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Board Roles and Responsibilities

Board members are the fiduciaries who steer the organization towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies, as well as by making sure the nonprofit has adequate resources to advance its mission.

One of the most important responsibilities for many boards is to [hire and set the compensation](#) of a talented CEO/executive director to run the day-to-day management activities of the organization, and then to provide supervision and evaluation of the CEO.

When there are paid staff in place, rather than steer the boat by managing day-to-day operations, board members provide *foresight, oversight, and insight*: think of them as up in the crow's nest scanning the horizon for signs of storms or rainbows to explore, perhaps with a pot of gold at the end! Yes, board members - your role as stewards of the nonprofits DOES involve [fundraising](#). And...at the National Council of Nonprofits we are big promoters of the important role board members play as [advocates](#) for the nonprofit's mission.

Did you know?

- The vast majority of board members for charitable nonprofits serve as volunteers without any [compensation](#).
- Arguably the most important policy for a board to adopt is a policy addressing [conflicts of interest](#).
- A common question: Should your nonprofit's CEO also be a board member? Yes, according to BoardSource, the national leader on nonprofit governance practices: “The chief executive’s input in board meeting deliberation is instrumental and invaluable for informed decision making. However, to avoid actual or perceived conflicts of interest, questions concerning accountability, or blurring the line between oversight and execution, chief executives should be non-voting members of the board, unless not permitted by law.” See [Recommended Governance Practices](#) from BoardSource, “LP7”.
- There's a [difference between "board of directors" and "trustees"](#)? (CharityLawyer)

The basics

What’s the role of the board of directors of a nonprofit corporation? ¿Cuáles son [las responsabilidades legales](#) de una junta directiva sin fines de lucro?

Just as for any corporation, the board of directors of a nonprofit has three primary legal duties known as the “duty of care,” “duty of loyalty,” and “duty of obedience.”

1. **Duty of Care:** Take care of the nonprofit by ensuring prudent use of all assets, including facility, people, and good will;
2. **Duty of Loyalty:** Ensure that the nonprofit's activities and transactions are, first and foremost, advancing its mission; Recognize and disclose conflicts of interest; Make decisions that are in the best interest of the nonprofit corporation; *not in the best interest of the individual board member* (or any other individual or for-profit entity).
3. **Duty of Obedience:** Ensure that the nonprofit obeys applicable laws and regulations; follows its own bylaws; and that the nonprofit adheres to its stated corporate purposes/mission.

However, a board of directors does not exist solely to fulfill legal duties and serve as a fiduciary of the organization’s assets. Board members also play very significant roles providing guidance to nonprofits by contributing to the organization’s culture, strategic focus, effectiveness, and financial sustainability, as well as serving as

ambassadors and advocates. Beyond fulfilling legal duties, board members can be important resources for the organization in multiple ways.

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Practice Pointers

We encourage all nonprofit board members to [subscribe](#) to our free monthly newsletters to stay up-to-date with issues that are popping up around the country, affecting the operations of charitable nonprofits, and in addition to be aware of these useful resources:

- How does your board compare with others? [Leading With Intent](#) offers benchmarks from a national study (BoardSource).
- Help board members get comfortable with their important role as [advocates](#).
- [Evaluating the performance of the executive director](#) is one of the most-likely-to-be-avoided but most important roles that a board can play in supporting a nonprofit's sustainability. (Minnesota Council of Nonprofits). [This article from the LEAP Ambassadors community](#) explores the challenges, discusses creative approaches, and lists helpful resources.
- Boards and CEOs: [Building strong board/CEO relationships](#) (Maine Association of Nonprofits)
- Yes, the role of board members DOES include helping to [raise money for the nonprofit](#)! Help board members understand that this usually includes making a [personal contribution](#). (BoardSource)
- Navigate governance challenges with our [Tip sheet for candid conversations](#) for boards.

- About board [orientations](#).
- Here's an annual "work plan" for your board: [The Board Member's Yearbook](#) (Alliance of Arizona Nonprofits)
- When board members are recruited, consider using a [board member contract](#) to ensure that everyone's on the same page (Blue Avocado).
- [Job descriptions](#) can help board members feel comfortable in their roles as officers of a nonprofit. [Download a sample](#). (BoardSource and Bridgespan)
- Board members can – in limited circumstances – be personally liable for a nonprofit's financial responsibility. One notable circumstance is for failure to pay [withholding taxes on an employee's wages](#).

Education for Board Members

Not everyone is familiar with the roles and responsibilities of board members for a charitable nonprofit and fortunately educational programs for board members abound. The harder issue is asking volunteers to take time to learn about their role and grasp what makes a great board member. Luckily there are plenty of virtual options, although in-person, and especially peer-to-peer programs, are often the most useful – and fun.

- Consider asking the board chair of another nonprofit to give a presentation to your nonprofit's board. Peer-to-peer learning is powerful!
- On a national level, [BoardSource](#) is a leading authority on board governance issues: [What makes a good board member?](#) (BoardSource)
- Read about important [policy issues that impact all charitable nonprofits](#)
- Board members may also be curious about insurance policies that cover their volunteer service and their duty of due care should motivate them to ensure that the nonprofit is covered with adequate insurance protection. Of note in the nonprofit world: Directors & Officers liability insurance usually covers not only board members and officers; it also generally also covers the CEO and other staff, as well as the nonprofit's corporate actions. The [Nonprofit Risk Management Center](#) is a resource on issues that can help board members understand the role of insurance and the importance of risk management.

More About Board Roles & Responsibilities

- Many [state associations of nonprofits](#) offer special programs for board members, whether by webinars, or in-person, on governance topics, including basic board roles and responsibilities.
- Download and adapt our [Sample Code of Conduct for board members](#).
- We've compiled tips and tools about [effective meetings](#) that board members can use to make sure that board meetings are efficient, effective, and engaging.

Additional Resources

- [Recommended governance practices](#) (BoardSource)
- [Discussion guide](#) to help board members understand their role as advocates (Stand for Your Mission)

State-Specific Resources

Explanations of nonprofit board roles and responsibilities by state attorneys general, [state charity officials](#), and representative resources from some state associations of nonprofits are linked below:

- [California](#)
- [Illinois](#)
- [Maryland](#)
- [Massachusetts](#)
- [New York](#)
- [Ohio](#)
- [Oregon](#)
- [Tennessee](#)

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