

## Legal & Financial Responsibilities of Nonprofit Board Members

Being asked or elected to serve on a board can be a huge honor, but it also comes with great legal and fiscal responsibilities.

### LEGAL DUTIES

Let's start with three of the major legal duties:

- **Duty of care:** This means that board members are expected to actively participate in making decisions, resolving issues, and participate in planning.
- **Duty of loyalty:** Board members must put the interests of the nonprofit ahead of their own personal and professional interests. This means that even *merely potential* conflicts of interest must be avoided. (Your nonprofit **MUST** have a Conflict of Interest Policy that each board member signs.)
- **Duty of obedience:** Compliance with all local, state, and federal regulations and laws applicable to the nonprofit is an essential responsibility for board members.

Additionally, these three major legal duties ensure the organization is committed and stays true to its stated mission.

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