

Minnesota Advocates for Immersion Network
(MAIN)

Board Education Session
December 9, 2014

Board Education Session

Agenda

- Basic Overview of nonprofit board governance
- Review Minnesota Attorney General Fiduciary Duties
- Review additional filing requirements
- Resources
- Next steps
- Questions and brief discussion

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Overview of Nonprofit Board Governance

- A nonprofit's board of directors is responsible for defining the organization's mission and for providing overall leadership and strategic direction to the organization.
- Each nonprofit board should:
 - actively set policy and ensure that the organization has adequate resources to carry out its mission;
 - provide direct oversight and direction for the executive director and be responsible for evaluating his/her performance; and
 - evaluate its own effectiveness as a governing body, as a group of volunteers, and as representatives of the community in upholding the public interest served by the organization.

*From Minnesota Council of Nonprofits

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Minnesota Attorney General Fiduciary Duties

- Duty of Care
 - Nonprofit board members have a responsibility to conduct their duties in good faith, in a way that the board member believes to be in the best interest of the organization.
 - Examples include: active participation, oversight of committee work, meeting minutes, appropriate keeping of documentation and records.

*From Minnesota Attorney General's Office

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Minnesota Attorney General Fiduciary Duties

- Duty of Loyalty
 - Nonprofit board members have a responsibility to put the good of the organization first and avoid engaging in transactions with the organization from which the director will benefit.
 - Examples include: a written conflict of interest policy, avoiding loans to board members or other financial conflicts.

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Minnesota Attorney General Fiduciary Duties

- Duty of Obedience
 - Nonprofit board members have a responsibility to follow the organization's governing documents (articles of incorporation and bylaws), to advance the organization's mission and to assure that funds are used appropriately and lawfully.
 - Examples include: maintaining a familiarity with governing documents, ensuring appropriate filing of legal documents, and seeking outside help when needed (legal, finance, etc.).

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Additional Filing Requirements

- Minnesota Secretary of State Annual Renewal
- IRS ePostcard

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Resources

- Minnesota Council of Nonprofits
 - Principles and Practices of Nonprofit Excellence: www.minnesotanonprofits.org
- Minnesota Attorney General: www.ag.state.mn.us
- Minnesota Secretary of State: www.sos.state.mn.us
- IRS (Charities and Nonprofits Division): www.irs.gov

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Some specific, suggested next steps for board governance:

- Review Articles of Incorporation and Bylaws and ensure that you're in compliance with your own governing documents. Revise your bylaws as needed.
- Conduct an assessment of your legal filings and ensure the organization is up-to-date.
- Identify a board or volunteer leader(s) to carry out these tasks or consider hiring paid help.

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What questions do you have?

What are the remaining items for discussion?

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