Basic Responsibilities of Nonprofit Boards

Commentary



A resource to supplement the materials in the

ECFA Governance Toolbox Series No. 2: Balancing Board Roles

Understanding the 3 Board Hats:

Governance ► Volunteer ► Participant ►

www.ecfa.org/Content/Governance-Toolbox-Series-2

BoardSource[®] has identified 10 basic responsibilities of nonprofit boards. They are listed below, with permission, along with a brief commentary on each.

For more governance information and resources, visit their website at: https://www.boardsource.org



Knowledge Center

Q & As

What are the basic responsibilities of nonprofit boards?

Ten Basic Responsibilities of Nonprofit Boards

- Determine mission and purpose. It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.
- 2. **Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.

- 3. **Support and evaluate the chief executive.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.
- 4. **Ensure effective planning**. Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
- 5. **Monitor, and strengthen programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.
- 6. **Ensure adequate financial resources.** One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission.
- 7. **Protect assets and provide proper financial oversight**. The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
- 8. **Build a competent board.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate their own performance.
- 9. **Ensure legal and ethical integrity**. The board is ultimately responsible for adherence to legal standards and ethical norms.
- 10. **Enhance the organization's public standing.** The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.

References

Richard T. Ingram, <u>Ten Basic Responsibilities of Nonprofit Boards</u>, <u>Second Edition</u> (BoardSource 2009).

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ECFA Governance Toolbox Series No. 2: Balancing Board Roles Worksheet for your Board

In addition to secular governance best practices, Christ-centered governance must elevate decision-making to a higher level: spiritually discerning God's voice.

What are the other Governance Hat distinctives boards must embrace as stewards of a Christ-centered organization? (For more ideas, see David McKenna's five distinctives on page 8 of the *Board Member Read-and-Engage Viewing Guide*.)

Basic Responsibilities of Christ-centered Nonprofit Boards

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