

Role of the Board of Directors

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The Board of Directors is legally and morally (ethically) accountable for the health and effectiveness of the XYZ Organization. The Board ensures that the organization achieves its mission in an ethical, transparent, accountable, and prudent manner.

The Board's job is governance, the ongoing process of due diligence whereby the Board operates as a collective to assure corporate health and effectiveness. Specifically, the Board is accountable for the functions described below. The Board operates in a manner outlined in its policies.

The Board works in partnership with its CEO as articulated in various policies. The CEO provides leadership and support, enabling the Board to carry out its governance responsibility.

Board Functions | Scope of Authority

All of this is accomplished as a group – at board meetings – through review of information, strategic questioning, dialogue, and decision-making.

1. Articulate **values and mission**, and set **standards, controls, and policies**. Ensure that all the organization's programs, activities, and operations adhere to these policies.
2. Ensure that the organization is **relevant** to the community through processes that monitor the external environment and **define vision, direction, and strategy**.
3. Define and monitor key **areas of performance** compared to short- and long-range strategy / plans, assess **results**, and assure that steps are taken for continuous quality improvement in all areas.
4. Ensure that the **financial structure** is adequate for current priorities, long-range strategy, sustainability, and intergenerational equity.
5. Ensure that adequate **risk management** is in place, e.g., safety and security, insurance, data back-up, CEO succession, etc.
6. Determine eligibility for **Board membership**, assure proper recruitment of candidates, elect members and officers, and assure proper orientation and mentoring of Board members.
7. Define and enforce **parameters of the Board's work** including its committees / task forces and the role and performance of the **individual Board member**. Assess effectiveness.
8. Hire the organization's **chief executive officer**. Appraise his/her performance and set compensation; reward competence, or if necessary, replace the individual.
9. Ensure **compliance with relevant laws and regulations** affecting the organization.
10. Ensure **effectiveness of management**, without intruding in management's role and authority.
11. Ask strategic questions and provide candid **advice and perspective** regarding the organization's health and effectiveness and the marketplace environment, without compromising management's authority.

¹ Inspired by Ken Dayton *Governance is Governance*, an Independent Sector monograph, www.independentsector.org