

BoardSource[®]

Basic Roles and Responsibilities of Nonprofit Boards

Presented by

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Building Effective Nonprofit Boards

Training based on content from the *Ten Basic Responsibilities of Nonprofit Boards, Second Edition* by Richard T. Ingram (BoardSource, 2009) and *Nonprofit Governance: Steering Your Organization with Authority and Accountability* by Berit M. Lakey (BoardSource, 2000).

Prepare to Train

Lesson Purpose

As volunteer leaders, board members play an important role in the success of the organization. Boards have significant legal and ethical responsibilities to their constituents, staff, and communities. Strong, knowledgeable boards help the organization gain credibility, provide important access to the community, and serve as effective advocates. This training will introduce board members to the fundamentals of effective governance by defining the basic roles and responsibilities of the board and examining strategies for building effective boards.

Agenda

- *Introduction*
- *Three Roles of Nonprofit Boards*
- *Board-Chief Executive Partnership*
- *Roles and Responsibilities of Individual Board Members*
- *Next Steps and Closure*

Learning Goals and Take-Aways

- Gain a clear understanding of the roles and responsibilities of nonprofit boards.
- Understand the role and responsibilities of individual board members and of board service.

PowerPoint Slides

There are PowerPoint presentation slides with notes in this unit deck. You also will find instructional tips, such as below:

- **Prep:** Pre-training tasks BEFORE the training. BoardSource staff trainers also offer estimates for allotting time for some exercises.
- **Trainer** (typically, in bold): Tasks or ideas to assist the trainer DURING the training such as segues, cues, and potential pitfalls. You also are given a heads up on the exercise or activity that comes next.
- **Additional content:** Suggested additional teaching points to stimulate thinking.

Board Role 1: 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

Philosophical	<ol style="list-style-type: none"> 1. Vision 2. Mission 	<ul style="list-style-type: none"> • Describes the organization’s impact in the future • Refers to what the organization itself will be like at some point in the future • Philosophical expression of the organization, plus a brief summary of what the organization does
Strategic	<ol style="list-style-type: none"> 3. Goals 	<ul style="list-style-type: none"> • Desired accomplishments (programmatic, administrative, developmental, and otherwise)
Tactical	<ol style="list-style-type: none"> 4. Objectives 5. Action Steps 	<ul style="list-style-type: none"> • Specific, Measurable, Attainable, Results-Oriented, Time-Determined (SMART) aims • Task, Timeline, Point Person

From *The Board’s Role in Strategic Planning* by Kay Sprinkel Grace

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

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

Small Group Discussion

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?

Roles and Responsibilities of Individual Board Members

- Member of the governing body:
 - 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 for the organization
- Volunteer for the organization

Ten Basic Board Responsibilities

- 1. Determine mission and purposes, and advocate for them.** It is the board's responsibility to ensure that the organization's mission is clearly stated and enthusiastically supported. A commitment to the mission should drive the board's priorities.
- 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. Ongoing and formal, annual assessment of the executive should occur.
- 4. Ensure effective planning.** Boards must actively participate in an overall planning process that translates the organization's mission into objectives and goals to be used to focus resources and energy.
- 5. Monitor and strengthen programs and services.** The board's fundamental responsibility begins with ensuring the current and proposed programs and services align with the organization's stated mission and purposes.
- 6. Ensure adequate financial resources.** The board is chiefly responsible for ensuring it has the funds it needs and that it does not spend beyond its means.
- 7. Protect assets and provide financial oversight.** Safeguarding organizational assets and holding them "in trust" on behalf of others is one of the most important board functions.
- 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. Therefore, board members should collectively exhibit diligence, commitment, and vigilance. Compliance, transparency, and accountability are the keywords.
- 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. Board members serve as a link between the organization and its stakeholders; they are the organization's ambassadors and advocates.

From *Ten Basic Responsibilities of Nonprofit Boards* by Richard T. Ingram (BoardSource, Third Edition 2015).

Next Steps

Review the list of basic board and board member roles and responsibilities. What suggestions do you have for ways in which the board might improve its performance?

	What Works	What Next Steps will Improve
Board Role 1: Setting Organizational Direction		
Board Role 2: Ensuring Necessary Resources <ul style="list-style-type: none"> ▪ Capable staff leadership ▪ Adequate financial resources ▪ Positive public image 		
Board Role 3: Provide Oversight <ul style="list-style-type: none"> ▪ Program ▪ Financial ▪ Risk management ▪ Legal and moral ▪ Evaluation of chief executive ▪ Board self-assessment 		
Roles and Responsibilities of Individual Board Members <ul style="list-style-type: none"> ▪ Members of the governing body: duty of care, loyalty, obedience ▪ Ambassadors for the organization ▪ Volunteers for the organization 		