

Board operating policies

Adopted by the board of **Organization name** on date

Board operating policies to be maintained and monitored by the *board chair*

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I. Board job description

The purpose of the Board of Directors is to see that **Organization name** (the Organization) fulfills its social compact with the community and in doing so, serves as a wise steward of its resources.

Accordingly:

1. The Board has approved written governing policies in this document, aligned with the Organization's bylaws which address the following topics:
 - a. Board governing style, code of ethics, decision-making process and the role of committees.
 - b. Board-Executive Director linkage, (*or CEO – replace with the most senior title in your organization*) which describes the relationship between the board and the Executive Director and describes the Executive Director's authority and accountability.
 - c. Roles of the executive board members.
 - d. Executive director compensation and succession planning.
 - e. Board term and nomination process.
2. Board works with the Executive Director to set outcome-based metrics and goals for the Organization, which are routinely monitored by the board.

3. Board approves strategic and annual plans, and the annual budget.
4. The Board will invest in and develop its governance capacity as deemed necessary. This investment may include training, third-party monitoring, administrative costs, and other activities as needed to ensure the Board's ability to fulfill its obligations.
5. Board members are expected to be prepared for and attend every regularly scheduled meeting or notify the Chair with the reason for their absence. Board members absent from three consecutive regular meetings of the board without a reason satisfactory to the board shall be deemed to have resigned from the board.
6. Board members appointed to executive roles should fulfill duties as described.

II. Board governing style

1. The board provides strategic leadership to the Organization. In order to do this, the board will: *The following text is an example. Modify text to align with your mission or bylaws.*
 - a. Look to the future and keep informed of issues and trends that may affect the mission and organizational health of the Organization.
 - b. Make decisions in accordance with the mission based on knowledge of community needs and best practices.
 - c. Be proactive and visionary in its thinking.
 - d. Encourage thoughtful deliberation, incorporating a diversity of viewpoints.
 - e. Work together as colleagues, encouraging mutual support and good humor.
 - f. Have the courage to lead and make difficult decisions.
 - g. Commit to excellence in governance, including regularly monitoring, assessing and improving the Board's performance.
2. In governing, the Board will fulfill its legal responsibilities of:
 - a. The *Duty of Obedience*, requiring each board members to be faithful to the mission of the Organization in its policies and actions.
 - b. The *Duty of Care*, requiring that board members owe the Organization care in the fulfillment of his/her duties that an ordinarily prudent person would exercise in a like position and under similar circumstances.
 - c. The *Duty of Loyalty*, requiring board members to always put the best interest of Organization first when making decisions affecting the Organization.

III. Code of ethics

The following text is an example. Modify text to align with your mission or bylaws.

Board members commit to abiding by the Organization's code of ethics:

1. Ethical, businesslike, and lawful conduct, including proper use of authority and professional decorum when acting as board members.

2. Demonstrate un-conflicted loyalty to the interests of the Organization and abide by the Conflict of Interest policy.
3. Respect confidentiality appropriate to issues of a sensitive nature.
4. Treat every individual with dignity and respect.
5. Treat employees with respect, fairness and good faith and provide conditions of employment that safeguard their rights and welfare.
6. Acting responsibly toward the communities in which we work and for the benefit of the communities that we serve.
7. Be transparent and accountable in all of actions.

IV. Decision making process

The following text is an example. Modify titles and text to align with your practices or bylaws.

1. The board will make decisions by a process of careful deliberation, seeking out the wisdom and experience of many voices as appropriate.
2. The board will strive for consensus of opinion in its decision-making. If consensus isn't reached after a reasonable period of deliberation, to be determined by the Chair, then the decision will be made in accordance with the by-laws:
 - a. A simple majority of board members (one more than half the current board members) constitutes a quorum. In absence of a quorum, no formal action shall be taken except to adjourn the meeting to a subsequent date. Members may participate in meetings through teleconference.
 - b. Passage of a motion requires a simple majority (one more than half the members present, assuming there is a quorum), except in the case of a vote to remove a director from office, which requires an affirmative vote of two-thirds (2/3) of all the directors at any regular or special meeting called for that purpose.
 - c. On a tie vote, a motion is lost because a majority vote is required for adoption.
 - d. In accordance with Conflict of Interest policies, any member of the board who has a financial, personal, or official interest in, or conflict (or appearance of a conflict) with any matter pending before the board, of such nature that it prevents or may prevent that member from acting on the matter in an impartial manner, will offer to the board to voluntarily excuse him/herself and will vacate his seat and refrain from discussion and voting on the topic.

V. Confidentiality

It is the policy of the Organization that board and committee members will not disclose confidential information belonging to, or obtained through their affiliation with the Organization to any person, including their relatives, friends, and business and professional associates, unless the Organization has approved disclosure.

The following text is an example of what could be considered confidential information and should be modified for your organization.

Confidential information includes any Organization information in any form or medium, whether in **writing, electronically, audio, video verbally discussed, seen or heard, relating to**

the Organization's business (and/or those of its employee, volunteers or clients), including but not limited to plans, financial information, contracts, information relating to clients, volunteers, employees or contracts, and any other information which is identified as confidential at the time of disclosure or that a reasonable person would consider, from the nature of the information and circumstances of disclosure, is confidential to the Organization. Confidential Information includes original information supplied by the disclosing party, as well as all copies. Confidential information does not include information that is already known by the public or to the individual. This policy is not intended to prevent disclosure of information which is required by law.

Board members are trusted with privileged information and should demonstrate good judgment and care in handling any information related to the Organization. Board members should not engage in public communication that has not been approved by the Executive Director or that would not be supported by board policies or decisions.

