

Knowing and Doing: The Board Member's Key Responsibilities

Nonprofit board members must know their organization first, and act second

by Deborah Whitehurst

BEING A BOARD MEMBER — like being a business executive — boils down to two key responsibilities: knowing and doing.

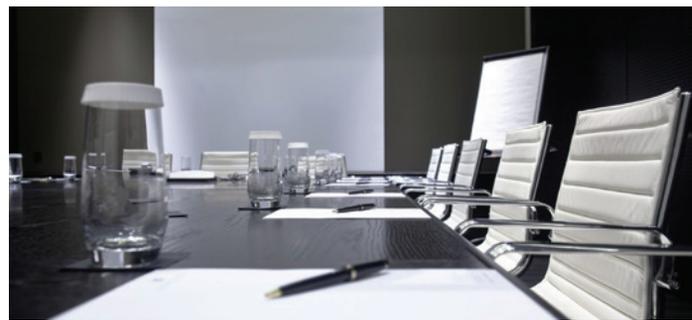
“Knowing the organization, believing in (and even being passionate about) its mission — that’s a primary responsibility for a board member,” says Shelley Cohn, board member of the Arizona Community Foundation, Childsplay and the Desert Botanical Garden. “Then take action — be a good ambassador and steward: Stay engaged; contribute ideas, expertise and connections; find ways to engage others; and assure that the community’s investments in the organization are used wisely on behalf of the public.”

Certainly the roles and responsibilities of boards are many and complex — from governing, policy-making and strategizing to overseeing internal operations — but at the heart of these tasks comes, first, knowledge, then action. *Knowing. Doing.*

The Knowing

Before even considering a board position, executives should know the nonprofit organization they are supporting: its values, its mission, what the organization stands for, its proposed actions and its constituents. In getting to know an organization, consider the three basic legal responsibilities of board members, some of which have been codified into law in various states.

- **Duty of Obedience:** Know and understand the foundation’s governing documents and ask questions any place confusion arises. Under this duty, board members may not approve an action by the nonprofit organization that violates its governing documents or applicable laws.
- **Duty of Care:** Know, or be well informed, before making a decision. For example, take care to review relevant materials, such as minutes, reports or studies, and proactively seek committee insight, staff or outside consultants and legal counsel when needed, to enable informed choices.
- **Duty of Loyalty:** Know the nonprofit’s interests and act solely on its behalf, avoiding conflicts of interest and maintaining confidentiality. Many nonprofits ask board members to annually declare any conflicts, in accordance with the organization’s Conflict of Interest Policy, and recuse themselves from voting when a conflict arises. Such policies often include a loyalty pledge to maintain the confidentiality of the organization’s discussions and actions as well. Financial and governance relationships with other entities, as well as conflicting business interests among shared vendors, need to be declared, too, as potential conflict circumstances arise.



Taking the time to understand the legal responsibilities of the board, as well as the organization’s scope and reach, helps ensure that the nonprofit serves the greater good: the public. Acquiring such knowledge also ensures that ethical, fiduciary and legal standards are met, as violations may carry monetary penalties for the organization and individuals, and sometimes the unintended effect of reputation damage.

The Doing

Once an executive becomes a board member, his knowledge of the organization and its policies can lead to wise and caring service.

At the most basic level of doing, board members are expected to attend board meetings, participate on committees or task forces, and serve a full term. They must uphold the organization’s values and ethics, abide by its policies, provide stewardship of its resources, engage in a leadership role of the organization and possibly represent it publicly when asked. In most nonprofits, board members will also be expected to donate to the nonprofit and bring personal and professional connections to assist with fundraising, as well as contribute to strategic planning for the future of the organization.

Despite the diversity of nonprofits Valley-wide and their varying missions, all boards have in common the central function of governing the organization. All act as stewards of the organization’s financial, human resource and reputation assets. Some of the additional responsibilities assigned to specific board members involve the following:

- Hiring, supporting and evaluating the nonprofit’s chief executive
- Setting programmatic or service strategies for delivering the mission-driven work of the organization
- Ensuring the integrity of internal operations, including the establishment of policies and oversight of best practices
- Reviewing and overseeing compliance with the budget, approving major contracts/expenditures, and reviewing the audit

In many ways, the roles and responsibilities of a board member are not much different from that of an executive. The board member has to know what he is doing, why he is doing it, whom he is doing it for, and what it entails. Then he does his best to serve — the organization’s clients, its customers, its constituents. Its community ... *your community.* ■

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