



The Accountable Board

The board sits on top of the hierarchical pyramid of an organization, and in that position bears the responsibility for the health and secure future of the nonprofit. This is a demanding task! The board not only acts as the fiduciary on behalf of the organization's stakeholders, but also must ensure compliance with laws and ethical integrity throughout the organization. To meet these daunting expectations, individual board members must do their share and accept and deliver on their personal commitments. Board members must reconcile demands for accountability both as a collective group and as individuals.

What is Accountability?

Accountability exists between one entity with a responsibility and another entity that has a legitimate right to expect specific results. In a group setting, accountability is a collective responsibility. The group must meet its stakeholders' justified expectations.

Board Accountability

An accountable board successfully links its role and duties, expectations, promises, and delivery. It assumes its responsibility and ultimate liability for the organization.

Stakeholders

As the legal representative of a nonprofit, the board must first be clear about to whom it is accountable. Public charity boards are first and foremost accountable to funders and private contributors. Additionally, every organization must be concerned about the legitimate needs of its staff.

Stewardship

Working closely with the chief executive, an accountable board must ensure that the organization meets the following three expectations:

Legal compliance – The board ensures that the organization meets all compliance requirements, obeys the law, and follows its own legal documents. The organization is mission-focused.

Integrity – The board ensures the integrity of the organization, that rigorous ethical standards serve as incontestable guidelines for the board and management. An appropriate balance between transparency and confidentiality must exist.

Efficiency – The board ensures that the resources entrusted under its care are not wasted and that the organization functions efficiently. Operational efficiency saves money, limits unnecessary expenses, leverages staff skills and contributions, and institutes alignment between all activities and efforts in the organization. As a result, more donor money reaches the intended purpose.

Individual Board Member Accountability

Individual board members accept their personal role in the board's collective responsibility.

To meet their overall expectations, individual board members regularly attend meetings, come prepared, and actively participate in deliberations. To meet ethical expectations, board members should know right from wrong and disclose any potential and actual conflicts of interest. To be accountable, after accepting specific assignments, board members keep their promises. If their peers are relying on their commitment, they need to deliver results.

As part of a group structure, a board member 'owns' the performance of the full board or a committee and ensures that the team remains accountable as a body. A board member does not disregard malfunctions and performance concerns but addresses them openly. Every team member must keep fellow members accountable.

Mechanism To Ensure Accountability

Accountability is an organization-wide concept that becomes an attitude and an integral part of behavior as long as it begins with the top: The board and senior management must set the standards by personal example and help frame a systematic culture. The following mechanisms can help:

Clear goals – Without goals and stated expectations, the organization lacks direction and board and staff will function in perpetual misalignment. It is impossible to be accountable without being able to compare objectives with achievements. Accountability assumes a solid link between knowing what to aim for and accomplishing an agreed target.

Monitoring – Continuous monitoring and acceptance of feedback are keys to improvement and an essential part of accountable behavior. Performance evaluations and self-assessments are review mechanisms at individual levels. Targeted performance indicators at the organizational level and comments from the constituency will also help the board integrate improvements in its future directives.

Transparency – Openly sharing the accomplishments of the organization with the outside world leads to transparency of operations. Keeping donors informed of how their money has been dispensed is responsible reporting. Disclosing processes for decision making eliminates perception of conflicts of interest. Transparency impacts the public's trust and its willingness to continue its support – the strongest incentive there is for organizational accountability.



Role of the Board of Trustees

Role of the Board: Ultimate responsibility for the organization rests with the board of trustees. The responsibility is recognized by state and federal laws; legally the board is responsible for the activities and fiscal integrity of the organization. The appropriate role of the board is to set policies which will ensure that it fulfills its legal, financial, operational and professional responsibilities to the donors and grant recipients.

Term: Board members serve for 3 years

Responsibility: As a board member you are required to do the following:

- Be committed to the mission of the TREE Fund.
- Understand and observe the respective roles and responsibilities of the board and President/CEO.
- Recognize the role of staff in carrying out board directives and be careful not to interfere with the functions delegated to staff.
- Ensure the needs of the donors and grant recipients are met.
- Approve and evaluate programs and activities of the organization.
- Plan the future direction of the organization.
- Establish board policies to guide the operation of the organization.
- Set financial objectives and monitor their achievement – the board's fiduciary responsibility is to protect/ensure the organization's financial status.
- Recommend changes to the Trust Agreement.
- Attend all board meetings and committee meetings. Come to meetings well prepared and participate actively.
- Act and vote on behalf of the board mission and long-term interests. Abide by the vote of the majority.
- Support the decisions and policies of the board in discussion outside the boardroom.
- Take advantage of opportunities to become more educated about the TREE Fund.
- Enhance external communications by bringing important outside views to the board and, in turn, communicating board and TREE Fund policies to key external constituencies.
- Avoid conflicts of interest.

