

Board Responsibilities Quiz (12 Questions)

1. “Not for profit” is best described as:

- a. Board members will not be reimbursed for travel costs.
- b. A designation by state government.
- c. A designation by the IRS.

2. A “Mission” for an organization refers to:

- a. A building from where to defend ones beliefs or territory.
- b. A project after a keg party, frequently in a fraternity.
- c. A statement of the organization’s purpose for existence.

3. An “Agenda” typically refers to the:

- a. Ulterior motives of individual board members.
- b. Something hidden.
- c. A written outline of topics, times, and purpose of items to be covered in a Board or Committee meeting.

4. "Motions" commonly mean:

- a. Proposals for action.
- b. Moves on the dance floor.
- c. Description by the weatherman relative to a cold front.

5. A "Second" typically refers to:

- a. An understudy in a play.
- b. A stand in at a duel or gun fight.
- c. Concurrence to discuss the original motion.

6. "Tabling" commonly means:

- a. Proposing a topic for discussion.
- b. Postponement of a topic from discussion.
- c. An appetizer table with multiple options.

7. "Minutes" typically refer to:

- a. A written record of time, location, quorum and outcomes of the meeting.
- b. Units of time as in 60 minutes in an hour.

BOARD RESPONSIBILITIES

Serving on the Board of Directors is a rewarding and important responsibility. This guide informs leaders of the unique aspects associated with governing a volunteer, membership organization.

The Board governs ...
... the staff managers.
Governance: Volunteer leaders are responsible for the direction of the organization. The board governs, develops policy and sets a course. The mission statement should drive all decisions — and manage management. Four board functions:
• Governance
• Policy & Finance Development
• Oversight - Pattern Review
• Fiduciary
Management: Staff and consultants are responsible for administration of the organization. Staff partners with the board to address goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.

Board Responsibilities

1. Determine and approve the organization's mission and purpose.
2. Elect the chief executive officer (CEO) as well as CPA and attorney.
3. Support the chief executive officer and ensure performance in the organization (a budget, goal achievement, etc.).
4. Conduct operational planning.
5. Ensure adequate resources (staff, time, volunteer, staff, etc.).
6. Ensure full financial oversight.
7. Determine, accept and evaluate program and services.
8. Finance the organization.
9. Ensure legal and ethical integrity and maintain accountability.
10. Recruit and orient new board members, and ensure board performance.

Good Governance

In response to corporate scandals, there is scrutiny on all boards of directors. Since 2000 the SEC issued questions about the policies of large organizations. Boards are expected to maintain their accountability, independence and transparency while governing. Policy questions in SEC Form 990 include:

- Audit and Anti-Corruption
- Whistleblower
- Compensation
- Director Election
- Conflict of Interest
- Public Records
- Mix-ups

Legal Principles

Duty of Care requires leaders to use reasonable care and good judgment in making decisions on behalf of the interests of the organization, and:

- Duty of Loyalty requires leaders to be faithful to the organization, avoiding conflicts of interest, and.
- Duty of Obedience requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)

Board Tools

Document variables a leader often in a Leadership Manual or bylaws part:

- Statement of Purpose (Mission)
- Articles of Incorporation
- Bylaws
- Policy Manual
- Strategic Plan
- Financial Statement - Budget
- Meeting Minutes
- Organizational Charts
- IRS 990
- Frequently Asked Questions

Total all information with confidentiality.

at RCH CARE — "The way to have fun is to do anything when you get on the board!"

- c. The chance to keep minutes while losing hours in a poorly planned meeting.

8. The term "Standing" is most often used to describe:

- a. Committees identified in the bylaws with work that is ongoing annually.
- b. Meetings held in rooms with no chairs for efficiency.
- c. Characterize long lasting differences of opinion.

9. A "Conflict of Interest" can be avoided by:

- a. Denying one exists, ignoring the sacred cows and elephants in the room.
- b. Refusing to talk about it.
- c. Proactively disclosing the conflict and/or recusing oneself from discussions or votes.

10. "Strategic Planning" is best described as:

- a. A process resulting in a document nobody; best stored in a notebook on the shelf.
- b. Enables a board to consider opportunities, anticipate the future, and make course corrections for the organization.
- c. Is a rare event that creates a load of work for staff.

