

BOARD DIRECTOR RESPONSIBILITIES

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Serving on a board of directors is a privilege and an honor, a means to help build a better community and a significant personal responsibility. Each board director holds the public trust as well as the trust of the entire board and the staff of the organization. The best way to uphold this trust is to be fully aware of your role and responsibilities, and commit to fulfilling the three legal duties of board service—the duties of loyalty, obedience, and care.

THE THREE LEGAL DUTIES

Duty of Care is the responsibility to be informed, to participate in the work of the board, and to exercise good judgment in making decisions.

- 🌿 Participate actively in board meetings: review and understand financial statements and other reports, ask questions, and make sure that all viewpoints are heard.
- 🌿 Insist on productive board meetings with adequate financial and program reports.
- 🌿 Set policies for maintaining permanent records of minutes, transactions and official actions.
- 🌿 Approve financial management policies and practices, including separation of duties.
- 🌿 Require an annual review or audit by an independent certified public accountant, and encourage the organization to consult with professional counsel when needed.
- 🌿 Approve personnel policies and evaluate the executive annually.
- 🌿 Protect the organization by implementing policies that prevent conflict of interest, employ adequate financial controls, minimize risk, and insure assets.
- 🌿 Ensure that the organization follows all laws and regulations that apply to nonprofits.

Duty of Loyalty asks each board director to set aside personal and professional interests for the good of the organization. A board policy requiring annual disclosure of potential conflicts of interest helps directors to exercise this duty.

- 🌿 Put the organization's best interest ahead of any form of personal gain.
- 🌿 Keep the board chair and executive director informed of potential conflicts, and recuse yourself from discussion and voting whenever there is a possible conflict.
- 🌿 Maintain confidentiality of all information that is not part of public record.
- 🌿 Contribute time, talent and treasure to the best of your ability.

Duty of Obedience involves working to achieve the organization's mission, complying with policies, and supporting a unified public image.

- 🌿 Ensure that donated funds are used for stated purposes and comply with donor stipulations.
- 🌿 Critically review minutes, financial reports, and program information provided to the board.
- 🌿 Monitor and support the public image of the organization; uphold all board decisions.



BOARD RESPONSIBILITIES

The board is collection of individuals who only wield power as a group, supporting one another, expressing disagreement with civility, participating in informed discussion, and working to ensure the organization's future. The Board of Directors' role may vary depending on the size, mission, and life-stage of the organization, but generally includes the following responsibilities.

Determine, review, and affirm the Mission. The mission statement serves as a guide to all of the organization's programs and services. It also guides priorities for dividing limited resources among competing demands. Periodically, the board reviews and affirms the mission to make sure it is still consistent with current practices and the needs of constituents.

Plan for the Future. The board sets direction by developing long-range strategic and financial plans, monitoring progress toward goals and adjusting plans to meet changing needs.

Set Policy. Policies are written rules, statements, principles, or mandates that provide consistency and continuity, and guide decisions and actions. Good policies are proactive; limiting authority, defining the business of the organization and how it is to be carried out, stating the organization's commitment to ethical practices, and minimizing risk.

- 🌿 Policies are reviewed and revised periodically, engaging legal or financial counsel if needed.

- 🌿 The board oversees compliance with all laws, regulations, and internal policies.

Select, support and evaluate the Executive Director. The board hires, supports, evaluates and, if necessary, dismisses the chief executive. A collegial, open and honest relationship between the board and executive is essential to a healthy organization. The board delegates responsibility for daily operations to the executive director, who is responsible for supervising additional staff, and is generally authorized to act within the limits of board-approved policies.

Provide sound financial oversight. The board provides fiscal oversight to ensure that assets are protected and that policies provide adequate internal controls.

- 🌿 Review and approve budgets, financial statements, audits, and income plans.

- 🌿 Understand the organization's financial condition; oversee expenditures, revenues, and investments.

Ensure adequate resources. The board is responsible ensuring that adequate financial resources are available to accomplish the organization's mission and goals. Fund development requires the active support of the board, including, but not limited to, soliciting funds and making a meaningful personal contribution.

Evaluate organizational success. Organizational plans should include measurable outcomes, and the board is responsible for reviewing these periodically and ensuring programs are aligned with the mission and are effective. The board must also evaluate its performance on fulfilling its duties.

Create a board of skilled individuals who represent the community. Identify, recruit and train new directors; support and encourage participation from all directors.

Promote the organization. Act as an ambassador for the organization within your circle of influence; talk up the organization and its impact in the community.

