Glossary of Terms - Module 1: Roles and Responsibilities

Accountability: An organization's ability to answer questions regarding appropriate expenditure of funds and/or outcomes that demonstrate progress toward its mission.

Advocacy: Any action that speaks in favor of, argues for, recommends, supports, defends or pleads on behalf of others or a cause. Includes public education, regulatory work, litigation, work before administrative bodies, lobbying, and voter registration or education.

Board: Individuals who sit on the board are responsible for overseeing the organization's activities and meet periodically to discuss and vote on the affairs of the organization. The board should focus on the organization's mission, strategy, and goals.

Conflict of Interest: Any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit.

Conflict of Interest Policy: An organizational policy that (a) requires those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and (b) prohibits interested Board members from voting on any matter in which there is a conflict.

Duty of Care: Using best judgment, actively participating, paying attention, and asking pertinent questions. This means that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

Duty of Loyalty: Avoiding conflicts of interest, putting aside personal and professional interests. This means that a board member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

Duty of Obedience: Staying true to the organization's mission, obeying the law (both public and organizational). This requires board members to be faithful to the organization's mission, act in a way that is consistent with the central goals of the organization, and obey the law and the organization's internal rules and regulations.

Fiduciary: A fiduciary is a person responsible for the oversight, administration, investment, or distribution of assets belonging to another person or to an organization. Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board members, as stewards of public trust, must always act for the good of the organization, rather than for the benefit of themselves. Board members need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

Nonprofit Organization: Refers to entities granted exemption from federal income tax by the Internal Revenue Service, described in Section 501(c)(3) of the Internal Revenue Code of 1986; or identify to the public as having a "charitable purpose".

Stakeholder: A person, group, or organization that has interest or concern in an organization.

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Roles and Responsibilities

3 Roles & 10 Responsibilities of a Board

Set Direction

- Determine mission/purposes
- Ensure effective planning

Ensure Resources

- Select CEO
- Financial Resources
- Build competent board
- Enhance standing

Provide Oversight

- Strengthen programs/services
- Protect assets/financial review
- Ensure legal/ethical integrity
- Support/evaluate CEO

What If?

What If... Number 1:
At a recent board meeting, a board member begins to question a series of decisions made by the executive director, complaining that policy matters were involved and the board was not properly consulted. The board member has expressed his lack of confidence in the executive director to a number of others on the board. Although most of the other board members feel the executive director does a good job, a number think the board should have been consulted about these particular decisions. At the meeting, they do not speak up.

What If... Number 2:
The chair of the board has asked to see weekly financial reports and spends at least one afternoon a week in the office meeting with the executive director and talking to staff. The executive director is upset at the level of the board chair's involvement in the day-to-day affairs of the organization. He is unsure of what to do about it.