to have different membership tiers (e.g., voting vs. non-voting, full vs. associate), this must be stated in your governing documents.*

Action: If you have or want different membership levels, define them clearly in your Bylaws with specific rights for each class.

Q4. Do your Articles or Bylaws specify whether membership is transferable or non-transferable? (§ 617.0605)

Yes No Unsure

If No: By default, a member cannot transfer their membership interest or any rights arising from membership unless your Articles or Bylaws explicitly permit it.

Action: If transferability matters to your organization, address it in your Bylaws. Most 501(c)(3) organizations do not allow membership transfers.

Q5. Do your Articles or Bylaws provide a method for terminating membership (both voluntary and involuntary)? (§ 617.0606, § 617.0607)

Yes No Unsure

If No: Under the Act, a member is entitled to resign at any time for any reason. For involuntary termination, if your documents are silent, the Act's default procedures apply—which may not match your organization's needs.

Action: Include clear procedures for both voluntary resignation and involuntary removal (with due-process protections) in your Bylaws.

Q6. Do your Articles or Bylaws authorize your organization to levy dues, assessments, and/or fees on members? (§ 617.0604)

Yes No Unsure

If No: An organization may levy fees on its members only to the extent authorized in the Articles or Bylaws. Without authorization, your ability to collect dues may be legally uncertain.

Action: If your organization charges dues or fees, ensure this authority is explicitly stated in your Bylaws.

Q7. Do your Articles or Bylaws provide a procedure for collecting fees from members? (§ 617.0604)

Yes No Unsure

If No: The amount and method of collection can be set in your Articles or Bylaws, or those documents may authorize the board to determine collection methods. Without a stated procedure, enforcement of collection becomes difficult.

Action: Add a fee-collection procedure to your Bylaws, including payment deadlines, acceptable methods, and consequences of non-payment.

Q8. Do your Articles or Bylaws address whether the organization may penalize members through fines? (§ 617.0607)

Yes No Unsure

If No: *An organization may levy fines on members, but only if authorized in the Articles or Bylaws. Additionally, a fine cannot be levied until the organization provides notice to the member and affords an opportunity to be heard.*

Action: If fining authority is needed, add it to your Bylaws with clear due-process procedures (notice and hearing).

Q9. Do your Articles or Bylaws provide a method for calling member meetings—both regular and special? (§ 617.0701)

Yes No Unsure

If No: *If not addressed in your documents, the board determines the place and time for regular meetings. For special meetings, if no place is stated, the meeting must be held at the organization's principal office.*

Action: Specify meeting procedures in your Bylaws, including frequency of regular meetings, notice requirements, and location options.

Q10. Do your Articles or Bylaws state who can call special meetings of members? (§ 617.0701)

Yes No Unsure

If No: *By default, special meetings may be called by: (i) the board or person(s) authorized in your documents; or (ii) members holding at least 10% (or another amount specified in your governing documents) of all votes entitled to be cast, upon written demand describing the meeting's purpose.*

Action: Confirm whether the 10% default threshold works for your organization, or specify a different threshold in your Bylaws.

Q11. Do your Articles or Bylaws specify member voting rights? (§ 617.0721)

Yes No Unsure

If No: By default, members are not entitled to vote. If your organization intends for members to have voting rights, this must be explicitly granted in your governing documents.

Action: If members should vote, specify voting rights clearly in your Bylaws—including what matters require member approval.

Q12. Do your Articles or Bylaws list member rights and obligations? (§ 617.0601)

Yes No Unsure

If No: By default, all members have the same rights and obligations as every other member. If you intend different levels of participation or responsibility, your documents must say so.

Action: Review your membership provisions with your board and legal counsel.

Section 2: Board Governance

Questions 13–20

Your board of directors is the core decision-making body. HB 797 establishes clear defaults for how boards are structured and operate. These questions help you confirm your documents match your actual governance practices.

Q13. Do your Articles or Bylaws provide a method for how directors are elected, appointed, or designated? (§ 617.0804)

Yes No Unsure

If No: By default, if you are a member organization, directors must be elected by members entitled to vote at the annual meeting. If you are a non-member organization, directors are elected by the existing board.

