



Pathways for Addressing Social Needs: The Board of Directors

Things to Consider in Organizing a Board and Being
Clear on Its Key Responsibilities





Overview

- The responsibilities of the board of directors (BoD) in an organization is both a vital and foundational role.
- The board of directors is key to the organization's responsibilities of:
 - Staying true to the mission
 - Operating in an ethical manner
 - Recruiting and maintaining competent leadership
 - Planning responsibly for the future
 - Remaining financially viable to carry out the work



Overview

- In reviewing the important role of the BoD, the focus will be on:
 - The composition of the board, including recruiting members
 - The key roles and responsibilities of the board
 - Board bylaws
 - Relationship of the BoD to the organization's leadership
 - Organization of the board and key committees
 - Documenting the work of the board
 - Term limits for board members
 - Indemnifying board members and legal considerations



Composition of the Board of Directors

- The make up of the board is key in its ability to direct strategy and to provide good governance.
 - A well-developed board is clear on the strategic direction of the organization and adheres to ethical guidelines in performing its duties
- Board composition refers to the people in an organization's board of directors and what they bring to the board table, such as their management background and skills.¹
- Board size is having the right number on the BoD in order to operate efficiently and to be able to effectively manage the work.
 - The ideal number of board members should be based on the size and complexity of the organization



Roles and Responsibilities of the Board

- The board of directors is responsible for recruiting, hiring, and setting the compensation for the CEO/executive director.
 - The board should be involved in providing supervision and evaluation of the CEO
 - When there are paid staff in place, rather than steer the boat by managing day-to-day operations, board members provide *foresight, oversight, and insight*: think of them as up in the crow's nest scanning the horizon for signs of storms or rainbows to explore.²
 - In many organizations the CEO/executive director is a nonvoting member of the board
- Board members should be involved in fundraising and be key advocates for the organization's mission.



Roles and Responsibilities of the Board

- Under the law that guides nonprofit corporations, nonprofit board members have the legal responsibility to meet their duties of care, loyalty, and obedience.³
 - Duty of Care: The BoD makes sure that the organization's assets (human, facilities, supplies, equipment & good will) are managed well and being used appropriately
 - Duty of Loyalty: The BoD ensures that the organization's actions and business dealings align with the mission, including members avoiding conflicts of interest
 - Duty of Obedience: The BoD must ensure that the organization obeys laws and regulations and adheres to the bylaws and avoid actions that may harm the mission
- The BoD should make sure the strategic focus is clear, that the organization is financially sound, and needs to serve as an external champion and advocate for the institution.



Board Structure and Committees

- To help the board of directors accomplish its work, it creates dedicated committees with specific responsibilities.
- Committees allow the board to meet its strategic goals, operate to address complex issues, and establishes a structure for effective governance.
- Some committees for the BoD to consider to operate effectively include:
 - Executive: Includes the executive officers of the BoD
 - Compliance: Ensures adherence to bylaws and regulations
 - Nominating: Identifies and recommends members for key board leadership positions
 - Budget/Finance: Ensures the organization develops a realistic budget, is stewarding its financial resources well, and monitors the financial performance of the institution
 - Strategic Planning: Oversees the strategic planning process and recommends the plan for approval by the full board
 - Fundraising/Development: Ensures funds are being raised to support programs and operations



Skills and Expertise of Board Members

- When forming the board of directors, the organization wants a range of skills and backgrounds with its members.
- Board members should represent different competencies including:
 - Finance
 - Fundraising
 - Legal
 - Operations
 - Technology
 - Industry Expertise
- Board members should have influence in the community to help benefit the organization by making connections with stakeholders.
- The diversity of expertise and skills enables boards to understand market dynamics, better assess risks, and identify opportunities ultimately fostering innovation and resilience.⁴



Independent Directors

- Independent board members are key in developing objective oversight of an organization.
- Board members should maintain neutral positions and objective viewpoints.
- Any relationship or business dealings that a board member is involved with that could hurt or hinder the organization and its operations must be disclosed.
 - New board members should be required to complete a conflict-of-interest form and existing members should update the forms periodically
- The board composition should reflect the diversity of the community and/or the clients it serves.
 - Consider diversity with members such as ethnicities/races, gender, sexual orientation, socioeconomic status, faith backgrounds, culture, age, etc.



Orientation of New Board Members

- New board members should be provided with a formal orientation to the organization.
- The bylaws should be reviewed along with key information about the organization (e.g. strategic plan) and the financial statements/budget.
- Expectations of board members need to be clearly communicated to new members (e.g. Do board members have to donate annually to the organization or serve on a specific committee?).
- Meetings with the board chair and executive director/CEO should be scheduled with new members.
- Establish a buddy system with existing board members to help new members feel welcomed and provides a resource if they have questions.



Board Bylaws

- Boards need formal guidelines and rules that determine how they are governed and will conduct business.
- Bylaws are the framework that guides the board's actions and decisions and clearly outline rules regarding authority, rights, and processes.⁵
- Boards need to consider the mission and structure of the organization when developing the bylaws.
- Legal guidance on developing the bylaws is always recommended.
- Bylaws get reviewed and approved by the full board and should be reviewed and updated on a regular basis.
- Bylaws should include name/site of the organization, statement of purpose, board officers, board members, structure of the board, committees, role of the CEO, board member compensation (if applicable), indemnification of members, amendments to bylaws, and the process for dissolving the organization.
- The board bylaws should align with the organization's articles of incorporation.



