



Board Responsibilities and Operating Principles for a Nonprofit Board of Directors

Board responsibilities:

- 1. The Board of Directors is legally responsible and accountable for all aspects of nonprofit organization operations.** It is expected to ensure that the organization operates for the public good and for the benefit of the community, meets all legal requirements for tax-exempt nonprofits, and is publicly accountable.
- 2. The Board is responsible for fiscal oversight, acting as stewards on behalf of its funders and the community it serves.** The Board and its individual members should provide active, informed fiscal oversight of staff budgeting and financial management. It is also responsible for preventing Board member mismanagement, non-management, or self-dealing. Absence from meetings does not eliminate individual member responsibility for fiscal decisions or failure to provide oversight, since membership implies acceptance of fiscal oversight responsibility. The Board should have written conflict of interest and other policies to help implement its fiduciary responsibilities, manage risk, and prevent fraud or mismanagement.
- 3. The Board hires, supervises, and evaluates the chief executive.** The chief executive generally hires, supervises, and evaluates all other staff. Once a Board makes the transition from a voluntary to a policy-making body, it usually delegates day-to-day direction and supervision of work, staff, and volunteers as well as organizational management to the chief executive. By providing regular, structured evaluation of the chief executive, the Board ensures that the organization is well managed. The Board should develop an emergency succession plan in case something happens to the chief executive and should have a written process for executive transition.
- 4. The Board provides direction for the organization: it sets the vision, agrees on organizational goals, authorizes programs to be operated, and sets policy.** It plays a key role in strategic planning, and often approves an annual work plan with program objectives. If the organization does advocacy, the Board sets policy priorities and approves a public policy framework or broad positions. Staff are responsible for implementing programs. When Board members act as program volunteers, they work under staff supervision, functioning like other volunteers and not as Board members.
- 5. The Board evaluates the results of the organization's operations – as well as its own performance.** It helps determine whether plans and objectives are met. It receives periodic performance and progress updates, reviews formal evaluation results, and looks broadly at programs individually and together, to see how they contribute to organizational mission and goals. It ensures that the organization meets ethical standards. It also monitors the involvement of individual Board members and evaluates its own performance as a Board.

6. **Board members play a crucial role in resource development, approving fundraising goals and helping to identify, contact, and approach potential donors.** It is often said that Board members should “give, get, or get off.” All Board members should make a meaningful personal contribution each year, so the organization can tell funders that it has “100% Board giving.” The Board does most of its fundraising under the direction of staff. However, the Board may take primary responsibility for some resource development tasks, such as a special event or an annual campaign. Fundraising is typically the one “operational” area in which Boards should be deeply involved – but with staff direction.
7. **The Board of Directors establishes personnel policies and procedures, and serves as the last point of appeal in the grievance process.** The staff implements personnel policies. Boards should ensure that personnel policies are regularly updated to ensure that they reflect current local, state, and federal laws and regulations, reflect organizational values, and protect both employees and the organization.

Principles for effective Boards:

1. **A Board's officers are its leaders.** They should be elected by the members of the Board and be among the most knowledgeable, experienced, and active Board members. Typically, these leaders are the core of the Executive Committee.
2. **Committees or task forces of the Board allow work to be divided and shared.** This helps ensure all Board tasks are performed efficiently and effectively, and the special talents of all Board members are used. Ideally, much of the work of the Board is done in standing committees or time-limited task forces, with the full Board making decisions based on the work and recommendations of the committee. Typically, each Board member is expected to serve actively on at least one committee, and the Board's leaders are also members of the Executive Committee. That Committee may have authority to act on behalf of the Board between meetings, with certain limitations (for example, the Executive Committee cannot change the Bylaws or hire or fire the chief executive). State nonprofit laws may define the extent to which committees may act on behalf of the Board, and whether non-Board members can serve on committees with such authority.
3. **Meetings are the principal mechanism through which Boards carry out their legal responsibilities.** Most decision making is done by the Board acting as a body, not by individual members or committees, unless the committee has specific authority to act on behalf of the Board in certain situations. Boards carry out their governance responsibilities through the decisions and direction they provide at meetings. Individual Board members do not have the authority to give direction to staff or to act on behalf of the Board between meetings, unless the Board specifically authorizes such action for a specific purpose. Sometimes the Chair may be delegated authority. The Board should adopt written policies to help guide committees and Board meetings, rather than relying solely on the Bylaws or use of documents like *Robert's Rules of Order*.