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 [1]of a talented CEO/executive director to run the day-to-day management activities of the organization. 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 [2]. And...at the National Council of Nonprofits we are big promoters of the important role board members play as advocates [3] for the nonprofit's mission.

Did you know?

- The vast majority of board members for charitable nonprofits serve as volunteers without any compensation [4].
- Arguably the most important policy for a board to adopt is a policy addressing conflicts of interest [5].
- A common question: Should your nonprofit's CEO also be a board member? [6] (BoardSource)
- What's the difference between "board of directors" and "trustees" [7]? (CharityLawyer)

The basics

What's the role of the board of directors of a nonprofit corporation? ¿Cuáles son las responsabilidades legales [8] de una junta directiva sin fines de lucro?

Just as for any corporation, the board of directors 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.

Practice Pointers

We encourage all nonprofit board members to subscribe [9] 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 [10]offers benchmarks from a national study (BoardSource).
- Board members have an important role as advocates to help advance nonprofit missions: Stand for your Mission [11]
- Boards and CEOs have to dance a special dance. Building strong board/CEO relationships [12] (Maine Association of Nonprofits)
- The resources that are part of the Leap of Reason [13] initiative are excellent springboards for discussions at board meetings about how your nonprofit can demonstrate its effectiveness.
- Tip sheet for candid conversations [14] for boards about typical governance challenges (National Council of Nonprofits)
- Start your new board members off on the right foot with an orientation [15] program that introduces them to the basic roles and responsibilities of serving as a nonprofit board member. Don't forget to include those special issues that pertain specifically to your nonprofit's mission, plus information on: governance policies [16] (so that all board members are reminded about their legal and fiduciary duties); accountability practices [17] (such as the need to disclose conflicts of interest); and the responsibility to hire, review the executive director's performance, and approve annual compensation.
- Consider creating a "work plan" for your board based on the calendar year. What month will your board typically review the executive director's compensation? adopt a budget? elect new board members? Here's an example of a board's work plan for a calendar year: The Board Member's Yearbook [18](Alliance of Arizona Nonprofits)
- Asking board members to volunteer for various committees benefits from thoughtful planning and a bit of "matchmaker" magic! Who should serve on which board committees [19]? (BoardSource)
- When board members are recruited, consider using a board member contract [20] to ensure that everyone's on the same page (Blue Avocado) and don't forget that fundraising and making personal contributions [21] are widely accepted expectations for board members.
- Job descriptions [22] can help board members feel comfortable in their roles as officers of a nonprofit. Download a sample [23]. (BoardSource and Bridgespan)
- Yes, the role of board members DOES include helping to raise money for the nonprofit [24]! Help board members understand that this usually includes making a personal contribution. [21] (Bridgespan)
- Consider using a consent agenda [25] as a way of saving time during meetings, and focusing the board's work on high priority issues that benefit most from discussion and discernment. Many governance gurus suggest putting the most important item on the agenda first – in order to leave enough time for full discussion.
- Evaluating the performance of the executive director [26] 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)
- Board members are always curious, and sometimes surprised to learn that they 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 [27].
- Do your nonprofit's board members appreciate the expectation that their role includes fundraising [28] for the nonprofit? (BoardSource)

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 watch-from-your-computer options, although in-person, and especially peer-to-peer programs, are often the most useful – and fun.

- Many [state associations of nonprofits](#) [29] offer special programs for board members, whether by webinars, or in-person, on governance topics, including basic board roles and responsibilities
- 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](#) [30]is a leading authority on board governance issues: [What makes a good board member?](#) [31] (BoardSource)
- Read about important [policy issues that impact all charitable nonprofits](#) [32]
- 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](#) [33] is a resource on issues that can help board members understand the role of insurance and the importance of risk management
- We've compiled lots of tips and tools about [effective meetings](#) [34] that board members can use to make sure that board meetings are efficient, effective, and engaging!

