

**PROBONO**<sup>®</sup>

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**P A R T N E R S H I P**

**Effective Boards and Board Meetings:  
Your Questions Answered!**

**Presented for  
The Friends of Libraries Section  
of the New York Library Association**

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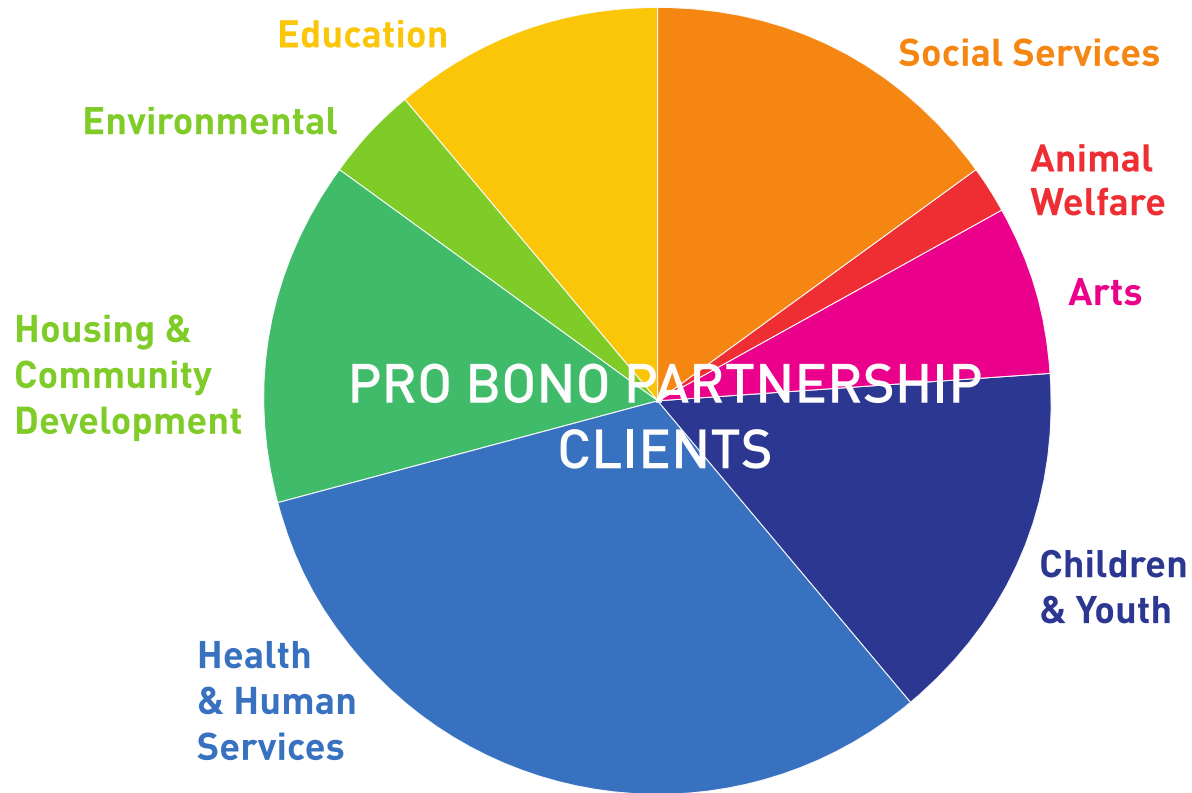
## Please Note

This presentation is provided as a general informational service to clients and friends of Pro Bono Partnership. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this presentation create an attorney-client relationship. You should seek advice based on your particular circumstances from an independent legal advisor.

# Brief Overview of Pro Bono Partnership

- Our mission at Pro Bono Partnership is to strengthen nonprofits and communities by providing **free** transactional legal services to nonprofit organizations
- Our clients serve the disadvantaged or enhance the quality of life in neighborhoods in the Tri-state area
- We work solely with nonprofit organizations that are unable to pay for legal services without significant impairment of program resources
- We make it easy for attorneys to volunteer their expertise and to connect with nonprofits in their communities

# Types of Pro Bono Partnership Clients



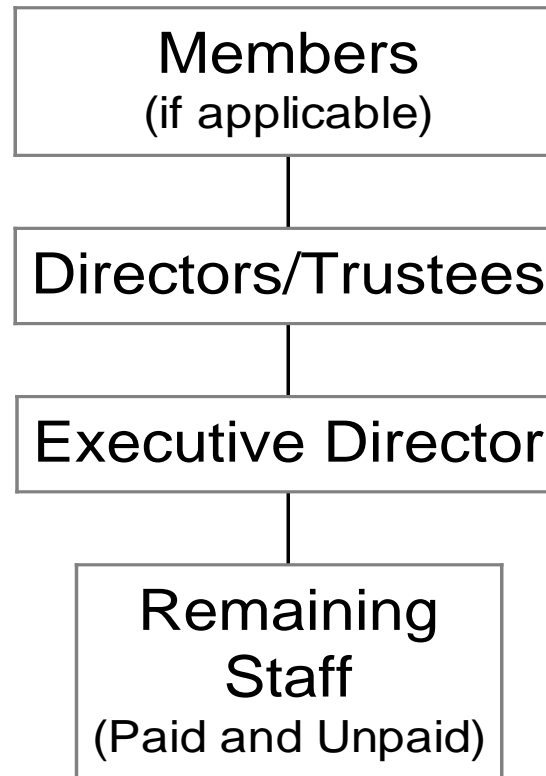
# Types of Matters

- Compliance
- Contracts
- Corporate structure/governance
- Dissolution and bankruptcy
- Employment/volunteer issues
- Fundraising/charitable solicitation laws
- Incorporation/tax exemption
- Intellectual property
- Lending/finance
- Merger/collaboration
- Real estate
- Tax
- Trusts and estates

