



Ten Basic Responsibilities of Nonprofit Boards



Premier Voice of Nonprofits

- Started with grant from Kellogg Foundation in 1985
- Provides resources through workshops, training, extensive website
- Governance consultation
- World's largest, most comprehensive selection of nonprofit governance
- Annual conference – 900 governance experts, board members and chief executives



1. Determine the Organization's Mission and Purpose

- Board is fundamentally responsible for organization's mission
- Takes form of written mission statement Governance consultation
- Guide to organizational planning, board and staff direction

Mission Statement

- Is it useful, honest, valid, and current?
- Is this the first frame of reference when making decisions?
- What makes your organization distinctive?
- Why should someone provide financial support?





2. Select the Chief Executive

- Most important decision of board
 - Hire right person
- Activities prior to the search process, the Board should...

A green pen lies on a sheet of graph paper. To the left of the pen, there is a vertical checklist with three square boxes. The top two boxes contain green checkmarks, and the bottom box is empty.

3. Support & Evaluate the Chief Executive

- Frequent and constructive feedback
- Gets board support when members overstep prerogatives
- Introduce to community leaders, organizations and media
- Annual and effective evaluation process



Role of Board v. Chief Executive

- Board of Directors – Sets policy, plans, and strategy
- Chief Executive – Executes policy, completes plans, implements strategy
- Board of Directors should not deliberate on day-to-day operations or short-term management issues

4. Ensure Effective Organization Planning

- Strategic Planning – A road map a must
- Board members must be involved
- Use board committee structure
- Board should formally and enthusiastically approve the plan
- Track the plans, implementation and progress





Elements of the Plan

- Statement of mission and purposes
- Needs of current programs and services
- Need for new programs and services
- Reallocation of limited resources by eliminating or re-working weak programs
- Staffing (current and projected needs)
- Fundraising goals and strategies
- Public education and relations strategies



5. Monitor and Strengthen Programs and Services

The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.

- How do we know whether we are making a difference or succeeding at our mission?
- Need member/client feedback (satisfaction surveys)
- Some programs may have outlived their usefulness or appropriateness.



6. Ensure Adequate Resources

- First and foremost a board responsibility
- Effective fund raising is a measure of board capabilities
- Personal contributing is a must
- Entrepreneurial leadership is a must



7. Protect Assets and Provide Financial Oversight

The board must assist in developing the annual budget and ensuring that proper financial controls are in place.

- Fiduciary Responsibility (public trust)
- Develop, approve, and monitor budget
- Safeguard reputation (transparency)
- Risk assessments (controls)
- Provide audit oversight



8. Build a Competent Board

Articulate prerequisites for board positions. Orient new members. Periodically and comprehensively evaluate their own performance.

- Commitment to the organization
- Professional skills / Experience
- Philanthropic spirit
- Clarifying expectations for all board members
- Provide for continuous education in organization's field of interest



9. Ensure Legal & Ethical Integrity

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

- Compliance – regulatory and legal requirements (local, state, and federal)
- Transparency – provide accurate and complete information about the organization (integrity)
- Accountability – policies and procedures to safeguard the organization and public interest
- Annual Reports



10. Enhance the Organization's Public Standards

The board should clearly articulate the organization's mission, accomplishments, and goals.

- Board members are ambassadors
- Communicate story and contribute to public image Share “elevator speech” to help keep message consistent



Concluding Remarks

Serving on the Board of a Nonprofit organization does have great responsibilities ...

and even greater rewards!



Plan for Continued Learning & Board Development

- Ten Basic Responsibilities of a Not-For-Profit Board
 - Appoint a champion of each of the responsibilities
- Conduct a 5-10 minute education and discussion of a responsibility at each board meeting
- Develop an action plan for any recommendations that might result



Questions



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