

AGING SERVICES OF GEORGIA
Atlanta, Georgia

Annual Conference on Aging and Trade Exposition
Peachtree City, Georgia

Board Development Trends Workshop:
Building Nonprofit Board Capacity

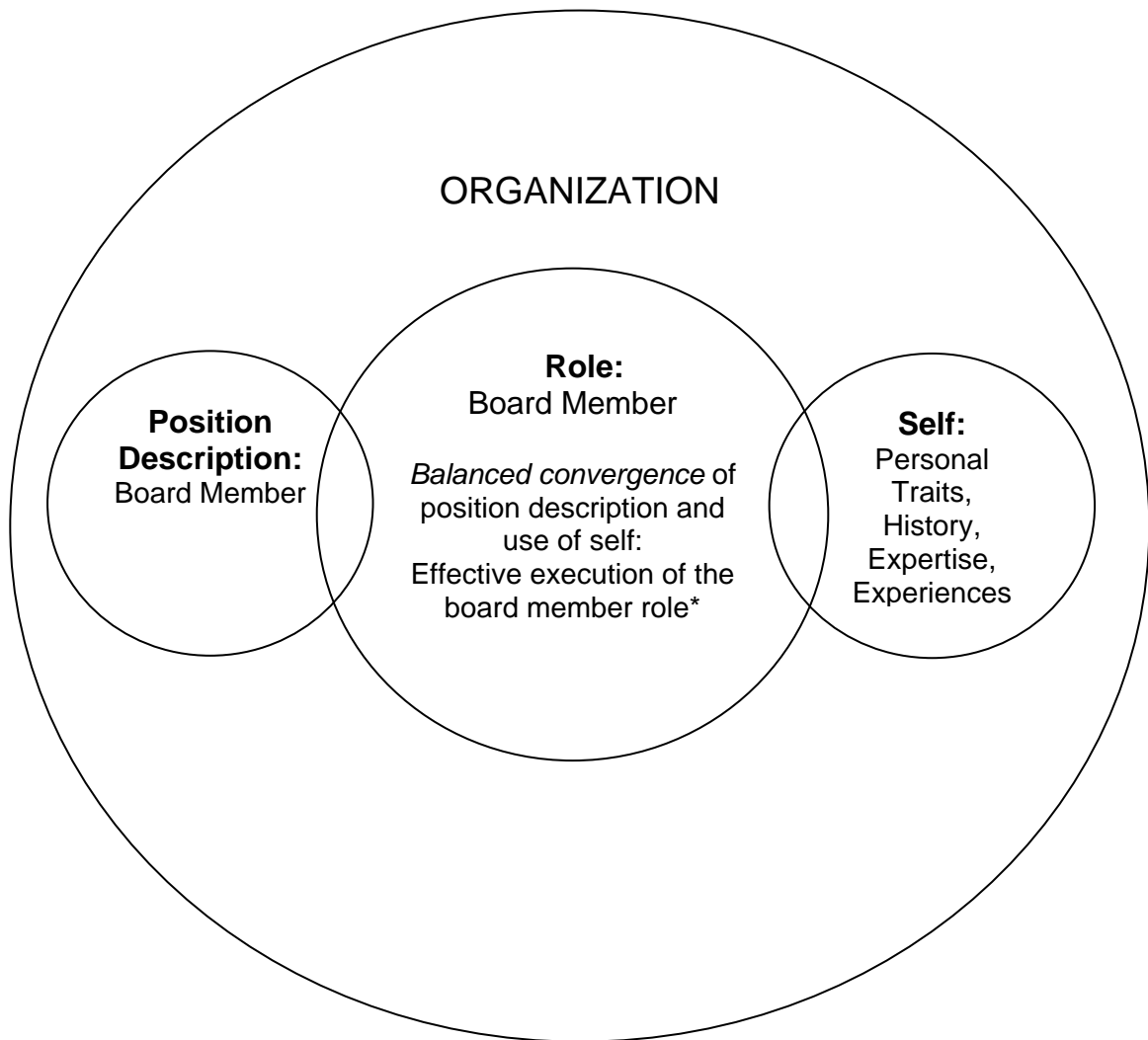
“Responsibility for a nonprofit board is vested in the board as a single corporate body,
not in individual members.”
BoardSource (2005), *The Source*¹²

Mindy R. Wertheimer, Ph.D., LCSW
Georgia State University
Atlanta, Georgia
mwertheimer@gsu.edu
404 413-1058

Wednesday, March 24, 2010
9:00 a.m. – 10:30 a.m.

