

## **Duty of Care**

Active Participation – Directors must attend board meetings, evaluate reports, read minutes, and review Executive Director performance and so on. Directors that do not have the time to participate should not agree to be on the Board.

Committees – Although directors may establish committees and rely on information, reports and opinions of these committees, directors are responsible for committees and should periodically scrutinize their work.

Board Actions – A director that is present at a meeting when an action is approved is presumed to have agreed to the action unless; (1) the director objects to the meeting as unlawfully convened, or (2) the director votes against the action, or (3) the director is prohibited from voting due to a conflict of interest.

Minutes of Meetings – Directors must ensure that minutes accurately reflect actions taken at meetings.

Books and Records – Directors should have a general knowledge of the books and records of the organization.

Accurate Record keeping – Directors must ensure that the organization's books and records are accurate. In most cases, directors fulfill this responsibility by requiring annual audits of the organization's financial statements by independent certified public accountants.

Trust Property – Directors must protect, preserve, invest and manage the organization's assets on a basis consistent with donor restrictions and legal requirements. Instituting proper internal controls aids directors in fulfilling this responsibility.

Resources – Directors must assist the organization in obtaining adequate resources.

Investigations – Directors must investigate reports of employee theft or mismanagement and when appropriate report such events to authorities.