Action: Confirm your director selection method matches your actual practice and document it clearly in your Bylaws.

Q14. Do your Articles or Bylaws clearly define a director's term of office? (§ 617.0805)

Yes No Unsure

If No: By default, a director's term is one year. A director continues to serve until their successor is elected, appointed, or designated—unless your documents provide otherwise or there is a decrease in the number of directors.

Action: If your board uses staggered terms or multi-year terms, make sure this is explicitly stated in your Bylaws.

Q15. Do your Articles or Bylaws specify the length of a director's term when filling a vacancy? (§ 617.0805)

Yes No Unsure

If No: By default, a director appointed to fill a vacancy serves until the end of the unexpired term being filled.

Action: Clarify vacancy-term expectations in your Bylaws so new directors understand their commitment.

Q16. Do your Articles or Bylaws provide a procedure for filling board vacancies? (§ 617.0809)

Yes No Unsure

If No: By default, a vacancy may be filled by a majority vote of the remaining directors, even if the remaining directors constitute fewer than a quorum.

Action: Document your vacancy-filling process in your Bylaws. Consider whether you want additional safeguards beyond the default.

Q17. Do your Articles or Bylaws specify how directors may be removed? (§ 617.0808)

Yes No Unsure

If No: The Act provides a list of grounds and procedures for director removal. If your documents are silent, the statutory defaults govern—which may not align with your organization's culture or needs.

Action: Review the statutory removal provisions and decide whether to adopt, modify, or supplement them in your Bylaws.

Q18. Do your Articles or Bylaws specify who can call a board meeting? (§ 617.0820)

Yes No Unsure

If No: By default, board meetings may be called by the chair of the board, the president (or similarly situated officer), or 20% of the directors then in office.

Action: Confirm whether the default aligns with your practice and update your Bylaws if a different threshold is preferred.

Q19. Do your Articles or Bylaws specify the procedure for holding regular board meetings? (§ 617.0820)

Yes No Unsure

If No: By default, regular board meetings may be held without notice of date, time, place, or purpose. This means directors could be expected to attend meetings they didn't know about.

Action: Best practice: Specify meeting frequency, notice requirements, and location in your Bylaws—even if it's just to confirm the default.

Q20. Do your Articles or Bylaws specify the procedure for holding special board meetings? (§ 617.0820)

Yes No Unsure

If No: By default, special board meetings must be preceded by at least two days' notice of the date, time, and place of the meeting. The purpose need not be stated unless required by your documents.

Action: Review whether two days' notice is adequate for your board, and specify any additional requirements in your Bylaws.

Section 3: Meetings—Format and Quorum

Questions 21–23

Modern governance often includes remote or hybrid meetings. These questions help ensure your documents address how meetings are conducted and what constitutes a quorum.

Q21. Do your Bylaws address whether meetings may be held remotely or in hybrid format?

Yes No Unsure

If No: *The Act permits remote participation in meetings. If your Bylaws are silent, you may still hold electronic meetings—but explicit authorization in your Bylaws removes ambiguity and sets expectations for participants.*

Action: Update your Bylaws to explicitly authorize electronic and hybrid meetings, including procedures for verifying participation and voting.

Q22. Do your Bylaws specify quorum requirements for board meetings?

Yes No Unsure

If No: *The Act supplies a default quorum for board meetings (typically a majority of directors in office). If the default does not align with your governance needs—for example, if you have a large board and want a lower threshold—you should specify your own quorum.*

Action: Confirm whether the statutory default quorum works for your board size and composition, or set your own in your Bylaws.

Q23. Do your Bylaws specify quorum requirements for member meetings (if applicable)?

Yes No Unsure

If No: *The Act also supplies a default quorum for member meetings. If your organization has members and requires their vote on certain matters, an unclear quorum can create challenges in conducting valid business.*

Action: If you have members, specify your quorum requirement in your Bylaws. Consider whether the statutory default is practical given your membership size.

Section 4: Record-Keeping

Questions 24–27

The Act requires nonprofits to maintain specific records and make them available for inspection. Good record-keeping protects your organization and demonstrates accountability to members, donors, and regulators.

