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**FURNITURE BANK**  
ASSOCIATION OF NORTH AMERICA

**CONFERENCE 2014**  
TACOMA, WA

## Board Governance

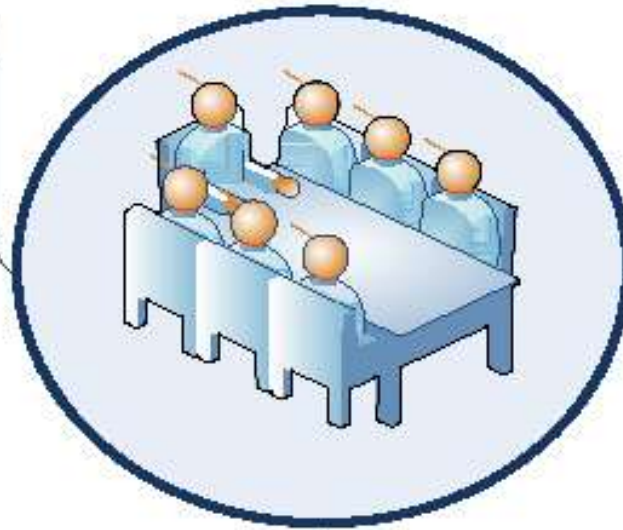
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Sound Nonprofits

# Legal Responsibilities of Nonprofit Boards

## Duty of Obedience

The Duty of Obedience means that the Board must make decisions that are consistent with the mission of the organization and that are in obedience to the law.



## Duty of Loyalty

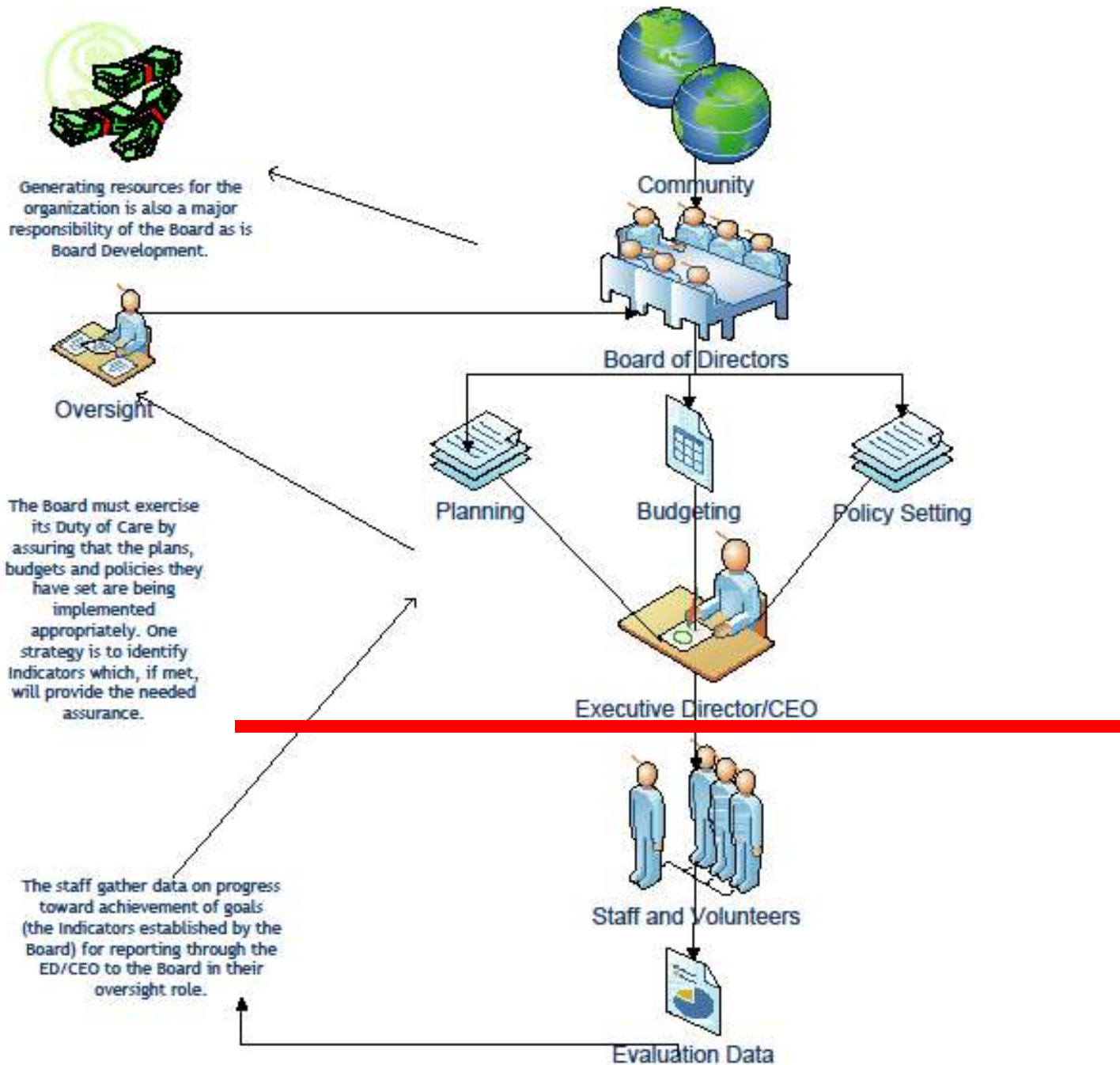
The Duty of Loyalty requires each nonprofit board member to place the interest and future of the nonprofit ahead of any other personal or professional interests when making decisions. Incorporated into the Duty of Loyalty are also the concepts of Ethics and avoidance of Conflict of Interest.

## Duty of Care

The Duty of Care requires Board members to act “with such care, including reasonable inquiry, as an ordinarily prudent person would use...” [RCW 24.03.127]

In practice, Board members must be active participants in Board activities. They must inform themselves, before and during meetings about the decisions to be made so as to be as well informed as possible.

Creation of a culture of healthy inquiry is an excellent strategy for supporting Board members' efforts to exercise the  
Duty of Care.



Every nonprofit organization comes from the Community and owes its existence to the community which both supports its work and uses its services.

Each nonprofit, by law, must have a Board of Directors of at least three people. Members come from the community and represent the community's interest in the success of the organization. It is the primary responsibility of the Board to assure the future of the nonprofit.

The major functional responsibilities of the Board are to set future plans and related budgets as well as to establish policies - all to guide the operations of the organization.

The Board is responsible for the selection, supervision and evaluation of the chief professional staff person. The ED/CEO works in partnership with the Board to develop plans, budgets and policies and then implements these, gathering and reporting data by which the Board can measure achievement.

The ED/CEO is responsible for selection, supervision and evaluation of all staff and volunteers, delegating these responsibilities as appropriate. Staff work goals are established to assure fulfillment of the Board-approved Strategic and Annual Plans.