



BOARD MEMBERSHIP: WHAT DOES IT MEAN?

Non-profit board membership is a unique opportunity which can provide great personal and professional fulfillment, while providing a positive impact within your community. However, board membership does not come without significant responsibility.

Non-profit boards are responsible for creating and maintaining governance structure for a non-profit agency. Governance provides strategic leadership to a non-profit organization by setting direction, making policy and strategic decisions, overseeing and monitoring organizational performance, and ensuring overall accountability.

As a board member, you have three levels of legal responsibility:

- 1 **Duty of Care** – Exercise reasonable care in making decisions as the steward of the organization and its assets.
- 2 **Duty of Loyalty** – Must act in the best interests of the organization when making decisions.
- 3 **Duty of Obedience** – Must be faithful to the organization’s mission.

In addition, board members have a “fiduciary responsibility” to the non-profits they serve. “Fiduciary responsibility” means to treat the resources of the non-profit as a trust and ensure that they are used in a manner that is reasonable, legal, and appropriate. The minimum requirements to exercise fiduciary responsibility include: the adoption of appropriate governance policies, a defined financial budget and policy to guide volunteers and staff, the creation of guidelines to report the fiscal state of the organization, and the engagement of a third party to independently review the organization.



“The board of directors of a non-profit organization has the ultimate responsibility and accountability for the conduct and performance of the organization. A board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization.”

BENEFITS TO JOINING BOARDS

Connections: You will collaborate and form relationships with other board members, many of whom may not be in your current professional network.

Exposure: You will help manage issues and situations that impact the non-profit agency, allowing you to gain knowledge and experience.

Impact: You’ll help make a difference in an organization, a community, and the individuals served by the agency.

Giving Back: Board service is a rewarding way to share skill sets and talents with non-profits that serve a particular mission.

QUESTIONS TO ASK

1. What is the organization’s mission?
2. How often does the board meet?
3. Is a strategic plan in place?
4. How will my skill set impact the organization?
5. What are the fundraising requirements of directors?

For more information, please contact the Non-profit Services team at The Commerce Trust Company.

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