THE BASICS OF BOARD RESPONSIBILITY

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THE BOARD OF DIRECTORS

WHAT IS A BOARD?

The Board of Directors is the not for profit corporation. Individuals, board members, staff and volunteers may come and go but the Board of Directors endures from the day of incorporation to the day of dissolution.

The Board is the body charged with the overall supervision and is ultimately responsible for the decisions that effect the organization.

The Board can delegate work but not final authority.

The Board is charged with "oversight".

WHY HAVE A BOARD?

Legal - the Board must:

1. register as tax-exempt and maintain the 501(c)3
2. govern the organization
3. assure adherence to the law

Management effectiveness - the Board should:

1. supplement skills of the staff
2. provide the team approach
3. provide two way representation
4. maintain objectivity

Serving on a Board of Directors is an opportunity for service - a privilege to join with others of a like mind.
THE BASICS OF BOARD RESPONSIBILITY

RESPONSIBILITIES OF THE BOARD:

1. Legal
   - attend meetings
   - be informed of subject matter
   - examine financial statements
   - supervise delegated authority
   - make decisions - record votes
   - bond appropriate employees
   - keep records, minutes, audit
   - approve contracts
   - exercise prudent judgment

Avoid conflicts of interest at all costs.
Indemnification Clause (By-Laws).
Directors and Officers insurance.

Ignorance of corporate affairs does not negate liabilities of the members of the Board of Directors.
2. **Financial**

- stewardship: assure funds are well spent by review of monthly financial statements (budget variance analysis)
- set policies for fees
- approve contracts
- develop and approve budget (RAISE DOLLARS TO MEET BUDGET)
- commission annual audit
- define role of the treasurer
- appoint competent finance committee
- approve salaries and fringe benefits

3. **Planning**

**Why plan?**

- planning is a creative process, freed from constraints of the past and present, yet using the past and the present as "resources"
- planning is futuristic. It is the common sharing of a vision of what we want to be and how we are going to get there

**Kinds of Planning**

- strategic - to determine the overall direction for the future
- operational - allocation of resources to the plan

"I keep six honest serving men - they taught me all I knew. Their names are What and Why and When and How and Where and Who".  

R. Kipling
What is involved in planning?

- organizing process
- time factor
- individuals to be involved

Components of a plan-

- review of mission
- environmental analysis
- establishment of goals, objectives and action plans
- evaluation of the plan

"The road of history is littered with the bones of great societies that couldn't tell their druthers from their needs".

Jenkin Lloyd Jones

4. Continuity

The Nominating Committee, charged with providing for the continuity of the Board of Directors, is a year-round working committee and is responsible for:

A. Maintaining membership-

- selection (scrutiny of candidates against criteria)
- recruitment (plan of persuasion)
- orientation (insure understanding)
- continuing education
- recognition (saying "thanks")
- separation (through Board of Directors' action or a member's choice)

B. Slating of officers and nominating committee.
C. Composition of the Board-

- balance:
  one-third....one-third.....one-third
  wisdom...........wealth..........workers
  new..............middle........old (tenure)

- size 18-24

- representation

- qualifications

5. Selection/Evaluation of the Executive Director

Selection-

- committee to screen - appointed by Board of Directors
- comprehensive criteria - approved by Board of Directors
- adequate time allowed
- final selection made by the Board of Directors
- support - by the entire Board of Directors of selection
- definitive job descriptions - who does what

Constant conflict between the Board of Directors and Chief Executive Officer will undermine the entire organization.

Evaluation-

- systematic process
- annual or bi-annual
- personnel or appointed committee
- standard format
6. **Policy and Decision Making**

Policies are...

- the governing principles which set forth board courses for action
- rules that embody the intentions of the group
- broad in scope, few in numbers and precisely written down

Policies are the "what to do".

Procedures are the "how to do it".

Policies set the framework for all other kinds of decision making.

- Policy recommendation - Board/Staff
- Policy determination - Board
- Policy implementation - Staff
- Policy monitoring - Board/Staff

7. **Public Relations**

It is the Board's responsibility to provide two way representation:

- interpret the organization to the community (educate, inform and recruit support)
- represent the public needs and interest to the organization

Each member of the Board of Directors is an ambassador of the organization.
8. **Monitor and Evaluate**

Evaluation is a systematic way of determining whether or not the program(s) is achieving desired ends.

What is to be monitored and evaluated:

- goals and objectives (the plans)
- services to clients
- programs
- agency's operations
- performance of Executive Director
- activities of the Board of Directors

**SUMMARY**

In summary, the Board of Directors is the not for profit corporation. From the day of incorporation to the day of dissolution, the Board of Directors, by affectively adhering to the legal, financial, planning, continuity, personnel, policy making, public relations and evaluation responsibilities, will insure the successful and valuable contribution the organization is making in the community it serves.
The Board

1. Is accountable and legally responsible.
2. Sets policies for the organization and sees that they are carried out.
3. Sets the budget and provides funds by raising money and controlling expenses.
4. Provides for overall planning both long and short term.
5. Provides for the continuity of the organization.
6. Provides for the utilization of all resources in specific programs.
7. Hires and evaluates the performance of the Executive Director.
8. Represents and interprets the organization to the community.
9. Evaluates services provided by the organization.
10. Establishes and serves on committees to achieve all of the above.
11. Is conscientious and provides for continuing board education.

Executive Director

1. Is the liaison between board and staff.
2. Employs, orients and supervises staff.
3. Directs implementation of board decisions and policies.
4. Coordinates all staff elements into a working team.
5. Prepares operating budget with the finance committee.
6. Maintains management authority over budget.
7. Provides program expertise.
8. Is the executive assistant to the president.
9. Seeks public understanding and support of the organization.
10. Manages the day to day activities.

The Staff

1. Is accountable to the executive director, the board of trustees and clients.
2. Is a support system for the executive director.
3. Provides expertise and continuity in program areas.
4. Implements decisions and policies of the board at the direction of the executive director.
5. Assists in the implementation of long and short term plans at the direction of the executive director.
6. Provides feedback on implementation and impact to the executive director.
7. Accounts for income and expenses.
8. Educates and informs the board upon request.
9. Attends board and other meetings as required.