Role Execution: Board Member**

Prepared by Mindy R. Wertheimer, PhD (2009)



*If *balanced convergence* in carrying out the role is not achieved, one or more of the following behaviors may be exhibited by the board member:

- Too professional; rigid; not mobilizing personal qualities OR
- Too personalized; focused on personal agenda and issues
- Too disengaged; limited attention and focus on tasks; “checked out” OR
- Too enmeshed; overinvolved; controlling

How one executes the role of a board member impacts the effectiveness of overall board outcomes. A well-executed role provides a strong foundation for a high functioning board that ultimately benefits the mission, work, and sustainability of the organization.

**Adapted from: Ryan, W. P. (October 12, 2007). *Personal Strategy for Effective Leadership*. BoardSource Leadership Forum, San Francisco, CA.

RESPONSIBILITIES OF THE NONPROFIT BOARD

Prepared by: Mindy R. Wertheimer, PhD, LCSW (2008)

The BOARD is:

- Responsible for everything an organization is, does, and becomes
 - Determine the organization's mission, vision, and values
 - Engage in strategic planning process and set strategic goals
 - Ensure adequate resources and establish policies for how these resources will be acquired
 - Promote the organization's public standing
 - Ensure accountability to stakeholders (on whose behalf the board governs)

- Responsible for having ultimate authority, oversight, and accountability for an organization's operations
 - Planning, monitoring, and evaluation of the organization's programs/services
 - Select, support, and partner with the chief executive officer and evaluate the CEO's performance; ensure a CEO succession plan is in place
 - Oversee financial management and transparency and establish budget guidelines
 - Ensure an annual independent audit

- Responsible for ensuring compliance with legal/accreditation requirements
 - Ensure legal and ethical integrity
 - Ensure policies are in place to support legal/accreditation requirements
 - Embrace the legal obligations of a board member (duty of care, duty of loyalty, duty of obedience)

- Responsible for implementing strong governance practices
 - Formulate a comprehensive board development plan (e.g., recruit and orient new board members)
 - Embrace the board member's governance role and responsibilities
 - Assess board performance

[Adapted from: R.T. Ingram (2003), *Ten Basic Responsibilities of Nonprofit Boards*, Washington, D.C.: BoardSource; D.D. Pointer & J. E. Orlikoff (2002), *The High-Performance Board*, NY: Jossey-Bass.]

STANDARDS OF CONDUCT

Under well-established principles of nonprofit corporation law of Georgia, a board member must meet certain standards of conduct and attention in carrying out his/her responsibilities to the organization. These are considered legal obligations.

I. GENERAL STANDARDS OF CONDUCT

Duty of Care:

The duty of care describes the level of competence that is expected of a board member, and is commonly expressed as the duty of care that an ordinarily prudent person would exercise in a like position and under similar circumstances. This means that a board member owes the duty to exercise reasonable care when he/she makes a decision as a steward of the organization.

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.

Duty of Obedience:

The duty of obedience requires a board member to be faithful to the organization's mission and purpose. This means that a board member is 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.

[Source: <http://www.boardsource.org/Knowledge.asp?ID=3.364&print=1>]

Current thinking on legal obligations:

Duty of Transparency: The duty of the board to ensure that the organization is appropriately transparent in its operations. For most nonprofits, this entails the filing of IRS form 990 and other appropriate informational and tax returns that are required to be made public.