



Getting Started in Board Service

Center for Nonprofit Excellence

Board of Directors



What is it?

- Governing body of the organization

Why have one?

- It's required by law. Nonprofit organizations are required to have a board of directors that is responsible for safe guarding the assets and adhering to the mission/purpose of the nonprofit.

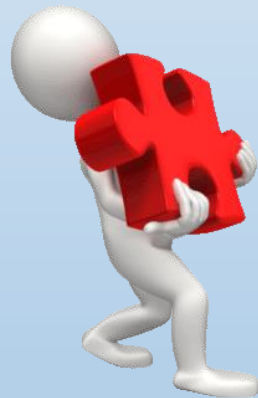
According to the NM Attorney General

- Duty of Care
- Duty of Loyalty
- Duty to Manage Accounts
- Duty of Compliance

Duty of Care

Active participation

- Attending Meetings
- Being prepared to make informed decisions
- Carrying out duties in a reasonable and responsible manner



Duty of Loyalty

Avoiding conflicts of interest

- Written policy
- Best practice: Board members read and sign every year



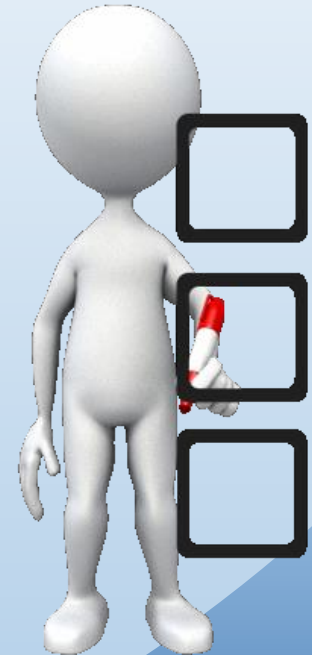
Duty to Manage Accounts

Each board member is responsible for the legal and appropriate management of funds.



Duty of Compliance

Adhering to regulations and reporting requirements of all governing bodies



Board Structure

- Officers and members
- Ex officio members
- Executive Committee: Board President, Vice President, Secretary, Treasurer



Board
President

EXECUTIVE COMMITTEE



Vice President



Treasurer



Secretary



Board Member



Ex Officio

No voting rights

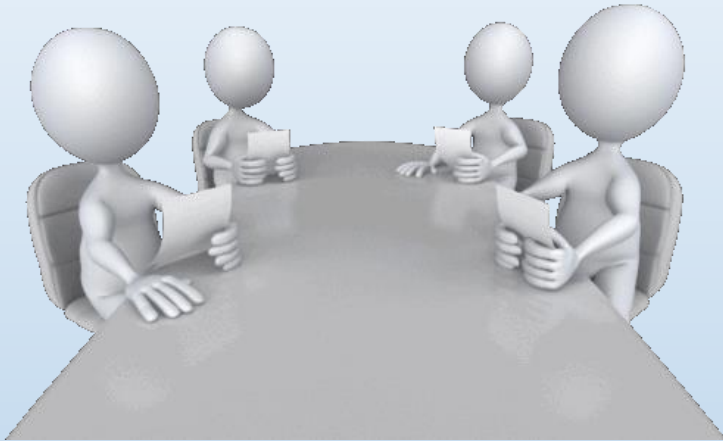


Board Member



Board Member

Committees



Committees are where a lot of the work of the board gets done. This is the time and place to work out the details of various tasks.

Committee Work



The committees provide reports and recommendations to the full board. Boards can make informed decisions based on the input.

Key Responsibilities





Active Participation



Attend and participate in meetings by being prepared, reviewing the minutes and reports.



Ask questions that promote meaningful dialogue.



Serve on a
committee and
fulfill duties as
promised

Determine the Mission

The organization's mission is its North star, its guiding light. All activities are guided by their alignment to the mission.

As communities evolve, their needs evolve; organizations should be responsive and keep pace with community needs and technological innovations.

It is important to review the mission statement and keep it current.





