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## **BOARD OF DIRECTORS' ROLES, REQUIREMENTS AND RESPONSIBILITIES**

### **ROLE OF THE BOARD OF DIRECTORS**

The Board of Directors is the governing body of Arts Council Napa Valley. The Board is comprised of 17 seats representing the Napa County community and its five municipalities.

This document provides a brief outline of the responsibilities of the Board of Directors. In particular, this document addresses four categories: Board member responsibilities as a collective, Board member responsibilities as individuals, obligations of individual officers, and additional pertinent information for Board members.

### **ACNV BOARD MEMBER RESPONSIBILITIES: AS A COLLECTIVE**

#### **1) General Board Responsibilities**

The responsibilities of the Board of Directors as a group include:

- a. Establish and reaffirm the mission, vision and strategic position of the organization through sound management practices, prudent financial controls, effective governance and appropriate oversight.
- b. Evaluate results to assure that goals and objectives are achieved and policies are followed.
- c. Duties of Conduct  
Under well-established principles of nonprofit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. Several states have statutes adopting some variation of these duties which would be used in court to determine whether a board member acted improperly.

##### **1) Duty of Care**

The duty of care describes the level of competence that is expected of a board member, and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

##### **2) Duty of Loyalty**

The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board

member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

### 3) Duty of Obedience

The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission.

## 2) Specific Board Tasks

The following identifies specific tasks that the Board of Directors' performs as a group to carry out their general responsibilities. Some of these tasks may be delegated to committees and/or staff, but require final board approval.

### a. Determine Mission and Set Policy

It is the right and the responsibility of the Board of Directors to determine the organization's mission and set policy. The mission statement should be periodically reviewed and updated (if necessary). All programs and activities directly support the mission statement.

The Board of Directors sets organizational policy by developing and adhering to two legally required documents: 1) The articles of incorporation and 2) the by-laws of the organization. These documents should be periodically evaluated and updated.

### b. Long Range & Sustainable Planning

The future and direction of the organization is the responsibility of the Board of Directors. The Board sets the goals and determines overall strategy to achieve the stated goals in consultation with the Executive Director.

### c. Financial Oversight

The Board of Directors is fiscally responsible for the organization including providing prudent oversight of the financial management of the organization's assets, setting fiscal policy, monitoring financial activity and approving the annual budget. The Board guides the budgeting process, reviews the budget recommended by the Executive Director, and ensures that the projected revenue and expenses are adequate and reasonable to achieve the stated goals. The Board continues to monitor and adjust the budget (if necessary) throughout the fiscal year. By approving the budget, the Board is making an implicit commitment to secure the required revenue. Approval of the budget is a formal board action, to be voted on by a quorum of the Board of Directors.

### d. Select and Evaluate the Executive Director

As with any non-profit organization, the Executive Director serves at the pleasure of the Board of Directors. The position of the Executive Director is the only staff position that the Board hires and supervises. All other staff positions are under the purview of the Executive Director. The Board sets reasonable and attainable goals for the Executive Director. At the end of twelve months, the Board evaluates the Executive Director's performance against the stated goals. The performance review may be used as an opportunity to discuss salary adjustments, professional

development and how the board may support the Executive Director in meeting the organization's goals.

**e. Ensure Legal and Ethical Integrity and Maintain Accountability**

As stewards of the organization and keepers of the public trust, it is critical that the Board of Directors ensures that the organization adheres to all local, state and federal laws as well as maintains high ethical standards. Board members will avoid conflicts of interest whenever possible. Any potential conflicts of interest must be disclosed to the full board prior to any action taken.

**f. Develop a Strong Board of Directors and Evaluate Performance**

There is a strong correlation between the strength of an organization's Board of Directors and the ability of an organization to fulfill its mission. The Board must continually reinvent and develop itself in order to meet the changing and growing needs of the non-profit, particularly a transitional organization such as ACNV. Board members take a leadership position in identifying and recruiting potential Board members and ultimately, voting on the election of new Board members. The Board Governance Committee, consisting of individual Board members who themselves have demonstrated a strong commitment to the organization, spearheads the cultivation and recruitment of new Board members and develops and sees to the delivery of a new-member orientation, which focuses on the organization, its mission and programs, and on the roles and responsibilities of the Board members. Additionally, the Board Governance Committee develops criteria for the performance evaluation and professional advancement of the Board of Directors as a governing body. A process is developed to identify strengths and weaknesses of the group and to identify special training or education that may help the group advance. This self-evaluation may occur as often as deemed necessary, though usually not more than once every one to three years, and is directed by the Board President.

**ACNV BOARD MEMBER RESPONSIBILITIES: AS INDIVIDUALS**

**1) Contribute and Raise Funds**

As key stakeholders in the organization, the Board of Directors sets the example and leads the way in fundraising activity. Each board member must support the financial health of ACNV. Each Board member with the CEO will create an annual pledge goal; the standard amount is \$1500 per year. This contribution can be met by the Board member making a personal donation, raising those funds from another donor, or by volunteering time of comparable value. In addition to the direct financial benefit to the organization, a Board of Directors that can say that each and every member financially supports the mission of the organization instills confidence in other potential donors.

**2) Active Participation**

Board members will participate and contribute to special ACNV events and other ACNV fundraising initiatives to the best of their abilities.

**3) Serve as ACNV Ambassadors to the Community**

A primary role of the Board of Directors is to serve as liaisons with the community. Board members will familiarize themselves with ACNV's programs and projects in order to provide

informed community outreach. Regular attendance at ACNV events, programs and meetings is strongly encouraged. Board members will work to enlarge ACNV's base of support by encouraging membership in the organization and by introducing friends and colleagues to ACNV's programs as often as possible.

