

Wanted. A Few Good Board Members for Nonprofits.

By: Philip M. DiComo, Esq.

The charitable world has seen a proliferation of nonprofit organizations over the past 15 years, and South Florida has not been immune to this trend. As a result, more and more of us are finding ourselves attracted (or compelled) to serving as members of boards of directors of nonprofit organizations. But before you choose to sit on the board of your local museum, social service agency or other charity, you should consider whether you have what it takes to make a significant contribution to the organization – and you should fully understand your personal and legal obligations as a board member.

Of course, nonprofits vary greatly in size, revenues, purpose and geographic scope. Clearly, serving on the board of a small emerging nonprofit will vary greatly from serving on the board of a large institutional charity, such as a local university, or not-for-profit hospital.

However, any board service requires the appropriate mind-set. While joining a non-profit board may have a certain prestige factor, such service should not be taken lightly. When you join a board of directors, you are taking on certain responsibilities, and you should be prepared.

Many directors begin their relationship with charitable organizations as either volunteers or donors, or both, but they often fail to fully accept their new role. A fundraising consultant to a local nonprofit who had embarked on a multimillion dollar capital fund-raising campaign was shocked when a director of the organization, who had been with the charity since its modest beginning, suggested they begin raising the targeted \$16 million goal the old fashioned way – through bake sales. That's a lot of cupcakes! This director had not evolved with the organization.

A board member is not just a volunteer. When you become a board member, your relationship with the organization, its staff and other volunteers immediately changes. You've entered the realm of Super-Volunteer – where both expectations and demands are greater. You're looked at as an authority figure, donor prospect, counselor and even boss. In fact, it's now your duty as a member of the board to select, encourage, advise, evaluate, and, if need be, replace the executive director or chief executive officer.

So, do you fit the role? Here's the top five things you should consider:

1. Know the Organization's Mission. And believe in it. If you're going to invest your time, talent and money, you need to be comfortable with the organization's role and charitable purpose.

2. Focus on the Future. Now that you've bought into the mission, is the organization situated to meet this challenge? Are its programs fulfilling the mission, or are they off the mark? Ask yourself if you can help the organization to see how it can close the gap between its vision of where it wants to be in the future and where it actually is now.

3. Intensive Oversight, Not Management. Management sets the day-to-day agenda of the organization. It's the board's role to ensure that the organization is operating both effectively and responsibly. Don't try to micro-manage, instead provide strategic direction and approve specific financial and programmatic objectives in order to make sure the charity stays on the proper course.

4. Is the Commitment Realistic? Be prepared to invest your time, skills, energy and, yes, money. Some boards now insist on minimum financial commitments from their board members, in addition to time and meeting attendance commitments.

5. Fiduciary Duty – Your Legal Responsibilities. Directors must exercise their responsibilities in good faith and with a certain degree of diligence, attention, care and skill. As a director, you must avoid using your position to obtain a personal benefit or advantage which might belong to the charity.

The role of nonprofit boards has come under increased scrutiny in the wake of the Sarbanes-Oxley Act of 2002, proposed nonprofit governance reforms and numerous scandals involving high profile charities such as the United Way, The Nature Conservancy and the American Red Cross. The IRS has taken an active role in legislating non-profit best practices by implementing material and substantial changes to required charitable organization forms and reporting requirements. Perhaps this has heightened our level of responsibility as directors, and that can't be bad.

A local organization, Nonprofits First, Inc., offers a series of workshops to recruit and educate current and prospective board members. Graduates of the program can also be matched with non-profit agencies in Palm Beach County who are recruiting new board members. For more information, contact Nonprofits First at (561) 214-7435, or visit them at www.nonprofitsfirst.org.

Mr. DiComo is an attorney with Haile, Shaw & Pfaffenberger, P.A., of North Palm Beach, where he practices in the areas of corporate law, securities and non-profit law. He serves as an advisor to numerous nonprofit corporations and is a member of the Board of Directors of Nonprofits First, Inc.