

Chapter 7

Common Problems

This Section Contains:

 Board Member Liability

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COMMON PROBLEMS

So far, this reference manual has answered some of your questions regarding Board member roles and responsibilities.

There can be Board related issues, some of which are noted below. During your term on the Board, odds exist you will experience a few rough spots. It is important not to think of these as failures, but opportunities. Just remember no Board is perfect, and then work through the issues rationally.

- ☑ Financial Crisis
- ☑ Lack of Planning
- ☑ Blurred Board and Executive Director Responsibilities
- ☑ Disorganized Board Meetings
- ☑ Conflicts Between Board Meetings
- ☑ Negative Public Image

Can I use Board service to my personal advantage?

In short, 'NO.' Although serving on a Board can open doors which might otherwise be closed, it is unethical to use your Board position for personal gain.

Example: Let us say the Board approves purchasing a manufactured or modular home for the THA office. The company you work for submits a bid. What is your responsibility in this situation? You should formally abstain from voting on the purchase bid. To do otherwise would be a clear conflict of interest since you could benefit financially from your relationship with THA.

Am I liable for the actions of the board?

Yes, because Board members are trustees of their Association. As such, Board members are responsible for its finances, policies, and future direction. What this means is ... you can be held personally liable for any official action of the Board. Therefore, it is so important to participate in all Board business.

Attending meetings, **carefully reviewing financial statements, and meeting minutes**, and keeping your focus on the big picture. When you have a firm handle on what is happening, issues are rare.

Additionally, THA does have Directors and Officers (D & O) insurance which is intended to protect THA and its Board members from lawsuits stemming from improper decisions.

What things should not be discussed in public, without breaching confidentiality?

Executive Director performance evaluations, pending legal actions or anything else discussed in executive sessions are strictly confidential. This information should never leave the Board room.

If a staff member voices an issue or concern to me, what should I do?

Staff members may complain to you or pressure you to resolve a particular issue. Resist the temptation to get involved. Board members who become involved in staff issues undermine the chain of command. Why? Because their actions undermine the authority of the Executive Director and other supervisors responsible for handling staff issues.