Violations of this policy, unintentionally or otherwise, should be communicated immediately to the board chair. At the end of the board member's term or upon resignation or removal, all documents, papers, and other materials containing confidential information should be returned to the Organization. It is expected that board members will not use the Organization's confidential information even after they complete their board service.

VI. Board committee principles

1. Board committees are created to accomplish board work and should never interfere with the delegation of duties from the board to the Executive Director.
2. Committees will be used sparingly and ordinarily in an ad hoc capacity, except for those permanent committees determined in the by-laws.
3. Board committees may not speak or act for the board except when formally given such authority.
4. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Executive Director. Board committees do not exercise authority over staff.

VII. Documentation of actions

1. The board of directors and authorized sub-committees should take steps to ensure that minutes of their meetings, and actions taken by written action or outside of meetings, are contemporaneously documented.
2. Minutes for all meetings are drafted by the board secretary, reviewed by the board chair, and approved by board members at the following meeting.
3. Copies of minutes and documents distributed during board meetings are maintained by the Board Secretary.

VIII. Executive board roles

The following text is an example. Modify titles and text to align with your practices or bylaws.

The terms of the executive board and the nomination and election process are defined in the Organization's bylaws. *Recommended if the bylaws do not provide this detail.*

1. Role of the Chair

- a. The Chair assures the integrity and fulfillment of the board's process.
- b. The Chair assures that the board conducts business consistent with its own rules.
- c. The Chair is empowered to manage board meetings and exercise the commonly accepted power of that position. The Chair will assure that deliberations will be fair, open, thorough, timely, orderly and to the point.
- d. The Chair will have the authority to supervise or direct the Executive Director on behalf of the board and in accordance with the board's written policies.
- e. The Chair may represent the board to outside parties in announcing board-stated positions.
- f. The Chair will assume duties articulated in Organization's Financial & Procedures Policies.

2. Role of the Vice Chair

- a. The Vice Chair will assist the chair in the performance of his or her duties as the Chair may direct and will perform such other duties as from time to time may be assigned to him or her by the Chair or the board.

3. Role of the Treasurer

- a. The Treasurer is responsible for ensuring the Organization's Financial Policies & Procedures are up to date and adequate for the protection of the Organization. The Treasurer will assume duties articulated in the Organization's Financial & Procedures Policies.
- b. The Treasurer will report to the board of directors at each meeting to inform the board about financial issues and address questions.

4. Role of the Secretary

- a. The Secretary shall have charge of such books, documents and papers as the board of directors may determine.
- b. He/she shall attend and keep the minutes of all the meetings of the board of directors.
- c. He/she shall keep a record, containing the names alphabetically arranged, of all persons who are Directors.
- d. He/she shall ensure all board members have updated copies of policies and minutes.
- e. The Secretary will assume duties articulated in the Organization's Financial Policies & Procedures.

IX.Executive director role and compensation

1. The Executive Director's role includes:

- a. Working with the board to fulfill the mission of the Organization.
- b. Developing and managing resources to ensure financial health of the Organization.

- c. Developing and implementing the Organization strategy, policies, plans and operations, including managing employees.
2. Because of the importance of the role of the Executive Director, the board should have a view on succession planning and work with the Executive Director to identify and provide development opportunities for internal candidates when possible.
3. Minimally on an annual basis, the Executive Director's performance should be reviewed against pre-determined criteria. The evaluation could consider a self-assessment by the Executive Director and feedback from other staff. Written feedback should be provided by the board including a skill development plan.
4. At the upper end, the Executive Director's compensation must be "reasonable" and not "excessive," to maintain tax-exempt status. As necessary, the board should review comparable salary data of executive directors for nonprofits in the same or a similar geographic area, with a similar budget and mission focus.
7. Annually, or as new Executive Director is hired, the board should approve the Director's compensation package with a vote. Prior to a vote, the board should receive information explaining why the compensation is appropriate.

X. Board term and nomination process

1. Board members are appointed to terms of **3 years** in accordance with the Organization's bylaws. *Insert the term period defined in the Organization's bylaws.*
2. A letter of resignation should be provided if a board member ends their tenure before the end of their term commitment.
3. The board seeks to recruit individuals as board members who are committed to the mission and governing process of the Organization. The board seeks out candidates who possess the following characteristics:
 - a. Demonstrated passion for the mission
 - b. A reflection of the diversity of cultures, abilities, socio-economic status and geography of our service area
 - c. Support the board governing structure and can meet board work expectations
 - d. Possess skills needed to govern the organization responsibly or fill a skill gap identified by the board
 - e. Will engage in deliberative and collegial decision-making
 - f. Are committed to their stewardship responsibilities

The following text is an example, and assumes a Nominating Committee exists. Modify text to align with your bylaws.

4. The Nominating Committee shall consist of two members of the board of directors, whose purpose is to solicit nominations for candidates to the board of directors. In the process of recruiting and nominating candidates for open positions, the Nominating Committee will request from all candidates:
 - a. Resume or summary of experience
 - b. Interviews by board members and Executive Director

- c. References to verify demonstrated competencies and character
5. In the process of determining final candidates, the Nominating Committee will:
 - a. Conduct an initial screening of resumes and interview promising candidates
 - b. Report to the board on potential finalists.
 - c. Provide finalists with adequate information about the Organization's mission and governance for the candidate to make a knowledgeable and informed decision on their fit for the board.
 6. New board members are affirmed at the next occurring regular or special meeting of the board of directors through a vote by the board of directors.