

BOARD RESPONSIBILITIES

Serving on the Board of Directors is a rewarding and important responsibility. This guide informs leaders of the unique aspects associated with governing a volunteer, membership organization.

Boards Govern Staff Manage

Governance: Volunteer leaders are responsible for the direction of the organization. The board governs, develops policy and sets a course. The mission statement should frame all discussions. Purposes of a board of directors:

- Governance
- Policy & Position Development
- Visionary - Future Focus
- Fiduciary

Management: Staff are responsible for administration of the organization. Staff partner with the board to advance goals and strategies, while taking care of the daily administrative needs

Board - Staff Partnership

The leadership team is made up of the board of directors and the professional staff. The board understands it is responsible for governance while the executive director (CEO) is responsible for management. It takes a partnership to advance the mission and strategic plan.

Mission Statement

The mission statement should frame nearly every discussion and decision of the board and committees. Add it to the agenda and keep it visible at meetings. Frequently ask, "How does this proposal advance our mission?"

Board Responsibilities

1. Determine and advance the organization's mission and purpose.
2. Select the chief paid executive as well as CPA and attorney.
3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievements, etc.)
4. Conduct organizational planning.
5. Ensure adequate resources (funds, time, volunteers, staff, etc.)
6. Resource and financial oversight.
7. Determine, monitor and enhance programs and services.
8. Promote the organization.
9. Ensure legal and ethical integrity and maintain accountability.
10. Develop future leaders.

Good Governance

Scrutiny has increased on nonprofits from media, government and members. More recently the IRS has focused on organization governance and policies. Boards are expected to be accountable, independent and transparent.

- Audit and Audit Committee
- Whistleblower
- Compensation
- Document Destruction
- Conflict of Interest
- Public Records
- Board and Committee Minutes

Read to Lead

Leaders must read the governing documents. Listed here in hierarchical order with the authoritative relationship.

1. Mission Statement (IRS)
2. Article of Incorporation (State)
3. Bylaws (Membership)
4. Policies (Wisdom of the Board)
5. Strategic Plan (Roadmap)
6. Annual Budget and Financial Statement (Standing and Forecast)

Legal Principles

Duty of Care requires leaders to use reasonable care and good judgement in making their decisions on behalf of the interests of the organization.

Duty of Loyalty requires leaders to be faithful to the organization, avoiding conflicts of interest.

Duty of Obedience requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)

Board Meetings

Convene when there is a reason to meet; postpone unnecessary meetings. Be sure the meeting room environment is conducive to discussion; avoiding distractions. An open-U meeting set-up preferable. Most boards conduct business quarterly.

If guests attend, set protocols for their participation. They are expected to abide by the same requirements confidentiality, disclosure of conflicts, etc.) as the board members.

Rules of Order

Quorum is the minimum number of directors required to conduct business.

Agenda ensures that important business is covered and discussions are on topic.

Motions are proposals for action, beginning with, "I move we.....:"

A **Second** is required for the motion to be discussed.

Amendments may be made to most motions if they improve the intent or clarify the original motion.

Tabling lays the motion aside.

Calling the Question refers to ending the discussion and voting on the motion.

Voting is the official action after discussion to adopt, amend, kill or table the motion.

Minutes protect the organization by recording the time and location of the meeting, participants, and the outcome of the motions. They are not a place to record conversations, assignments, reports, etc. Audio and video recordings are discouraged.

Environmental Influences

Directors should be aware of member and environmental concerns and influences, for example:

- Regulatory Threats
- Economy, Employment
- Relevance, ROI
- Technology Advancements
- Generational Diversity
- Governance Adaptability, Structure

**MISSION MEMBER
DRIVEN FOCUSED**

Committees

Committees supplement board and staff work. Organizations are streamlining or eliminating all but essential committees; aligning them with goals in the strategic plan. Short assignments are preferred.

Standing - identified in the bylaws, appointed annually, on-going committee work.

Ad Hoc - formed for specific or immediate needs and disbanded upon completion of work (a.k.a. Task Force) Quick Action Team - very short term, precise call for volunteers.

Micro-Tasks - opportunities to engage members on brief projects.

Guiding Principles

Organizational values develop over time that guide the board, for example:

- Transparency
- Accountability
- Respect, Diversity
- Innovation
- Member Focused
- Integrity
- Outcome Driven

Protections for the

Volunteer directors receive protections for serving when fulfilling their prescribed duties. Protections may include:

- Volunteer Immunity
- Directors and Officer Insurance
- Indemnification
- Corporate Veil

Meeting Attendance

Directors are expected at all duly called meetings. Allowing persons to call-in to meetings diminishes effectiveness. Make exceptions to attendance sparingly. Directors should understand they are responsible for the decisions of the board whether or not they are present.

Performance Measures

Successful boards set metrics to monitor progress and performance. Frequently ask, "How will we recognize success if we don't have a way to measure performance?"

When the leadership agrees what to measure (i.e. membership market share, retention rate, savings ratio, website visits) report the data in the form of visual dashboards (reduce the need for reading and listening to reports.)

BOARDS GOVERN

STAFF MANAGE

After Board Meetings

After meetings directors should support the decisions of the board. Directors have authority only from gavel to gavel. When meetings end, only the chief elected officer and his or her designees may speak for the organization.

When directors are asked for information, they should refer to the right person to answer questions or start their statements with, "I cannot speak for the board." Meeting discussions and documents are to be treated in confidence.