

What are job descriptions for nonprofit board members?

Summary: *Suggestions for duties and responsibilities for board members and officers.*

This item contains suggestions from several sources and indicates a range of possibilities for this important part of an organization's structure.

From the Minnesota Council of Nonprofits <http://www.mncn.org>

Board directors are trustees who act on behalf of an organization's constituents, including service recipients, funders, members, the government, and taxpayers. The board of directors has the principal responsibility for fulfillment of the organization's mission and the legal accountability for its operations. This means that as a group they are in charge of establishing a clear organizational mission, forming the strategic plan to accomplish the mission, overseeing and evaluating the plan's success, hiring a competent executive director and providing adequate supervision and support to that individual, ensuring financial solvency of the organization, interpreting and representing the community to the organization, and instituting a fair system of policies and procedures for human resource management.

Board members have a duty of loyalty to the organization, its staff and other board members. While differences of opinion are sure to arise, board members should seek to keep disagreements impersonal. By practicing discretion and accepting decisions made on a majority basis, board unity and confidence will be promoted.

Board members accomplish their functions through regular meetings and by establishing a committee structure that is appropriate to the size of the organization and the board. Ideally, board members arrive at meetings prepared and ready to engage in thoughtful dialogue, and there is a group process which generates and uses the best thinking of its members.

Boards should be open to self-evaluation and regularly review their own composition to ensure constituent representation, and board expertise and commitment. Boards also are responsible for evaluating and determining compensation for the executive director.

Under Minnesota law, nonprofit directors are responsible for management of the business and affairs of the corporation. In carrying out their responsibilities, the law imposes on these directors specific fiduciary duties of care, loyalty, and obedience to the law. While Minnesota state law requirements for the specific functions of board president and treasurer are briefly described in this document, please refer to Statute 317A and the document entitled "Fiduciary Duties of Directors of Charitable Organizations (document #105, not yet available) in the Minnesota Council of Nonprofit's Nonprofit Library, for further information on the complete legal responsibilities of the board.

Board Member Position Descriptions

The following descriptions are taken largely from Kenneth N. Dayton's *Governance is Governance*, published by Independent Sector (1828 L Street NW, Washington DC, 20036, 202/223-8100).

Position Title: Chairperson of the Board

Function:

- As Chairperson of the Board, assure that the Board of Trustees fulfills its responsibilities for the governance of the Institution.
- Be a partner to the CEO, helping him/her to achieve the mission of the Institution.
- Optimize the relationship between the board and management.

Responsibilities:

- Chair meetings of the Board. See that it functions effectively, interacts with management optimally, and fulfills all of its duties. With the CEO develop agendas.
- With the CEO recommend composition of the Board Committees. Recommend committee chairperson with an eye to future succession.
- Assist the CEO in recruiting Board and other talent for whatever volunteer assignments are needed.
- Reflect any concerns management has in regard to the role of the Board of Trustees or individual trustees. Reflect to the CEO the concerns of the Board of Trustees and other constituencies.
- Present to the Board an evaluation of the pace, direction, and organizational strength of the Institution.
- Prepare a review of the CEO and recommend salary for consideration by the appropriate committee.
- Annually focus the Board's attention on matters of institutional governance that relate to its own structure, role, and relationship to management. Be assured that the Board is satisfied it has fulfilled all of its responsibilities.
- Act as an additional set of eyes and ears.
- Serve as an alternate spokesperson.
- Fulfill such other assignments as the Chairman and CEO agree are appropriate and desirable for the Chairman to perform.

Position Title: Member, Board of Trustees

Function: Provide governance to the organization, represent it to the community, and accept the ultimate legal authority for it.

Duties:

- Planning
 - Approve the Institution's philosophy and review management's performance in achieving it.
 - Annually assess the environment and approve the Institution's strategy in relation to it.
 - Annually review and approve the Institution's plans for funding its strategy.
 - Review and approve the Institution's five year financial goals.
 - Annually review and approve the Institution's budget.
 - Approve major policies.
- Organization
 - Elect, monitor, appraise, advise, support, reward, and, when necessary, change top management.
 - Be assured that management succession is properly being provided.
 - Be assured that the status of organizational strength and manpower planning is equal to the requirements of the long range goals.
 - Approve appropriate compensation and benefit policies and practices.
 - Propose a slate of directors to members and fill vacancies as needed.
 - Annually approve the Performance Review of the CEO and establish his/her compensation based on recommendations of the Personnel Committee and Chairman of the Board.
 - Determine eligibility for and appoint Board Committees in response to recommendations of the Nominating Committee.
 - Annually review the performance of the Board and take steps to improve its

- performance.
- Operations
 - Review the results achieved by management as compared with the Institution's philosophy, annual and long range goals, and the performance of similar institutions.
 - Be certain that the financial structure of the Institution is adequate for its current needs and its long-range strategy.
 - Provide candid and constructive criticism, advice, and comments.
 - Approve major actions of the Institution, such as capital expenditures and major program and service changes.
 - Audit
 - Be assured that the Board and its committees are adequately and currently informed - through reports and other methods - of the condition of the Institution and its operations.
 - Be assured that published reports properly reflect the operating results and financial condition of the Institution.
 - Ascertain that management has established appropriate policies to define and identify conflicts of interest throughout the Institution, and is diligently administering and enforcing those policies.
 - Appoint independent auditors subject to approval by members.
 - Review compliance with relevant material laws affecting the Institution.

