**Board Roles and Responsibilities Handouts and Exercises**

These handouts and exercises are for you to use for individual reflection or to share with your board. You might undertake some of the exercises during a board meeting or at a board retreat. We hope they will engage your board and create some productive conversations.

**Board Roles**

* Setting Organizational Direction
* Ensuring the Necessary Resources
* Providing Oversight

###### **Board Role One: Setting Organizational Direction**

The board is fundamentally responsible for defining the organization’s mission and what it strives to accomplish, usually through a strategic planning process. The board must be involved in the portions of planning involving philosophical and strategic decisions, but may assign responsibility for tactical planning to the staff.

##### **Contents of a Typical Strategic Plan**

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| Philosophical | 1. Vision | 1. Describes the organization’s impact in the future 2. Refers to what the organization itself will be like at some point in the future |
|  | 1. Mission | 1. Philosophical expression of the organization, plus a brief summary of what the organization does |
| Strategic | 1. Goals | 1. Desired accomplishments (programmatic, administrative, developmental, and otherwise) |
| Tactical | 1. Objectives | 1. Specific, Measurable, Attainable, Results-Oriented, Time-Determined (SMART) aims |
|  | 1. Action Steps | 1. Task, Timeline, Point Person |

From *The Board’s Role in Strategic Planning* by Kay Sprinkel Grace (BoardSource, 1996)

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| **Ten-Step Strategic Planning Process Exercise** **Who are we?**  1. Create, change, or affirm an organizational vision and mission.  **Where are we now?**  2. Analyze the current plan (if one exists) and the program, financial, and administrative performance of the organization.  3. Assess and document the community needs to which the organization is responding.  4. Assess constraints, opportunities, resources, and other elements of the environment―factors that will affect the organization and influence planning.  **Where do we want to go?**   1. Revisit the vision and mission in light of new information and revise, if necessary. 2. Prepare and validate goals and objectives based on the information gathered and assessed in steps 1-5.   **How will we get there?**  7. Develop a financial plan and budget to support the validated goals and objectives.  8. Develop an action plan for each objective.  9. Prepare a comprehensive plan for review, approval, and implementation.  **How are we doing?**  10. Evaluate progress and update the plan on a regular basis.  From “The User’s Guide” for *Blueprint for Success: A Guide to Strategic Planning for Nonprofit Board Members* (BoardSource Video) by Kay Sprinkel Grace (BoardSource, 1997). |

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**Board Role 2: Ensuring the Necessary Resources**

##### **Capable Staff Leadership**

The board’s responsibilities for ensuring that the organization has the necessary executive leadership include identifying the qualities needed in a chief executive, recruiting and hiring the executive, and then supporting and evaluating the executive’s performance.

##### **Adequate Financial Resources**

The board ensures that the organization has the adequate resources to remain financially viable.

The full board participates in various ways:

* Board members can contribute financially
* Board members can help develop a fundraising plan
* Board members can support the chief executive’s solicitation efforts
* Board members can solicit
* Other

##### **Positive Public Image**

* An accurate image and positive reputation will influence organizational resources
* Success of most organizations depends on external relations
* Board needs to ascertain that stakeholders are kept informed

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**Board Role 3: Provide Oversight**

* Program -- e.g., plan, monitor and evaluate
* Financial -- e.g., establish budget guidelines and oversee financial management
* Risk management
* Legal and moral oversight -- e.g., manage compliance, values, conflicts of interest, and accountability
* Evaluation of Chief Executive

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🖎 Small Group Discussion

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| 1. What do your boards do to make sure that all board members have a clear picture of the organization’s financial health?  2. How do your boards seek to evaluate the quality of your organization’s programs?  3. How do your boards evaluate the chief executive and the board itself? |

**Ten Basic Board Responsibilities**

1. **Determine mission and purposes.** It is the board’s responsibility to create and review a statement of mission and purpose that articulates the organization’s goals, means, and primary constituents served.
2. **Select the chief executive.** Boards must reach consensus on the chief executive’s responsibilities and undertake a careful search to find the most qualified individual for the position.
3. **Support and evaluate the chief executive.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.
4. **Ensure effective planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan’s goals.
5. **Monitor and strengthen programs and services.** The board’s responsibility is to determine which programs are consistent with the organization’s mission and monitor their effectiveness.
6. **Ensure adequate financial resources.** One of the board’s foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
7. **Protect assets and provide financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
8. **Build a competent board.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
9. **Ensure legal and ethical integrity.** The board is ultimately responsible for adherence to legal standards and ethical norms.
10. **Enhance the organization’s public standing.** The board should clearly articulate the organization’s mission, accomplishments, and goals to the public and garner support from the community.

