

What are the main responsibilities of a Not-For-Profit Board of Management?

1. Legal and Financial Accountability
2. Strategic Vision and Objectives
3. Fundraising
4. Advocacy

1. Legal and Financial Accountability

The board is responsible for ensuring that your organisation meets legal requirements and remains accountable to its members. This includes the state government under whose act the organisation has been incorporated.

More particularly, the board needs to make sure that your organisation acts according to its stated mission and for the purpose for which it receives tax exemption.

Budget

The budget translates the organisation's individual program goals and strategies into a financial plan for the next twelve months. The board must finalise and approve the annual budget and needs to sign off on any items of expenditure outside the approved budget.

Board members need to develop a broad understanding of the organisation's programs and priorities as an essential component of their duty of care. This knowledge provides a sound basis for their financial decision-making, fund-raising and further advocacy to the broader community.

It will allow them to consider whether the figures on the budget page actually represent the programs they wish to support in the following year.

All board members need to be committed to the budget to make it work.

This is especially important because non-profit board members are often directly involved in raising funds to support programming for the organisation.

Reviews

Accurate and clear financial reporting is critical for the board's reviews of programming and budgets. This vital information will allow board members to be proactive in future budgeting, allowing them to more accurately target fundraising efforts to new priority areas and away from less successful projects.

Auditing

As part of their review, most non-profit boards choose to appoint a qualified firm or individual to conduct an annual audit of the organisation's financial statements.

A properly conducted audit of the year's finances assists the Board in their forward planning, gives valuable information to potential donors and generally lends credibility to the organisation.

Ethics

All organisations have the potential to act dishonourably with quite devastating results. Just as for profit boards have responsibility to their shareholders for ethical and wise financial management, non-profit boards are responsible to their funders and private donors/members. All transactions financial or otherwise need to be transparent with a consistency of approach and purpose.

The board must ensure they are informed of not only the amounts raised in all fund-raising campaigns but how and from whom the funds were raised. For example, supporters of many community organisations servicing young people would not generally approve their organisations seeking financial support from tobacco or alcohol manufacturers.

The public must feel confident that the board will manage their donations and gifts exclusively to further the organisation's stated mission and objectives.

2. Strategic vision and objectives

In establishing a new not-for-profit organisation, it is the board's role to:

- define the organisation's demographics or constituency
- describe its mission,
- set its values and ethical guidelines
- and determine long-term goals.

Once the strategic vision has been set, it is the board's responsibility to ensure that it is maintained throughout the life of the organisation.

If the strategic vision involved hiring staff, the board next develops a job description for a person to lead the fulfilment of its vision. A process is then established to select the most appropriate person to become the Office Manager.

In the most productive of situations, the board works closely with its appointed Manager to further the organisation's goals and to broaden its financial and membership support base. They regularly review the organisation's overall mission and program goals and jointly decide on a regular evaluation process for all programs to monitor program effectiveness.

An integral part of the organisation's annual cycle of review and planning is the Office Manager's performance review. The Board in partnership with the Manager should decide the process, time and form of this review.

3. Fundraising

One of the board's most important roles is to ensure that there are adequate resources for the organisation to achieve its program objectives. Depending on the skills and resources of individual board members this could include:

- Assisting the Office Manager to identify potential philanthropic grants or corporate sponsors
- Organising a fund-raising event
- Personally approaching key sponsorship targets
- Hosting a fundraiser
- Making a personal contribution
- Laying the groundwork with heads of government, philanthropic foundations and corporations for further support from these sectors.

Risk management issues

The Board needs to be mindful of practical and risk management issues in relation to fundraising. For example many organisations have found the administration of some fund-raising campaigns have far exceeded their organisation's capacity to deliver.

Serious losses have also been incurred as a result of hasty decision-making. For example, many organisations have launched into a major raffle fund-raising campaign with pre-purchased cars or expensive holiday packages without first checking whether they had the resources to sell all the tickets.

It is up to the board to undertake the feasibility studies and other necessary research to become fully aware of the potential risks of new fund-raising strategies. They must be instrumental in overseeing and setting the parameters within which all campaigns will be conducted.

4. Advocacy

The board is the primary link between the organisation and the broader community. It represents the interests of the organisation to the broader community and it should filter the diversity of stakeholder views back within the organisation.

To the community

Board members must be familiar enough with organisation programming to be able to clearly articulate the organisation's mission, accomplishments and goals. They need to be able to develop communication strategies that constantly build public awareness and reach new and broader audiences.

This could include;

- **Community relations**
This may involve board members speaking at industry and other conferences and seminars or hosting lunches and events for potential sponsors where they introduce the organisation and its mission.
A regular article or column by a prominent board member in your organisation's electronic or print newsletter will build further credibility to your organisation's mission.
- **Media relations**
Board members are often required to be the media spokespeople for the organisation. This can mean agreeing to be interviewed on a particular issue in the print or electronic media or to compose letters to the editor or longer articles supporting or opposing government initiatives or other current events that impact on the organisation or its constituency
- **Government relations**
Articulate and influential board members can be used to lobby politicians and brief government officials of the key issues facing the organisation and its members.

For the community

Individual board members can provide a voice for important segments of the organisation's constituency to influence future directions and individual strategies. At the same time members need to constantly have their 'ears to the ground'. It is critical that they take the time to regularly listen to candid internal and external views of how the organisation is performing.

Communications need to be structured to provide serious feedback that can potentially have a direct impact on the organisation's policy and future strategies.