

What is the Role of a Non-Profit Board Member?

Ideas to spark discussion. Copied from various sties on the internet.

Individual Board Member Responsibilities

- Attend all board and committee meetings and functions, such as special events.
- Be informed about the organization's mission, services, policies, and programs.
- Review agenda and supporting materials prior to board and committee meetings.
- Serve on committees or task forces and offer to take on special assignments. (8 hours per month)
- Make a personal financial contribution to the organization.
- Inform others about the organization. (evangelize)
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Keep up-to-date on developments in the organization's field.
- Follow conflict of interest and confidentiality policies.
- Refrain from making special requests of the staff.
- Assist the Board in carrying out its fiduciary responsibilities, such as reviewing the organization's annual financial statement.
- Outreach at membership meeting to "strangers" (guests?)

Basic Board responsibilities include:

1. Determining the organization's mission and purpose.
2. Selecting the chief executive.
3. Supporting the chief executive and assessing his or her performance.
4. Ensuring effective organizational planning.
5. Ensuring adequate resources.
6. Managing resources effectively.
7. Determining and monitoring the organization's programs and services.
8. Enhancing the organization's public image (evangelize)
9. Ensuring legal and ethical integrity and maintaining accountability.
10. Recruiting new board members and assessing the board's own performance.

Once You Join the Board.

Setting goals:

Experts suggest that the board set measurable goals for itself, the executive director, and the organization on an annual basis. This goal-setting session, which might take place at an annual retreat, should also define the roles of the players. How can the board and the executive director best work together to achieve the organization's mission? At the end of the year, the board should evaluate itself, as well as the director and the organization, against these goals.

Meetings:

The board should meet at least four times a year, and at least one of the meetings should be in person rather than on the phone. Board members should receive a proposed agenda and all documents that are relevant to the proposed discussion well in advance of the meeting. Contrary

to common practice, the actual meetings should encourage questions and dissent, because thorough discussion of each issue is evidence that the decisions were made in good faith, even if they ultimately fail. Between meetings the board should receive monthly reports that summarize the organization's mission-oriented and fund-raising activities.

Employment issues:

Although the staff will handle the day-to-day management of the organization, the board must supervise the staff. The board actually hires and reviews the performance of the executive director, and it is sometimes involved in hiring decisions for other executives. The staff handles other personnel decisions, but the board should ensure that the organization implements employment policies that are in compliance with all relevant employment laws. By far the largest number of lawsuits that face nonprofit organizations – and their boards- deal with employment issues.

Financial resources:

The board must also pay close attention to the organization's financial resources. Board members can no longer afford to daydream or rely on other members with a better understanding of finances when the budget is presented. You need to understand the budget, ask questions, and challenge assumptions, if necessary. You will also need to help the organization acquire and manage resources. Depending on the organization, your role may be limited to approving a fund-raising plan or it may actually include asking community members for funds. Whatever the role for specific board members, the board is generally responsible for ensuring the financial health of the organization.

Planning and policies:

The board is also responsible for strategic planning and for major policy decision. These decisions will be made, of course, with input from the staff, but they should not be left for the staff alone.

Accountability and integrity:

Finally, the board is responsible for the organization's accountability and integrity. The board can set the tone with a code of conduct and with a strong conflict of interest policy. At least once a year, each board member should formally sign a document revealing any potential conflicts of interest. If a conflict appears with regard to any decision the board is making, the board member should reveal it at that time. State laws don't usually prohibit board members from doing business with the organization on which they sit as board members, but any conflict must be revealed and any exchange of funds must be fair. The intermediate sanctions provisions of the Internal Revenue Code also require that any dealings between board members and the organization be arms-length transactions.

The board should also ensure that the organization has filed all the documents it needs to file with the state, local, and federal governments. These include registrations that allow the organization to do business in the state, all charitable solicitation registrations, and any forms the IRS requires. The board may also want to examine the organization's Form 990 before it is filed with the IRS, as that form has become a public relations as well as an accountability tool.

Legal Duties and Liabilities:

State laws generally state that board members have duties of care, loyalty, and obedience to the organization that they serve. Generally speaking, the duty of care is the duty to pay attention to the organization – to monitor its activities, see that its mission is being accomplished, and guard its financial resources. The duty of loyalty is the duty to avoid conflicts of interest, and the duty of obedience is to carry out the purposes of the organization and to comply with the law. If you follow the suggestions above and your common sense when confronted with a new situation, you should be meeting these standards.

You will normally have quite a bit of protection against lawsuits as well. Taking your job seriously and practicing good governance is, of course, the strongest protection. There is also a federal Volunteer Protection Act. In addition, most states protect volunteers and/or state that the organization may indemnify directors for actions they take while pursuing their job. You should also check to see whether your organization's by-laws provide for indemnification and whether the organization carries directors and officers liability insurance. None of these measures is fool-proof, of course, and each statute, by-law, and insurance policy has different nuances, but the risk of legal liability should be quite low if the organization is run well.

Conclusion:

Nonprofit organizations need good board members. They need people who believe in their missions and are willing to spend the time to do the job well. If you have read to the end of this article, you may well fit the bill. (For more information on this topic, look at <http://www.boardsource.org> and <http://www.boardnetusa.org>.) The organization, its constituents, and those of us who are rooting for stronger nonprofit institutions thank you.

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