

# Latino Board Leadership Academy: Boards in Action

**Nelson Layag**

**Nonprofit Coaching,  
Consulting, and  
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Adapted with permission from  
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How has been your experience so far?





## Objectives

Review our board  
roles and  
responsibilities

Apply concepts on  
board's roles and  
responsibilities in  
different situations



# RAPID CASE STUDY

# GAME ON!

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Game PIN:

**982 354**



# Governance Fundamentals

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## What is Governance anyway?

Nonprofit governance is the provision of guidance and direction to a nonprofit organization so that it fulfills its vision and reflects its core values, while maintaining accountability and fulfilling its responsibilities to the community, its constituents and government with which it functions.

The Alliance for Nonprofit Management's Governance Affinity Group

# PURPOSE

The board is a surrogate public, representing the public's interest as it carries out its programs and activities. As a surrogate public the board's accountability is external and directed at the state attorneys general and the IRS.

—Pamela Leland, Embracing Interdependence:  
The Relationship Between the Board and the  
CEO

# Legal Obligations: 3 Duties

1. ***Duty of Care***—acting with the same care as would a “reasonably prudent person” under similar circumstances, in good faith, and in a manner reasonably believed to be in the best interest of the organization.
  - Ask questions
  - Read materials to prepare for meetings
  - Attend meetings
  - Deliberate and decide
  - Make appropriate decisions
  - Review finances
  - Evaluate the ED annually



# Legal Obligations 3 Duties

- 2. *Duty of Loyalty***—not engaging in any activities which would injure or take advantage of the organization, including self-dealing.
- Disclose personal conflicts of interest or personal gain
  - Adhere to conflict of interest policy
  - Disclose information relevant to decision-making or oversight role
  - No special benefits
  - No impropriety
  - No disclosure of confidential information about organization to others
  - Speak with one voice

# Legal Obligations 3 Duties

**3. *Duty of Obedience (Compliance)***—following federal and state statutes (such as laws prohibiting discrimination) and contractual agreements.

- Know and comply with local, state, and federal laws
- Review and sign the 990
- Compliance with all reporting rules
- Address problems by taking action
- Insist on disclosures required by law
- Set ethical tone for the organization

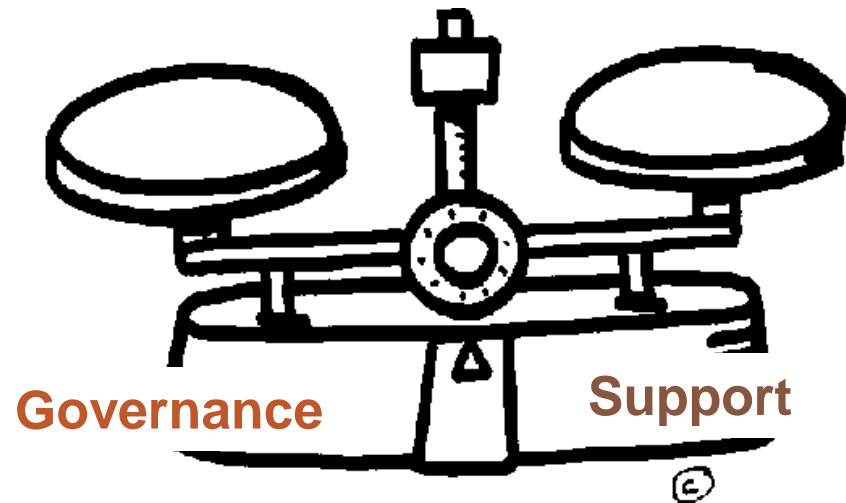
# Board Roles & Responsibilities

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- Ambiguity can lead to role confusion, micro-management, decision making stagnation, and frustration

**AND**

- Boards are a valuable source of support and guidance



# CompassPoint Governance & Support Framework

## Governance



- Act as a body (whole board)
- Representing interests of community and the public
- Outside looking in
- Board has authority

## Legally Mandated

GOVERNANCE	MANAGEMENT SUPPORT
<p><b>Purpose:</b> The board acts to <i>govern</i> the organization</p>	<p><b>Purpose:</b> The board acts to provide <i>management support</i> to the organization</p>
<p><b>Process for action:</b> The board acts as a <i>collective</i> body</p>	<p><b>Process for action:</b> Board members provide support to staff as <i>individual volunteers</i></p>
<p><b>Type of Responsibility:</b> Governance fulfills a legal responsibility to the community therefore is a mandated function.</p>	<p><b>Type of Responsibility:</b> The level and type of support expected from individual board members is at the discretion of the CEO, not legally mandated, and dependant on specific organizational needs.</p>
<p><b>Role:</b> Exercise duties of care, loyalty and obedience</p>	<p><b>Role:</b> At the staff's invitation, provide expertise, thought-partnership, access to resources, ambassadorship</p>
<p><b>Example Activities</b></p> <ul style="list-style-type: none"> <li>• Hire, evaluate, terminate (as appropriate) CEO</li> <li>• Monitor finances, approve budget, ensure financial and programmatic sustainability</li> <li>• Board development, management and governance effectiveness</li> <li>• Manage the audit</li> </ul>	<p><b>Example Activities</b></p> <ul style="list-style-type: none"> <li>• Fundraising activities</li> <li>• Speaking engagements</li> <li>• Attending events</li> <li>• Consultation/advising staff on technical issues</li> <li>• Participate on organizational committees</li> </ul>

