

Board of Trustees Roles and Responsibilities

1. Fundamental Responsibilities

The role of the nonprofit board centers on the fundamental responsibilities of providing the organization with sound governance, fiduciary and strategic oversight, and direction. The board oversees the operations of the organization, ensuring that the public's trust is upheld, the mission addresses a community need, the practices are ethical, and legal requirements are met. The board is responsible for assuring the financial integrity and solvency of the organization and establishing procedures to safeguard the organization from fraud and risk.

2. Legal Duties

New Hampshire law establishes specific standards of conduct for nonprofit board members. These duties are the legal standards which guide all actions taken by the Board of Trustees in the management and oversight of charitable organizations.

Duty of Care requires board members to discharge duties in good faith, and with the care that an ordinarily prudent person would exercise in a like position and under similar circumstances. It requires board members to exercise care in all activities relation to their role as board members and commits them to participate in the work of the board. Duty of Care is carried out by:

- Attending board and committee meetings
- Carefully preparing for meetings in advance
- Reviewing financial reports and other critical information regularly
- Exercising independent judgment
- Requesting information needed for decision making
- Making sure federal, state, and specific industry filing requirements are met
- Acting in good faith when decision making
- Delegating day to day business duties

Duty of Loyalty requires board members to act in the interests of the nonprofit rather than their own personal interests or the interests of some other person/organization. Duty of Loyalty is carried out by:

- Adhering to the conflict of interest policy
- Disclosing all conflicts
- Avoiding the use of the organization's opportunities for personal gain
- Maintaining confidentiality of information held by the organization

Duty of Obedience requires board members to make decisions in accordance with the mission of the organization, to uphold its bylaws, policies, and functions, and to not act in a way that is inconsistent with the central goals of the nonprofit. Duty of Obedience is carried out by:

- Ensuring compliance with all reporting requirements
- Examining all legal and governing documents
- Making decisions within the scope of the mission and the law

3. Roles

In addition to the Duties of Care, Loyalty, and Obedience, which all board members share, certain members have additional duties. As in most organizations, leadership positions are created within the Board of Trustees to assure that responsibilities are fulfilled.

Officers

President: The President is responsible for leading the board in practices of good governance. Not only does this individual set the tone for the rest of the board, he or she is usually a highly visible representative of the organization within the community. A variety of talents are needed to ensure a strong working relationship with the Executive Director, as well as a role model and motivator for other board members. The President generally appoints board committee and task force chairs, presides over board meetings, and often serves as a spokesperson for the organization.

Vice-President The Vice-President generally offers support to the President and substitute leadership when needed. Often the Vice-President will take on some special projects such as heading a task force.

Treasurer: The Treasurer is responsible for overseeing the financial operations and assuring that board members have the information they need to be effective fiscal stewards of the organization. Often this means regularly reviewing financial statements and assisting in preparing and presenting the organization's budget to the full board.

Secretary: The Secretary is responsible for ensuring that accurate minutes of the board meetings are kept. The Secretary creates the minutes.

4. Best Practices of Nonprofit Boards

- **Mission and Vision**
The board articulates the mission and vision of the organization into a formal statement which is widely disseminated. This statement should be a strong, clear presentation of why the nonprofit exists, who the beneficiaries are, what it provides to those beneficiaries, and where the board wants the organization to go. On a regular basis, the board discusses the relevance and clarity of the mission. All board members are expected to be knowledgeable about the mission and

vision, and are clear on what results will occur because of the work of the organization.

- **Strategy**

With the mission in mind, the board establishes broad policies and strategic direction to facilitate the organization in fulfilling its purpose. This work is the foundation from which all other decisions flow: goals, staffing and board composition, among others. This strategy is revisited periodically and thoughtfully as part of the strategic planning process since the needs of the nonprofit and its beneficiaries change based on the economic, social, and regulatory environment. The board ensures that the goals and objectives are established and results are tracked to inform future plans.

- **Programs and Services**

The board ensures that programs are consistent with the organization's mission, that services provided are according to best practices, and that they are regularly evaluated and monitored for greater effectiveness.

- **Legal and Ethical Practices**

The board monitors the organization's adherence to all laws and regulations. The board adopts policies and procedures to create a culture of legal and ethical standards that guide every aspect of the organization and established bylaws and policies for effective governance and fiscal oversight. The board strives for transparency in making information available in order to be held accountable to various parties.

- **Fiscal Soundness and Accountability**

The board provides strong financial oversight to safeguard the organization's tax exempt status and ensure the nonprofit is accountable to its donors and the public. The board engages in budget planning and approval ensures financial controls are in place, and monitors and evaluates the financial success of all programs and fundraising activities. The board fully reviews all financial statements and follows a documented process of review by the board of IRS Form 990. The board ensures that all board members are involved with financial oversight and works in partnership with the Executive Director to obtain adequate funding. The board monitors all financial assets to insure prudent management, safekeeping, and protection.

