



Fact Sheet: Defining the roles of board vs. staff

March 1, 2021

Community foundations in Canada come in all shapes and sizes. Some are run completely by a volunteer board, some operate with a single Executive Director and volunteers supporting operations, while others operate with small or even large teams of paid staff. Regardless of the size of the organization, there needs to be a clear definition of who does what and who is accountable for what.

The following fact sheet helps identify common job functions and how to ensure roles and responsibilities are clearly defined across your team. Avoiding overlap and ensuring key functions are covered will help your team work efficiently and effectively.

Role of the board

No matter the size of the foundation, the board has core functions they need to undertake. 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 provinces have statutes adopting some variation of these duties which would be used in court to determine whether a board member acted improperly. These standards are usually described as the “duty of care, duty of loyalty, and duty of obedience.”

Every nonprofit board needs to have Directors and Officers Liability Insurance. If board members act with care, loyalty and obedience, then the risk of being liable is mitigated.

The “**duty of care**,” also known as the duty of skill or competence, 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 board members owe the duty to exercise reasonable care when they make decisions as stewards of the organization.



How can this be accomplished?

- Ensuring that there is a relevant and timely board member nomination, recruitment and orientation process in place that aligns with the vision, mission and strategic priorities of the foundation
- Developing a board skills matrix that aligns with the strategic priorities
- Undertaking an annual board evaluation process, sharing results with board and putting in place plans to address areas where the board can be strengthened
- Implementing an on-going board training program
- Developing a process for succession planning of officers, directors, and committee chairs
- Being informed of the bylaws, incorporating documents, and mission and that these are reviewed periodically
- Making sure that the board meets at least 4 times annually and that directors are arm's length of staff and to each other and (i.e. not having a special relationship with another board member)
- Attending board meetings, serving on committees, and contributing to the work of the foundation
- Ensuring that there is a strategic plan and that this is reviewed and monitored on a regular basis and that there is a strategy for consulting and communicating with foundation stakeholders

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.

- Making sure that proper minutes of meetings and policies are properly recorded and retained
- Ensuring that the financial affairs of the organization are conducted in a responsible and transparent manner, with due regard for their fiduciary responsibilities and public trusteeship, and,
- Asking directors to review a decision where the board acted without full information



If the foundation employs staff, then the directors are also responsible for exercising care with respect to board – staff relationships and in respecting and understanding the roles of board and staff.

- Directors are responsible for appointing and orientating the senior staff person
- Directors need to ensure that there is a job description for the senior staff person, which includes compensation and benefits.
- Measuring his or her performance against specified goals related to the strategic plan
- Approving the senior staff person's compensation.

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 (i.e. act honestly, think about reasonable consequences, be diligent, spend the necessary time to deal with an issue, can rely on experts).

How can this be accomplished?

- Directors must publicly demonstrate acceptance, respect and support for decisions legitimately taken in the transaction of the board's and foundation's business.

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. Members should act honestly and in good faith in the best interest of the foundation and not in the interests of themselves or any particular stakeholder, avoid and disclose conflicts of interest at all times, have a duty to disclose or keep confidential information, as well as a duty to not take advantage of your position.

How can this be accomplished?

- Ensuring that the work of the foundation aligns with the vision and mission – no mission-drifting
- Having a code of conduct policy
- A conflict of interest policy is one tool available to ensure the duty of loyalty.
- Confidentiality and Privacy Policy.



Role of Board Members as Foundation Ambassadors

One of the key roles of community foundations is to use their assets to build and strengthen their local community. These assets can include financial, knowledge and expertise. Most small and mid-sized foundations are run by volunteer boards or have a small staff complement. Raising the awareness of and support for the community foundation is key to their success, and this is where leadership and support from the board is critical. This could entail identifying potential donors, opening doors, attending foundation and community events on the foundation's behalf, opening their own fund or encouraging others to do the same, or speaking about the foundation in the community. Some community foundations set annual contact goals for board members (i.e. the number of individuals within their network/community that they will intentionally speak to about the foundation).

Accountability as a Board member

Some foundations have created a 'Statement of Understanding' for members of the board which is signed by each board member. A sample of this type of document can be found in the Appendix. The best time to share this would be during the nominating process so potential board members have a clear understanding of what is expected of them while serving on the board.