Q24. Does your organization currently maintain all of the following records: (a) Articles of Incorporation currently in effect; (b) Bylaws currently in effect; (c) Board meeting minutes, records of actions taken without a meeting by the Board or Committee of the Board; (d) List of the names and addresses of the current officers and directors; (e) Most recent annual report filed with the state; and (f) if you are a member organization, you must maintain the following for the past three years: (i) member meeting minutes, (ii) records of actions taken by members, and (iii) all written communications with members? (§ 617.1601)

Yes No Unsure

If No: *The Act requires you to maintain all of these records. Failure to do so may expose your organization to legal risk and could complicate regulatory filings or audits.*

Action: Conduct a records audit. Identify any gaps and begin collecting and organizing the required documents immediately.

Q25. Does your organization maintain accounting records in a form that permits preparation of financial statements? (§ 617.1601)

Yes No Unsure

If No: *The Act requires accounting records sufficient to prepare financial statements. This means your books must be organized enough to produce a balance sheet, income statement, and cash flow statement if requested.*

Action: If your financial records are disorganized or incomplete, engage a bookkeeper or accountant to bring them into compliance.

Q26. If you are a member organization, does your organization maintain a member list in a form that permits preparation of an alphabetical list of names and addresses (email address or other electronic information is sufficient) by class? (§ 617.1601)

Yes No Unsure

If No: *Member organizations must maintain records that allow them to produce a member directory organized alphabetically by membership class. This is separate from general contact lists.*

Action: Create or update your member database to include class designations and ensure it can generate the required list format.

Q27. Does your organization maintain the records listed above in a manner that allows them to be made available for inspection within a reasonable time? (§ 617.1601)

Yes No Unsure

If No: Records must be accessible for inspection within a reasonable time upon proper request. If records are scattered across personal files, unsecured cloud accounts, or inaccessible formats, your organization may not be able to comply.

Action: Centralize your records in an accessible, organized location (physical or digital). Designate a responsible person for records requests.

Section 5: Fiduciary Duties

Questions 28–30

HB 797 codifies fiduciary duty standards for both officers and directors. These aren't new concepts—but they are now clearly spelled out in the statute, making education and documentation more important than ever.

Q28. Do your officers understand their duties to act in good faith, in the best interests of the organization, and with the care of an ordinary prudent person? Are they aware of their obligation to report material information or probable violations of law to their superiors or the board? (§ 617.0844)

Yes No Unsure

If No: The Act now explicitly requires officers to act in good faith, in the organization's best interests, and with ordinary prudence. Officers also have a duty to report material information about the organization's affairs—and probable material violations of law—to their superiors or the board.

Action: Schedule a board and officer education session on fiduciary duties. Consider creating a one-page fiduciary duty summary for onboarding new leaders.

Q29. Do your directors understand their duties to act in good faith, in the best interests of the organization, and with the care of an ordinary prudent person? (§ 617.0830)

Yes No Unsure

If No: *The Act codifies the standard of care for directors: good faith, best interests of the corporation, and the care an ordinarily prudent person in a like position would exercise. Directors who meet this standard are protected; those who don't may face personal liability.*

Action: Include fiduciary duty education in your annual board orientation. Document that training occurred.

Q30. Does your organization have a written conflict-of-interest policy that requires disclosure and recusal?

Yes No Unsure

If No: *A written conflict-of-interest policy is a governance best practice and is required for IRS Form 990 reporting. Without one, conflicts may go unaddressed, exposing the organization to legal and reputational risk.*

Action: Adopt a written conflict-of-interest policy and review it annually with the board. Ensure all directors and officers sign an annual disclosure statement.

Section 6: Governance Protections

Questions 31–34

These questions address how your organization protects its leaders and ensures it can adapt its own governance. Good protections help recruit quality board members and officers.

Q31. Does your organization provide indemnification to directors and officers? (§ 617.0831)

Yes No Unsure

If No: *The Act permits (and in some cases requires) indemnification of directors and officers who acted in good faith and in the organization's best interests. Without indemnification provisions, your leaders may face personal financial risk for decisions made on behalf of the organization.*

Action: Adopt indemnification provisions in your Articles or Bylaws. Review whether your current provisions align with the updated statutory framework.

