



Resources

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NEW: Reserve SCAF Meeting Rooms or Readerboard

Reservations for SCAF Meeting Rooms and our readerboard are now made by filling out a Google form in advance.

Go to www.s-caf.org and click: Community Impact > Nonprofit Support Questions? Contact Emily - office@s-caf.org
Donations are always accepted.

www.s-caf.org
360-629-6878



Nonprofit Newsletter

Non-Profit Board Responsibilities by Julie Vess

A board of directors is needed to start a nonprofit. It is a requirement to incorporate, get a tax exemption (501c3), open a bank account, file the annual reports, and process most transactions for the organization.

AI says, "Corporations need a human group or person to read, write, think, and execute and to guide decisions so that they positively influence the organization and the commitments it has made, including the choice of its Executive Director or CEO and how it will carry out its mission."

Thus, a nonfunctioning board is usually the cause for the closure of a nonprofit due to it not having a guiding or accountable voice. So, what are the basic actions required to guide and represent the best for the organization? For Best Practices, the board must be able to accomplish these essential tasks:

- Approve the budget.
- Review, sign, and ensure submission of the annual reports.
- Review and authorize personnel policies relevant to hiring, promotion, dismissal, compensation, whistleblowers, independent contractors, key employees, sexual harassment, and fairness to the protected class.
- Meet at least, annually, even if it is virtually.
- Review and approve plans of reorganization, growth, and contraction.
- Review and approve plans for major asset sales and purchases.
- Review and approve major gifts/grants, including the terms of the gifts.
- Review and approve if the organization borrows money.
- Review and approve the organization's investment policy including banking and other financial accounts.
- Review and approve implementation or changes to retirement, benefits, and compensation for all employees. With special considerations for the ED or CEO.
- Review and approve bylaws and any amendments.
- Provide and be prepared to receive complaints and allegations that affect the ED or CEO - including conflicts of interest.
- Discharge and replace its members for reasons mentioned in the bylaws.
- Create committees and hire consultants.
- Write policy and review the status of the board's membership for independence, conflict of interest, self-dealing, competence, performance of duties, and compensation.

(Article continued on the next page)

Stanwood-Camano Area Foundation
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Stanwood, WA 98292



2024 Funk and Junk Festival

Free booth space is available for nonprofits at the second-annual Funk & Junk Fest on Saturday, August 17. This event funds the RE/MAX Community Grant Chest. Find out more at <https://elevatenw.com/funkandjunkfest/>



SCAF Grant Cycle:

The Floyd & Delores Jones Community Grant application period will open 6/15/24 at www.s-caf.org. Applications are due 6/15/24 and may include projects up to \$10,000.

Article Continued...

- Be prepared to authorize lawsuits by the organization, receive them, and dispose of them by settlement agreed upon, if necessary.
- Authorize liability, bonding, and other insurance and indemnification.
- Authorize collaborations, other commitments of the organization, and their terms.
- Require accountability, transparency, loyalty, and conformity by key employees, and protect the identity and integrity of the organization.
- Request dissolution and carry out its terms.
- Approve changes in the organization's name and address.
- Approve changes in the number, composition, qualifications, authority, or duties of the board of directors; and in the number, composition, qualifications, authority, or duties of the organization's ED or CEO.
- State the requirements for a quorum.
- State the conditions and procedures for calling emergency meetings.
- Keep all records of the board's activities - minutes, financials, etc.

For ED or CEOs, if you are doing any of the above without the acknowledgment or approval of your board, you're setting yourself up. Make sure you have the approval of the board or at least the board president, in writing (Board Minutes), before doing any of these (i.e.: entering into a contract with a new company, selling a high-ticket asset, changing the employee handbook, writing for or accepting a grant that has guidelines for its use). Always err on the side of over-informing and getting approval for things with your board.

All of these items are based on the Standards of Duty of Loyalty, Duty of Care, and Duty of Obedience. Together, they define the fiduciary responsibility of the trustees and officers of a nonprofit of which they can be personally liable for monetary damages for breaching these duties.

Next month I will talk about the Best Practices concerning Executive Director vs. Board Duties for an organization.

