



DUTIES – BUILDING BOARDS PROGRAM

Many board members don't have a strong understanding of their roles and responsibilities. This lack of understanding can lead to dysfunctions, such as micromanagement, poor decision-making, and lack of engagement.

WHAT IS A BOARD?

A board of directors is a group of people who jointly supervise the activities of an organization. The board is responsible for ensuring that the organization is appropriately stewarding the resources entrusted to it and following all legal and ethical standards.

DUTIES AND LIABILITIES

A board has three legal duties:

- **Duty of Care**
- **Duty of Loyalty**
- **Duty of Obedience**

The **Duty of Care** requires the board to provide the same care and concern to their board responsibilities as any ordinary person would, through actions such as:

- Staying informed by reading minutes, agendas, and support material
- Attending meetings regularly and voting on issues
- Being knowledgeable about the policies and operations of the organization

The Duty of Loyalty requires the board to place the interests of the organization ahead of their own interests at all times, and act honestly, in good faith, in the best interests of the corporation through actions such as:

- **Avoid and declare conflicts of interests (not using board service as a means for personal or commercial gain)**
- **Represent the organization in a positive manner Respect confidentiality**

The Duty of Obedience requires the board to act and make decisions in line with governing policies and bylaws of the organization through actions such as:

- **Understand the scope of authority for staff and directors Regularly review bylaws and policies**
- **Ensure legal requirements related to governance are met Ensure meetings are held and documented with minutes**
- **Understand the requirements of law and standards related to the clients the organization serve**

BEST PRACTICE

It is recommended for the board to have:

- **Up-to-date bylaws**
- **Board Liability Insurance**
- **Code of Ethics**
- **Code of Confidentiality**
- **Conflict of Interest Policy**
- **Written Terms of Reference**
- **Clear Mission and Vision**
- **Up-to-date strategic plan**
- **Board Governance Manual**
- **Annual Board Evaluation**