



Workbook 1: Roles & Responsibilities of a Nonprofit Board of Directors

Worksheet Part One: Homework

Take the Quiz.

Thinking about your board of directors, reflect on how you would answer each of the following statements. Use the space between the statements to jot down any comments you have. Discuss with your fellow board members.

- Board meetings have a clear agenda Yes No

- New board members receive an orientation Yes No

- Board member responsibilities are clear Yes No

- There is a board member review process annually Yes No

- The nomination process for new members is clear Yes No

- Board committees set annual goals Yes No

- Board has a clear process for evaluating the E.D. Yes No

Find your Why.

Watch Simon Sinek's video (<https://www.youtube.com/watch?v=HjriwYrGL28>)

After watching the video answer the following questions and share your answers and thoughts with your fellow board members.

- Why does your organization matter?
- Why should someone care about your organization's work?
- Why do YOU care about your organization's work?

Review your Organization's Core Documents.

Take some time to review your organization's mission statement. Answer the following questions and then share your thoughts with your fellow board members.

- Is your mission statement clear, informative and compelling?
- To what degree does your mission statement encapsulate why your nonprofit exists, whom it serves, and how it serves them?
- Is your mission statement short and easy to remember?

Take some time to review your organization's vision statement. Answer the following questions and then share your thoughts with your fellow board members.

- Is your vision statement audacious, representing a dream that is beyond what you think is possible? Does it reflect the mountaintop your organization is striving to reach? Does it take you out beyond your present reality?
- Is your vision statement aligned with your group's core competencies? Does it encompass your nonprofit's unique capabilities and strengths?
- Does your vision statement provide a picture of what your organization will look like in the future?

- Is your vision inspirational, creating a vivid image in your stakeholders' minds, provoking emotion and excitement, and creating enthusiasm while posing a challenge?
- Does your vision give employees and other stakeholders a larger sense of purpose?

Take some time to review your organization's values statement. Answer the following questions and then share your thoughts with your fellow board members.

- How well does your values statement establish why your mission and vision should be fulfilled?
- Does your values statement express your nonprofit's motivations and the worldview under which it operates?
- Does it help define the operational culture for employees, volunteers, and donors?
- Does your values statement inspire pride and bring out the best in your constituency?

Read the Articles.

Read these four articles and discuss with your fellow board members.

- <https://www.nonprofitkinect.org/article/15870-keep-your-nonprofit-board-out-of-the-weeds>
- <https://www.nonprofitkinect.org/article/12323-board-members-hold-the-key-to-nonprofit-organizational-sanity-and-sustainability>
- <https://blueavocado.org/board-of-directors/the-governance-support-model-for-nonprofit-boards/>
- <https://blueavocado.org/board-of-directors/should-staff-contact-with-the-board-be-restricted/>

Worksheet Part Two: Governance

The most important role of a nonprofit board of directors is to ensure the organization has a clear and compelling mission statement and that it stays true to your mission. When a nonprofit drifts away from its original purpose, it's called "mission drift." This can happen inadvertently without the board realizing it if board members aren't paying attention.

Sometimes mission drift happens when an organization accepts funds from a grant for a program that isn't exactly in your wheelhouse. It sounded good at the time because the added revenue was attractive. There are many reasons a nonprofit may be tempted to drift from its mission. It is the board's job to ensure this doesn't happen.

- Take some time with your fellow board members to discuss steps your board is taking to ensure your organization remains true to its mission.
- Can you think of a time when your organization was tempted to stray a little from its original purpose by accepting funds that weren't entirely in line with your mission? Describe the situation and the outcome.
- Your client needs can change over time. It's important that your organization stays in touch with what your clients actually need. Take some time to review your mission statement to make sure it still serves you well. If you feel it needs some revising, choose an ad hoc committee to lead the board in modifying it.
- Peter Drucker, the famous late management guru, advises that organizations regularly ask themselves these five questions: What is your mission, Who is your customer, What does your customer value, What are your results, What is your plan. Spend some time answering these questions for your nonprofit.
- An important part of governance is taking care of the board's own long-term health by continuously cultivating, recruiting, and training new board members. Boards need to have a clear plan for choosing their board members. Discuss the protocol your board uses for recruiting, training, and supporting your board members.