**From Ten Basic Responsibilities of Nonprofit Boards by Richard T. Ingram (BoardSource, Second Edition 2008).**

###### **Roles and Responsibilities of Individual Board Members**

###### **Board Member Responsibilities**

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| Actively Participate  -Provide time, talent, and treasure  -Attend meetings/events  -Serve on committees & carry out assignments  -Help raise money  Be Informed  -About mission, programs  -Prepare for meetings  -Stay current with related issues/organizations  -Ask questions | Promote the Organization  -Spread the word  -Recruit board members and other volunteers  Safeguard Ethics and Values  -Follow conflict-of-interest and confidentiality policies  -Refrain from asking special favors from staff |

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**Three “Hats” Board Members Wear**

* **Legal Hat** = The 3 “D’s” – Member of the governing body must be true to the organization’s interests:
  + Duty of Care – e.g., using your best judgment, actively participating, paying attention, asking pertinent questions
  + Duty of Loyalty – e.g., avoiding conflicts of interest, putting aside personal and professional interests
  + Duty of Obedience – e.g., staying true to the organization’s mission, obeying the law (both public and organizational)
* **Ambassador Hat** for the Organization
* **Volunteer Hat** for the Organization

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| **Roles and Responsibilities of Individual Board Members**Members of nonprofit boards serve their organizations in a variety of roles. They function as members of the governing body, as organizational ambassadors, and sometimes as volunteers in some aspect of the organization’s work. When board members fail to recognize that these are different roles which require different behaviors, misunderstandings and conflicts sometimes result.**Members of the Governing Body**The role of individual board members is to be participants in the organization’s governance structure. When accepting board membership, they become a part of a group that is vested with the authority to make decisions on behalf of the organization, a group that is also held accountable for the effects of these decisions. This means that they accept certain duties and agree to undertake responsibilities inherent in the position of board member. In order to participate in setting organizational direction, ensure that the organization has the necessary resources, and provide oversight of the organization’s life and work; they must attend board meetings, read board materials, stay informed about the issues facing the organization, and from time to time accept responsibility for undertaking special board assignments. By developing board member job descriptions, boards can assist their members in understanding what is expected of them.Authority and power are vested in the board as a whole. Individually, board members carry no special authority or power, except as specifically requested by the board to carry out certain functions. An organization’s bylaws will usually spell out the authority vested in each board office. For example, the board chair is usually authorized to call board meetings and to serve as the voice of the board in relation to the chief executive.Even though the corporate structure in general protects individual board members from liability for organizational decisions, they are expected to act in accordance with certain legal standards. These standards are commonly known as the duties of care, loyalty, and obedience.**Duty of Care**Known as the business judgment rule, the duty of care is defined as care that an ordinarily prudent person would exercise in a like position and under similar circumstances. This means that each board member is expected to stay informed and to ask questions. Reading minutes and background materials for proposed decisions, asking questions when clarification is needed, and participating in board deliberations are examples of how to discharge the duty of care.**Duty of Loyalty**To be loyal means to be faithful to the organization. When making decisions, the board member must show undivided allegiance to the organization’s welfare. The prospect of personal gain or gain for another party with which the board member is affiliated must not enter into the decision. Wise board members disclose potential conflicts of interest and refrain from participating in the board’s discussion and voting on the matter in question. All boards should have conflict-of-interest policies that cover likely conflict situations, such as business dealings and nepotism.**Duty of Obedience**Board members are duty bound to be faithful to the organization’s mission. This means that all potential board members are required to support the mission and that no action should be taken that is inconsistent with the mission. This duty is based on the right of the organization’s supporters to know the purpose for which their contributions will be used.**Ambassadors for the Organization**As ambassadors, board members represent the board outside the boardroom. At times they may be asked to take on specific tasks, such as recruiting a new board member or soliciting support for an issue. At other times they simply stand prepared to inform others about the organization and to advocate for its issues and its opportunities. Being an ambassador also means bringing information back to the organization that might be relevant for its current or future actions. Such information may include feedback about the organization’s work or about new and emerging opportunities or threats.Being an ambassador does not include expressing personal opinions as though they represent organizational positions or making commitments on its behalf. The role of official spokesperson requires special authorization. The chief executive is usually expected to serve as spokesperson and may delegate specific representation responsibilities to other staff. The board chair often serves as spokesperson, either in partnership with the chief executive or alone. All Board members need to be informed of what to do if approached by representatives of the media concerning anything related to the organization or the board.**Volunteers for the Organization**Serving as a volunteer in the program may give a board member valuable insights into the mission and the way in which the mission is being served. Often board members are recruited from the ranks of actively engaged volunteers. However, as volunteers who take on responsibility for particular tasks in the implementation of the organization’s work, board members are no different than other volunteers. Examples of volunteer jobs that are sometimes held by board members include planning membership events, organizing benefits, serving meals in a homeless shelter, and doing research on legislative issues. As volunteers, board members have no more power and carry no more influence. They have just as much responsibility for follow-through and deserve just as much appreciation as other volunteers. In their role as volunteers, they may be accountable to staff or to other volunteer leaders.   From BoardSource’s *Nonprofit Governance: Steering Your Organization with Authority and Accountability* (2000) |

**SUMMARY: Roles and Responsibilities of Individual Board Members**

###### Members of the governing body: duty of care, duty of loyalty, and duty of obedience

###### Having ultimate responsibility for the organization

###### Only during board meetings when developing policy and acting collectively

###### Ambassadors for the organization

###### Represent organization externally

###### Volunteers for the organization

###### When participating in all other organizational activities, NO special privileges