Resources

- Become a member of your [state association of nonprofits!](#) [29]
- [Recommended governance practices](#) [35] (BoardSource)
- [10 Basic Responsibilities of Board Members](#) [36] (BoardSource)
- [Annual Board Tune-up Checklist](#) [37] (National Council of Nonprofits)
- [How to be a great board member](#) [38] (National Council of Nonprofits)
- [Board basics](#) [39] (Minnesota Council of Nonprofits)
- [Research, reports, and data](#) [40] about nonprofits state by state
- Roles and responsibilities of the first board of directors: [video](#) [41] (NEO Law Group)
- [The nonprofit board's role in HR](#) [42] (Blue Avocado)
- Read about [effective meetings for good governance](#) [34] (National Council of Nonprofits)
- Sample [consent agenda](#) [43] compared to a regular agenda
- Board meeting [attendance reimbursement policies](#) [44] (Board Source)
- Gamify your board retreat with a [Board Member Bingo](#) [45] game.
- [Discussion guide](#) [46] to help board members understand their role as advocates (Stand for Your Mission)
- [Board Fundamentals: Understanding Roles in Nonprofit Governance, 2nd Edition](#) [47] (BoardSource)
- [Meeting and exceeding expectations: A guide to successful nonprofit board meetings](#) [48] (BoardSource)
- [Bibliography](#) [49] of resources on nonprofit boards (Foundation Center)
- [Sample Code of Conduct for board members](#) [50] (National Council of Nonprofits)
- [Board's role in independent audits](#) [51] (National Council of Nonprofits)
- [FAQs about boards](#) [52] (Nonprofit Association of Oregon)
- Should your organization's [CEO serve on the board?](#) [53] (BoardSource)
- [Directors and Officers' (D&O) Key Facts about insurance and legal liability](#) [54] (Nonprofits Insurance Alliance of California and Alliance of Nonprofits for Insurance)
- [Resources for All-Volunteer organizations](#) [55](Blue Avocado)

State-specific resources

Explanations of nonprofit board roles and responsibilities by state attorneys general, [state charity officials](#) [56], and representative resources from some state associations of nonprofits are linked below:

- [Arizona](#) [57]
- [California](#) [58]
- [Connecticut](#) [59]
- [Illinois](#) [60]
- [Maryland](#) [61]
- [Massachusetts](#) [62]
- [Michigan](#) [63]
- [Minnesota](#) [39]
- [Mississippi](#) [64]
- [Montana](#) [65]
- [New York](#) [66]
- [Ohio](#) [67]
- [Oregon](#) [68]
- [Tennessee](#) [69]
- [Washington State](#) [70]

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Source URL: https://www.councilofnonprofits.org/tools-resources/board-roles-and-responsibilities

Links
[1] https://www.councilofnonprofits.org/tools-resources/executive-compensation
[2] https://www.councilofnonprofits.org/tools-resources/fundraising
[3] https://www.councilofnonprofits.org/thought-leadership/do-your-nonprofits-board-members-stand-your-mission
[4] https://www.councilofnonprofits.org/tools-resources/can-board-members-be-paid
[5] https://www.councilofnonprofits.org/tools-resources/conflicts-of-interest
[6] http://blog.boardsource.org/blog/2016/01/05/should-your-ceo-serve-as-a-board-member/
[7] http://charitylawyerblog.com/2016/04/24/nonprofit-jargon-buster-directors-vs-trustees/
[8] https://grantspace.org/tools/knowledge-base/preguntas-y-respuestas-en-espanol/junta-directiva/responsabilidades-legales-de-las-juntas-directivas-legal-duties-of-nonprofit-boards/
[9] https://www.councilofnonprofits.org/connect
[10] https://leadingwithintent.org/
[11] https://standforyourmission.org/
[12] https://www.nonprofitmaine.org/answer/building-strong-boardceo-relationship/

