Serving on a Non-Profit Board of Directors

The reasons why people choose to serve on a nonprofit board of directors are as diverse as the people on the board. Some of the reasons people choose to serve include the following:

- Civic duty
- Charitable service
- Parental obligation
- Personal interest in the organization’s cause

Before agreeing to serve on a board, a person will want to familiarize themselves with the organization, its history and its current operations. Specific items that may assist in this process are the articles of incorporation, bylaws, mission statement, policy manual, published periodicals, budgets, vision and goals, and financial statements.

Once an individual accepts a position on a board, they have inherently accepted certain fundamental responsibilities, in addition to a commitment of time and accountability to the organization. The key responsibility of the board is to monitor the organization on behalf of the members or the public that it serves. Bear in mind, the board possesses ultimate legal responsibility for the organization.

Laws relating to directors vary from state to state. Directors should become familiar with the laws for the state relating to the board on which they serve.

Board duties that may be included in state law for nonprofit organizations include:

- Duty of care
  A director must act in good faith, in the best interest of the organization and as an ordinarily prudent person would in a similar situation. Directors are entitled to rely on information presented to them by board officers, executive employees, legal counsel, public accountants and other knowledgeable professionals.

- Duty of loyalty
  A director possesses a fiduciary duty to the organization. A director has accountability for the organization’s assets and resources. They may not use their position on the board to advance their own private interests. Related party transactions between a director and the organization are not prohibited but are subject to greater scrutiny and should be evaluated carefully.

Directors should review the organization’s conflict of interest policy on a routine basis and sign a conflict of interest statement.

- Duty of obedience to purpose
  A director must concentrate on the charitable purpose, goals and vision of the organization. The directors should regularly assess the organization’s effectiveness in achieving its mission.

Protections for a director also vary from state to state. Directors should become familiar with the laws for the state relating to the board on which they serve. Protections that may be included in state law for nonprofit organizations include the following:

- The director was acting in good faith within the scope of their duties as a director.
- The act or omission did not constitute willful misconduct or gross negligence on the part of the director.
- The director did not receive or expect to receive compensation and/or payment of expenses.
or reimbursement of expenses in excess of a specified dollar amount.

It is good practice for the organization to cover its directors under its errors and omission insurance. If the directors are not currently covered under the policy, it should be discussed as part of a board of directors meeting.

Now, more than ever, it is important for the directors to manage the board and organization properly. Each director should take the time they personally need to consider their decisions and use their own independent judgment. Directors also need to be prepared to address adverse actions against the organization.

A website that provides a wealth of information for nonprofit board of directors is www.boardsource.org. While the rules relating to directors of nonprofit companies will vary from profit organizations, being familiar with rules that relate to directors of nonprofit organizations is good knowledge for serving on any board.

**Part I. Role of the Board.**

A. The board of directors is the governing body of every nonprofit organization, responsible for the ultimate direction of the management of the affairs of the organization. The board is responsible for policymaking, while officers and employees are responsible for executing day-to-day management to implement board-made policy.

B. The board can act legally only by consensus (majority vote of a quorum in most cases) and only at a duly constituted and conducted meeting, or by unanimous written consent.

C. The board may delegate authority to act on behalf of the nonprofit organization to others such as committees, but, in such cases, the board is still legally responsible for any actions taken by the committees or persons to whom it delegates authority. An individual board member is a member of the board but has no individual management authority simply by virtue of being a board member. However, the board may delegate additional authority to a board member such as when it appoints board members to committees.

D. In a similar fashion, an officer has only the management authority specifically delegated in the bylaws or by the board (although the delegated authority can be general and broad).

E. Committees have no management authority except for that delegated to them by the bylaws or by the board. Furthermore, under most state nonprofit corporation laws, certain functions may not be delegated by the board to committees. For example, in most states, the board may not delegate to committees the power to elect officers, fill vacancies on the board or any of its committees, amend the bylaws, or approve a plan of merger, among other restrictions.

F. Employees have no management authority except that specifically delegated to them in the bylaws or by the board. For example, most nonprofits' bylaws delegate to the chief staff executive the responsibility for the day-to-day operations of the nonprofit's office(s), including the responsibility to hire, train, supervise, coordinate,
and terminate the professional staff of the nonprofit, as well as the responsibility for all staffing and salary administration within the guidelines established by the board.

