

BOARD ROLES, DUTIES AND RESPONSIBILITIES

Presented to:
MCEA Board of Directors

January 14, 2022

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BOARD ROLES, DUTIES AND RESPONSIBILITIES

I. INTRODUCTION

A. An organization's Board of Directors is an elected body that holds the organization in trust for members past, present and future, with a guiding principle of leaving the organization stronger at the end of each Director's term than it was at the beginning. The Board's special responsibility is to see that the Executive Director, who serves as CEO, manages the organization in a manner that responds to the expressed needs of members and anticipated needs of the future profession. The Board does not and should not serve in an operational or managerial role.

B. Responsibilities and Duties of Boards and Board Members

- Governance
- Leadership
- Policy development and oversight
- Ensuring financial responsibility: fund development & financial management
- Uphold the vision and the mission of the organization
- Oversight and evaluation of the Executive Director
- Positively representing the organization

II. RESPONSIBILITIES

A Board of Directors is the governing body of an organization (for profit and non-profit) with many serious responsibilities, which can be loosely categorized as follows:

A. Setting the policy for the organization.

1. Creating or updating the organization's mission and vision statements.
2. Determining the organization's programs and services.
3. Approving the organization's strategic plan.
4. Evaluating whether the organization has remained true to its mission and vision.

B. Monitoring the organization's operations.

1. Hiring and periodically evaluating the organization's Executive Director.
2. Working with and providing support to the Executive Director.
3. Approving the annual budget, annual report, contracts and grants.
4. Providing direction and oversight of the direction, planning, mission and vision of the organization.
5. Soliciting and reviewing program evaluations.
6. Promulgating and updating policies.

- C. Serving as a “public face” for the organization.
 - 1. Fundraising, if applicable, as necessary.
 - 2. Advocating for the organization.
 - 3. Communicating with members and the community.

- D. Fulfilling other Board responsibilities.
 - 1. Documenting policies and decisions to create an organizational memory.
 - 2. Preparing for and attending Board meetings.
 - 3. Researching and discussing issues before decisions are made.
 - 4. Replacing and orienting Board Members when a vacancy arises.¹
 - 5. Engaging in ongoing training in order to stay abreast of the laws and regulations affecting the organization.

III. LEGAL DUTIES OF BOARD MEMBERS

A Board of Directors also has certain legal obligations, known as duties. The following are some common legal responsibilities for members of a non-profit Board:

- A. Take reasonable care when making decisions for the organization (called “Duty of Care”).
 - 1. Active participation
 - 2. Committees
 - 3. Board action
 - 4. Minutes of the meetings
 - 5. Books, records, bylaws, etc.
 - 6. Investigations

- B. Act in the best interest of the organization (called “Duty of Loyalty”).
 - 1. Avoid using position on the Board for financial gain for yourself or a family member.
 - 2. Put the good of the organization first.
 - 3. Avoid conflicts of interest.
 - 4. Avoid diverting a corporate opportunity for personal gain.

- C. Act in accordance with the organization’s mission (called “Duty of Obedience”).

¹ Steps to Successful Board Recruitment 1. Evaluate the current board. 2. Consider the needs to achieve the mission and strategic goals. 3. Provide a detailed job description. 4. Designated members conduct the search. 5. New member is elected. 6. Member orientation and training.

1. Follow the law; taxes, FICA, unemployment and work compensation obligations.
2. Seek outside help and counsel
3. Stand aside when there is a conflict of interest (called “recusal”).

IV. LIMITING LIABILITY

While a Board and its members have many responsibilities, there are also activities and conduct to be avoided. Generally, Board Members should avoid being over- or under-involved.

A. Board of Directors should not:

1. Concern itself with the day-to-day management of the organization. That is the Executive Director’s job. For example, Board members should not:
 - a. Direct, evaluate or hire staff other than the Executive Director.
 - b. Make detailed programmatic decisions more appropriately left to staff.
 - c. Make any commitment of the organization’s staff or financial resources except with the prior authorization of the Board and/or the Executive Director.
 - d. Make any offer or commitment to allow exceptions to the organization’s policies/practices.
2. Rubber stamp decisions. While the Board should take the recommendations of the organization’s Executive Director, staff, and members into consideration, the Board needs to be an independent decision-making body.
3. There may be obligations on the part of MCEA to defend and indemnify board members who are acting in the course and scope of their role as board members.

B. A Board of Directors should:

1. Attend Board meetings regularly.
2. Be familiar with the organization’s goals, objectives and programs.
3. Read preparation materials prior to each Board meeting so that active, informed participation is assured.
4. Make sure the organization keeps a written, permanent record of all Board official actions.
5. Be certain the organization is fulfilling all aspects of its nonprofit and tax-exempt status (as applicable).
6. Exercise general supervision over the organization’s affairs.

7. Know the budget, budget process and financial situation of the organization.
8. Pursue the warning signs that something is wrong and inquire if there is something you do not understand or if something comes to your attention that causes you to question a policy or practice.ⁱ
9. Insist on meaningful Board meetings with full disclosure of operating results.
10. Require the organization to engage competent legal counsel.
11. Require all committees to make reports at the board meetings, when appropriate.
12. Authorize appropriate indebtedness for major programs.
13. Know the Directors and Officers of the organization.
14. Avoid conflicts of interest.
15. Monitor the community and professional image of the organization.
16. See that the organization maintains a good credit and financial standing.
17. Review the organization's insurance program.

V. MISTAKES TO AVOID

- A. Representing a particular constituency rather than putting the interest of the organization first.
- B. Interpreting the law too broadly to meet the desires of Board member(s) or key personnel.
- C. Encouraging staff or members to come to you with problems rather than referring them to the appropriate administrator (except concerning complaints/allegations against the Executive Director).
- D. Revealing attorney-client privileges information or data that is protected by law.
- E. Being an administrator rather than a policy maker.

ⁱ Warning Signs of Challenging Board Members: A challenging board member is one with a personal agenda, errant behavior, or conflict of interest that blocks his or her ability to serve as an effective, fully functioning board member. A challenging board member can slow the progress of meetings, irritate fellow board members, alienate new members, complicate decision-making processes, and threaten the organizational effectiveness and governance as a whole. The following are warning signs of a challenging board member:

- A board member providing misinformation, parts of a story, inaccurate facts, or not reporting as expected.
- A board member who confuses the rest of the board and/or staff, or splits the team into opposing sides of an issue related to the board member's contradictory positioning on subjects of importance.
- The rest of the board and/or staff spend significant amounts of time discussing the troublesome board members behaviors and issues.
- The board begins to alter its form of operation to counteract the challenging member.
- The board begins to feel defeated by the challenging member's behaviors or issues, and begins to shut down.

It is important to keep in mind, when addressing a challenging board member that the board needs to address the issue or problem behavior, and not the member as a “bad” person. Therefore, the issue is not the member but the disruptive occurrence being created by the member. It is also important to ensure that the member is truly the problem and that the issue does not lie with a troubled board. A troubled board may be one that had gone astray of its mission, or perhaps has adopted poor decision making processes. At times a sign of a troubled board is a member who might find cause to stand out by presenting healthy dissent. This member may be driven by passion for the organization and a desire to re-direct the board in a positive direction. This “loyal rebel” can be a very helpful and an important part of the board. It is important to ensure that the challenging member truly meets the criteria in the first sentence of this hand out, and if not, perhaps take a look at overall board functioning