

# Board Member Pre-Orientation Quiz

Bob Harris, CAE<sup>1</sup>

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Please fill out this quiz and bring a copy with you to the leadership orientation meeting. **For some questions there are more than one correct answer; mark all the answers you believe to be correct.** The intent of the quiz is to increase knowledge and improve governance.

1) \_\_\_\_\_ **How familiar are you with the responsibilities of being a board member of a nonprofit organization/corporation?**

- a. Very Familiar
- b. Somewhat – A Refresher is Appreciated
- c. Not Familiar – My First Board Seat

**Help!** Here's my #1 question about board service:

d. \_\_\_\_\_

2) \_\_\_\_\_ **Which duty is not a director's fiduciary responsibility or legal principle?**

- a. Duty of Care
- b. Duty of Attendance
- c. Duty of Loyalty
- d. Duty of Obedience

3) \_\_\_\_\_ **Rank the following governing documents in order of hierarchy starting with most important:**

- a. Articles of Incorporation (state law)
- b. Statement of Purpose (mission statement acknowledged by the IRS)
- c. Board Policies (wisdom of the board)
- d. Bylaws (relationship to members)

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<sup>1</sup> Most answers as well as governing tips and templates can be found at [www.nonprofitcenter.com](http://www.nonprofitcenter.com). Revised 2017. Adapted with permission from Alpha Phi Omega.

- 4) \_\_\_\_\_ **Which is not an explicit responsibility of most boards?**
- Convention Planning
  - Governance of the Organization (corporate)
  - Setting Strategic Direction
  - Policy and Position Development
  - Fiduciary Duties and Financial Oversight
- 5) \_\_\_\_\_ **Which of the following is not a policy developed by the board?**
- Conflicts of Interest
  - Apparent Authority, Who Speaks for the Organization
  - Style Guide
  - Record Retention, Document Destruction
- 6) \_\_\_\_\_ **"Duty of Obedience" can best be characterized as which two of the following?**
- Complying with Articles of Incorporation and Bylaws
  - Obeying State and Federal laws
  - Following your Conscience and Gut
  - Obeying the President's Directives
- 7) \_\_\_\_\_ **Executive sessions are:**
- Meetings of the Executive Officers prior to the Board Meeting
  - Closed Door Meeting without Guests and Staff Generally
  - Opportunities to Air Grievances and Chat about Personnel

<p><b>BOARD RESPONSIBILITIES</b></p> <p>The Board of Directors is responsible for the overall management and control of the organization. The Board is responsible for the following:</p> <ul style="list-style-type: none"> <li>1. Establishing the organization's mission, vision, and strategic plan.</li> <li>2. Approving the organization's budget and financial statements.</li> <li>3. Monitoring the organization's performance and ensuring it is in compliance with applicable laws and regulations.</li> <li>4. Appointing and removing the organization's officers and directors.</li> <li>5. Ensuring the organization has adequate resources to carry out its mission.</li> <li>6. Ensuring the organization has adequate insurance coverage.</li> <li>7. Ensuring the organization has adequate risk management policies.</li> <li>8. Ensuring the organization has adequate record retention and document destruction policies.</li> <li>9. Ensuring the organization has adequate conflict of interest policies.</li> <li>10. Ensuring the organization has adequate apparent authority policies.</li> <li>11. Ensuring the organization has adequate style guide policies.</li> <li>12. Ensuring the organization has adequate record retention and document destruction policies.</li> </ul>	<p>Note: Bob Harris, CAE provides free governance tips and templates at <a href="http://www.nonprofitcenter.com">www.nonprofitcenter.com</a>. The laminated Board Responsibilities Guide© is available to support leadership training and orientation for \$10 each for a minimum of ten plus S/H. Email quantity and street address to <a href="mailto:bob@rchcae.com">bob@rchcae.com</a>.</p>
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- 8) \_\_\_\_\_ **We do not need Directors & Officers (D&O) Insurance since the state in which we are domiciled provides volunteer immunity.**
- a. True
  - b. False
- 9) \_\_\_\_\_ **If a stranger asks for a copy of IRS Form 990 (annual information return), what's the worst response?**
- a. Tell Them to Ask the Executive Director
  - b. Provide a Copy or Access to the Form
  - c. Say, "Sorry, it's confidential."
  - d. Encourage them to Reference it at GuideStar.org
- 10) \_\_\_\_\_ **Our goals or core competencies can be found in:**
- a. Annual Atlas
  - b. Strategic Plan
  - c. President's Diary
  - d. Committee Conclave Report
- 11) \_\_\_\_\_ **My personal liability as a director may be limited as long as I:**
- a. Work within the Governing Documents
  - b. Act in Good Faith and with Due Diligence
  - c. Keep Personal Interests from Prevailing over Organization Interests
  - d. Understand my Responsibilities as a Board Member
  - e. All of the Above
- 12) \_\_\_\_\_ **Since we are a nonprofit we should not be concerned with antitrust issues (boycotts, price fixing, collusion, etc.)**
- a. True
  - b. False