G. Members have no management authority because such authority is held by the board of directors in accordance with state law. Yet state nonprofit corporation laws generally reserve to members the right to remove officers and directors. Under some nonprofits' bylaws, certain matters, such as the amendment of the bylaws or the election of directors, must be submitted to the membership for a vote. However, most other matters are generally not submitted to the full membership, but rather are handled by the board, one or more of its committees, or the officers or employees of the nonprofit.

**Part II. Fiduciary Duties of Board Members.**

I. Overview

A. Nonprofit board members have many responsibilities. In the eyes of the law, however, their single most important legal duty is setting organizational policy and prudently overseeing the affairs of the nonprofit. This does not mean personally managing day-to-day affairs; that is the job of the nonprofit's paid professional staff. The board establishes policy and then delegates authority to implement such policy at different levels — to officers, committees, task forces, and staff. But the ultimate responsibility for actions (or inactions) of the nonprofit as a legal entity rests with the board.

B. Years ago, officers and directors of nonprofit organizations were held to a low standard of care: As long as they did not engage in outright fraud or gross negligence, they were not held personally liable for mistakes or errors. Today, however, officers and directors of nonprofit organizations are held to the same high standards of care as are the highest-paid officers and directors of for-profit corporations.

C. Ordinarily, a nonprofit officer or director who acts in good faith — using reasonable and prudent diligence and care — will not be found personally liable, even when actions or decisions made in poor judgment cause damage, injury or loss.

D. Nonprofit officers and directors are generally entitled to rely upon the advice and opinions of experts, such as attorneys and accountants, unless such advice is unreasonable on its face.

E. Nonprofit officers and directors acting outside of or abusing their authority as officers and directors may be subject to personal liability arising from such actions. Furthermore, officers or directors who, in the course of the nonprofit's work, intentionally cause injury or damage to persons or property may be personally liable, even though the activity was carried out on behalf of the nonprofit.

F. While preventive legal risk management is essential to ensuring the reasonable and prudent supervision of the nonprofit's management, if this fails, the liability of officers and directors can be limited through indemnification, insurance and/or volunteer protection laws.

G. A nonprofit can be held liable for the actions of its officers, directors or other volunteers (including actions which bind the nonprofit financially), even when the nonprofit does not know about, approve of, or benefit from those actions, as long as
the volunteer appears to outsiders to be acting with the nonprofit's approval (i.e., with its "apparent authority").

II. Fiduciary Duty of Nonprofit Officers and Directors

Those in positions of responsibility and authority in the governance structure of a nonprofit — both volunteers who serve without compensation and employed staff — have a fiduciary duty to the organization, including duties of care, loyalty and obedience. In simple terms, this means that they are required to act reasonably, prudently and in the best interests of the organization, to avoid negligence or fraud, and to avoid conflicts of interest. In the event that the duties of care, loyalty and/or obedience are breached, the person breaching the duty is potentially liable to the nonprofit for any damages caused to the nonprofit as a result of the breach. This fiduciary duty is a duty to the nonprofit as a whole; even those who only serve a particular committee, task force, division, or other segment of the nonprofit owe the fiduciary obligation to the nonprofit.

A. Duty of Care

1. This duty is very broad, requiring officers and directors to exercise ordinary and reasonable care in the performance of their duties, exhibiting honesty and good faith. Officers and directors must act in a manner which they believe to be in the best interests of the nonprofit, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The "business judgment rule" protects officers and directors from personal liability for actions made in poor judgment as long as there is a reasonable basis to indicate that the action was undertaken with due care and in good faith.

2. Illustrative Cases. Review of a few reported cases in this area will help illustrate the scope of the duty of care required of nonprofit officers and directors.

   a. In Stern v. Lucy Webb Hayes National Training School for Deaconesses & Missionaries (Sibley Hospital), a case involving financial mismanagement, a federal court found that nonprofit directors had failed to exercise even the most cursory supervision over the handling of funds. According to the court, "while assigned to a particular committee of the board having financial or investment responsibility, [a director must] use diligence in supervising and periodically inquiring into the actions of those . . . to whom any duty to make day-to-day financial or investment decisions . . . has been assigned or delegated." While micromanaging the affairs of a nonprofit is bad management, this case underscores the fact that, under the law, officers and directors cannot abandon their duty to supervise the conduct of those who are running the day-to-day business of the nonprofit.

   b. In Francis v. United Jersey Bank, the court held that "directional management does not require a detailed inspection of day-to-day activities, but [does require] a general monitoring of corporate affairs and policies."

   c. In Smith v. Van Gorkum, the Delaware Supreme Court, traditionally sympathetic to corporate boards, imposed personal liability on directors who had approved a major corporate transaction in a sloppy, hasty manner. This case underscores the need for board decisions to be informed and reasoned.