Create Policy

Policies protect the organization and safeguard its assets

Policies maintain legal and ethical integrity



IRS Requested Policies



Conflict of Interest



Record Retention & Destruction



Whistleblower Protection

Policies

- Board is responsible for adherence to Bylaws

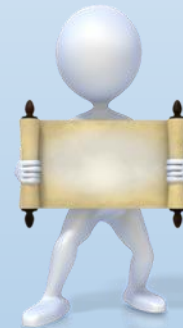


Bylaws

The bylaws are the policies of the board

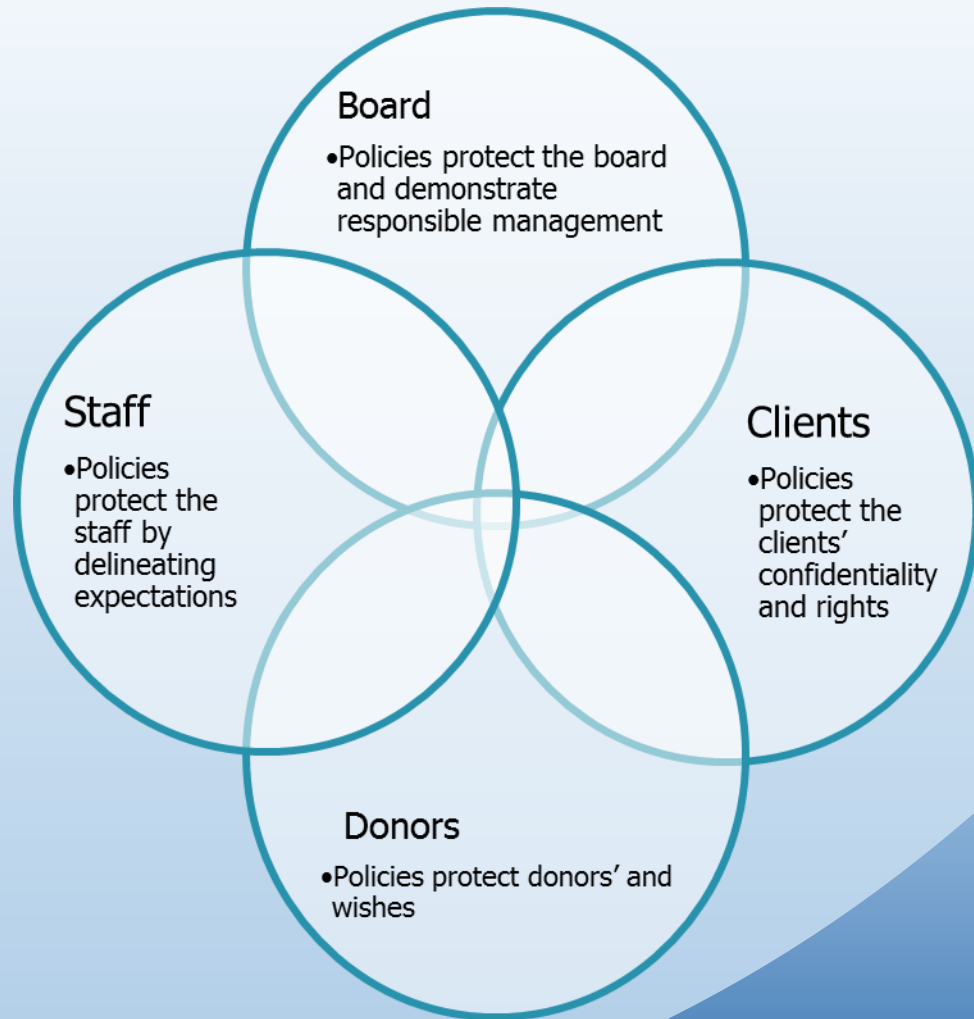
The board operates within the bylaws

Review bylaws to ensure they are keeping pace with technology. If your board has made any substantive changes, the bylaws need to reflect those changes.



Why Have Policies?

Protection



Policies vs. Procedures

Policies

Policies are the purview of the board. They are written and approved by the board.

Short, concise, general.

Procedures

Procedures are the purview of the staff. Procedures are created and written by the staff.

Procedures do not need board approval, but should be aligned with board policies.

Detailed, explicit and subject to change.

Policies and Procedures

Governance

Implementation

A Venn diagram with three overlapping circles. The top-left circle is labeled 'Board of Directors' and is associated with 'Governance'. The top-right circle is labeled 'Staff' and is associated with 'Implementation'. The bottom circle is labeled 'Executive Director' and overlaps with both the top-left and top-right circles. The circles are light blue with white outlines. The background is a light blue gradient with a dark blue wavy shape at the bottom.

