Roles and Responsibilities of the Nonprofit Board of Directors
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Executive Director, Institute for Human Services

Board Experience
• Arnot Health/Ira Davenport Memorial Hospital – Past President - 10 yrs.
• Alliance for Information and Referral Systems
• NYS AIRS – Past President
• Children’s Trust Fund
• FEMA Local Board
• Catholic Charities Steuben
• Steuben County Youth Board & Community Services Board
• Arnot Health System
• NYSARH, Joint Education and Training (JET), ASC Education Advisory...
Roles and Responsibilities of the Nonprofit Board of Directors

1. The Elements of a Healthy Nonprofit

2. The Roles and Responsibilities of the Board
   1. Governance vs. Management
   2. Board Fiduciary Responsibilities
   3. Three Roles of the Board
   4. Board and Staff Responsibilities

3. Developing an Effective Board
   1. The “Give” and “Gets” of Board Membership
   2. The Board Matrix: a Tool for developing the appropriate Board composition
   3. Board Terms: 3 questions
   4. Board Evaluation: The Due Diligence Tool

4. Board Service
   1. Mirror, Mirror on the Wall….
Just because we’ve always done it this way doesn’t mean it’s not incredibly stupid

The Elements of a Healthy Nonprofit

Healthy Governance Function
Competent Executive Director
Sound Financial System
Workable, Legal, Human Resource Policy
Successful Fund/Business Development Strategy
Effective Infrastructure
Clear, Consistent Message
Good Programs and Services that Advance the Mission
Roles and Responsibilities of the Nonprofit Board of Directors

“The role of the board is to preserve and strengthen the confidence of stakeholders and the public by maintaining the highest standards of conduct in carrying out the board’s fiduciary duties of care, loyalty and obedience in pursuit of the organization’s charitable purposes.

The Board is ultimately responsible for adherence to legal standards and ethical norms.

Every social group, even a band of thieves, is held together by certain common interests, goals, values and meanings

John Dewey: Democracy and Education
The Role of the Board

**Governance vs. Management:**

- "Governance" is the strategic task of setting the organization’s goals, direction, limitations and accountability frameworks.

- "Management" is the allocation of resources and overseeing the day-to-day operations of the organization

<table>
<thead>
<tr>
<th>Board’s Role</th>
<th>Management’s Role</th>
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<tbody>
<tr>
<td>Select, evaluate, and support the ED/CEO.</td>
<td>Run the organization in line with board direction.</td>
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<td>Keep the board educated and informed.</td>
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<td></td>
<td>Seek the board’s counsel.</td>
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<td>Approve high-level organization goals and policies</td>
<td>Recommend goals and policies supported by background information.</td>
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<td>Make major decisions</td>
<td>Frame decisions in the context of the mission and strategic vision, and bring the board well-documented recommendations.</td>
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<td>Oversee management and organizational performance</td>
<td>Bring the board timely information in organizational performance. concise, contextual, or comparative formats.</td>
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<td>Communicate with candor and transparency.</td>
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<td>Be responsive to requests for additional information.</td>
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<td>Act as external advocates in public policy, fundraising and stakeholder/community relations</td>
<td>Keep the board informed, bring and diplomats in public policy, recommendations, and mobilize fundraising, and stakeholder/ directors to leverage their external community relations. connections to support the organization.</td>
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Board Fiduciary Responsibilities

I. A duty to act for someone else’s benefit, hold another’s interest ahead of own

II. Special responsibilities in connection with administration, investment and distribution of assets, where those assets are someone else’s

III. Include duties of Care, Loyalty and Obedience

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Board Fiduciary Responsibilities

Three Required Duties

Duty of Care

Duty of Loyalty

Duty of Obedience
Roles and Responsibilities of the Nonprofit Board of Directors

Responsibilities of the Board

Shape Mission and Strategic Vision

Ensure Leadership and Resources

Monitor and Improve Performance

Monitor and Improve Performance

<table>
<thead>
<tr>
<th>Miles</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tr>
<td>December / YTD Volunteer Miles</td>
<td>92,366</td>
<td>283,058</td>
<td>724,969</td>
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<thead>
<tr>
<th>Contacts</th>
<th>Website Sessions</th>
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<td>2015</td>
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<tr>
<td>2016</td>
<td>21,106 (Contacts)</td>
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<tr>
<td></td>
<td>33,780 (Website Sessions)</td>
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<tr>
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<td>30,571 (Website Sessions)</td>
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Roles and Responsibilities of the Nonprofit Board of Directors

2.4 Board and Staff Responsibilities
Roles and Responsibilities of the Nonprofit Board of Directors

“We measure everything, including ourselves, by comparisons; and in the absence of someone with outstanding ability there is a risk that we easily come to believe that we are excellent.”

Sir Hans Krebs, Ph.D.

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Developing an Effective Board

3.1 The Give and the Gets

3.2 The Board Matrix

3.3 Board Terms

3.4 Board Evaluation: The Due Diligence Tool
Roles and Responsibilities of the Nonprofit Board of Directors

4.0 Board Service

“The most important factor in achieving nonprofit success is the desire to improve and the willingness to make an ongoing commitment to excellence.”

Paul C. Light
Roles and Responsibilities of the Nonprofit Board of Directors

“Effective organizations need:

- Good leadership
- Strong management systems
- Keen focus on the organizational mission
- External relationships
- Diversified sources of revenue and
- Client knowledge

An effective board looks at the big picture...

It is alert to signs of trouble before a crisis erupts and is always asking questions such as:

- "How are we doing in meeting our mission?"
- "Are we working the hardest on the most important tasks?"
- "Could we do things better and more efficiently?"
- "Where are we in meeting our long-range goals?"
Roles and Responsibilities of the Nonprofit Board of Directors

A good board has a keen sense of priorities...

It works from an agenda so that it does not waste time on frivolous issues.

It encourages planning and the use of planning tools, freely endorsing time and money spent on anticipating future problems and preparing for them.

Roles and Responsibilities of the Nonprofit Board of Directors

The caring board provides growth opportunities for the staff...

Staff stability is crucial and the best way to achieve that is by providing employees with the means to develop professionally and personally. Staff retreats are encouraged and good personnel policies are constantly evolving.
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A judicious board thinks before it acts...

When staff and board members disagree, every effort is made to understand the opposing side's position in order to come to a fair resolution. The board makes sure that the staff operates in a fear-free environment and feels confident that if they express their opinions, they will not be punished.

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An efficient board values teamwork...

The board elects members that have skills in legal matters, accounting principles, and programmatic areas, and then fosters teamwork among them. The goal is to achieve the organization's objectives by utilizing board intelligence through teamwork.
Roles and Responsibilities of the Nonprofit Board of Directors

The outstanding board constantly evaluates itself and keeps improving...

It reviews the organization's mission annually and re-energizes itself through retreats and other activities. It invites outside expertise and educates itself in best practices.