



AMERICAN CANYON ARTS FOUNDATION

Board of Director's Policy Manual

Board Roles & Responsibilities

Adopted/Revised:
10/9/2013

I. Purpose/Intent

The effectiveness of the Board of Directors is critical to the success of the American Canyon Arts Foundation (ACAF). Defining the roles and responsibilities of the Board, both as a collective body and as individual members, is the first step in that effort. In addition, many new board members may not have served on a governing board in the past, and this policy statement can serve as a training tool to assist in their orientation.

II. Authority

Article 5 of the By-Laws defines the authority of the Board of Directors, but does not go into detail regarding specific duties and responsibilities. The Board of Directors has the authority to establish policies under Article 12, Section 2 of the By-Laws, and approved this policy by adopting Resolution 2013-02.

III. Policy

Section One: General Board Responsibilities

1. Establish and reaffirm the mission, vision, values and strategic position of the organization through sound management practices, prudent financial controls, effective governance and appropriate oversight.
2. Evaluate results to assure that goals and objectives are achieved and policies are followed.
3. Under well-established principles of nonprofit corporation law, board members must meet certain standards of conduct and attention in carrying out their responsibilities to the organization. The three primary standards are outlined below.
 - a. Duty of Care: The duty of care 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 a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.
 - b. Duty of Loyalty: 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.
 - c. Duty of Obedience: 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.

Section Two: Specific Board Responsibilities

1. *Determine Mission and Set Policy*: It is the right and the responsibility of the Board of Directors to determine ACAF's mission and set policy. The mission statement should be periodically reviewed and updated, as needed. All programs and activities directly support the mission statement.

The Board of Directors sets organizational policy by developing and adhering to two legally required documents: 1) the Articles of Incorporation and 2) the By-Laws. These documents should be periodically evaluated, and updated if necessary.

2. *Long Range & Sustainable Planning*: The future and direction of ACAF is the responsibility of the Board of Directors. The Board sets the goals and determines overall strategy to achieve the stated goals in consultation with the Executive Director.
3. *Financial Oversight*: The Board of Directors is fiscally responsible for the organization including providing prudent oversight of the financial management of ACAF's assets, setting fiscal policy, monitoring financial activity and approving the annual budget. The Board guides the budgeting process, reviews the budget recommended by the Executive Committee, and ensures that the projected revenue and expenses are adequate and reasonable to achieve the stated goals. The Board continues to monitor and adjust the budget (if necessary) throughout the fiscal year. By approving the budget, the Board is making an implicit commitment to secure the required revenue. Approval of the budget is a formal board action, to be voted on by a quorum of the Board of Directors and approved by Resolution.
4. *Select and Evaluate the Executive Director [as appropriate]*: As with any non-profit organization, the Executive Director serves at the pleasure of the Board of Directors. The position of the Executive Director is the only staff position that the Board hires and supervises. All other staff positions are under the purview of the Executive Director. The Board sets reasonable and attainable goals for the Executive Director. At the end of twelve months, the Board evaluates the Executive Director's performance against the stated goals. The performance review may be used as an opportunity to discuss salary adjustments, professional development and how the board may support the Executive Director in meeting the organization's goals.
5. *Ensure Legal and Ethical Integrity and Maintain Accountability*: As stewards of the organization and keepers of the public trust, it is critical that the Board of Directors ensures that ACAF adheres to all local, state and federal laws as well as maintains high ethical standards. Board members will avoid conflicts of interest whenever possible. Any potential conflicts of interest must be disclosed to the full board prior to any action taken, consistent with ACAF's Conflict of Interest Policy.
6. *Develop a Strong Board of Directors*: There is a strong correlation between the strength of an organization's Board of Directors and the ability of an organization to fulfill its mission. The Board must continually reinvent and develop itself in order to meet the changing and growing needs of ACAF. Board members take a leadership position in identifying and recruiting potential Board members, consistent with the guidelines noted below, in Section Nine.
7. *Provide for the Training and Evaluation of the Board*: Once elected to the Board, new members receive an orientation which focuses on ACAF, its mission and programs, and on the roles and

responsibilities of Board members. Additionally, the Board develops criteria for the performance evaluation and professional advancement of the Board of Directors as a governing body. A process is developed to identify strengths and weaknesses of the group and to identify special training or education that may help the Board advance. This self-evaluation may occur as often as deemed necessary, though usually not more than once every one to three years.

The actual training and evaluation processes noted above are developed by the Executive Committee and presented to the Board for review and adoption.

Section Three: Individual Board Members' Responsibilities

1. **Contribute and Raise Funds:** As key stakeholders in the organization, the Board of Directors sets the example and leads the way in fundraising activity. Each board member must support the financial health of ACAF. Each Board member should create an annual pledge goal. This contribution can be met by the Board member making a personal donation, raising those funds from another donor, or by volunteering time of comparable value. In addition to the direct financial benefit to the organization, a Board of Directors that can say that each and every member financially supports the mission of the organization instills confidence in other potential donors.
2. **Active Participation:** Board members will participate and contribute to annual and special ACAF events and other ACAF fundraising initiatives to the best of their abilities. This should involve joining at least one program committee to help plan and organize an ACAF event.
3. **Serve as ACAF Ambassadors to the Community:** A primary role of the Board of Directors is to serve as liaisons with the community. Board members will familiarize themselves with ACAF's programs and projects in order to provide informed community outreach. Regular attendance at ACAF events, programs and meetings is strongly encouraged. Board members will work to enlarge ACAF's base of support by encouraging membership in ACAF and by introducing friends and colleagues to ACAF's programs as often as possible.
4. **Attend and Actively Participate in Board Meetings:** In order to ensure a strong and committed Board, members are expected to make a good faith effort to attend all monthly Board meetings. They are expected to attend at least 80% of Board meetings per year (10 per year minimum), or provide a reason for not being able to attend. The By-Laws authorize removal of any Board member if they have 3 or more unexcused absences per year. In addition, board members should come prepared to all board meetings having thoroughly read materials provided in the Board packet. Board members are also encouraged to actively participate on at least one standing committee or ad hoc Board Committee each year (in addition to one or more program committees), particularly those where they can provide advice and assistance on matters of personal expertise.

