

Core Duties of a Board of Directors

Duty of Care: showing the care a “reasonably prudent person” would exercise. Boards do this by:

- Preparing ahead of meetings by reviewing minutes, financial reports, and preparing relevant questions to help you reach a decision or exercise good governance
- Showing up at board and committee meetings consistently (no “phantom board members”)
- Asking thoughtful questions when reviewing management and financial reports and before voting on motions
- Exercising independent judgment
- Consciously practicing good **Governance** as an intentional group activity

Duty of Loyalty - to the best interests of the organization, and avoiding conflicts of interest.

Boards do this by:

- Putting the interests of the organization above any personal/financial interests when making decisions as a board member
- Being careful not to use your position as a board member for personal benefit (called “private inurement” and “self-dealing” in legal terms)
- Disclosing any potential conflicts of interest and adhering to the spirit and letter of the organization’s conflict of interest policy and processes
- Keeping confidential organizational information confidential (such as donor and client information)

Duty of Obedience - to the core purposes of the organization, its governing rules, and applicable laws and regulations.

- Ensuring compliance with the spirit and letter of applicable laws, tax code and corporate regulations governing nonprofits
- Knowing what is in the bylaws, and adhering to those internal rules
- Ensuring that new programs, services, funding and other decisions are in line with the organization’s purpose/mission.
- Putting in place and frequently reviewing policies to govern the organization’s resources and operations.

Fiduciary duty: Not just finances, but a duty to act on behalf of the good of others – a position of trust and responsibility

Elements of effective partnership *within* the Board and *with* staff

ONE VOICE: BOARD DECISION MAKING

1. The Board is responsible for managing the Board – ensuring a healthy, deliberative and renewing group.
The staff can help support the management of the Board through data collection and reporting, or issuing reminders based on Board direction. But peers must lead peers!
2. In the Board decision making process, dissent, discussion, questions, and concerns are expected, encouraged, and in fact are part of each Board member’s responsibility to vote in the best interests of the organization and the community it serves.
After the vote has occurred, though, it is important for all Board members (even those voting “no” on a particular motion) to support the decision of the majority. If they cannot give that support, the organization may not be a good fit anymore for their volunteer time.

3. What happens in the Board room, stays in the Board room.
Decisions—especially ones you disagree with—once reached by an adopted motion, need to be treated as the official stand of the organization. Discussion with non-Board members or staff undermine the Board’s and CEO’s ability to lead and manage the organization.
4. The Board only has authority when it speaks together (in other words, takes official corporate action through an adopted motion).
Individual Board members hold no inherent, official authority to affect management decisions or direct staff outside the Board meeting...that is the CEO’s job.
5. When Board members volunteer in programmatic or support (non-Board) roles, the difference in those roles needs to be respected. The “hats” are different.
If concerns arise for a Board member during service in a programmatic or support role, those concerns should be addressed to the Board President and/or CEO.

EFFECTIVE PARTNERSHIPS WITH STAFF

6. The Board hires, monitors, evaluates, and (if needed) terminates the CEO. Their focus should be on outcomes and progress toward the organization’s goals.
Keep in mind this quote: “The Board is the antidote to unchecked charismatic executive authority.”
7. The CEO hires, monitors, evaluates, and (if needed) terminates all other staff members and volunteers.
Otherwise, the staff has as many bosses as there are Board members, plus the CEO.
8. The CEO is the primary contact with, and liaison between, staff and Board.
This doesn’t mean that no contact between Board and staff should occur, but that there should be a respect from both Board and staff for the role of the ED. When problems arise, or a staff member attempts to address concerns to individual Board members, those inquiries should be redirected to the appropriate supervisor in accordance with the grievance policy and organizational chart.
9. The Board is responsible for Governance—setting program direction, policy, quality assurance, and oversight of finances.
An essential function of the Board is to set strategic expectations for the organization as a whole, and for the CEO individually.
10. The CEO manages the organization on a day-to-day basis and carries out the direction of the Board, with “degrees of discretion” defined by the Board’s policy decisions. The Board **entrusts**, **empowers** and **evaluates** the CEO based on their results.
The CEO, in implementing the policy direction of the Board, should set goals and expectations for all other staff.
11. The relationship between the CEO and Board is ideally one of partnership—a “dance in the Boardroom” where the input of the CEO is valued as a key strategic leader and visionary for the organization. Delegation is key – until the Board “gives it away” any given task could be perceived as belonging to the Board.
It’s important to acknowledge that the lines between the roles of the Board (policy, governance, vision) and CEO (management, implementation, day-to-day operations) are not always crystal-clear and require reinforcement.