

LEGAL RESPONSIBILITIES OF BOARD OF DIRECTORS

Duty of Care

Board members must exercise reasonable care when they make decisions for the Association. Reasonable care is what an "ordinarily prudent" person in a similar situation would do.

But what does this actually mean?

- Be informed;
- Participate (attend meetings and functions);
- Be familiar with the financial status of the Association;
- Ask questions;
- Seek outside information; and
- Deliberate (make informed decisions).

Duty of Loyalty

Board members must must always act in the best interests of the Association.

Board members must never use information gained through their position for personal gain. Board members must not let their personal and professional interests influence their Board decisions and should instead rely on what is in the best interests of the Association. Board members must avoid conflicts of interest or the appearance of conflicts. This means:

- Disclose immediately any conflicts of interest or even appearances of a conflicts of interest;
- Abstain from voting on matters where a conflict exists; and
- Consider whether participation in the discussion is appropriate if a conflict exists.
- Complete conflict of interest form;

Duty of Obedience

Board members must make sure that the Association is abiding by all applicable laws and regulations and does not engage in illegal or unauthorized activities. This includes financial responsibilities.

Board financial roles include:

- Financial Investigator (with the assistance of the Board Treasurer)
 - Understand or learn how to understand your Association's financial statements or Board Treasurer's explanations of them and whether they meet basic requirements.
 - Learn how to recognize warning signs of financial trouble.
 - Learn how to recognize warning signs of fraud.
 - Agree on general guidelines and standards to measure the effectiveness of organizational accomplishments.
- Financial Framer
 - Consider Association decisions in light of the existential need of the Association to generate revenue through membership dues and by other means.
 - Participate in the annual budgeting process.
- Financial Verifier
 - Ensure that all tax filing requirements and obligations are being met.
 - Ensure that expenditures are justified.

OTHER ROLES AND RESPONSIBILITIES

Establish Organizational Identity and Direction

- Ensure that the Association has created strategic plans.
- Ensure that the Association's vision, mission, and values are up to date and are reflected in the annual budget.
- Advocate for the Association's vision, mission, and values.

Professionalism

- Well-Functioning Board
 - Does the Board's composition reflect the strategic needs of the Association?
 - Do Board members attend and participate in most meetings?

Professionalism, Cont'd

- Effective Leadership
 - Are meetings conducted in an orderly fashion (also allowing for open and meaningful conversation) and on time?
 - Are goals of meetings made clear? Are motions and votes conducted clearly?

Ensure Organization Strength

- Ensure adequate financial resources and that they are furthering mission.
 - Does the Board take into consideration revenue generation when considering policies, programs, and goals?
 - Do the Association's revenue-generating programs support its mission?
- Enhance the Association's public image.
 - Does the Board check in on the status of the Association's reputation?

Provide Oversight

- Support and evaluate the Executive Director, select future executive directors.
 - Review the Executive Director's performance annually.
 - Assess Executive Director's skills and other qualities, ensure they are a good match for the Association's strategic needs.
- Monitor and strengthen programs and services.
 - Monitor the progress of the Association's programs.
 - Do Board members have easy access to information needed for effective decision making?
- Perform legal duties (including financial oversight and Board operations)
 - Does the Association have up-to-date risk management policies and plans?
 - Does the Board have a clear understanding of the Association's financial health?
 - Is the Board actively engaged?
 - Do Board meeting agendas focus on issues of strategic importance?