Section Four: Role of the President

The President is responsible for ensuring that the Board of Directors and its members are aware of and fulfill their governance responsibilities; comply with applicable laws and By-Laws; conduct board business effectively and efficiently; and are accountable for their performance.

Primary Responsibilities include:

1. Meetings: Agenda preparation; preside over the meetings in accordance with accepted rules of order for the purposes of encouraging all members to participate in discussion and arriving at decisions in an orderly, timely and participatory manner; and call special meetings of the Board when necessary.
2. Leadership: The President will lead and manage the Board within the scope of the By-Laws and mission; lead and manage the Board in a style conducive to a collegial and productive environment; maintain a focus on the mission, plans and operations; and keep the Board motivated to achieve its goals.
3. Oversight of Executive Director: Meet periodically with the Executive Director to ensure that directions of the Board are completed; and ensure periodic performance reviews of the Executive Director are conducted. In the absence of an Executive Director, the President may assume many of the roles of the Executive Director.
4. Board Development: Ensure that structures and procedures are in place for effective recruitment, training and evaluation of Board members.

Section Five: Role of the Vice President

The Vice President is responsible for replacing the President in the event the President is unable to perform the duties as prescribed above. Although not required, an additional role for the Vice-President is to learn the duties of the President, and ultimately to succeed the President. This helps to ensure continuity and aid in the transition from one President to the next.

Primary Responsibilities include:

1. Meetings: Chair board meetings in the absence of the President;
2. Other: Assists the President in any way necessary to fulfill the obligations of the President and is responsible for any other duties or tasks as requested or assigned by the President.

Section Six: Role of the Treasurer

The Treasurer is the chief financial officer of the organization and responsible for special attention to the finances and financial management, and reporting to the Board any and all points of interest and concern. The position of Treasurer and Secretary may be combined.

Primary Responsibilities include:

1. Financial Books & Records: Ensure that adequate and correct books and records of accounts of properties and business transactions of ACAF are maintained, including accounts of its restricted and unrestricted assets, liabilities, receipts, disbursements, and net assets.
2. Audit or Financial Review: When applicable, participate in the selection and recommendation of an auditing firm and participate in the audit (or financial review) as appropriate.
3. Oversight: Review and approval of Executive Director's expenses, or, in his/her absence, the President's expenses.

Section Seven: Role of the Secretary

The Secretary is responsible for assurance of accurate and thorough documentation of meetings, actions, and corporate documents. The position of Secretary and Treasurer may be combined.

Primary Responsibilities include:

1. Minutes: Ensure that minutes of all meetings of the Board of Directors are kept.
2. By-Laws: Ensure that ACAF's By-Laws, as amended or otherwise altered by the Membership, and certified by the Secretary, are adequately maintained.
3. Corporate Documents: Sign all properly executed documents requiring the Secretary's signature as well as coordinate revisions of documents associated with the Board, including the By-Laws and Articles of Incorporation.
4. Notice of Meetings: Give, or cause to be given, notice of all meetings of the Board and committees for which notice is required by law, ACAF's By-Laws, or by Board policy.

Section Eight: Role of the Immediate Past President

The Immediate Past President serves on the Executive Committee, and assists in the continuity of the Executive Committee. He or She would help the new President assume the duties of the position, as well as to help develop the Vice-President's abilities and leadership skills. In the event the Immediate Past President's term as a Director has expired, he/she would serve as an ex-officio (non-voting) member of the Executive Committee.

Section Nine: Other Pertinent Information Regarding Board of Directors

1. Term of Office: Each Board member serves a three year term, and the terms are staggered such that five of the fifteen Directors are elected each year. There is no limit on the number of terms that can be served.
2. Election to Office: Board members are nominated by an ad hoc committee formed by the current President. The general Membership then elects the nominees at the Annual Membership Meeting, held in December or January. In the event of a resignation or removal of any Director prior to the end of his/her term, the Board of Directors will select an ACAF Member to fill the vacancy.
3. Removal from Office: Per State law and the By-Laws, Board members may be removed from office in any of the following ways:
 - a. Death or Resignation;
 - b. No longer meets the qualifications to be a Director (generally, no longer an ACAF member);
 - c. Misses too many meetings of the Board (three or more unexcused absences in a twelve month period);
 - d. When the Director is found to be of unsound mind by a court, or convicted of any breach of duty (Care, Loyalty, Obedience); or
 - e. For any cause, or for no cause, by the Membership at a regular or special meeting of the Membership.
 - f. For cause by a two-thirds vote of the Board, but only after notice and the opportunity to respond.