## Support



- Act as individual volunteers
- Representing interests of organization to the public
- Inside looking out
- CEO/staff have authority

## Value Add



## Case Study # 1: People for Public Health

- ▶ What's your reaction?
- ▶ What do the three duties have to do with the case?
- ▶ Governance v. Support
- ▶ Other things to consider –
  - ▶ Board Committees
  - ▶ Board/ED or Staff Communication
- ▶ What could have prevented this conflict?



## Case Study #2: Friends of Alor County

- ▶ Duty of loyalty?
- ▶ Duty of care?
- ▶ Duty of obedience?
- ▶ Decision-making process
- ▶ Communication

# Choose your own adventure

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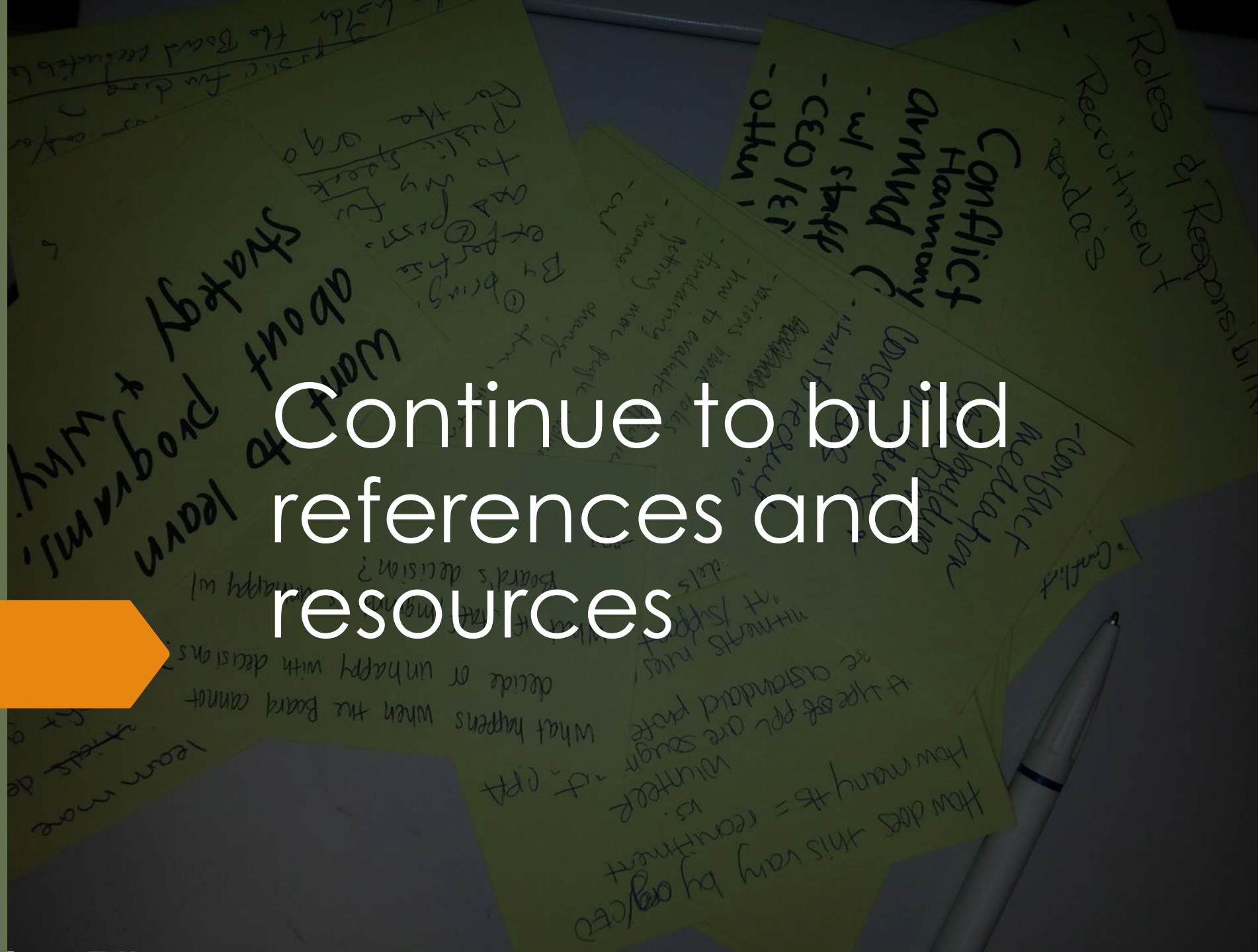
## CASE STUDY #3 – THE KIDS KLUB



## CASE STUDY #4 - CASE COMMUNITY DENTAL CLINIC



# Continue to build references and resources





Stay  
connected

Sending you  
resources

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