[13] https://leapofreason.org/
[14] https://www.councilofnonprofits.org/sites/default/files/documents/tip-sheet-for-candid-conversations-updated-2018.pdf
[15] https://www.councilofnonprofits.org/tools-resources/board-orientation
[16] https://www.councilofnonprofits.org/tools-resources/good-governance-policies-nonprofits
[17] https://www.councilofnonprofits.org/tools-resources/ethics-and-accountability-nonprofits
[18] http://arizonanonprofits.org/page/Yearbook
[19] https://boardsource.org/board-committee-service/
[20] https://blueavocado.org/board-of-directors/a-board-member-contract/
[21] https://www.bridgespan.org/insights/library/boards/board-members-personal-contributions
[22] https://www.bridgespan.org/insights/library/hiring/nonprofit-job-description-toolkit/board-job-descriptions
[23] https://www.bridgespan.org/insights/library/boards/board-member-job-description-sample
[24] https://www.gailperry.com/fundraising-responsibilities-every-board-member/
[25] https://www.councilofnonprofits.org/sites/default/files/documents/a3e8abbfab7a4d088d56ba3e563c6c061.pdf
[26] http://www.minnesotanonprofits.org/nonprofit-resources/management-hr/performance-compensation/conducting-executive-director-performance-evaluations
[27] http://blog.boardsource.org/blog/2014/08/18/unpaid-payroll-taxes-can-mean-real-problems-for-nonprofit-board-members/
[28] https://boardsource.org/resources/personal-contributions/
[29] https://www.councilofnonprofits.org/find-your-state-association
[30] https://boardsource.org/
[31] https://boardsource.org/what-makes-a-good-board-member/
[32] https://www.councilofnonprofits.org/public-policy-agenda
[33] https://www.nonprofitrisk.org/
[34] https://www.councilofnonprofits.org/tools-resources/effective-board-meetings-good-governance
[35] https://boardsource.org/wp-content/uploads/2016/10/Recommended-Gov-Practices.pdf
[36] https://boardsource.org/product/ten-basic-responsibilities-nonprofit-boards/
[37] https://www.councilofnonprofits.org/sites/default/files/documents/annual-board-tune-up-checklist.pdf
[38] https://www.councilofnonprofits.org/sites/default/files/documents/How%20to%20be%20a%20Great%20Board%20Member.pdf
[39] http://www.minnesotanonprofits.org/nonprofit-resources/leadership-governance/board-basics/board-basics-overview
[40] https://www.councilofnonprofits.org/research-reports-and-data-the-nonprofit-sector
[41] https://www.youtube.com/watch?v=nEYEfQ5hyos&amp;app=desktop
[42] https://blueavocado.org/board-of-directors/the-nonprofit-board-s-role-in-hr/
[43] https://www.councilofnonprofits.org/sites/default/files/documents/strategic-board-agenda-sample.pdf
[44] https://boardsource.org/resources/board-meeting-attendance-reimbursement-policies/?utm_campaign=R%2BS&utm_medium=email&_hsenc=p2ANqtz-_PZ8gUdvr2nznLBI1k24nWYbmEiqyaBgL-JTbfqFHnSm5U0cwtuiGBAySVzKqKj3yc_oFT6ttEBfbq5b7aj1ic6hoLvk4rUmSPfZldAQRMSM_QL6g&_hsmi=60380493&utm_content=60380493&utm_source=hs_email&hsCtaTracking=9baeb8bf-68f3-4834-a8b2-cc5278e0450c%7C5696fb1e-80a2-4691-a668-bb894a2ea990
[45] http://www.amyeisenstein.com/downloads/Board-Member-Bingo.pdf
[46] https://standforyourmission.org/wp-content/uploads/2014/09/Discussion-Guide.pdf
[47] https://boardsource.org/product/board-fundamentals-understanding-roles-nonprofit-governance/
[48] https://boardsource.org/product/meeting-exceeding-expectations-guide-successful-nonprofit-board-meetings/
[49] https://grantspace.org/types/knowledge-base/
[50] https://www.councilofnonprofits.org/sites/default/files/documents/SAMPLE%20Board%20Code%20of%20Conduct.doc
[51] https://www.councilofnonprofits.org/nonprofit-audit-guide/board-role-audit-committee
[52] https://nonprofitoregon.org/helpline_resources/tools_information/faqs/board_governance
[53] http://blog.boardsource.org/blog/2016/01/05/should-your-ceo-serve-as-a-board-member/?_ga=2.266306895.1924261399.1517501039-1412625765.1516743426
[54] https://secure.insurancefornonprofits.org/AMSCentral/ResourceDocuments.cfm?var_PageAction=View&var_ID=60
[55] https://blueavocado.org/board-of-directors/boards-of-all-volunteer-organizations/
[56] http://www.nasconet.org/resources/state-government/
[57] http://www.arizonanonprofits.org/playbook
[58] https://oag.ca.gov/sites/all/files/agweb/pdfs/charities/publications/guide_for_charities.pdf
[59] http://ctnonprofitalliance.org/
[60] http://www.illinoisattorneygeneral.gov/charities/volunteers.html
[61] http://www.marylandattorneygeneral.gov/Pages/Nonprofits/default.aspx
[62] https://www.mass.gov/files/documents/2016/08/oz/guide-for-board-members.pdf
[63] http://support.website-creator.org/domain_404.html
[64] https://msnonprofits.org/images/pdf/Board_Development_Toolkit.pdf
[65] https://www.mtnonprofit.org/content.aspx?id=2300&amp;terms=governance
[66] http://www.charitiesnys.com/pdfs/Right%20From%20the%20Start%20Final.pdf
[67] https://www.ohioattorneygeneral.gov
[68] https://www.doj.state.or.us/charitable-activities/laws-guides-for-charities/your-rights-roles-and-responsibilities-as-a-nonprofit-officer/
[69] http://www.tn.gov/attorneygeneral
[70] https://www.sos.wa.gov/_assets/charities/quickguidehandbook.pdf
[71] https://www.councilofnonprofits.org/tools-resources-categories/boards-and-governance
[72] https://www.councilofnonprofits.org/tools-resources-tags/board-roles-and-responsibilities
[73] https://www.councilofnonprofits.org/tools-resources-tags/board-roles
[74] https://www.councilofnonprofits.org/tools-resources-tags/orientation
[75] https://www.councilofnonprofits.org/tools-resources-tags/governance
[76] https://www.councilofnonprofits.org/tools-resources-tags/board-members
[77] https://www.councilofnonprofits.org/tools-resources-tags/directors-and-officers