A good practice to undertake on an annual basis is for the Board chair along with the CEO/ED to meet with each board member. This meeting should take place after the annual board evaluation, especially if there is a self-assessment section where each board member reflects on their contribution to the board. This meeting is helpful in understanding and addressing any issues faced by members of the board.

Board member job description

The items below should be included in a community foundation board member job description. Some organizations capture these in a policy document. The functions also need to reflect what the foundation's bylaws state.

- Understand and demonstrate a commitment to the foundation's mission and programs
- Keep up to date with issues and trends that affect the foundation
- Prepare for meetings by reading agendas, minutes, reports and other documentation required to actively participate in them
- Attend meetings regularly



- Contribute skills and knowledge by participating actively in meetings and committee work
- Make inquiries when clarification or more information is needed
- Understand and monitor the foundation’s financial affairs
- Avoid any potential conflicts of interest
- Understand and maintain confidentiality
- Ensure the organization is complying with all legal and regulatory requirements
- Develop a long-range plan, set priorities and monitor its progress
- Establish policies
- Serve as an Ambassador, build and maintain relationships with the broader community
- Ensure adequate financial resources are secured to run the foundation
- Accept legal responsibility for the organization
- Hire, monitor the work and conduct regular performance reviews of the ED/CEO, and, if necessary, apply disciplinary action and termination proceedings, relative to the incumbent

Role of the board vs. role of the staff

The role of the staff needs to be clearly defined, especially if the foundation is small and the board functions more for operations than governance. When the board takes on some of the operating functions (i.e. bookkeeping, marketing, graphic design) there needs to be clear “job descriptions” for these additional volunteer roles.

Regardless of the size, the chart below will be helpful in determining who does what operating function within the foundation. While this is not a comprehensive list, it covers the main functions.

Functional area	Operating function	Board volunteer	Executive Director/CEO	Other staff
Finance	Accounts payable and cheque preparation			
	Preparation of donation receipts			
	Receiving funds and bank deposits			
	Bookkeeping			
	Preparation of monthly financial statements			
	Preparation of records for annual audit			



	Preparation of annual budget			
	Filing annual T-3010			
Grantmaking	Promoting granting programs			
	Responding to grant inquiries			
	Receiving grant applications			
	Reviewing, assessing and making recommendations to the board re grant applications			
	Notifying grant applicants, securing grant agreements, processing grant payments and, if required, monitoring progress of grant towards completion and preparation of final grant report			
	Keeping records of grant applicants			
	Promoting grant recipients			
	Marketing and Communications	Creating a marketing and communications plan		
Creating content for foundation promotional materials				
Website design and upkeep				
Determining content for annual report or other foundation publications				
Designing annual report				
Determining distribution list for annual report				
Distributing annual report				
Connecting with professional advisors				
Investments	Allocation of income and fees to funds as well as any grant disbursements			



	Reconciling investments to fund balances			
	Preparing annual fund statements and sending them to donors			
Administrative	Filing and keeping records current (everyone's favourite task)			

Typically, the role of the staff is to work closely with the board to ensure the vision, mission, values, policies and plans are adhered to, reviewed and operationalized. To ensure smooth operations, it is critical that staff job descriptions are created for all positions which include the following:

- Title
- Individual or position to whom employee is accountable
- Summary of and details on roles and responsibilities
- Whether full-time or part-time and hours of work
- Some job descriptions include benefits, education, experience, salary range and core competencies and/or attributes (note: this information is important when recruiting candidates for the position)

What is helpful, but not necessary, in a job description is an estimate on the percentage of the staff's time in each of the identified roles and responsibilities. This is easier to do if these are grouped functionally. The benefit of this is that staff have a sense of their primary and secondary responsibilities.

It is important that the job description is reviewed annually with their supervisor and amended to reflect their actual responsibilities.



APPENDIX

STATEMENT OF UNDERSTANDING FOR MEMBERS OF THE BOARD



As a member of the Community Foundation of Northwestern Alberta Board of Directors, I am fully committed to the vision and work of the Community Foundation and am dedicated to carrying out its mission. I understand that in accepting this position on the board:

1. One of my most important responsibilities, with other board members, is the hiring and on-going evaluation of the CEO. I shall do everything possible to support the work of the CEO, but shall not become involved in the management of the Community Foundation of Northwestern Alberta. If the work of the CEO is not up to agreed upon standards, it is my responsibility, with other Board members, to take whatever action is appropriate.
2. In addition to being committed to the vision of the college and its mission, I understand that it is my duty to make certain that we have the necessary funds to meet our mission – “no funds, no mission”.
3. I shall do all I can to support the staff, and encourage them to grow professionally and personally. I will be prepared to assist them whenever it is appropriate.

