

Charitable Board Members: Applying a Strategic Lens

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ON ZOOM

**The
Center**

Policy Considerations for Boards



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Fiduciary Duties

- All board members and key staff have important legal obligations and fiduciary duties.
- The board should ensure accountability and integrity and be committed to transparency.
- Board policies and procedures can help keep the organization's leadership on the right track.
- No substitute for seeking professional experts when needed.

Questions to ask before joining a board:

- Does the work of the organization align with my personal values and interests?
- What is the reputation of the organization?
- What are the expectations of serving on the board? Do I have the required time?
- Is it a working board or a leadership board?
- Is there an orientation process?

Who is on the board?

- Look to the bylaws for guidance. But those regulations can be updated if needed.
- How many board members? How long are their terms? Are there board service limits?
- Have you thought about whether you are getting new blood and wide perspectives in guiding the organization?
- How diverse is your board?

How will the board operate?

- What do the bylaws say?
- Board meetings – frequency, location, notice, open or closed meetings, etc.
- Developing agendas and sharing critical information prior to meeting
- Minutes are the official record of the meeting and track discussions and decisions of the board.
- ORC 1702

Committees

- Sometimes organizations don't have many committees and board members fill that role directly
- Common committees include executive committee, finance/audit/budget committees, fundraising committee, etc.
- Committees permit the involvement of many people and report their work up through the board

Financial Policies and Internal Controls

- Boards are the first line of defense in ensuring the protection of charitable assets and the appropriate use of those resources
- Consider policies on budgeting, investments, expenditures, audits, etc.
- Check out the online publication, *“Avoiding Theft: Protecting the Integrity of Your Nonprofit.”*

Responding to Fraud and Other Crises

- Boards should consider developing a Zero Tolerance Policy regarding theft. It often prevents problems from developing.
- Develop crises plans before they are needed!
- How will the organization respond?
 - Consider hiring counsel;
 - How will investigation be handled;
 - Ensure protection of assets;
 - Consider police report, complaint to AGO, contact insurance, etc.
 - Develop a crisis communication plan;

Conflict of Interest Policy

- Ensures that people making decisions for the organization don't have a personal interest in the outcome of the issue
- Countless examples of policies available online
- Cultivate an environment in which potential conflict situations are discussed

Whistleblower Protection

- Federal law prohibits retaliation against staff reporting fraudulent activities
- Communicate how concerns should be handled

HR Policies

If the organization has staff, the board will need to ensure appropriate policies are in place and that legal obligations are met.

The board has oversight of the executive director.

Is there a policy for evaluations, etc.?

Is there a whistleblower policy?

Is there a volunteer management policy?

Fundraising Policies

- What types of gifts will your organization accept or not accept?
- What types of fundraising activities will the organization embrace?
- Does the group adequately control the use of its name when others raise funds on its behalf?

Fundraising Policies

- Are there policies that adequately account for and document gifts?
- What is the process for acknowledging donations?
- Do you protect or share donor info?
- Are the leaders aware of the legal issues surrounding fundraising?

Regulatory Issues

- Board members must be certain the organization is in compliance with the various regulatory requirements that may affect the group

Cybersecurity Policies

- All individuals and organizations need to adopt cybersecurity procedures
- Know what kind of information the organization holds and how it is stored

Helpful Board Practices

- Annual check up
- Timeline for the year
- Update disclosure forms
- Review policies
- Develop goals
- Assess insurance coverage
- Consider developing strategic plan

Helpful Board Practices

- Evaluate the web page and other communications to ensure they reflect the value of the organization
- Evaluate program delivery
- Evaluate executive director and key staff
- Evaluate the board's performance



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