- 13) \_\_\_\_\_ **An IRS audit might request which of these documents as part of the examination?**
- a. Meeting Minutes and Newsletters
  - b. List of Vendors and Individuals Receiving \$600 or More
  - c. Contracts, Leases, Agreements.
  - d. All of the Above and More
- 14) \_\_\_\_\_ **A standing committee is best described as:**
- a. Committee Meeting without Chairs or Minutes
  - b. Task Force Appointed for a Precise, Short Term Task
  - c. Ad Hoc - a Greco-Roman Phrase for "Meeting in the Coliseum"
  - d. Committee Identified in the Bylaws
- 15) \_\_\_\_\_ **"Apparent Authority" can best be described as:**
- a. Authority One Can Believe a Director has to Speak for the Organization
  - b. The Authority a Director Would Hope Comes with the Position
  - c. The Person Who Wields the Gavel
  - d. Authority of the Board to Discipline a Subordinate Chapter
- 16) \_\_\_\_\_ **Meeting minutes should always contain the following?**
- a. Detailed Summaries of In-Depth Discussions
  - b. Who was Assigned What and When
  - c. Voluminous Notes about Who Voted How
  - d. Notice of a Quorum, Record of Motions, Start and Ending Time
- 17) \_\_\_\_\_ **When the treasurer or staff present the periodic financial report, the best thing to do is:**
- a. Take a Phone Call
  - b. Rely Entirely on a Finance Committee; Neglecting Fiduciary Duties
  - c. Start by Asking Questions about the Smallest Line Items
  - d. Review it Carefully; Support a Motion to Accept the Report as Presented

18) \_\_\_\_\_ **Three reasons to maintain a healthy savings reserve include:**

- a. President's Inaugural Gala
- b. Positioned to take Advantage of Opportunities
- c. Prepared to Act in a Financial Crisis
- d. Ability to Remain in Existence if Major Income Sources Fails

19) \_\_\_\_\_ **If values are the organization's guiding principles, which values are most appreciated by members:**

- a. Diversity and Inclusiveness
- b. Transparency and Accountability
- c. Fun and Collegiality
- d. When They Go Low We Go High

20) \_\_\_\_\_ **What advice seems most appropriate for directors on the board:**

- a. Think Beyond Your Term of Office
- b. Leave Conflicts of Interest at the Door
- c. Board Governs and Staff Manages
- d. All of the Above

**Bonus – Extra Credit**

21) \_\_\_\_\_ **Who speaks for the organization?**

- a. I Do – I'm on the Board Now
- b. The Chief Elected Officer and Who He/She Appoints to Speak
- c. All of the Staff Members
- d. Anybody So Long as They Get the Message Right

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er Key: 1 – a; 2 – b; 3 – b; 4 – a; 5 – c; 6 – a/b; 7 – b; 8 – b; 9 – c; 10 – b; 11 – e; 12 – b; 13 – d; 14 – d;  
15 – a; 16 – d; 17 – d; 18 – b/c/d; 19 – b; 20 – d; 21 - b

## **Board Member Checklist and Considerations**

### **Legal Designation of the Organization**

- 501 (c) (3) exempt
- 501 (c) (6) exempt
- 501 (c) ( ) exempt
- For-Profit or Not-for Profit Corporation

### **Mission and Vision Statement**

- I can state them from memory or easily find.
- Know these statements from our work.
- Why does it matter?

### **Finances**

- I know the size of our budget.
- I know how much we have in reserve/savings.
- I understand the value of a periodic financial independent audit.
- I know the importance of maintaining diverse streams of income.

### **Member Benefits**

- I can describe the top 3 benefits unique and relevant to our organization.
- We have a “golden handcuff”—a valued benefit attracting and retaining members.

### **Board Meetings**

- I know the purpose and use of a consent agenda.
- I know the difference between governance and management.
- I understand our committee structure and the relationship to the board.
- I expect meetings of the board to produce significant results.
- I prepare for meetings by reading advance reports and being accountable.

### **Strategic Plan**

- I am aware of the plan and rely on it to frame discussions of the board.
- I am familiar with the goals or core competencies in the plan.
- I recognize the plan is the roadmap for board, committees and staff.