Board of
Directors

Staff

Executive
Director

Policies

- Independent Audit (when required)
- Annual Report
- Adherence to laws and regulations
- Making available timely reports
- Conflict of Interest & Commitment to Serve
- Lobbying expenditures
- OSHA compliance
- HIPAA
- D&O Insurance

Insurance

Directors & Officers' Liability (D&O)

General Liability

Employment Practices Liability (EPLI)

Sexual Abuse and Molestation Liability
(SAM)





Financial Oversight

Budget: approve the annual budget and review regularly.

Ensure Adequate Resources: for the organization to fulfill its mission.

Internal Controls: division of duties; purchasing policies; transparency

Reporting and Regulations: 990, NM Attorney General-COROS, PCI Standards

Audit: when possible or with income of \$500,000 or more





Fiduciary Responsibilities

The board is legally responsible for the organization, its activities, personnel and finances.

It is the duty of the board to ensure that all rules and regulations that apply to their organization are followed.

Internal Revenue Service	Occupational Safety and Health Administration (OSHA)
NM Attorney General	Health Information Portability And Accountability Act (HIPAA)
NM Public Regulations Commission	US Department of Labor
NM Department of Revenue & Taxation	NM Secretary of Health and Child Youth and Family Department
NM Department of Workforce Solutions	NM Public Education Department

Planning and Goal Setting

It is the board's responsibility, in conjunction with the Executive Director and staff, to determine the direction of the organization.





Executive Director Accountability



The board has responsibilities with respect to the Executive Director:

- Hiring
- Firing
- Evaluating
- Supervising and supporting



The evaluation process is determined by the board and varies from organization to organization.

Executive Director Accountability



The board and the Executive Director make long range plans for the organization, the Executive Director carries out those plans by overseeing the day to day operations.



The board establishes clear objectives for the Executive Director and provides regular feedback and support.



Ongoing Board Development: Recruitment and Nomination

Gather potential names

Check references of candidates

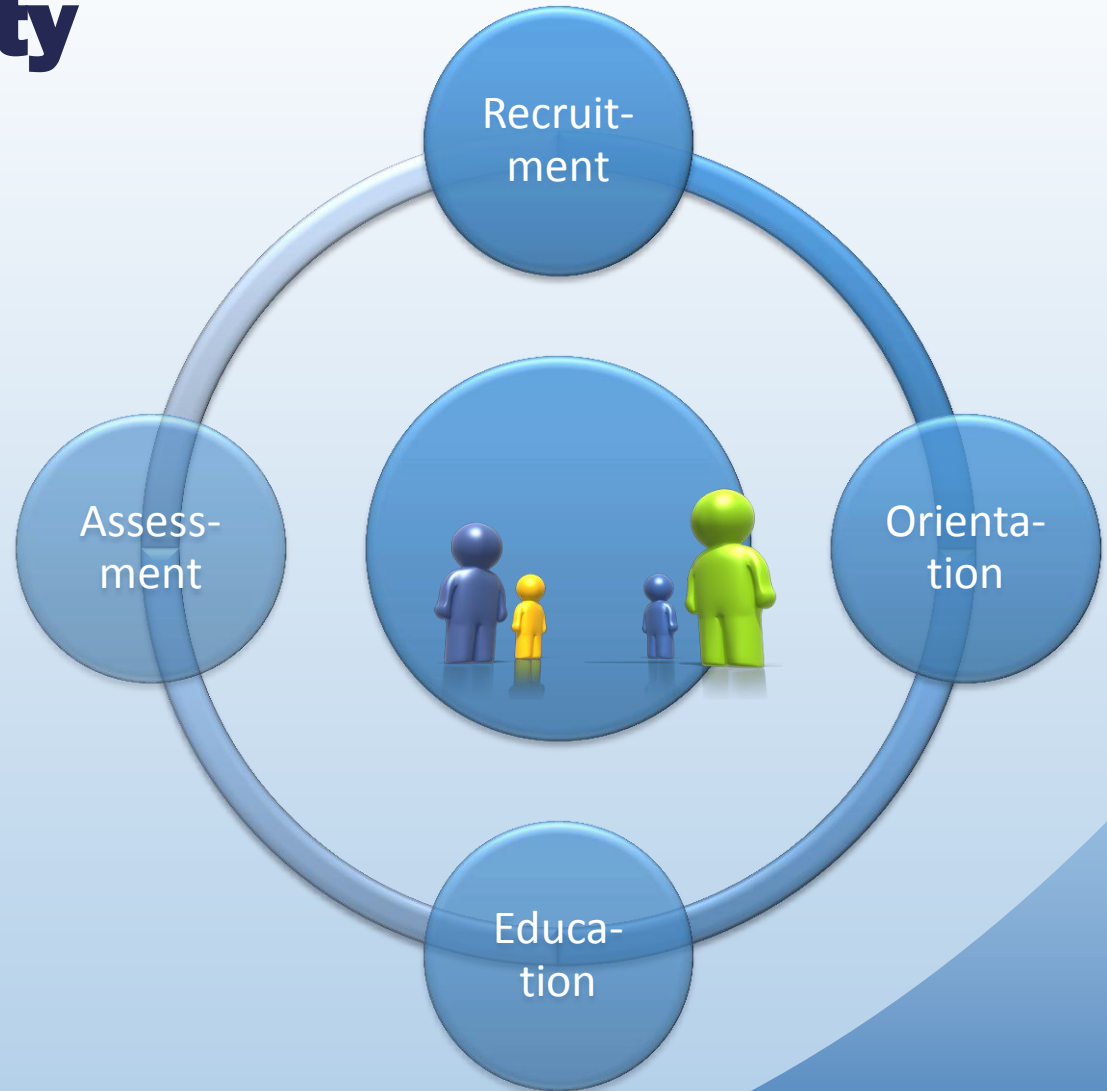
Meet with candidates individually to review board job description, commitment to serve, and conflict of interest.

