



WHAT DOES A BOARD DO?

LEGAL RESPONSIBILITIES

The main legal responsibilities of a nonprofit board are often summarized in the "three Ds":

Duty of care: Board members are expected to actively participate in organizational planning and decision-making and to make sound and informed judgments.

Duty of loyalty: When acting on behalf of the organization, board members must put the interests of the nonprofit before any personal or professional concerns and avoid potential conflicts of interest.

Duty of obedience: Board members must ensure that the organization complies with all applicable federal, state, and local laws and regulations, and that it remains committed to its established mission.

Protect the Public's Interest

The first function of the board is to protect the public's interest. Nonprofits receive preferential tax treatment because they provide a "public" service and charitable purpose that would not otherwise be available without subsidy. The board's job is to represent the public's interest in assuring that the agency serves effectively. The board accomplishes this oversight and evaluation function by keeping well informed about the activities of the organization and by communicating appropriate information to the public.

WHAT IS THE FUNCTION OF THE BOARD?

You may have heard it said that, "The board sets policy and the staff carries it out." This suggests two separate and clearly defined groups: a policy-making group (the board), and an implementation group (the staff). The experiences of successful nonprofit boards challenge this perspective. In healthy organizations, major decisions are discussed, debated, and finally decided with the input and recommendations of the top executive, who has been hired to manage the nonprofit organization. Neither the top executive nor the staff (who often have the best and the most information) should be excluded from policy-making efforts. What does the board do? Set policy. What is policy? Anything set by the board. No wonder there is conflict and confusion about what boards should do! As long as these misconceptions persist, board membership will continue to pose difficulties for even the most well-intentioned volunteer. Let's look at more effective ways to think about the role and function of boards.

While the role of the top executive is to manage the organization, the role of the board is to govern it. Inherent in the board's governance role are two functions:

Enable the Organization to Achieve Its Purpose

The function of the board is to enable the organization to effectively and successfully achieve its purpose. To do this, the board has both formal (governance) and informal (helping) responsibilities.

FORMAL RESPONSIBILITIES

- hiring, and (if necessary) firing the top executive;
- delegating the organization's management functions, including planning, organizing, staffing, directing, and controlling to the top executive;
- developing and approving strategic plans, including major commitments;
- assuring the continuity of the organization, making emergency decisions when management cannot perform, and stepping in when crisis endangers the programs or existence of the agency; and
- maintaining the board as a healthy, well-organized governing body capable of helping the organization achieve success (i.e., progress toward fulfilling its purpose)

MANGAING VS GOVERNING

Though the board's role is often described as "managing the affairs of the organization," there is a fundamental problem with this description. Even if board members wanted to handle the endless, ongoing tasks of running the organization, how could a group of part-time volunteers squeeze these duties into their schedules? Managing a nonprofit organization is a full-time job -- not a chore that can be accomplished in the spare time of volunteer board members. Thus, instead of doing the "managing" itself, the board is responsible for ensuring excellent, or at least adequate, management of the organization. Therefore, the most important decision a board makes is the selection of the organization's top executive (might be called the Executive Director, President or CEO.)

THE BASIC LIST OF WHAT THE BOARD DOES

Participate

Attend Meetings

Committees

Events and Programs

Provide Resources

Give or Get Donations

In Kind

Share Skills

Advocate

Circle of Influence

Outreach to colleagues and associates

Government

IN-DEPTH OVERVIEW

Setting the policy for the organization.

Creating or updating the mission and vision statements.

Determining the organization's programs and services.

Developing and approving the strategic plan at annual board planning retreat.

Developing Resources for the organization:

Developing and approving the annual budget

Fundraising, by directly donating to the non-profit and soliciting donations from others.

Raising sufficient funds for the organization.

Having a written giving policy for the board

Monitoring the organization's operations:

Soliciting and reviewing program evaluations.

Working with and providing support to the executive

Troubleshooting as necessary.

Serving as a public figure for the organization

Advocating for the organization.

Doing outreach with your clients, colleagues and with other organizations on behalf of the group.

Fulfilling other board responsibilities

Documenting policies and decisions to create an organizational memory.

Preparing for and attending board meetings.

Researching and discussing issues before decisions are made.

Keeping the board vibrant and active by suggesting and vetting potential new members

INFORMAL (HELPING) RESPONSIBILITIES

Every nonprofit organization needs the help of its board in areas such as planning, fund-raising, and community relations. Although these activities must be managed, the top executive and the organization will be less effective without the active involvement of the board. Unlike the formal responsibilities, which are basically similar in all organizations, the helping responsibilities will vary depending on the needs of the organization. In general, these responsibilities consist of tasks board members can help the staff with in order to strengthen the organization. For example, the board can help the top executive develop a business plan and a fund-raising plan. The key concept here is a partnership in areas managed by the top executive. The board's aim should be to help the staff--not replace, command, undermine, or represent it. Helping responsibilities, are those which the board must typically delegate to the staff if they want them to be performed effectively. These activities need to be managed by the top executive, but, in many instances, the organization will implement these areas more effectively if it receives help from board members. Clearly, board and staff are partners in much of their work, and will serve the organization best if a "team" attitude can be cultivated from the start.