While Board position descriptions can and should be designed to meet the needs of specific organizations, Minnesota law requires that a nonprofit have one or more persons exercising the functions of president and treasurer. The law states that:

The president shall:

1. have general active management of the business of the corporation;
2. when present, preside at meetings of the board and of the members;
3. see that orders and resolutions of the board are carried into effect;
4. sign and deliver in the name of the corporation deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the board to another officer or agent of the corporation;
5. maintain records of and, when necessary, certify proceedings of the board and the members; and,
6. perform other duties prescribed by the board.

The treasurer shall:

1. keep accurate financial records for the corporation;
2. deposit money, drafts, and checks in the name of and to the credit of the corporation in the banks and depositories designated by the board;
3. endorse for deposit notes, checks, and drafts received by the corporation as ordered by the board, making proper vouchers for the deposit;
4. disburse corporate funds and issue checks and drafts in the name of the corporation as ordered by the board;
5. upon request, provide the president and the board an account of transactions by the treasurer and of the financial condition of the corporation; and,
6. perform other duties prescribed by the board of by the president.

For more information contact:

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The **Mississippi State University Extension Service** offers another approach to describing the duties and responsibilities of board officers in their extensive archive of useful pamphlets at <http://ext.msstate.edu/pubs/>:

- President: <http://ext.msstate.edu/pubs/is1406.htm>
- Vice President: <http://ext.msstate.edu/pubs/is1405.htm>
- Secretary: <http://ext.msstate.edu/pubs/is1407.htm>
- Treasurer: <http://ext.msstate.edu/pubs/is1408.htm>

*And this from the **Support Center of San Francisco** in their BOARD CAFE email for November 1998:*

Sample Job Descriptions for Board Officers

PRESIDENT / CHAIR / CHIEF VOLUNTARY OFFICER (CVO)

- **General:** Ensures the effective action of the board in governing and supporting the organization, and oversees board affairs. Acts as the representative of the board as a whole, rather than as an individual supervisor to staff.
- **Community:** Speaks to the media and the community on behalf of the organization (as does the executive director); represents the agency in the community.
- **Meetings:** Develops agendas for meetings in concert with the executive director. Presides at board meetings.
- **Committees:** Recommends to the board which committees are to be established. Seeks volunteers for committees and coordinates individual board member assignments. Makes sure each committee has a chairperson, and stays in touch with chairpersons to be sure that their work is carried out; identifies committee recommendations that should be presented to the full board. Determines whether executive committee meetings are necessary and convenes the committee accordingly.
- **Executive Director:** Establishes search and selection committee (usually acts as chair) for hiring an executive director. Convenes board discussions on evaluating the executive director and negotiating compensation and benefits package; conveys information to the executive director.
- **Board Affairs:** Ensures that board matters are handled properly, including preparation of pre-meeting materials, committee functioning, and recruitment and orientation of new board members.

VICE PRESIDENT / VICE CHAIR

- **General:** Acts as the president/chair in his or her absence; assists the president/chair on the above or other specified duties.
- **Special Responsibilities:** Frequently assigned to a special area of responsibility, such as membership, media, annual dinner, facility, or personnel.
- Some organizations choose to make the vice president, explicitly or implicitly, the president-

elect.

TREASURER

- **General:** Manages the board's review of, and action related to, the board's financial responsibilities. May work directly with the bookkeeper or other staff in developing and implementing financial procedures and systems.
- **Reports:** Ensures that appropriate financial reports are made available to the board. Regularly reports to board on key financial events, trends, concerns, and assessment of fiscal health.
- **Finance Committee:** Chairs the Finance Committee and prepares agendas for meetings, including a year-long calendar of issues. In larger organizations, a separate Audit Committee may be chaired by a different person.
- **Auditor:** Recommends to the board whether the organization should have an audit. If so, selects and meets annually with the auditor in conjunction with the Finance and/or Audit Committees.
- **Cash Management and Investments:** Ensures, through the Finance Committee, sound management and maximization of cash and investments.

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The **Free Management Library** also includes job descriptions for board chair, vice chair, committee chair, member, secretary and treasurer. See <http://www.mapnp.org/library/boards/brdjobs.htm>