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Responsibilities of Nonprofit Boards and Board Members

QUICK TIPS FOR TAX-EXEMPT ORGANIZATIONS

Nonprofit organizations uniquely rely on their boards and board members to act as stewards in ensuring that their missions are carried out and will continue in the future. This guide is a quick reference to the general responsibilities of nonprofit boards and their individual board members.

Board Responsibilities

- To oversee the organization's business and affairs management but not to manage the organization's day-to-day activities
- To clarify and ensure that the organization's mission is carried out
- To select, annually evaluate and remove, if appropriate, the organization's chief executive officer and chief financial officer
- To participate in development of the organization's short and long-range plans, including budgets and programmatic plans and to oversee the implementation of such plans
- To annually review the organization's performance against its plans, including review and approval of the annual financial audit
- To approve all major transactions, such as disposition of assets, mergers and acquisitions
- To perform all of its duties in good faith, with reasonable care and in the best interests of the organization
- To oversee the work of all board committees
- To focus on the future of the organization
- To bring unique perspectives and experiences to the organization
- To ensure the organization's financial solvency, where appropriate and feasible
- To strengthen the board itself

Individual Board Member Responsibilities

- To be fully informed about the organization, including its mission, programs and finances
- To understand the organization's beneficiaries and their needs
- To exercise independent judgment on all corporate decisions
- To stand up for individual convictions and speak his or her mind freely at board meetings, but to support the organization's policies and programs once established
- To remember that the role of the board is to govern and the role of management is to manage
- To support management and management decisions when such decisions are consistent with the organization's mission and plans
- To respect the views of other board members and staff and keep disagreements impersonal
- To remain loyal to the organization as a whole rather than to any constituency within it
- To enhance and promote the public image of the organization
- To maintain the highest ethical standards and never allow any personal conflict of interest to affect decision-making on behalf of the organization
- To contribute to and be active in the organization's fundraising activities
- To actively participate in the organization, including attending meetings, evaluating reports, reading minutes and fulfilling commitments to the organization

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