- Respect the confidentiality of board deliberations and information provided to the board.
- Engage in board self-evaluation.
- Serve on a standing committee.
- Participate in raising funds, by giving a personal gift annually, getting gifts through activities including but not limited to:
 - Being a champion of TREE Fund mission and programs
 - Cultivating current donors
 - Identifying prospective donors, and
 - Supporting the Tour des Trees and Raise Your Hand for Research through:
 - Event Sponsorships (purchasing or securing)
 - Underwriting (purchasing or securing) Giving through a Tour Rider's campaign
 - Donating auction items
 - Selling raffle tickets
 - Purchasing auction registration(s)



Responsibilities of Individual Trustees

- (a) Each Trustee is expected to take personal responsibility for assisting in the execution of the Board's principal fiduciary and legal responsibilities.
- (b) Each Trustee is expected to actively serve on at least one standing and/or ad-hoc committee.
- (c) Each Trustee is expected to be present at all Board meetings (3 per year) and meetings of Committees on which he or she serves. Each Trustee can expect to spend the equivalent of one day (8 hours) a month on Board activities beyond scheduled Board meetings.
- (d) Each Trustee is expected to spend the necessary time to properly discharge his or her responsibilities as a Trustee, including reviewing any written materials provided to the Board or Committee in advance of Board or Committee meetings, participate on committee conference calls, and advise the President/CEO as requested.
- (e) The Board and each Board Committee shall conduct an annual self-assessment to determine whether the Board, its Committees and the individual Trustees are functioning effectively. The Governance Committee is responsible for developing Board and Committee self-assessments and implementing the process.
- (f) Each Trustee will actively secure resources by either 'giving or getting' sponsorships, contributions, auction items, in-kind services or any combination of the above.
- (g) Each Trustee is responsible for the financial success of the TREE Fund. Each Trustee shall make a personal financial gift annually to the best of their ability.
- (h) Each Trustee will assist in nominating officers and finding new Board candidates who will fill the needs of the TREE Fund Board as identified by the Governance Committee. Each Trustee may be called upon to assist in new Board member orientation.

Legal Obligations of Non-Profit Board Members

According to nonprofit corporation law, a foundation trustee or director should meet certain standards of conduct and attend to his or her responsibilities to the organization- otherwise referred to as the duty of care, the duty of loyalty, and the duty of obedience. Many organizations circulate an explicit code of duties and responsibilities. Trustees review and sign the document upon taking office and review the document annually, with an oral pledge to uphold its tenets. (The TREE Fund has not yet established this document.)

Duty of Care. Foundation trustees have the duty to care for the interests of the foundation. The trustees must be diligent and prudent in the management of the organization, the investments of its funds and the pursuit of its charitable mission. The duty of care does not require that trustees make the right decision in all cases, only that they make decisions in a fashion in which another prudent person would act. The duties of care include:

Awareness. The trustee must be familiar with the following:

- The foundation's organizational documents
- Minutes of meetings
- IRS documents and filings
- Nature and extent of asset holdings
- How funds are invested and administered
- The performance of these investments

Participation. Care requires; that trustees take an active role in the foundation's activities. This includes attending meetings, reading reports, participating in committee work, and representing the foundation in the community. Trustees are responsible even for those meetings they do not attend. Participation also extends to acknowledging areas where the foundation and its work have not succeeded; being ignorant of a policy failure or violation is not a proper defense.

Duty of Loyalty. Foundation trustees must serve the best interest of the foundation, not their own well-being. This issue addresses but is not limited to, breaches such as:

- Conflicts of interest. Conflicts of interest arise when a trustee has a personal or professional interest in a proposed transaction. The duty of loyalty requires that the trustee excuse himself/herself from discussion, abstain from voting, and not attempt to influence the vote of other managers.
- Self-dealing. Self-dealing addresses particular transactions between the foundation and its "disqualified persons," such as a spouse, parent or child of a foundation trustee.
- Misuse of assets. Such actions (or inactions) include knowledge of theft, embezzlement, excessive compensation or rent, and/or personal use of the assets, facilities, or services of the charitable organization.
- Usurping opportunity. A trustee must not use her or his position of trust to take advantage of an opportunity presented to the foundation.

Duty of Obedience.

Trustees must follow the principles established in the organization's Trust Agreement and avoid any action that may jeopardize the organization's tax-exempt status. Duties of obedience include paying taxes and following the public disclosure rules.