

## **Ten Basic Responsibilities of Nonprofit Boards**

(Adapted from the [National Center for Nonprofit Boards](#) "Ten Basic Responsibilities of Nonprofit Boards", 1988.)

- **Determine the Organization's Mission and Purpose**  
A statement of mission and purposes should articulate the organization's goals, means, and primary constituents served. It is the Board of Directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual Board member should fully understand and support it. Please see our Mission/Vision/Values/Goals template under Starting an Organization.
- **Select the Executive Director**  
Boards must reach consensus on the executive director's job description and undertake a careful search process to find the most qualified individual for the position.
- **Support the Executive Director and Review His or Her Performance**  
The Board should ensure that the executive director has the moral and professional support he or she needs to further the goals of the organization. The executive director, in partnership with the entire Board, should decide upon a periodic evaluation of the executive director's performance.
- **Ensure Effective Organizational Planning**  
As stewards of an organization, Boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.
- **Ensure Adequate Resources**  
One of the Board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The Board should work in partnership with the executive director and development staff, if any, to raise funds from the community.
- **Manage Resources Effectively**  
The Board, in order to remain accountable to its donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget including taking an official vote to approve it before the start of each fiscal year. The Board must also ensure that proper financial controls are in place.
- **Determine and Monitor the Organization's Programs and Services**  
The Board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness.
- **Enhance the Organization's Public Image**  
An organization's primary link to the community, including constituents, the public, and the media, is the Board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support

from important members of the community, are important elements of a comprehensive public relations strategy.

- **Serve as a Court of Appeal**

Except in the direst of circumstances, the Board must serve as a court of appeal in personnel matters. Solid personnel policies, grievance procedures, and a clear delegation to the executive director of hiring and managing employees will reduce the risk of conflict.

- **Assess Its Own Performance**

By evaluating its performance in fulfilling its responsibilities, the Board can recognize its achievements and reach consensus on which areas need to be improved. Discussing the results of a self-assessment at a retreat can assist in developing a long-range plan.

#### BOARD RESPONSIBILITIES from

[http://www.mncn.org/info/basic\\_gov.htm#board%20role%20&%20resp](http://www.mncn.org/info/basic_gov.htm#board%20role%20&%20resp)

1. The Board should engage in ongoing planning activities as necessary to determine the mission of the organization and its strategic direction, to define specific goals and objectives related to the mission, and to evaluate the success of the organization's services toward achieving the mission.
2. The Board should approve the policies for the effective, efficient, and cost-effective operation of the organization.
3. The Board should annually approve the organization's budget and assess the organization's financial performance in relation to the budget at least four times per year.
4. The Board is responsible for the financial health of the organization and should actively participate in the fundraising process through members' financial support and active seeking of the support of others. As part of the annual budget process, the Board should review the percentage of the organization's resources spent on program, administration, and fundraising, with a goal of at least 70% of revenue used for programs.
5. The Board should hire, set the compensation for, and annually evaluate the performance of the executive director/CEO.
6. If the organization employs staff, the Board should annually review its overall compensation structure, using industry-based surveys of salaries and benefits. The Board should ensure that a livable hourly compensation is paid to all employees, whether full- or part-time. The Board should ensure that sufficient funds are allocated to contribute to full-time, permanent employees' medical insurance and retirement plans. The Board should establish policies, when appropriate, on employee benefits, vacation, and sick leave.
7. The Board should approve written policies and procedures governing the work and actions of its employees and volunteers. These policies and procedures should address the following: working conditions; evaluation and grievance procedures;

confidentiality of employee, volunteer, client, and organization records and information; and employee and volunteer growth and development.

8. The Board should ensure that an internal review of the organization's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire Board.
9. The Board should periodically assess the need for insurance coverage in light of the nature and extent of the organization's activities and its financial capacity. A decision to forego general liability insurance coverage or Directors and Officers liability insurance coverage should be made only by the Board of Directors.