B. Duty of Loyalty
1. This duty encompasses a duty to avoid conflicts of interest and to provide undivided allegiance to the nonprofit's mission. A conflict may exist when an officer or director participates in the deliberation and resolution of an issue important to the nonprofit while the individual, at the same time, has other professional, business or volunteer responsibilities outside of the nonprofit that could predispose or bias the individual one way or another regarding the issue. In these situations, it is typically not enough for the individual to be aware of the conflict and to attempt to act in the nonprofit's best interests despite the conflict. On the contrary, for many conflicts, full disclosure to the organization and refraining from participation in the organization's deliberation and resolution of the issue (i.e., recusal) are required to remedy the conflict. For serious, visible, continuing or pervasive conflicts, withdrawal from the officer or directorship, or from the outside conflicting responsibility, may be required. It is important to be sensitive to and avoid apparent conflicts of interest as well as actual ones.

2. Corporate Opportunities Doctrine. The duty of loyalty specifically prohibits competition by a nonprofit officer or director with the nonprofit itself. While officers and directors may generally engage in the same "line of business" or areas of endeavor as the nonprofit, it must be done in good faith and without injury to the nonprofit. One form of competition that is not permitted, however, is appropriating "corporate opportunities." A corporate opportunity is a business prospect, idea or investment that is related to the activities or programs of the nonprofit and that the individual knows, or should know, would be in the best interests of the nonprofit to accept or pursue. A nonprofit officer or director may take advantage of a corporate opportunity independently of the nonprofit only after it has been offered to, and rejected by, the nonprofit.

C. Duty of Obedience

This duty requires officers and directors to act in accordance with the organization's articles of incorporation, bylaws and other governing documents, as well as applicable laws and regulations.

D. Reliance on Experts

1. Unless an officer or director has knowledge that makes reliance unwarranted, an officer or director, in performing his or her duties to the organization, may rely on (written or oral) information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: 1) one or more officers or employees of the nonprofit whom the officer or director believes in good faith to be reliable and competent in the matters presented; 2) legal counsel, public accountants, or other persons as to matters which the officer or director believes in good faith to be within the person's professional or expert competence; or 3) in the case of reliance by directors, a committee of the board on which the director does not serve if the director believes in good faith that the committee merits confidence.

2. Examples

a. Selection of pension plan administrators covered by the Employee Retirement Income Security Act of 1974 ("ERISA"). Some cases have held that, where the board of directors selected a plan administrator not based on sufficient investigation into the competency and expertise of the administrator, but on the basis of personal friendship or favor, the directors could be held liable for any harm suffered by plan participants due to mismanagement by the plan administrator. The basis of liability,
of course, is not that the directors chose a friend but that the administrator chosen was not sufficiently competent.

b. Willful ignorance. Directors cannot remain willfully ignorant of the affairs of the nonprofit. A director chosen as treasurer, for example, with limited knowledge of finance, cannot simply rely on the representations and reports of staff or auditors that "all is well."

E. Nonprofit officers and directors acting outside of or abusing their authority as officers and directors may be subject to personal liability arising from such actions. Furthermore, officers or directors who, in the course of the nonprofit's work, intentionally cause injury or damage to persons or property may be personally liable, even though the activity was carried out on behalf of the nonprofit.

III. Preventive Legal Risk Management Nonprofit officers and directors can help minimize the risk of personal liability by:

A. Being thoroughly and completely prepared before making decisions.

B. Becoming actively involved in deliberations during board meetings, commenting as appropriate and making inquiries and asking questions where prudent and when such a need is indicated by the circumstances.

C. Making decisions deliberately and without undue haste or pressure.

D. Insisting that meeting minutes accurately reflect the vote counts (including dissenting votes and abstentions) on actions taken at meetings.

E. Requesting that legal consultation is provided regarding any matter that has unclear legal ramifications.

F. Requesting that the nonprofit's accountants assess and evaluate any matter that has significant financial ramifications.

G. Obtaining and carefully reviewing both audited and unaudited periodic financial reports of the nonprofit.

H. Attending the nonprofit's meetings and reading the nonprofit's publications carefully to keep fully apprised of the organization's policies and activities.

I. Reviewing from time to time the nonprofit's articles of incorporation, bylaws and other governing documents.

J. Avoiding completely any conflicts of interest in dealing with the nonprofit and fully disclosing any potential conflicts.