<p>Order of Order</p> <p>Agenda occurs that support business to proceed and direct to the next topic.</p> <p>Minutes are prepared for action, beginning with, "I move we..."</p> <p>A board is required for the action to be directed.</p> <p>A board may be made to most actions if they improve the action or clarify the original action.</p> <p>Talking back the action with.</p> <p>Calling the Question refers to ending the discussion and voting on the motion.</p> <p>Talking in the discussion when other discussion is being moved, kill or table the motion.</p> <p>Minutes protect the organization by recording the time and location of the meeting, summary, and the outcome of the action. They are not a place to record emergency, resignation, report, etc. (including reports and discussion on the minutes)</p> <p>Quorum is the number of directors required to conduct business.</p> <p>Businessable "Active Participation Principle" - 20/70/70</p>	<p>External Influence</p> <ul style="list-style-type: none"> Economy, Recession Performance: Return on Investment Technology: the Investment Competition Globalization/Globalism Consumer's Adaptability Management Entrepreneurship <p>Crucial Principles</p> <p>"Active Director - Member Principle"</p> <ul style="list-style-type: none"> Monthly value: getting board and staff Integrity, Honesty Accountability Respect, Integrity Knowledge Member Focused Transparency Results, Outcome Driven <p>Strategic Planning</p> <p>A strategic plan covers the board on mission and goals for 1 to 5 years. It serves as a guiding "Great board member" can take several forms one of the most useful is the "area of expertise"</p> <p>It represents the Board - Director of internal and external influence on the organization, as well as strategic, qualitative, opportunities and plans (SWOT)</p>	<p>External Influence</p> <p>3 entries: Plan - Breakdown the strategic plan into your action plan to execute.</p> <p>Plan Chapter - A board member assigned to monitor and report on plan progress.</p> <p>Risk Management</p> <p>Protect the organization. The areas of liability responsibility: customer, vendor, results, insurance, IR, 2 requirements, values and other, apparent liability, lawsuit, etc.</p> <p>Public Records requests for the organization's annual financial statements (Form 990, 990-EZ) must be made available for the first time prior. Significant fines occur for non-compliance.</p> <p>Audit: not Violations occur when two or more parties from the non-liability of professional duties negligence, gross negligence or oppression. "Severely punished" from any conviction that would change how business is conducted because of an agreement among competitors.</p> <p>Apparent Authority arises when a board chair, though not granting actual authority, permits a committee or chapter to believe as if it had authority. Authority given with the chairman and must not be assumed by others.</p> <p>Financial Audit: normally to protect board and staff, relying on an audit committee to direct, oversee and report on the process.</p> <p>Conflicts of Interest disclosed at the start of the term and throughout the year.</p> <p>Board Report Article - Laminated 0-1212, 0-1213, 0-1214, 0-1215, 0-1216, 0-1217, 0-1218, 0-1219, 0-1220, 0-1221, 0-1222, 0-1223</p> <p>Get more queries to http://www.nonprofitcenter.com</p> <p>Business and Consulting</p> <ul style="list-style-type: none"> Strategic Planning Board Development/ Orientation Operational Audit/ Review Best Practices/ Model Structures <p>Bob Harris, CAE 1-800-828-2828 PH: 855/756-0000 FAX: 810/297-0800 www.nonprofitcenter.com</p>
<p>Committee</p> <p>Committee supplements the work of board and staff. Organizations are preexisting or dissolving all but essential committees and adapting committee work with strategic goals. Short assignments are in focus.</p> <p>Standing - identified in the bylaws, appointed annually, on-going committee work.</p> <p>Ad Hoc - formed for specific or immediate needs and disbanded upon completion of work (aka "Task Force")</p> <p>Quick Action Team - very short term, people call for solutions.</p>		

11. Board members who act with "Care" are most often protected by:

- a. Renters' insurance.
- b. Personal health insurance or the Affordable Care Act.
- c. Volunteer immunity and D & O liability insurance.

12. "Duty of Obedience" refers to:

- a. Always agreeing with the Chair or chief paid staff.
- b. Process taught in pet training school.
- c. Complying with the organization's governing documents.

Board Quiz 12 Fun Questions 1-17

Answer Key: 1-b; 2-c; 3-c; 4-1; 5-c; 6-b; 7-a; 8- a; 9-c; 10-b; 11-c; 12-c.

Note: Bob Harris, CAE provides free governance tips and templates at www.nonprofitcenter.com. 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 bob@rchcae.com.