Roles and Responsibilities

Board members have significant responsibilities for guiding and governing the organization. Their role is significantly different from that of administrative staff. In recent years, there is more scrutiny on boards of directors to make sure they are fulfilling duties.

"I didn’t say anything during the meeting, but I don’t agree with the rest of the Board on this issue."
Purpose of a Board

The organization replies on the board of directors to GOVERN and the professional staff to MANAGE. The authority for the board is derived from the Articles of Incorporation (state law) and the Bylaws. A board generally fulfills four functions.

1. **Governance** – Through the authority granted in the articles of incorporation and bylaws, the board is responsible for governing the organization. Governance is a broad oversight and is not considered a function of management or administration (staff roles.)

2. **Policy and Position Development** – The board reviews and develops policy and positions that will guide the organization and its stakeholders. *Policies* are adopted for the recurring and critical issues that arise, in the form of a motion, to guide future boards and staff. *Positions* tend to relate to governmental platforms.

3. **Visionary** – The board sets the course for the organization well into the future. Though a director may term limitations in the sense of number of years or number of terms, there is a need to think beyond one’s term in order to guide the organization and the community it represents. Evidence of being visionary is a reliance on the strategic plan, including a clear mission and vision.

4. **Fiduciary** – The fiduciary duty is a relationship of confidence or trust between two or more parties. The board has responsibility to protect the organization and its resources.

<table>
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<th>IRS Definitions</th>
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<td><strong>Governing Body</strong></td>
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<td>The group of persons authorized under state law to make governance decisions on behalf of the organization and its shareholders or members.</td>
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Duty of Obedience, Loyalty & Care

Under well-established principles of not-for-profit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization.

States have statutes adopting some variation of these duties, which would be used in court to determine whether a board member acted improperly.

These standards are usually described as the duty of care, the duty of loyalty, and the duty of obedience.

- **The Duty of Obedience**...forbids acts outside the scope of corporate powers. The governing board of the organization must comply with state and federal law, and conform to the organization’s charter, articles of incorporation and bylaws.

- **The Duty of Loyalty**...dictates that officers and directors must act in good faith and must not allow their personal interests prevail over the interests of the organization.

- **The Duty of Care**...requires directors and officers to be diligent and prudent in managing the organization’s affairs. The individuals charged with governing must handle the organizational duties with such care as an ordinary prudent person would use under similar circumstances.

The term FIDUCIARY refers to a relationship in which one person has a responsibility of care for the assets or rights of another person. A fiduciary is an individual who has this responsibility. The term “fiduciary” is derived from the Latin for “faith” or “trust.”
Responsibilities of the Directors

1. **Determine and Articulate the Mission and Purposes**
   A statement of mission and purposes should articulate the organization's goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

2. **Select the Chief Executive**
   Boards must reach consensus on the chief executive's job description and undertake a careful search process to find the most qualified individual for the position. The board also selects the board attorney and CPA.

3. **Support the Chief Executive and Assess Performance**
   The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of the chief executive's performance. [CEO is responsible unless the actions of the board prevent the CEO from performing his or her job.]

4. **Ensure Effective Organizational Planning**
   As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.

5. **Ensure Adequate Resources**
   One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the chief executive and development staff, if any, to raise funds from the community.

6. **Ensure Effective Resource Management**
   The board, in order to remain accountable to its donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.
7. **Determine, Monitor and Strengthen Programs And Services**
   The board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness.

8. **Enhance the Organization's Public Image**
   An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.

9. **Ensure Legal and Ethical Integrity and Maintain Accountability**
   The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will help ensure proper decorum in this area. The board must establish pertinent policies, and adhere to provisions of the organization's bylaws and articles of incorporation.

10. **Recruit and Orient New Board Members; Assess Board Performance**
    All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, and many other considerations that define a "balanced" board composition. Boards must also orient new board members to their responsibilities and the organization's history, needs, and challenges. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievement and reach consensus on which areas need to be improved.

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