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Non-Profit Organization: Roles and Responsibilities of the Board

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An effective board of a small, non-profit organization understands, and is committed to its role and responsibilities for the good work being done.

All too often board members of a small, non-profit organization do not really understand the purpose of the board and the work they are expected to do. Sometimes, the board recruitment process is weak and the board is simply a group of friends or professional colleagues. Other times, these volunteer board members are overwhelmed by, or leave all decisions to the CEO.

A review of the following board responsibilities might be a reality check for board members and strengthen their engagement with the direct client service of the non-profit organization.

Determine Overall Direction of the Non-Profit Organization

The board lays out the path for the organization. This usually means annual reviews of the organization's vision, mission, and mandate. That exercise results in a strategic plan. Strategic planning includes discussing and deciding on:

- the goals of the programs/services of the organization
- the tasks to be accomplished
- who is responsible
- resources needed
- outcome indicators
- timelines for progress reports and completion.

This planning exercise might seem onerous to volunteer board members, especially if it is a small organization with fewer than 100 employees and focused on direct client service. However, it is a good time to ensure that they all fully understand what is being done in the organization, the actual programs and services, the staffing model, and what constitutes success.

Ensure Adequate Resources to Implement the Strategic Plan

The board is responsible for making sure that sufficient funding, staffing, facilities, and equipment are available to do the work. This does not mean that the CEO is not involved in negotiating with funders, developing staffing models, and developing and maintaining an inventory of capital assets but s/he does so following the strategic direction of the board.

Set Policy Direction Needed to Implement the Strategic Plan

The board determines the framework for operating policies and procedures. This framework is the reference for management to develop policies that are consistent with the mission, core values, mandate and goals of the organization.

Recruit and Monitor CEO

The board has the responsibility of determining who is CEO, either through recruitment or internal succession planning. The board then, as a whole, or through the chair or a management committee has to monitor how the CEO is fulfilling the responsibilities of the position. It is also important that there is supportive supervision of the CEO. This can be done through:

- intensive orientation for a new CEO
- regular meetings between the Chair and the CEO to discuss operating issues and preliminary plans that will be coming to the board
- expecting and encouraging active participation in board meetings
- offering objective advice and support when the CEO has to deal with difficult situations
- conducting annual performance appraisals.

Monitor Program and Service Delivery

The board has to monitor the delivery of programs and services to ensure compliance with mission, mandate, and service standards. It is important to make sure that there is no mandate drift in the service delivery; that all staff understand the purpose of the non-profit organization and work within that mandate. Boards can also contract for program evaluations that complement the implementation of the strategic plan.

Execute Fiduciary Responsibilities

The board or its finance committee helps management prepare the budget for board ratification. This includes both the operating and capital budgets, both projected revenue and expenditures. It is important that the board provide oversight to ensure that there is integrity in all financial processes. It is the board that is ultimately held accountable and liable.

Ensure Compliance With All Legal Obligations

Legal obligations include 'duty of care', and compliance with policies on conflict of interest and working against the mission of the organization. As these obligations vary from one jurisdiction to another, a non-profit board should seek advice from legal counsel. Definitions and responsibilities that apply in the United States may not be the same as those used in Canada, Australia or other countries.

These legal obligations are usually written in detail in the bylaws of even a small non-profit organization. Although it is always useful to have an attorney on the board, it is important to retain outside counsel to develop these legal documents. The attorney on the board can then advise on processes to ensure due diligence in fulfilling all the legal responsibilities.

These legal responsibilities also include compliance with all funding contracts and is usually demonstrated by reports on services provided and monies spent. It is to everyone's benefit if the details of these contractual obligations are very clear in the legal agreements.

Determine an Ethical Decision-making Process for the Organization.

A separate, though connected element is ethical decision-making. Most boards can benefit from training in this process that is consistent with their mission, mandate, and core values. Once a process is approved for ethical decision-making, all management can also be trained so the principles are applied throughout the organization.

Represent the Non-profit Organization in the Community

Although the CEO might be the person known in the community for actually providing the programs/services, it is the board that determines the public face and voice of the organization. The board, individually and collectively, represents the organization to donors, funders, policy makers and media.

To do this well, it is useful to have a communication plan with key messages that is developed and agreed to by all board members. Training in communicating these messages publicly is always advised.

A board that understand and accepts all these responsibilities will fulfill its role in supporting and promoting the hard work of management and staff of the non-profit organization.

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