IV. Liability Protection

If preventive risk management fails, the liability of nonprofit officers and directors can be limited through indemnification, insurance and/or volunteer protection laws.

A. Indemnification.
1. The nonprofit corporation laws in most states permit nonprofit corporations to indemnify their officers and directors against claims made against them (in a personal capacity) if the claims are based upon an officer’s or director’s activities on behalf of the nonprofit. In this context, indemnification generally means that the organization promises to hold the officer or director personally "harmless" — specifically agreeing to pay all legal fees, settlement costs, damage awards, and litigation expenses — for all acts the individual performed in good faith and within the scope of the individual's duties for the organization (generally excluding willful or wanton misconduct or knowing violation of a criminal law).

2. For example, in Illinois, the nonprofit corporation law permits indemnification of officers, directors, employees, and agents for their actions (or inactions) on behalf of the nonprofit provided that the officer, director, employee, or agent (i) acted in good faith, (ii) in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the nonprofit, and (iii) with respect to a criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The Illinois statute is applicable to nonprofit organizations incorporated in Illinois.

3. Most nonprofits indemnify their officers and directors (and often their employees as well) through provisions in their bylaws.

B. Insurance.

1. Nonprofits generally purchase director and officer ("D&O") liability insurance to "fund" their indemnification program. D&O insurance policies are designed for claims alleging harm (other than bodily injury or property damage) attributable to the management of the nonprofit (however, note that there are frequently many exclusions from D&O policy coverage).

2. Most state nonprofit corporation laws expressly permit the purchase and maintenance of insurance by nonprofit organizations on behalf of officers, directors, employees, and agents of the organization (against any liability asserted against them or incurred by them arising out of their status as officers, directors, employees, or agents), regardless of whether such individuals are indemnified by the organization.

C. Volunteer Protection Laws.

1. All states have adopted so-called volunteer protection laws (often as part of the state's nonprofit corporation statute) that limit to one degree or another the ability of the corporation, its members, creditors, or third parties to sue officers and directors of, or volunteers who render services to or for, the nonprofit corporation. Federal law now requires all states to provide certain minimal statutory protections for nonprofit volunteers (although states can provide greater protections than those mandated by federal law). Specifically, the federal Volunteer Protection Act of 1997 requires states to statutorily exempt nonprofit volunteers (including unpaid officers and directors) from liability for harm caused by the volunteer’s negligent acts or omissions on behalf of the nonprofit, except for harm caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of any individual harmed by the volunteer. Further, this limitation on liability does not apply when the harm was caused by a volunteer operating an automobile, truck, boat, or aircraft, or to misconduct by a volunteer that constitutes a crime of violence, hate crime, sexual offense, federal or state civil rights law violation, or where the volunteer was under the influence of intoxicating alcohol or
any drug at the time of the misconduct. The degree and level of protection afforded nonprofit volunteers varies significantly from state to state.

2. For example, in Illinois, the nonprofit corporation statute provides relatively broad protection from civil liability for officers and directors of tax-exempt organizations which are incorporated in Illinois. Specifically, the Illinois statute provides that officers and directors of tax-exempt organizations (who serve without compensation, except for reimbursement of expenses) shall be immune from liability, and no lawsuit may be brought against such individuals, for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such officers or directors unless the act or omission involved willful or wanton conduct. "Willful or wanton conduct" is defined as "a course of action which shows an actual or deliberate intention to cause harm or which, if not intentional, shows an utter indifference to or conscious disregard for the safety of others or their property." Other states provide much more narrow legal protections for nonprofit officers, directors and other volunteers (e.g., limiting the protections to those who volunteer for 501(c)(3) organizations only).

V. Apparent Authority

In 1982, in American Society of Mechanical Engineers v. Hydrolevel, the U.S. Supreme Court determined that a nonprofit can be held liable for the actions of its officers, directors or other volunteers (including actions which bind the nonprofit financially), even when the nonprofit does not know about, approve of, or benefit from those actions, as long as the volunteer appears to outsiders to be acting with the nonprofit's approval (i.e., with its "apparent authority"). The Supreme Court made clear that nonprofits are to be held strictly liable for the activities of volunteers that have even the apparent authority of the nonprofit. Even if a nonprofit volunteer does not in fact have authority to act in a particular manner on behalf of the nonprofit, the law will nevertheless hold the nonprofit liable if third parties reasonably believe that the volunteer had authority. The law thus requires a nonprofit to take reasonable steps to ensure that the scope of its agents' (e.g., board and committee members') authority is clear to third parties, and that agents such as board and committee members are not able to hold themselves out to third parties as having authority beyond that which has been vested in them by the nonprofit (e.g., by regulating, through appropriate internal controls, access to nonprofit letterhead stationery).

