

NONPROFIT BOARDS OF DIRECTORS

Board Roles

Stewardship

Ensure adequate resources
Protect assets and provide financial oversight
Enhance public image
Ensure legal & ethical integrity
Build competent board

Direct Mission

Define mission and purpose
Planning
Monitor programming

Guide Staff

Select, support and evaluate executive director
Decide executive compensation
Establish personnel policies

EXECUTIVE DIRECTOR EXPECTATIONS OF THE BOARD

1. Commitment to get to know the organization and the environment in which it operates
2. Attendance at meetings
3. Preparation for meetings
4. Participation in governance roles (see above)
5. Commitment to teamwork
6. Commitment to speak with one voice publicly
 - a. When the board is divided or has no clarity of thinking, the ED can behave as he or she sees fit.
7. Collective commitment to improvement
8. Sincere support for the executive director

CHARACTERISTICS OF “GOOD GOVERNANCE”

In 1997, the United Nations published a list of characteristics of good governance, which includes:

- Participation in decision making and reaching broad consensus on what is in the best interest of the organization
- Accountability and transparency
- Responsive, effective and efficient performance
- Equity and sound rule of law
- Strategic planning

Board Fiduciary Responsibilities

Duty of Care

- Directors must take reasonable steps to become well acquainted with all the information and facts under the board's purview and bring their best judgment to bear in the board's deliberations and decisions

Duty of Loyalty

- Directors must place organization's interests above their own.
- When conflicts of interest do occur, policies must be in place to ensure the conflict is disclosed and neutralized.

Duty of Responsibility

- Directors must ensure that the organization adheres to its charter and by-laws, follows its policies in a disciplined and consistent manner, and complies with relevant laws and regulations.

Source: Strive for the Best: Building and Maintaining an Excellent Board, Commonfund Institute, May 2014



THE STRATEGY GROUP, L.L.C.

Debra Hertz, Ph.D.
DWHertz@gmail.com

203.249.8959