Make recommendations to the full board.

Sustainability

Sustainability of the board is critical to sustaining the organization.

Recruit considering current needs, future needs and future leadership.





Fundraising and Resource Development

The board is responsible for ensuring adequate funds to carry out the mission of the organization.

Participate in fundraising activities.



Board Fundraising Responsibilities



Approve annual fundraising plan

Participate in thanking donors



Participate in fundraising events

Invite personal contacts to participate in fundraising events



Make a financial contribution

Use business and personal contacts to seek financial contributions for the organization

Sustainability

The purpose of fundraising is to ensure adequate resources for your organization to carry out its mission.



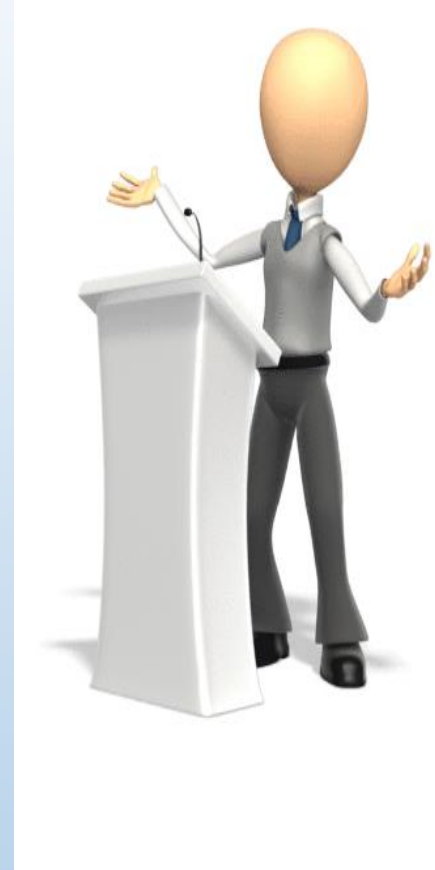


Enhance Public Standing

Enhance the public standing of the organization by acting as an ambassador, using opportunities to promote the good work of your organization

