

The Governance Institute

Leadership and Oversight Duties

- Hiring the CEO
- Overseeing the current business and financial performance of the organization
- Overseeing the principal activities of senior management
- Overseeing the effectiveness of, and senior management's commitment to, the corporate compliance plan
- Achievement of the charitable mission of the organization
- Ensuring management uses an effective reporting system to the board
- Selection of competent senior management
- Establishing institutional norms and procedures (e.g., compliance programs)
- Holding management accountable for meeting strategic goals

Duty of Care

Have knowledge of all reasonably available and pertinent information before taking action. Act in good faith, with the care of an ordinarily prudent business person in similar circumstances, and in a manner he or she reasonably believes to be in the best interest of the organization.

Duty of Loyalty

Discharge duties in a manner designed to benefit the corporate enterprise, not the individual interests of the board member. Disclose situations that may present a potential for conflict with the corporation's mission, refrain from discussing confidential board business, exercise reasonable and prudent oversight with respect to corporate officers, agents, and employees to whom such affairs are delegated.

Duty of Obedience

Ensure the organization's decisions and activities adhere to its fundamental corporate purpose and charitable mission as stated in its articles of incorporation and bylaws.