

SUMMARY OF BOARD ROLES AND RESPONSIBILITIES

In a general way, all board members have the duties of Care, Loyalty and Obedience. Accountability can be demonstrated by showing the effective discharge of these duties.

DUTY OF CARE:

Requires that directors be reasonably informed about the organization's activities, participate in decisions, and do so in good faith and with the care of an ordinary prudent person. The duty of care is demonstrated in the following ways:

- Attendance at board and committee meetings
- Advance preparation for board meetings
- Seeking information before voting on a matter in order to make good decisions
- Use of independent judgment
- Periodic examination of the credentials and performance of those who serve the organization
- Frequent review of the organization's finances and financial policies
- Compliance with filing requirements, particularly with respect to tax matters

DUTY OF LOYALTY

Requires that directors exercise power in the best interest of the organization and not in their own interest or that of a related entity. The duty of loyalty is demonstrated in the following ways:

- Disclosure of any conflicts of interest
- Adherence to the organization's conflict of interest policy
- Avoidance of personal gain or benefit by virtue of relationship to organization
- Nondisclosure of confidential information about the organization to outside parties.

DUTY OF OBEDIENCE

Requires that directors comply with applicable federal, state and local laws, adhere to the organization's bylaws and remain the guardian of the mission. The duty of obedience is demonstrated in the following ways:

- Compliance with all regulatory and reporting requirements (filing of annual 990, payment of payroll taxes, etc.)
- Examination of all documents governing the organizations and its operations, including the bylaws.
- Making decisions that fall within the scope of the organization's mission and governing documents, including bylaws.

QUESTIONS BOARD MEMBERS SHOULD ASK

- Are the clauses in our articles and bylaws consistent?
- Are our board operations consistent with our bylaws?
- Have we amended our legal documents if we have changed our mission, scope of activities or major structures in any way?
- Who in our organization is responsible for keeping the legal documents? Is it easy to have access to them when we need them?
- Are we in compliance with all statutes that govern our operations and/or program activities?



United Way of Greater Houston