

## Board Members' Responsibilities

Board members of a nonprofit organization have five main responsibilities:

1. They set the organization's mission, vision and develop the strategic plan.
2. They monitor and are responsible for ensuring the organization's financial stability.
3. They hire and fire the organization's director/CEO and ensure that there are sufficient resources for the additional staff needed to accomplish the organization's mission.
4. They oversee the organization's operations and structure.
5. They work to build good community relations for the organization.

In the same way that an organization needs a job description for each staff position and for its volunteers, the organization also needs a job description for its board members. The purpose of the job description is to outline the responsibilities and role of the board member so that performance expectations from both the board member and the director's point of view are fully understood. When you ask a community member to consider serving on your board, giving him a copy of the job description for board members helps him to make an informed decision about whether or not he wants to accept the position. The job description should include:

- **Responsibilities:** An outline of the board member's responsibilities for the organization
- **Time Commitment:** A statement about the time commitment required. Include in this section:
  - the number of board meetings that are held each year along with the day, date, and time at which they are usually held (i.e. first Monday of each month at 1 p.m.);
  - the minimum number of board meetings the board member is required to attend as stated in your bylaws or other documents;
  - the expectation of time commitment for committee service and work on special events and activities.
- **Financial obligations:** What is the financial obligation that each board member is expected to meet? If you require each board member to pay membership dues, contribute to the annual fund at a minimum level, and buy a ticket to your holiday gala, make this requirement clear.
- **General duties:** What do the board members typically do for your organization?
- **Evaluation:** How will each board member's performance be evaluated and by whom?
- **Qualifications:** What do you expect board members to bring to the organization in terms of expertise or practical skills—legal or business knowledge, a knowledge of the local political community, ability to advise on marketing the organization, etc.?
- **Benefits:** What benefits can a board member expect to gain by serving on your board? These benefits might include gaining knowledge about the history of the local area, the satisfaction of serving the public, the opportunity to assist with developing and promoting an educational resource for the community, the development of decision-making skills, etc.
- **Other expectations:** This area may include expectations such as: board members should come to meetings prepared for discussion by reading board minutes and documents beforehand, that they actively participate in fundraising events, that they attend a minimum number of educational programs or exhibit openings throughout the year, etc.

## **Legal, Ethical, and Financial Responsibilities of the Board**

Board membership should not be taken lightly. Too often, an individual may agree to serve on a board because he or she believes that board service brings prestige or other social value. However, service on the board of a nonprofit entails real legal, ethical and financial commitments and responsibilities. Potential new board members should be made aware of the responsibilities that they should adhere to if they agree to serve on your organization's board.

### ***The board member's legal responsibilities:***

Board members assume legal obligations and responsibilities for the organization that they will serve. These responsibilities include:

1. Board members serve collectively to represent the organization's owners — the public. By accepting a nonprofit status, the nonprofit becomes a corporate entity that is held in trust for the public good and is governed by an elected board. The board is charged with safeguarding the public's interest in seeing that the stated mission of the organization is carried out responsibly. Board members should become familiar with the organization's purpose, goals and strategic plan.
2. Board members must exercise fiduciary responsibility for the organization. This means that the board oversees the well being of the organization financially as well as ensuring that the organization adheres to its stated mission and purposes. They must also make certain that the organization's legal obligations are met and that the organization's financial procedures are audited or reviewed regularly.
3. Board members are required to act prudently. This means that they must make decisions in good faith and with that degree of diligence, care, and skill which ordinarily prudent people would exercise in similar circumstances.
4. Board members must make informed judgments. This means that board members are responsible for reading reports, minutes and other information in advance and should prepare to be active participants in the discussions held at board meetings. This also means that if the board's executive committee or director/CEO is not providing appropriate information to the board in order for members to make informed decisions, the board member should request that appropriate reports are provided.
5. Board members should adhere to ethical standards and principles for the organization. Board members should be aware of the ethical standards for the field and general ethical standards for serving on boards. Board members should be careful to not put themselves in any actual or apparent personal gain or conflict of interest. When new board members come on to a board, it is a good idea to have them complete and sign a conflict of interest statement that gives full disclosure of any potential conflicts of interest of their board service.
6. Board members may not be passive. If a vote is taken at a meeting, board members are considered to have voted for and be in agreement with whatever action is taken at a board member unless their opposing vote or abstention is recorded in the minutes.
7. Board members should keep all board discussions confidential.

## Representing the Organization in the Community

One role that is often overlooked for board members is their role in building support for the organization in the community. Board members should hold themselves responsible for guaranteeing that the public profile of the organization is good and that the organization is seen as a valuable part of the community. In addition, board members represent many potential audiences and constituencies for the organization. A good board member will actively seek ways to build and maintain good community support among the constituencies that he or she represents.

