Board Fiduciary Roles

With board service comes fiduciary roles. Information and orientation will help directors understand the responsibilities. (Circle the best answers).

1. Protection for the board of directors is afforded in which concepts:
   a. Indemnification
   b. Volunteer Immunity[1]
   c. D & O Insurance
   d. Corporate Veil

2. The best model to describe the partnership of volunteer board and professional staff is:
   a. The staff is directed by the board of directors.
   b. Directors should attend to the details of administration.
   c. The board governs, the staff manages.

3. The organization and board have authority to operate from:
   a. US Department of Treasury, Internal Revenue Service
   b. State Division of Corporations
   c. Department of Justice, Federal Trade Commission.
   d. Members and Stakeholders

4. The governing documents for a board to follow include:
   a. Bylaws
   b. Prescription by the Membership
   c. Policies or Policy Manual
   d. Articles of Incorporation

5. In most states the public records of a trade association and chamber of commerce include:
   a. IRS Form 990
   b. Sale Tax Returns
   c. Roster of Members Paying Dues
   d. Minutes for Current Year (only)

6. Fiduciary duties include:
   a. Duty of Curiosity
   b. Duty of Care
   c. Duty of Loyalty
   d. Duty of Obedience

7. According to the IRS an independent financial audit should be conducted:
   a. Annually
   b. In Accordance with a Policy Set by the Board

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1. Protection is afforded through each element; supplemented by an orientation so the board understands its authority and limits.
2. The ideal model is to have the board be thought leaders and visionaries while the CEO and staff manage the organization.
3. Authority is prescribed by state corporate law and the IRS.
4. Bylaws, Policies and Articles give the board authority and guidance for governing.
5. Anybody can ask for IRS related documents; they can be found at www.guidestar.org.
6. Care, Loyalty and Obedience.
7. In accordance with a policy set by the board guiding frequency of audits, compilations or reviews.

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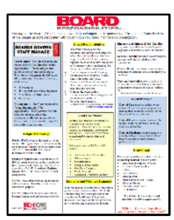

Get the laminated Board Responsibilities Guide to enhance understanding and performance.

[1] The federal **Volunteer Protection Act of 1997** aims to promote volunteerism by limiting, and in many cases completely eliminating, a **volunteer's** risk of tort **liability** when acting for nonprofit organizations or government entities.