Relationship of the Board to Organization Leadership

- The relationship between the executive director/CEO and the BoD is key to the organization's success.
- There needs to be regular communication and collaboration between the board and the executive team.
- According to Mary Hiland, Ph.D., nonprofit leadership expert, “nonprofit leaders need to recognize that the board chair-executive director/CEO relationship is an important and powerful resource that can be leveraged in support of the organization's mission.”⁶
- There must be clear duties and responsibilities stated for the BoD and executive director/CEO to maintain a good professional relationship.
 - The board should focus on governance and the executive team on operations



Organization of the Board

- The key leadership of the Board of Directors includes the chair, vice chair, secretary, treasurer, and chairs of the board committees.
- Key board committees to help ensure the functioning of the board and that it meets its responsibility to the organization include:
 - Executive Committee
 - Governance/Nominating Committee
 - Finance/Auditing Committee
 - Program Committee (for organizations operating multiple programs)



Board Minutes

- Minutes provide a written record of the board's activities/decisions and that of the work of its committees.
- Board minutes serve as official records to be maintained by the organization.
- Board minutes should incorporate the following:
 - General organization of minutes (date, time, location, attendees)
 - Who was in attendance at the meetings
 - Approval of the previous BoD meeting minutes
 - Avoid opinions of members or emotional statements in the minutes
 - Record the formal adoption of general and special resolutions
 - Written record of items discussed at the meeting
 - Documentation of the vote to adjourn the meeting and time



Board Term Limits and Indemnification

- The length of time a person may serve on a board is usually stated in the bylaws.
- Board terms may be renewable indefinitely or term-limited.
- Having non-defined term limits may result in a group of committed leaders very knowledgeable with the organization.
- Term-limited board members helps to bring new ideas to the organization and different talents and skill sets.
- Indemnification of board members is important to protect their personal liability and financial risk while working on behalf of the organization.
- Board members have legal responsibilities to the organization and should be covered under the organization's liability insurance.



Questions to Ask in Considering Serving on a Board

- When someone is approached to be on a board, there are some key questions that should be asked:
 - Does the mission and values of the organization align with my personal interests and commitments?
 - Are there any conflicts of interest that I may have in serving on this board?
 - Do I have the time to carry out the responsibilities of being on the board?
 - What do I know about this organization and its programs?
 - What assets/skills/knowledge/talents can I bring to the board?
 - Am I able to meet the expectations for individuals serving on the board (i.e. annual donation)?
 - Could I support the organization better in a different capacity?



Conclusion

- The board of directors are responsible for the governance oversight of the organization making sure it stays in alignment with its mission and focused on the vision.
- To have a strong board that effectively serves the organization, you need to have the right composition of members with various skills and commitment to the mission.
- In order to carry out the functions and business of the board, the structure, bylaws, and committees are key to operating well.
- The relationship between the BoD and the organization's leadership team is vital to the effective functioning and advancement of the institution.
- People asked to serve on the board need to be willing to give the time and commitment to help the organization succeed.



Online Resources

- **BoardEffect**

- Provides information on establishing a good relationship between the board and executive team.

<https://www.boardeffect.com/blog/relationship-between-executive-director-board/>

- **BoardSource**

- Provides nonprofit board resources focused on increasing effectiveness and strengthen organizational impact.

<https://boardsource.org/>

- **Nonprofit Learning Lab**

- Provides free resources and tools to assist nonprofit boards.

<https://www.nonprofitlearninglab.org/>

Reference Notes

¹Josh Palmer, “*Board Composition (Overview, Definition, and Examples)*,” OnBoard, September 1, 2022, <https://www.onboardmeetings.com/blog/board-composition-overview-definition-examples/> (accessed November 8, 2025).

²National Council of Nonprofits, “*Board Roles and Responsibilities*,” 2025, <https://www.councilofnonprofits.org/running-nonprofit/governance-leadership/board-roles-and-responsibilities> (accessed November 8, 2025).

³BoardSource, “*What are the Legal Duties of Nonprofit Board Members?*,” July 11, 2025, <https://boardsource.org/resources/legal-duties-nonprofit-board-members/> (accessed November 8, 2025).

⁴Akram Krayem, “*The 2025 Guide to Board Composition (Types, Roles, Strategies)*,” Governance At Work, 2025, <https://governanceatwork.io/blog/board-composition/> (accessed December 10, 2025).

⁵BoardSource, “*Nonprofit Bylaws*,” July 29, 2023, <https://boardsource.org/resources/nonprofit-bylaws/> (accessed November 9, 2025).
<https://www.boardeffect.com/blog/relationship-between-executive-director-board/> (accessed November 11, 2025).

⁶Ellen Glasgow, “*Board Chair and Executive Director Relationships: How Do They Work?*,” BoardEffect, October 11, 2024, <https://www.boardeffect.com/blog/relationship-between-executive-director-board/> (accessed November 12, 2025).