## Committees

Most boards have standing committees, project or program committees and ad hoc committees. Each type of committee is formed for a different reason and will remain in existence either indefinitely (standing committees) or until a goal has been accomplished (project, program and ad hoc committees).

Standing committees are usually named in the organization's bylaws. The bylaws may also specify the number of members who should serve on the committee, a specific board officer to chair the committee, and an outline of the duties that the committee should accomplish each year. Standard standing committees include the following:

- **Executive Committee**—Usually made up of the board's officers, this committee is in charge of setting the agenda for the board meetings and may also be the primary group that oversees the board's planning process. In addition, many executive committees include among their duties the annual review and evaluation of the organization's chief executive.
- **Nominating Committee**—This committee is charged with identifying an appropriate slate of candidates each year to replace retiring board members and officers.
- **Finance Committee**—This committee monitors the organization's financial stability, authorizes annual audits and reviews of the organization's financial procedures, and makes recommendations to the board of fundraising goals for annual and special fund drives. The committee oversees the stewardship of endowment and other reserve funds for the organization.
- **Facilities Committee**—The facilities committee is in charge of monitoring the physical holdings of the organization in terms of its buildings, land, and other real estate. This committee monitors the physical condition of all facilities and ensures that the organization's physical structures are maintained in good condition.

Project, program and ad hoc committees are board committees that are formed to deal with a specific project or issue that arises. These committees are usually not mentioned in the organization's bylaws, have a specific purpose to accomplish, and are of short duration. The committee is disbanded when the project has been completed, the program is over, or the issue has been resolved. Examples of project or program committees are an annual gala committee or a committee to administer an endowment campaign. Examples of an ad hoc committee are a committee to investigate the feasibility of building a new facility or a committee to develop recommendations to build better community relationships.

A good organization will provide board members with a written outline of its committee structure. The committee structure outline should include

- The name and purpose of each committee that the board currently maintains including all standing, project, and ad hoc committees;
- Goals for the committee;
- A timeframe for the committee to accomplish its goals;
- A list of committee activities currently underway;
- A list of current committee members.

## **Sample Job Descriptions for Members of Boards of Directors**

### **Board Chair**

- Chief volunteer of the organization
- Partner with executive director in achieving mission
- Provides leadership to board of directors in setting policy
- Chairs board meetings (develops agenda with executive director)
- Appoints chairpersons of committees
- Serves as ex officio member of committees, attends as available
- Meets regularly with executive director to discuss organizational issues
- Guides board in setting priorities and handling governance concerns
- Monitors financial planning and financial reports
- Plays a leading role in fundraising
- Evaluate performance of executive director
- Evaluates performance of organization in achieving mission

### **Vice Chair**

- Performs chair responsibilities when the chair cannot be available
- Reports to board's chair
- Works closely with chair and staff
- Works with chair to develop and implement officer transition plans
- Attends committee meetings as available or in absence of chair

### **Secretary**

- Maintains records of the board and ensures effective management of all records
- Manages minutes of board meetings
- Ensures minutes are distributed to members shortly after each meeting
- Familiar with legal documents (articles, by-laws, IRS letters, etc.), to note applicability during meetings

### **Treasurer**

- Manages finances of the organization
- Administrates fiscal matters
- Provides annual budget to the board for approval

### **Committee Chair**

- Oversees logistics of the committee's operations
- Sets meeting dates and develops agenda
- Ensures that members have information to develop plans and recommendations
- Reports to full board on committee's decisions/recommendations
- Works closely with executive director on implementation
- Assigns work to committee members
- Ensures distribution of meeting minutes

## **Board Member**

- Attends board meetings and important related meetings
- Makes a commitment to participate in committee work
- Volunteers for and willingly accepts assignments and completes them thoroughly and on time
- Stays informed about committee matters, prepares themselves well for meetings
- Gets to know other committee members, builds a collegial working relationship that contributes to consensus
- Actively participates in committee's annual evaluation and planning efforts
- Participates in fundraising

## **Putting Together a Board Manual**

### History, Purpose and Administration

- mission statement
- fact sheet (brief history, program summaries)
- articles of incorporation
- bylaws
- strategic plan
- executive director biography and job description
- annual calendar

### Board Information

- list of board members and contact information
- calendar of board and committee meetings
- descriptions of board and committee member responsibilities
- list of committees and members
- board liability insurance information

### Finance

- current financial statements
- budget
- list of donors for past two years

### Other

- press releases or articles
- promotional materials – membership brochure, newsletter, site brochure, etc.
- most recent board and committee minutes

