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**BOARD RESPONSIBILITIES**

The board of directors is the governing body of an association, responsible for dictating the ultimate direction of the organization. Even though day-to-day management is largely handled by employees, the board still bears the ultimate legal responsibility for the actions/inactions of the association. Legally, the board can act only consensus; an individual member holds no authority by themselves and does not have the power to make unilateral decisions. Other roles that hold responsibility in the organization, such as officers, employees, and committees, have no management authority beyond what is specifically delegated in the bylaws or by board consensus. Everyone who holds a position of responsibility or authority in the association is bound by fiduciary duty to the organization as a whole--a legal responsibility to **act reasonably, prudently and in the best interests of the organization** and **to avoid negligence, fraud, and conflicts of interest.** There are three specific duties which fall under the umbrella of fiduciary duty:

* **Duty of Care:** This requires all officers and directors to exhibit good faith and honesty, and to exercise **ordinary and reasonable care**in the performance of all association duties. Directors and officers are obligated to act in what they believe to be the best interests of the organization. It is important to note the existence of the “business judgement rule”, which excuses actions made in poor judgement as long as it can be shown that the actions were taken with due care in good faith.
* **Duty of Loyalty:** This requires directors and officers to exhibit undivided faith to the association when making decisions that affect the association. Officers and directors must put the interests of the association above personal interests, and must disclose the potential for any conflicts of interest to the board of directors. If a conflict of interests arises, the officer/director should recuse themselves from deliberation, or resign their post if the conflict is likely to be pervasive to their duties.
* **Duty of Obedience:** This requires directors and officers to act in compliance with the organization’s governing documents (bylaws, articles of incorporation, etc.) and any applicable laws and regulations.