VI. Conclusion

If a nonprofit's officers and directors conform to the above guidelines in meeting their fiduciary duties to the organization, not only will they be shielded from personal liability to the greatest extent possible, but the nonprofit likely will be afforded maximum protection from the financial and other management improprieties that have plagued nonprofit organizations in recent years.
Sample Job Descriptions for Members of Boards of Directors
Assembled by Carter McNamara, PhD

The following description was adapted from materials from the National Center for Nonprofit Boards. Note that materials apply to both for-profit and nonprofit unless otherwise noted.

Board Chair Job Description
1. Is a member of the Board.
2. Serves as the Chief Volunteer of the organization (nonprofit only).
3. Is a partner with the Chief Executive in achieving the organization’s mission.
4. Provides leadership to the Board of Directors, who sets policy and to who the Chief Executive is accountable.
5. Chairs meetings of the Board after developing the agenda with the Chief Executive.
6. Encourages Board’s role in strategic planning.
7. Appoints the chairpersons of committees, in consultation with other Board members.
8. Serves ex officio as a member of committees and attends their meetings when invited.
9. Discusses issues confronting the organization with the Chief Executive.
10. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
11. Reviews with the Chief Executive any issues of concern to the Board.
12. Monitors financial planning and financial reports.
13. Plays a leading role in fundraising activities (nonprofit only)
14. Formally evaluates the performance of the Chief Executive and informally evaluates the effectiveness of the Board members.
15. Evaluates annually the performance of the organization in achieving its mission.
16. Performs other responsibilities assigned by the Board.

Vice Chair Job Description
1. Is a member of the Board.
2. Performs Chair responsibilities when the Chair cannot be available (see Chair Job Description).
3. Reports to the Board’s Chair.
4. Works closely with the Chair and other staff.
5. Participates closely with the Chair to develop and implement officer transition plans.
6. Performs other responsibilities as assigned by the Board.
Committee Chair Job Description
1. Is a member of the Board.
2. Sets tone for the committee work.
3. Ensures that members have the information needed to do their jobs.
4. Oversees the logistics of committee’s operations.
5. Reports to the Board’s Chair.
6. Reports to the full Board on committee’s decisions/recommendations.
7. Works closely with the Chief Executive and other staff as agreed to by the Chief Executive.
8. Assigns work to the committee members, sets the agenda and runs the meetings, and ensures distribution of meeting minutes.
9. Initiates and leads the committee’s annual evaluation.

Board Member Chair Job Description
1. Regularly attends board meetings and important related meetings.
2. Makes serious commitment to participate actively in committee work.
3. Volunteers for and willingly accepts assignments and completes them thoroughly and on time.
4. Stays informed about committee matters, prepares themselves well for meetings, and reviews and comments on minutes and reports.
5. Gets to know other committee members and builds a collegial working relationship that contributes to consensus.
6. Is an active participant in the committee’s annual evaluation and planning efforts.
7. Participates in fundraising for the organization (nonprofit only).

Board Secretary Job Description
1. Is a member of the Board.
2. Maintains records of the board and ensures effective management of organization’s records.
3. Manages minutes of board meetings.
4. Ensures minutes are distributed to members shortly after each meeting.
5. Is sufficiently familiar with legal documents (articles, by-laws, IRS letters, etc.) to note applicability during meetings.

Board Treasurer Job Description
1. Is a member of the Board.
2. Manages finances of the organization.
3. Administers fiscal matters of the organization.
4. Provides annual budget to the board for members’ approval.
5. Ensures development and board review of financial policies and procedures.
# A Checklist for Board Self-Evaluation