- **Risk Management**

Potential risks to the organization and its programs are carefully identified by the board. The board initiates thoughtful plans and programs to mitigate risk and creates contingency plans to ensure the uninterrupted delivery of services.

- **Board Development and Succession**

The board creates comprehensive written policies and processes for the ongoing identification and recruitment of board members whose skills, attributes, and

backgrounds match the identified needs and proprieties of the board. It is the board's responsibility to develop a comprehensive orientation process in order to train and engage the new board member. Board Trustees are elected for a three-year term that is renewable provided that the trustee remains interested and suitable for board membership. In addition, the board regularly assesses its own performance in fulfilling its responsibilities to the organization and develops plans for board enhancement.

- **Chief Executive Selection**

A key task of the board is to train, support, and evaluate the Executive Director. The board establishes a process to identify the leadership needs of the organization and conducts a thorough and professional search for the Executive Director. The board approves the job description for the Executive Director and the process for hiring the final candidate. In this process, the board doesn't give up its governance responsibility, but rather adds a professional to the structure who devotes full attention to keeping the organization running smoothly. Board members should expect to provide guidance and support to the Executive Director in fulfilling his or her job of managing the organization.

Annually, the board must assess the Executive Director's performance and offer direction for developing or enhancing skills, increasing productivity, and obtaining resources for meeting agency goals. The board is responsible for establishing the compensation package for the Executive Director given the scope of work, agency resources and market conditions. Each board member should be aware of the Executive Director's compensation package and how this is determined.

When the need to terminate the Executive Director arises, the board follows a careful and well-documented decision process and respects confidentiality.

- **Adequate Resources**

The board ensures that the organization has sufficient resources to implement the programs outlined in the strategy to achieve its mission. The board takes responsibility for determining a development plan to raise the funds needed to run the organization.

- **Giving**

100% of board members participate in annual giving to the best of their ability.

- **Community Stewards**

The board manages the organization's "brand" and public trust. The board enhances the perception of the organization and maintains effective relations with the community it serves. The board actively promotes the organization, its services, and its impact throughout the community. Board members act as ambassadors for the organization by:

- Advising lawmakers about issues that affect the organization
- Advocating with funding sources
- Communicating with others about Fellowship Housing Opportunities’ mission, goals, and accomplishments
- Promoting Fellowship Housing Opportunities with other community agencies
- Engaging in public relations activities

5. The Board-Executive Partnership

Highly effective boards forge a meaningful and successful partnership with the Executive Director. The foundation for this partnership is established by creating a working relationship grounded in mutual respect and supported by clarity of roles, expectations, and open communication. The following chart identifies which functions are typically managed by the board, by the Executive Director, and which are shared.

Separate and Shared Functions of the Board and Executive Director			
<i>Function</i>	<i>Board</i>	<i>Executive Director</i>	<i>Shared</i>
Mission, Vision, and Policy Development	Board Governance Committee develops board governance policies and brings to full board for input/approval.	Develops employee and operational policies. Participates on Governance Committee and provides administrative support for policy development.	Together work on mission and vision (board has final approval). Ensure all policies are in keeping with current law. All adhere to policies and support mission/vision.
Budgeting and Fiscal Reporting	Board holds the ultimate responsibility for integrity of finances, and for approving budget and major funding decisions. Conducts audit.	Develops budget with staff and presents to Finance Committee, which then presents to the full board. Managed to the board-approved budget. Provides info/support.	Regularly review all financials.
Planning Board Meetings	President and Committee chairs instrumental in meeting preparation.	Identifies key issues. Ensures board members have needed materials.	Strategize on best use of Board time and meeting flow.
Facilitating Board Meetings	Leads and facilitates board meetings.	N/A	N/A
Committee Work	Committee Chair leads and facilitates. Committee members participate.	Provides support, materials, and administrative support. Participates as appropriate.	Work to ensure committee has focus, goals, and charter.

Board Building	Governance Committee leads recruitment and orientation. All board members participate in recruitment and board development.	Provides information, support, and can make referrals.	Work together to recruit and orient new board members.
Board Assessment	Governance Committee leads process, full board participates.	Provides resources and support.	N/A
Strategic Planning	Establishes process and leads board engagement.	Provides resources, support, and data.	Engage in strategic planning as partners.
Fundraising	Establishes and approves fundraising plan and actively supports development activities.	Provides tools, supports fundraising, writes grants, and are engaged with donor development.	Participate in donor stewardship, special events, and other development activities.
Staff Oversight	Oversee hiring and evaluation of Executive Director.	Oversee hiring, supervision, and evaluation of all employees.	Ensures decisions are within budget.