Showcase the organization to the community and potential donors

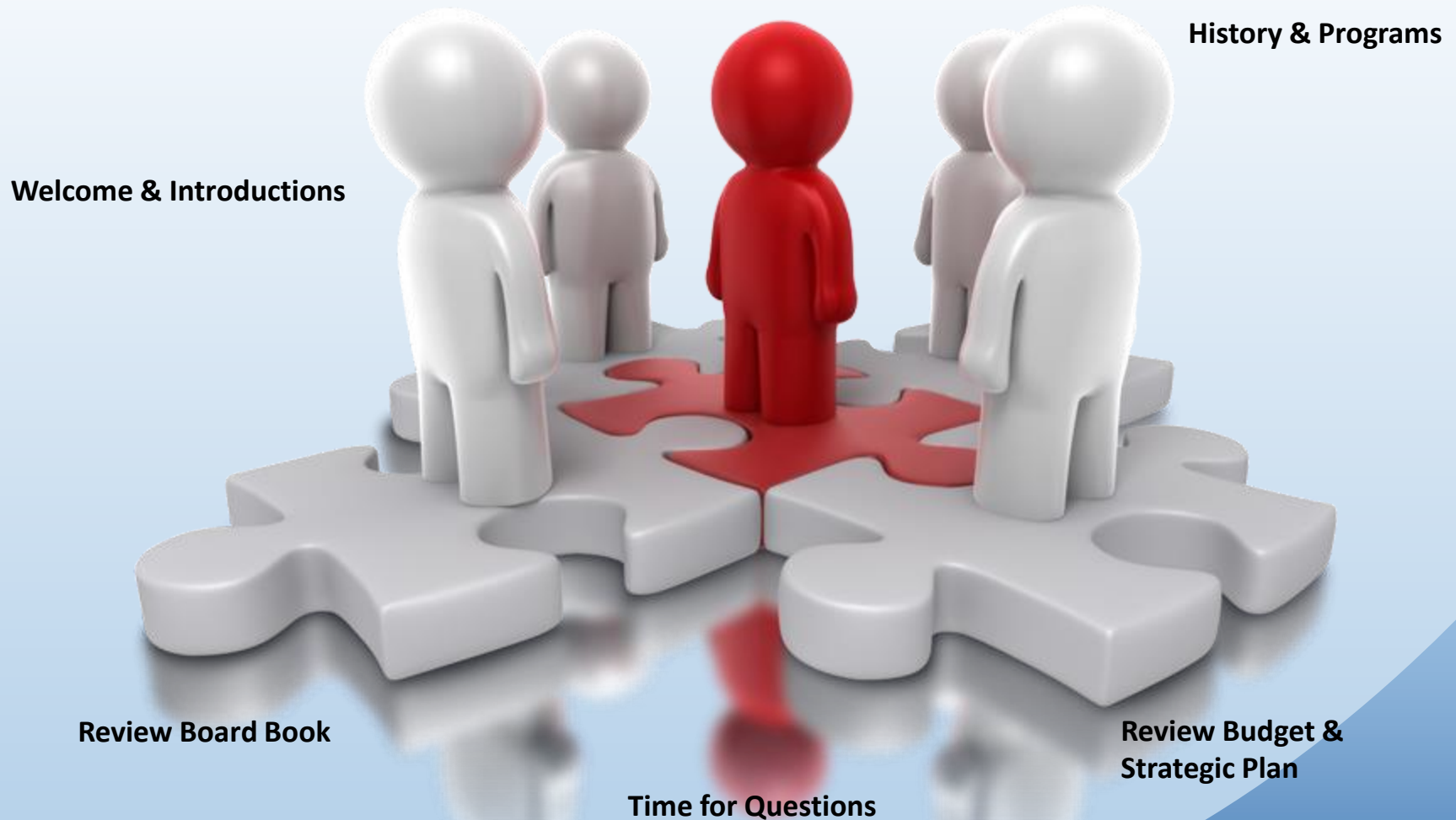
Have a script or elevator speech—know the mission statement and be able to describe the work of the organization in 2 minutes or less



Board members use their position and connections to publicize the good works of the organization.

Be aware of confidentiality and media policies.
Internal disputes should remain private.

Board Member Orientation



How to Find a Nonprofit

- Volunteer
- Serve on a Committee
- Board postings in [New Mexico Volunteer Connection](#)
- Search [New Mexico Nonprofit Directory](#)

Questions?



Resources

[New Mexico Guide for Board Members of Charitable Organizations](#)

[New Mexico Attorney General](#)

[Board Development Resources](#)

Center for Nonprofit Excellence, United Way of Central New Mexico

