




# 10 Basic Responsibilities of Nonprofit Boards

BoardSource



#1 Determine the organization's mission and purpose.

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- Do we use our mission statement as our first frame of reference when making decisions?
- Have we recently adjusted or affirmed our mission statement?
- What is happening in our community that might cause us to reconsider our mission's adequacy or appropriateness?



#2 Select the chief executive.

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- What process do we have in place for supporting and retaining our chief executive?
- Do we have a succession plan in place?
- Has the organizations changed so significantly that we need to review and revise the chief executive's job description?



#3 Support the chief executive and assess his or her performance.

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- How do we assess our chief executive's performance and give feedback?
- Are we prepared to compensate appropriately for the work done?
- Who addresses issues with the chief executive and how?



#4 Ensure effective organizational planning as stewards of the organization.



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- Does every board meeting include at least one strategic, or big picture issue on the agenda?
- Is our current strategic plan based on realistic and comprehensive assumptions about the organization and its community?
- What goal should the organization have for things like financial reserves?
- What metrics do we use to monitor organizational effectiveness?



# #5 Monitor and Strengthen Programs and Services

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- What are our primary programs and services? Do we need to discontinue any?
- How much of our annual budget is dedicated to these programs and services?
- Have we made the necessary investments in our infrastructure to effectively and efficiently support our major programs and services?



#6 Ensure adequate financial resources.

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- Do we need to develop more diverse sources of net revenue?
- What is the appropriate percentage of earned income vs contributed support?
- Do board members actively assist in identifying and cultivating potential funders and major donors?
- Does the board participate in giving and at what level?



# #7 Protect Assets and Provide Financial Oversight.

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- Do we conduct an annual audit? If not, has the time come?
- Do we have at least a few board members who bring financial management, accounting or other business expertise?
- Are our financial reports reliable, timely and easy to understand?




# #8 Build a Competent Board



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- Do we have term limits?
- Have we determined the appropriate size and diversity of our board?
- Do we have a process for identifying and cultivating new board members?




#9 Ensure legal and ethical integrity and maintain accountability.

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- How do we keep up with changing laws and regulations that affect our organization?
- Are we doing an adequate job of educating all board members about the board's legal and fiduciary responsibilities?
- Are we doing what we say we are doing?



# #10 Enhance the Organization's Public Standing.



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- Are we being appropriate ambassadors in the community?
- Are we making the case in our community for support of our mission?