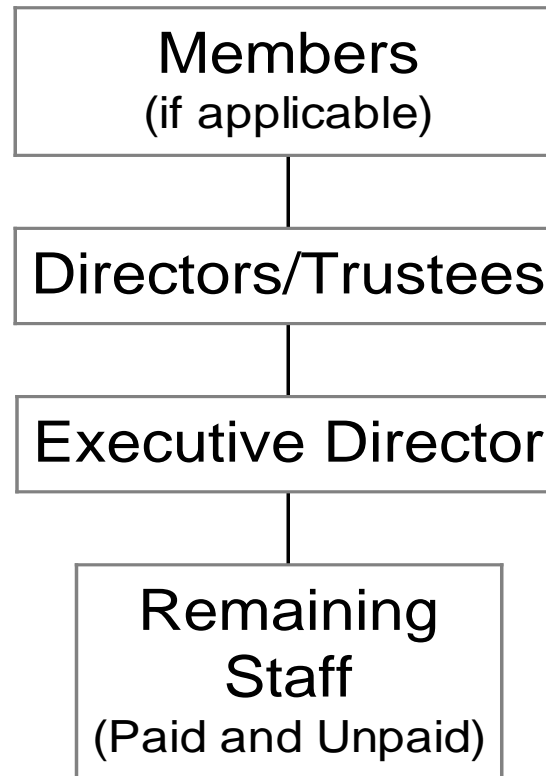
# Topics We Will Cover

- Board roles and responsibilities
- Structuring your board to ensure that it is meeting legal and fiduciary obligations and general trends in board governance
  - Size
  - Composition
  - Term limits
  - Committees
- Board-related corporate documents
  - Minutes
  - Resolutions
  - Agendas
  - Related party transaction documentation
  - Board books and board guidelines
- Running more effective and efficient meetings

# Organization Chart for Nonprofits



# Organization Chart for Nonprofits





# Two Ways to Think of Bylaws

- Constitution
  - Framework
  - Rules and Regulations
- Roadmap
  - Multiple paths
  - Stop signs and red lights

# The Role of the Board of Directors

# Why Do Nonprofits Have Boards?

To provide **oversight**

- To ensure that operations, program, staff, finances, internal controls, property, mission, and strategic plans are all running smoothly
- To make certain that charitable resources are being used appropriately, and in furtherance of the organization's mission
- To help raise financial support and awareness of the organization's work

# Fiduciary Duties of Nonprofit Directors

- Duty of care
  - NY Not-for-Profit Corporation Law §717(a):  
Directors and officers shall discharge the duties of their respective positions in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- Duty of loyalty
- Duty of obedience

# Fiduciary Duties of Nonprofit Directors

- Duty of care
- Duty of loyalty
- Duty of obedience

# Fiduciary Duties in Action

## General Administration

- Corporate governance
- Legal compliance
- Risk management/insurance

# Fiduciary Duties in Action (cont.)

## Finance

- Formulate/approve **operating budget** with Executive Director (if any)
- Monitor **income and expenses**
- Review/approve year-end **financial report**
- Ensure adoption of appropriate **internal controls and financial management procedures** (e.g., internal financial reporting requirements, check writing policies, and expenditure controls)
- Develop/oversee **fundraising plan and help raise money as needed**
- Ensure the timely filing of **taxes and any related payments**
- **Oversee annual audit** (if organization is required to have one)

# General Governance Impacting Bylaws

- Term limits
- Size of board
- Composition of board
- Committees



# Term Limits

- Term limits

- Types
- Statistics
- Pros
- Cons

# Board Size

- No “one size” fits all
- Function should drive size
- Large board
  - pros
  - cons
- Small board
  - pros
  - cons

# Composition of Board

- Diversity
- What you need from your board
- How to achieve

# Board Succession

- Onboarding
  - Board Book
  - Board Mentor
  - Board Engagement

# Efficient Meetings

- Advance notice of meetings
- Board must be engaged
  - Documents in advance
- Use of Agenda
  - Timed
  - Consent
- Virtual Meetings

# Board Related Corporate Documents

- Minutes of a board or committee meeting
  - What must you include
  - What should you omit
  - Who and how should minutes be reviewed?
- Corporate resolutions or unanimous written consents
  - When are they used?
  - What are they used for?
  - What should they include?
- Related-party transaction documentation
  - Conflict of interest policy
  - Annual disclosure statement

# For More Information

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