

Revised Edition

# Ten Basic Responsibilities of Nonprofit Boards

Richard T. Ingram

Book One of the BoardSource Governance Series

  
**BOARDSOURCE™**  
*Building Effective Nonprofit Boards*

## *Introduction*

A voluntary spirit and philanthropic instinct permeate most societies in the shape of informal community groups, religious organizations, or charitable nonprofit organizations. Nowhere else does this ethic take on more form and substance than through service on the governing board of a nonprofit, voluntary organization.

The first chapter of this book lists the 10 basic responsibilities of governing nonprofit boards. These functions can be adapted for inclusion in bylaws or other policy documents. They, together with the individual board member's responsibilities in Appendix I, offer criteria against which to review performance and to ensure a measure of accountability. A summary of these 10 responsibilities can be found in Appendix II, and a worksheet for assessing how well your board fulfills these responsibilities is available in Appendix III. Appendix IV is a list of suggested resources for more information on the responsibilities of nonprofit boards and their members.

The functions of governing boards are receiving increasing attention. The volume of information available on nonprofit governance continues to grow. Board members are reading more, programs of board development are more commonplace, and there is growing acceptance of the notion that effective governance determines organizational effectiveness. The purpose of this book is to clarify and distinguish the responsibilities of the board as a collective entity and those of individual board members. The first step to effective board service is to reduce the many ambiguities that inevitably accompany it.

*This book reflects five assumptions toward this end:*

1. Although every organization is unique, and there is no one-size-fits-all model to governance, there are fundamental responsibilities that hold true for almost every board.
2. How boards and board members actually fulfill their responsibilities will vary depending on the organization's size, structure, and history.
3. No generic model of board size, composition, or structure has proven itself viable in all circumstances. On the other hand, a body of knowledge has evolved that argues for certain structures, policies, and practices that consistently work better than others.
4. All organizations undergo a metamorphosis that calls for periodic evaluation, fine-tuning, and sometimes major overhaul of their governance structures. Organizational performance, like human performance, is cyclical in effectiveness and needs renewal as it evolves over time.
5. Boards and board members perform best when they exercise their responsibilities primarily by asking good, timely questions rather than by managing programs or implementing their own policies. The relationship between the board and staff tends to be strongest when expectations are mutual and responsibilities are clear.

## Conclusion

There are other board responsibilities, of course. Students of governance all have their favorite lists. It is important and useful, however, to make a distinction between *board* and *board member* responsibilities. Written job descriptions for the board and for its members should help boards to strengthen their sense of purpose, relations with chief executive and staff, organization and structure, and overall performance. This book concludes with a sample of individual board member's responsibilities that can be adapted to various organizational settings.

Boards and their members continue to be underdeveloped resources — in part because it is natural to respond only to expectations held for them, and in part because of the ambiguities inherent in board responsibilities and board-staff relations. Furthermore, some chief executives and some boards are ambivalent or even negative about in-service education and board development programs. After all, some risk taking is involved; inviting a third party to help with the process, for example, can be a difficult decision indeed.

Boards are learning to balance their nearly limitless organizational powers with self-restraint, to delegate authority where possible and sensible without abdicating their considerable responsibilities, and to channel board member enthusiasm and commitment into appropriate behaviors. As nonprofit organizations continue to evolve and strengthen their governance practices, the entire sector will surely strengthen its already significant contributions to the communities it serves.

# Appendix I

## STATEMENT OF INDIVIDUAL BOARD MEMBER RESPONSIBILITIES

Just as boards of directors have basic collective responsibilities, **individual board members are also entrusted with responsibilities** as a part of board membership. The obligations of board service are considerable — they extend well beyond the basic expectations of attending meetings, participating in fundraising initiatives, and making monetary contributions.

A clear statement of individual board member responsibilities adapted to the organization's needs and circumstances can serve at least two purposes: (1) It can help with the process of recruiting new board members by clarifying expectations before candidates accept nomination, and (2) it can provide criteria by which the committee responsible for identifying and recruiting prospective nominees can review the performance of incumbents who are eligible for reelection or reappointment.

Prospective and incumbent board members should commit themselves to the following responsibilities.

### GENERAL EXPECTATIONS

- Know the organization's mission, purpose, goals, policies, programs, services, strengths, and needs.
- Perform duties of board membership responsibly and conform to the level of competence expected from board members as outlined in the duties of care, loyalty and obedience as they apply to non-profit board members.
- Suggest possible nominees to the board who are clearly women and men of achievement and distinction and who can make significant contributions to the work of the board and the organization's progress.
- Serve in leadership positions and undertake special assignments willingly and enthusiastically.
- Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures through their supervisors. (All matters of potential significance should be called to the attention of the executive and the board's elected leader as appropriate.)

- Follow trends in the organization's field of interest.

- Bring good will and a sense of humor to the board's deliberations.

### MEETINGS

- Prepare for and participate in board and committee meetings, including appropriate organizational activities.
- Ask timely and substantive questions at board and committee meetings consistent with your conscience and convictions, while supporting the majority decision on issues decided by the board.
- Maintain confidentiality of the board's executive sessions, and speak for the board or organization only when authorized to do so.
- Suggest agenda items periodically for board and committee meetings to ensure that significant, policy-related matters are addressed.

### RELATIONSHIP WITH STAFF

- Counsel the chief executive as appropriate and support him or her through often difficult relationships with groups or individuals.
- Avoid asking for special favors of the staff, including special requests for extensive information, without at least prior consultation with the chief executive, board, or appropriate committee chairperson.

### AVOIDING CONFLICTS

- Serve the organization as a whole rather than any special interest group or constituency. Regardless of whether or not you were invited to fill a vacancy reserved for a certain constituency or organization, your first obligation is to avoid any preconception that you "represent" anything but the organization's best interests.
- Avoid even the appearance of a conflict of interest that might embarrass the board or the organization, and disclose any possible conflicts to the board in a timely fashion.
- Maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate, even though not necessarily obliged to do so by law, regulation, or custom.
- Never accept (or offer) favors or gifts from (or to) anyone who does business with the organization.

## FIDUCIARY RESPONSIBILITIES

- Exercise prudence with the board in the control and transfer of funds.
- Faithfully read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility.

## FUNDRAISING

- Give an annual gift according to personal means.
- Assist the development committees and staff by implementing fundraising strategies through personal influence with others (corporations, individuals, foundations).

## Appendix II

### THE BOARDSOURCE TEN BASIC RESPONSIBILITIES

1. **Determine the organization's mission and purpose.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, needs, 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. **Provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
4. **Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
5. **Ensure legal and ethical integrity and maintain accountability.** The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
6. **Ensure effective organizational planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
7. **Recruit and orient new board members and assess board performance.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
8. **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.
9. **Determine, monitor, and strengthen the organization's programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness.
10. **Support the chief executive and assess his or her performance.** 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.

## Appendix III

### BASIC RESPONSIBILITIES WORKSHEET

Use this worksheet to assess how well your board fulfills its basic responsibilities.

RESPONSIBILITY	MY BOARD SUPPORTS THIS RESPONSIBILITY BY	MY BOARD COULD IMPROVE IN THIS AREA BY
1. Determine the organization's mission and purpose		
2. Select the chief executive		
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### SUGGESTED RESOURCES

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