

ROLES AND RESPONSIBILITIES OF THE BOARD

1. FUNDAMENTAL RESPONSIBILITIES

The role of the nonprofit board centers on the fundamental responsibilities of providing the organization with sound governance, fiduciary and strategic oversight and direction. The board oversees:

- The operations of the organization
- That the public's trust is upheld
- That the mission addresses a community need
- That all practices are ethical
- That legal requirements are met.

The board is responsible for assuring the financial integrity and solvency of the organization and establishing procedures to safeguard the organization from fraud and risk.

2. LEGAL DUTIES

Nonprofit corporate law establishes specific standards of conduct for nonprofit board members. These duties are the legal standards which guide all actions taken by the Board of Directors and include the Duty of Care, Duty of Loyalty and Duty of Obedience.

DUTY OF CARE requires board members to discharge duties in good faith, and with the care that an ordinarily prudent person would exercise in a like position and under similar circumstances. It requires board members to exercise care in all activities related to their role as board members and commits them to participate in the work of the board. Duty of Care is carried out by:

- Attending board and committee meetings
- Carefully preparing for meetings in advance
- Reviewing financial reports and other critical information regularly
- Exercising independent judgment
- Requesting information needed for decision making
- Making sure federal, state and specific industry filing requirements are met
- Acting in good faith when making decisions.

DUTY OF LOYALTY requires board members to act in the interests of the nonprofit rather than their own personal interests or the interests of some other person or organization. Duty of Loyalty is carried out by:

- Adhering to the conflict of interest policy
- Disclosing all conflicts
- Avoiding the use of the organization's opportunities for personal gain
- Maintaining confidentiality of information held by the organization.

DUTY OF OBEDIENCE requires board members to make decisions in accordance with the mission of the organization, to uphold its bylaws and other policies and functions and to not act in a way that is inconsistent with the central goals



of the nonprofit. Duty of Obedience is carried out by:

- Ensuring compliance with all reporting requirements
- Examining all legal and governing documents
- Making decisions within the scope of the mission and law

3. ROLES

In addition to the Duties of Care, Loyalty and Obedience, which all board members share, certain members of the board have additional duties. Leadership positions are created within boards to assure that responsibilities are fulfilled. Most boards have at minimum a Board Chair, Treasurer, and Secretary. Other boards may also have Vice-Chair, Chair-Elect and Past-Chair positions. In smaller organizations, a board member may play several of these roles. Individuals are either asked to fill or are elected to these positions, and are sought out for their skill set and organizational history.

OFFICERS

BOARD CHAIR

The Board Chair is responsible for leading the board in practices of good governance. Not only does this individual set the tone for the rest of the board, he or she is usually a highly visible representative of the organization within the community. The Board Chair must form a strong working relationship with the Chief Executive and act as a role model and motivator for other board members. The Board Chair generally appoints board committee and task force chairs, presides over board meetings, and often serves as a spokesperson for the organization.

VICE-CHAIR

The Vice-Chair generally offers support to the Board Chair and substitute leadership when needed. Often the Vice-Chair will take on some special project such as leading the CEO evaluation or heading a task force. On some boards, the Vice-Chair is expected to assume the role of Chair.

TREASURER

The Treasurer is responsible for overseeing the financial operations and assuring that board members have the information they need to be effective fiscal stewards of the organization. Often this means reviewing financial statements and assisting in preparing and presenting the organization's budget to the full board.

SECRETARY

The Secretary is responsible for ensuring that accurate minutes of board meetings are kept. In small organizations, the Secretary may actually create the minutes. In larger organizations, the Secretary may review minutes created by staff before they are distributed to the full board. In some organizations, the board combines the roles of Secretary and Treasurer.

