

Board of Directors General Duties

General Duties

MISSION:

- Determine, review, revise, change: The mission statement serves as a guide to everything the organization currently or may potentially offer and to the difficult process of setting priorities among competing demands.

EXECUTIVE DIRECTOR:

- Hire, support, evaluate & if necessary, dismiss: Building a strong Board-Executive Director relationship is among the most far-reaching of the Board's responsibilities since the Board delegates responsibility for organizational operations to this individual.

PROGRAM:

- Plan: Set direction, ensure adequate planning (long-range & operational), approve plans.
- Monitor: Are we doing what we said we would?
- Evaluate: Are we doing the right thing? Are our current programs, projects & directions the best way to pursue our mission? Are there more effective alternatives?
- Promote: Ensure the community & supporters know about the organization's work.

FINANCES:

- Ensure adequate resources: This may include allocation of funds for staff that will administer fundraising activities, but will also require the active support of Board Directors. Personal contributions are expected, although the amount of the contribution may be left to individual discretion.
- Approve financial plans, including budgets & funding strategies.
- Oversee financial management – procedures/controls, budget, audit, investments.

POLICIES:

- Adopt major organizational policies (bylaws, personnel conflict of interest, risk management, external relationships, etc.)
- Review & revise as needed. Legal counsel should review major policies from time to time to ensure they meet applicable laws.
- Ensure compliance with organizational policies and applicable laws.

BOARD:

- Plan and fulfill its objectives in an effective manner.
- Ensure its own healthy continuance: Identify, recruit & train new Directors.
- Assess its own performance – What strengths must be preserved? What weaknesses must be addressed?

LEGAL DUTIES OF BOARD DIRECTORS

According to nonprofit corporate law, a Board Director must meet certain standards of conduct and fulfill a range of governance responsibilities, including the Duty of Care, the Duty of Loyalty, and the Duty of Obedience.

- **DUTY OF CARE** encourages you to exercise your best judgment. It doesn't mean you have to be perfect, or that you cannot make a mistake, just that you have exercised reasonable caution in making decisions.

Attend board meetings regularly.

Keep a written, permanent record of all Board minutes and official actions.

Insist on meaningful Board meetings with full disclosure of operating results.

Require that the organization engage professional auditing services, preferably by an independent certified public accountant.

Encourage the organization to consult with legal counsel when needed.

Authorize corporate indebtedness, if any is to be incurred.

Review the adequacy of the organization's insurance coverage.

- **DUTY OF LOYALTY** means putting your personal and professional interests aside for the good of the organization. Having a conflict of interest policy in place reinforces this responsibility.

Avoid self-serving policies.

Disclose conflicts of interest.

Remove yourself from the discussion and voting when you have a conflict.

Keep the Board President and Executive Director informed of real or potential conflicts.

- **DUTY OF OBEDIENCE** is being true to the organization's mission.

Use funds given for the stated purpose.

Ensure that the organization follows all laws and regulations that apply to nonprofits, such as payment of any taxes and public disclosure of information.