#### **4) Attend and Actively Participate in Board Meetings**

In order to ensure a strong and committed Board, members are expected to make a good faith effort to attend all Board meetings (which occur monthly). They are required to attend at least 80% of Board meetings per year (10 per year minimum). In addition, board members are expected to come prepared to all board meetings having thoroughly read materials provided in the Board packet. Board members are also encouraged to actively participate on at least one standing committee or ad hoc committee each year, particularly those where they can provide advice and assistance on matters of personal expertise. In the case of illness, a board member may request a suspension of participation of up to one year.

### **OBLIGATIONS OF INDIVIDUAL OFFICERS OF ACNV'S BOARD OF DIRECTORS**

The board officers of Arts Council Napa Valley are appointed by a majority vote of the Board of Directors and are elected for 2-year terms. There is no limit to the number of times a member may serve officer terms. A Board member may hold two offices simultaneously, except for the President.

#### **President**

The President is responsible for ensuring that the Board of Directors and its members are aware of and fulfill their governance responsibilities; comply with applicable laws and bylaws; conduct board business effectively and efficiently; and are accountable for their performance.

Primary Responsibilities:

1. Meetings: Agenda preparation; preside over the meetings in accordance with accepted rules of order for the purposes of encouraging all members to participate in discussion and arriving at decisions in an orderly, timely and participatory manner; and call special meetings of the Board when necessary.
2. Leadership: The President will lead and manage the Board within the scope of the bylaws and mission; lead and manage the Board in a style conducive to a collegial and productive environment; maintain a focus on the mission, plans and operations; and keep the Board motivated to achieve its goals.
3. Oversight of Executive Director: Meet periodically with the Executive Director to ensure that directions of the Board are completed; and ensure periodic performance reviews of the Executive Director are conducted.
4. Board Development: Ensure that structures and procedures are in place for effective recruitment, training and evaluation of Board members.

#### **Vice President**

The Vice President is responsible for replacing the President in the event the President is unable to perform the duties as prescribed above.

Primary Responsibilities:

1. Meetings: Chair board meetings in the absence of the President;
2. Other: Assists the President in any way necessary to fulfill the obligations of the President and is responsible for any other duties or tasks as requested or assigned by the President.

### **Treasurer**

The Treasurer is the chief financial officer of the organization and responsible for special attention to the finances and financial management, and reporting to the Board any and all points of interest and concern;

Primary Responsibilities:

1. Financial Books & Records: Assure that adequate and correct books and records of accounts of properties and business transactions of the organization are maintained, including accounts of its restricted and unrestricted assets, liabilities, receipts, disbursements, and net assets.
2. Audit: When applicable, participate in the selection and recommendation of an auditing firm and participate in the audit as appropriate.
3. Act as chair of the organization's finance committee.
4. Review and approval of Executive Director's expenses.

### **Secretary**

The Secretary is responsible for assurance of accurate and thorough documentation of meetings, actions, and corporate documents.

Primary Responsibilities:

1. Minutes: Assure that minutes of all meetings of the Board of Directors are kept.
2. Bylaws: Assure that the bylaws of the corporation, as amended or otherwise altered and certified by the Secretary, are adequately maintained.
3. Corporate Documents: Sign all properly executed documents requiring the Secretary's signature as well as coordinate revisions of documents associated with the Board, including the Bylaws and Articles of Incorporation.
4. Notice of Meetings: Give, or cause to be given, notice of all meetings of directors and committees for which notice is required by law or by the provisions of the organization's bylaws.

## **ADDITIONAL INFORMATION**

### **1) Removal of Board Members**

A Board member may be removed from office if any of the following is found to have occurred:

- a. The Director misses two consecutive Board meetings or three meetings in a calendar year without prior notification to the President.
- b. The Director becomes physically incapacitated or his or her inability to serve is established in the minds of the majority of the Board.
- c. A conflict of interest is found to exist between the Director and the organization. The Board may excuse potential conflicts by a majority vote.
- d. The Director is found to have engaged in activities that are directly contrary to the interests of the organization.

- e. The Director is found to have engaged in the misrepresentation of the organization and its policies to outside third parties, either willfully or on a repeated basis.

Before any removal occurs, the Director will be advised of the allegation and basis for the allegation, and will be given an opportunity to present to the Board any contrary evidence, or explanation he or she may have. Removal must be by a majority vote of all Board members.

## **2) Terms**

Directors are elected to serve for terms of three years. Upon expiration of a term, Directors may be re-elected (by Board vote) at the recommendation of the President.

## **3) Conclusion**

Serving on the Board of Directors of a non-profit institution is a privilege and a responsibility. The opportunity to serve one's community by furthering the work of an organization in whose mission one strongly believes offers one of the most fulfilling opportunities for community service. The Arts Council of Napa Valley strives for a Board of Directors that recognizes and embraces the need for the highest level of commitment from each individual member. In return, Directors have an opportunity to support a thriving and diverse arts community within the Napa Valley.



I, \_\_\_\_\_ understand that as a member of the Board of Directors of Arts Council Napa Valley I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward. I hereby agree to my responsibilities as a board member as listed in “Board of Directors’ Roles, Requirements and Responsibilities”.

Signed: \_\_\_\_\_  
Member, Board of Directors

Printed Name: \_\_\_\_\_  
Member, Board of Directors

Signed: \_\_\_\_\_  
President, Board of Directors