- Your organization's bylaws must be up-to-date, and you must be following them. Be sure they have been reviewed by an attorney. The board should review your bylaws from time to time to make any necessary changes and to keep them fresh in your mind. When is the last time your board reviewed the bylaws? How familiar do you think your board members are with the bylaws and how closely do you think you are following them? When is the last time an attorney reviewed the bylaws?
- It is important to have written policies, standards, and procedures in place. Policies such as whistleblower, conflict of interest and gift acceptance are just a few of the documents that should be in your files. It is important to review these occasionally to make sure they are being followed. If you don't follow your own policies and bylaws, you might as well not have them. In the eyes of the law, policies and bylaws are only legitimate if you follow them. Is your board knowledgeable about your organization's policies, standards, and procedures? Do you know if they are being followed?
- Another very important board role of the board is hiring, supporting, and evaluating the Chief Executive. The Executive Director is the board's one and only employee and main partner in doing the work of the organization. Therefore, it's important that you conduct a thorough search for your candidate and hire well, that you support the incumbent to help them do their best job. It's also important that the board provides a written performance evaluation every year. This evaluation should be a two-way conversation between the board and CEO to strengthen the partnership and create a winning team. Mutual trust and respect as well as clear and consistent communication will keep you on track.

Do you feel that your organization's chief executive is a good fit? Is the person being well supported by the board? When is the last time the board conducted a performance evaluation for the executive director? Do you feel there is a high level of mutual trust and respect between your board and your chief executive?

Read through the following three legal responsibilities of board members and discuss how closely you think your board members are abiding by them.

1. The Duty of Care

This duty says that all board members should have sufficient competence to participate in the governing board. Each board member must exercise reasonable care (defined as “the care that an ordinarily prudent person would exercise in a like position and under similar circumstances”). Board members must remember that they are stewards of the nonprofit and make decisions accordingly.

2. The Duty of Loyalty

The duty of loyalty is a standard of faithfulness. A board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information obtained as a member for personal gain but must act in the best interests of the organization.

3. The Duty of Obedience

The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission.

Worksheet Part Three: Fiduciary

- The second key role of a board is fiduciary. The board provides consistent financial and fiscal oversight. Usually, the board treasurer and finance committee work closely with the nonprofit's CFO and CEO to review finance statements on a regular basis, to note any financial trends, and to make sure proper financial policies are in place and being followed.

Discuss with your board members how well this fiduciary responsibility is being followed.

- Describe how your board treasurer, finance committee, and senior financial staff work together to support each other.
 - Do you feel your organization has sufficient financial policies in place?
 - Are they being followed?
 - Are there, or have there been, any financial trends that have caused the board to be concerned?
- The board, especially the finance committee, must ensure that the organization has adequate resources to accomplish its strategic plans and goals and to fund its programs and operations.

How confident is your board that the organization has sufficient resources to carry out its plans and mission?

- The fiduciary role includes the high-level function of ensuring the organization's legal and ethical integrity. The board must make sure all laws governing nonprofits are being followed and that high ethics are always maintained.

Describe how your board feels about its level of legal and ethical integrity.

- Are there any concerns?
- Who in the organization is tasked with overseeing compliance with all laws governing nonprofits?
- How does the board ensure a high level of ethics?

Worksheet Part Four: Ambassador

- Being an enthusiastic ambassador is an essential board role and one that many board members enjoy. Waving the flag for your organization out in the community can bring a lot of enjoyment and reap many rewards.

Ask each board member to make a list of all the opportunities they may have to tell others about your nonprofit's good work. Whether at Chamber meetings, Rotary club, or private conversations, you can find ways of weaving your work on the board into your comments.

I know one attorney, for example, who introduces himself in public settings as a member of a certain board of directors rather than focusing on his law firm. Invite all board members to take a few minutes to think about ways they can get the word out there about your organization.

- Another way of being a good ambassador is by advocating with local officials and communicating with the public. Do any of your board members have a relationship with a reporter or are you tuned into Board of Supervisors meetings or City Council meetings?

Ask board members to write down how they can use their connections in the community to promote your nonprofit.

- Ask your board members to find ways to highlight your good work so your nonprofit stands out amid the hundreds of others out there. Think about your answers to Simon Sinek's questions about why your organization matters—that will give you lots of nuggets to weave into your conversations. People will be drawn to you and inspired by you and your commitment and vision.