Q32. Does your organization carry Directors & Officers (D&O) liability insurance?

Yes No Unsure

If No: D&O insurance provides a financial safety net when indemnification alone is insufficient. Without it, personal assets of directors and officers may be at risk—and recruiting quality board members becomes more difficult.

Action: Obtain a D&O insurance quote appropriate for your organization's size and risk profile. Discuss coverage options at your next board meeting.

Q33. Do your Articles or Bylaws include a limitation-of-liability provision for directors and officers? (§ 617.0831, 617.0834)

Yes No Unsure

If No: The Act allows organizations to limit director liability in certain circumstances. A limitation-of-liability clause can protect directors from personal financial exposure for decisions made in good faith.

Action: Consult legal counsel about adding or updating a limitation-of-liability provision in your Articles of Incorporation.

Q34. Do your Articles specify the procedure for amending the Articles and Bylaws? (§ 617.1001, § 617.1002)

Yes No Unsure

If No: The Act supplies default amendment procedures where your documents are silent. If you haven't specified your own process, amendments may require steps your board didn't anticipate—or may be easier to accomplish than you intended.

Action: Review and document your amendment procedures. Ensure your board understands what vote threshold and notice are required to change governing documents.

Where Does Your Organization Stand?

Based on your answers above, use the criteria below to determine your organization's general readiness level. Check any statements that apply to your situation.

Low Action Needed

If most of the following describe your organization, you are well-positioned for the July 1, 2026 effective date:

- No members (or membership is clearly defined in your documents)
- Bylaws are current and have been reviewed within the past 5 years
- Board members and officers understand their fiduciary duties
- Required records are maintained and accessible
- A written conflict-of-interest policy is in place

Guidance: Your organization appears to be in good shape. Continue your current governance practices and consider a brief review of HB 797 with your board for awareness.

Moderate Attention Recommended

If several of the following describe your organization, a focused governance review is recommended:

- Members exist but some Bylaws provisions are silent or unclear
- Bylaws have not been reviewed in 5–10 years
- Some governance practices are informal or undocumented
- One or more record-keeping gaps identified
- You answered "No" or "Unsure" to 3–8 questions above

Guidance: Schedule a governance review session with your board. Prioritize the sections where you answered "No" or "Unsure." You may benefit from a targeted consultation with legal counsel on specific provisions.

High Action Required

If any of the following describe your organization, prompt action is strongly recommended:

- Members exist and Bylaws do not address core membership rights
- Bylaws are over 10 years old or substantially silent on key governance topics
- No written conflict-of-interest policy

- No indemnification provisions or D&O insurance
- Officers or directors are unclear on their fiduciary duties
- You answered "No" or "Unsure" to 9 or more questions above

Guidance: Engage qualified legal counsel for a comprehensive governance review. Prioritize: (1) clarifying membership status and rights; (2) updating Bylaws to address HB 797 defaults; and (3) adopting essential policies (conflict of interest, indemnification).

A Note of Encouragement

HB 797 is an opportunity, not a crisis. Florida's legislature has modernized the Nonprofit Corporation Act to provide clearer rules, better protections, and more predictable governance standards. For most organizations, this is a chance to:

- Educate your board on their roles and responsibilities
- Update governing documents that may have been neglected
- Strengthen protections for the people who serve your mission
- Align your written policies with your actual practices

If your organization falls in the **Moderate** or **High** tier above, we encourage you to schedule a governance review with qualified legal counsel. Many updates can be accomplished in a single board meeting with proper preparation.

Remember: Completing this self-assessment is already a positive step. It shows your organization is proactive, attentive to legal obligations, and committed to strong governance.

Disclaimer: This self-assessment tool is provided for educational and informational purposes only. It does not constitute legal advice and should not be relied upon as a substitute for consultation with qualified legal counsel regarding your organization's specific circumstances.

Prepared with reference to Chapter 617, Florida Statutes, as amended by House Bill 797 (2025 Legislative Session, effective July 1, 2026).