<table>
<thead>
<tr>
<th>Commitment and Participation of Board Members</th>
<th>Yes</th>
<th>No</th>
<th>Need to Consider This</th>
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<tbody>
<tr>
<td>- Are most members full participants in both board and committee meetings?</td>
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<td>- Do members feel their opinions will be respected even if it is a minority one?</td>
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<td>- Do new members feel welcome and able to take active part in board and committee meetings?</td>
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<td>- Do the members enjoy being on the board and feel a sense of satisfaction?</td>
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<tr>
<th>Policies and Goal Setting</th>
<th>Yes</th>
<th>No</th>
<th>Need to Consider This</th>
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<tr>
<td>- Does each member know what the policies of the board are? Is there a written handbook of these policies?</td>
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<td>- Is each member aware of the underlying goals of the board for the program?</td>
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<td>- Are the long-range and short-range goals spelled out and put in order of importance, at least annually?</td>
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<tr>
<td>- Does each member have a job description?</td>
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<tr>
<th>Work of the Board</th>
<th>Yes</th>
<th>No</th>
<th>Need to Consider This</th>
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<tr>
<td>- Does the board have a defined system for undertaking the ongoing work of the board? (e.g., committees with defined functions, which meeting regularly, and make recommendations to board.) Is the work consistently carried out?</td>
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<td>- Is there a clear understanding between the board and director/vendor about their areas of responsibility?</td>
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<td>- Do meetings go well, with everyone participating, decisions being made carefully and a good feeling developing?</td>
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<td>- Does the board review all-important documents pertaining to the organization?</td>
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<td>- Is each member knowledgeable about the facility’s current and long-range needs?</td>
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<tr>
<th>Oversight of the Provider: Personnel</th>
<th>Yes</th>
<th>No</th>
<th>Need to Consider This</th>
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<td>- Does the board have updated job descriptions and personnel policies?</td>
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<td>- Does the board evaluate the director/vendor in written form once a year?</td>
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<td>- Is the board aware of and supportive of training needs of staff?</td>
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<td>- Does the board meet regularly (at least once a year) with the total staff?</td>
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<td>- Does the board review the “fringe benefits” and salary scales annually?</td>
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<td>Oversight of the Provider: Financial</td>
<td>Yes</td>
<td>No</td>
<td>Need to Consider This</td>
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<td>• Does the board (or appropriate committee) review the center’s annual budget?</td>
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<td>• Does the board regularly review expenditures in relation to the budget, and does the committee review the bank reconciliation statement and audit?</td>
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<td>• Is there a plan to raise the needed funds for the tuition assistance program?</td>
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<tr>
<td>• Is each member aware of the relationship of children’s enrollment and attendance to the receipt of public funds?</td>
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<th>Oversight of the Provider: Program</th>
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<tr>
<td>• Does the member visit the center at least twice a year?</td>
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<td>• Is the total program assessed annually to see if it is continuing to meet the needs of the children, parents, and agency?</td>
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<td>• Is each member aware of the underlying beliefs about how children learn and the educational philosophy and methods the center has selected?</td>
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<th>Oversight of the Provider: Parents</th>
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<tr>
<td>• Does the member have some knowledge of the views and priorities as well as the pressure on the families served by the center (educational aspirations for the children, child-rearing views, schedule needs, cultural values, job pressures, desires for supportive services)?</td>
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<td>• Does the board meeting regularly (at least once a year) with all parents?</td>
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<td>• Is there a defined process for ongoing information and input from parents?</td>
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<td>• Do the parents feel their recommendations and concerns are taken seriously?</td>
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<th>Oversight of the Provider: Legal</th>
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<td>• Is each member aware of the current tax-exempt status? Incorporation status?</td>
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<td>• Have the by-laws been reviewed to insure relevance to current needs?</td>
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<td>• Is each member aware of the relationship of funding to government law and budgets?</td>
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<tr>
<td>• Is each member aware of the Memorandum of Understanding with the agency and the licensing agreement?</td>
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<thead>
<tr>
<th>Oversight of the Provider: Advocacy</th>
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<tbody>
<tr>
<td>• Does the board recognize the need to participate in local, state, and federal legislative activities in order to encourage public financial support for children?</td>
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<td>• Is each board member informed and concerned enough about child care needs so as to be able to articulate them in letters, telegrams, or speeches to public officials or community leaders?</td>
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Renewal of the Board

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Need to Consider This</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the board able to interest new members in participating on the board?</td>
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<td>Does the board have a plan for rotation of members, which permits it to let non-productive members go?</td>
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<td>Are members encouraged and supported in taking new leadership roles?</td>
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<tr>
<td>Does the board assess its own needs for information and training at least annually and make plans for those?</td>
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</table>

On the Basis of This Assessment¹

1. What are your board’s greatest strengths?

2. What particular problems does it face?

3. What changes are needed to further the center’s goals and objectives?

4. What next steps would you recommend?

5. Who should be involved?

6. What help would you need?

7. What might be the timetable?

¹ Adapted from the Duchess County Child Development Committee: HOW GOOD A JOB IS OUR CENTER DOING?