

A nonprofit's board of directors is responsible for defining the organization's mission and for providing overall leadership and strategic direction to the organization. Each nonprofit board should: 1) actively set policy and ensure that the organization has adequate resources to carry out its mission; 2) provide direct oversight and direction for the executive director and be responsible for evaluating his/her performance; and 3) evaluate its own effectiveness as a governing body, as a group of volunteers, and as representatives of the community in upholding the public interest served by the organization.

Board Composition

- 1) Nonprofit boards should be comprised of individual volunteers who are committed to representing the best interests of the organization and its mission.
- 2) To ensure broad public participation, vitality and diversity, board members should serve for no more than nine consecutive years.
- 3) To allow for sufficient deliberation and diversity of perspectives, nonprofit boards should consist of no fewer than seven individuals.
- 4) Nonprofit boards must have a chair and a treasurer, and should have a vice-chair and secretary. No one should occupy more than one officer position in the same organization at the same time.
- 5) If staff membership on the board is deemed necessary, inclusion should be limited to the executive director, who should not serve as the chair, vice-chair, secretary or treasurer.

Board Characteristics and Qualifications

- 6) Nonprofits should strive towards board representation that reflects the organization's constituents.
- 7) Board members should be committed to the mission and dedicated to the success of the nonprofit.
- 8) Board members should actively develop an understanding of the mission, ongoing activities, finances and operating environment of the organization.
- 9) Board members should value diversity and understand the role of participation and inclusion in the future success of the organization's work.
- 10) To demonstrate their personal stake in the organization, board members are expected to volunteer time, raise external funds and make financial contributions to the nonprofit.

Board Responsibilities

- 11) Board members should be provided with a clear job description, orientation to the work of the organization and ongoing training, and should fully understand their roles and responsibilities to the organization and to the public.
- 12) Board members should understand the content and significance of the organization's financial statements and audit.
- 13) Boards should hold quarterly meetings (at a minimum) and expect regular attendance of members.
- 14) Board members are responsible for keeping suitably informed so they can actively participate in decision making.
- 15) Boards should organize committees as needed to effectively structure their roles and responsibilities.
- 16) Nonprofit board members are responsible to make decisions in the interest of the organization and no other party, including themselves. Each board should have a conflict of interest policy that includes a disclosure form, which is signed by board members annually, and procedures for managing conflicts of interest and handling situations in which public and private interests intersect.
- 17) Nonprofit board members are responsible for upholding the organization's mission and using its resources wisely and in accordance with the law.
- 18) Board members are responsible for fully understanding their legal and fiduciary obligations and carrying out their responsibilities in the following areas: Planning, Policy approval, Annual review of the executive director's performance, Setting of compensation structure, Fundraising, & Financial management.
- 19) The board of directors, led by the board chair, should annually evaluate itself through a survey to the board members and a subsequent discussion of the results with an eye toward improving governance practices.
- 20) Board members should receive no monetary compensation for their board duties other than reimbursement for board-related expenses.