I also understand that there are times I must stay out of their way. I won't manage – but I will encourage and expect the best results possible, the highest quality work possible, and ever-increasing production. Working together with the staff, we can attain high objectives, and ultimately achieve the mission and vision of the Community Foundation of Northwestern Alberta.

4. With other Board members, I am responsible for friendraising and fundraising for the Community Foundation of Northwestern Alberta. I will work with other board members in developing our dreams and high expectations for the future, and will take an active part in reviewing, approving, monitoring and achieving these objectives.



5. I take responsibility to know as much as I can about the Community Foundation of Northwestern Alberta – its work and outreach, and its vision for the future.
6. I shall give, what is for me, as substantial a financial donation as possible to the Community Foundation of Northwestern Alberta. I may give this as a one-time donation each year, or I may commit to give a certain amount several times during the year.
7. I understand that as a Board member I lead the way. I am a model for others to follow. If I, as a Board member, do not care enough to work and give, why should anyone else?
8. I will actively engage in fundraising in whatever ways are best suited for me and most effectively serve the purposes of The Community Foundation of Northwestern Alberta. These may include individual solicitation, undertaking special events, writing mail appeals, and the like. I am willing to make this good-faith agreement to do my best and to raise as much money as I can.
9. I will be an enthusiastic booster, a positive advocate for the Community Foundation of Northwestern Alberta
10. I shall attend Board meetings and be available for phone consultations. If I am not able to meet my obligations as a Board member, I understand that I may be asked to offer my resignation.
11. I recognize that I am to provide for the future by offering studied input in the strategic planning process. I shall help decide which goals should receive priority and help determine how these are to be financed.
12. I shall evaluate the progress and results of the Community Foundation of Northwestern Alberta by asking appropriate and searching questions: Are we doing as well as we should? Are we meeting our goals and objectives? Are we getting better and better results as time goes on?
13. I shall join and become active on at least one Board Committee
14. I shall bring the **six A's** to my Board tenure. I shall:
 - a. Be an **Ambassador** –to help tell our story
 - b. Be an **Advisor** – and make effective decisions on policy and programs
 - c. Be an **Advocate** – be a roaring enthusiast for the cause of the Foundation



- d. Provide **Access** – *help bring and influence others on behalf of our mission*
 - e. Provide **Affluence** – *give as much as I possibly can*
 - f. Provide **Assistance** – *volunteer for as many activities as possible.*
15. Among the Boards I serve on, I shall consider my work at the Community Foundation of Northwestern Alberta to be my most important priority – or at the very least, no lower than my second interest.
16. In signing this document, I understand that no quotas are being set, and no rigid standards of measurement and achievement are being established. Every Board member makes a statement of faith to be a partner with every other Board member to strive for the success of our great cause. We trust each other to carry out the above agreements to the best of our ability

(Signature) Board Member

Date



STATEMENT OF UNDERSTANDING FOR MEMBERS OF THE BOARD



In return, The Community Foundation of Northwestern Alberta is responsible to you in a number of ways.

Here are some.

1. *To use your time in the most effective way possible so that your involvement and service to the Community Foundation of Northwestern Alberta is of consequence.*
2. *You will regularly receive status reports and information about our work, service, and progress.*
3. *You can call on us, the Chair and CEO, and senior staff at any time to discuss programs, policies, goals and objectives.*
4. *You can count on me, as CEO, and the staff to support your work in every way possible.*
5. *We shall do our best to make Board meetings meaningful and productive, with as little lost and meaningless time as possible.*
6. *We shall encourage you to take an increasingly larger role in leadership.*
7. *Board members and staff will respond to the best of their ability in a straight-forward and thorough fashion to any questions you have that you feel are necessary to carry out your responsibilities to the Foundation.*
8. *You can expect the staff and all Board members to make this the most rewarding and fulfilling experience you have ever had.*

(Signature) Chair of the Board

(Signature) CEO