



Legal Responsibilities of Nonprofit Trustees

“The Three D’s: The Duty of Care, the Duty of Loyalty and the Duty of Obedience”

Prepared by Marcia Bloomberg, The Bloomberg Group/NonProfit Direct

The Bloomberg Group and NonProfit Direct



The Bloomberg Group Coaching and Consulting and NonProfit Direct: The NonProfit National Resource Directory offer this material for nonprofit leadership interested in enhancing their understanding of the legal responsibilities of nonprofit trustees.

Resource: **Legal Responsibilities of Nonprofit Boards, Second Edition** By Bruce R. Hopkins, BoardSource, <http://www.boardsource.org/Bookstore.asp?Item=116>

Ensure legal and ethical integrity

- Duties of:
 - Care
 - Loyalty
 - Obedience



Duty of Care

- **Use diligence, care and skill** which prudent people would use in similar circumstances.
- **Be familiar** with the organizations' finances & activities and participate in its governance.



Duty of Care (continued)

- **Attend** all board meetings, committee meetings, participate in decision-making and policy setting.

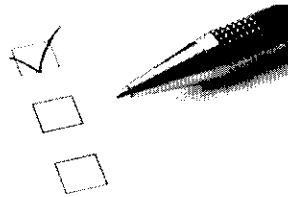


- **Read** materials and minutes, make sure your vote is recorded.



Duty of Care (continued)

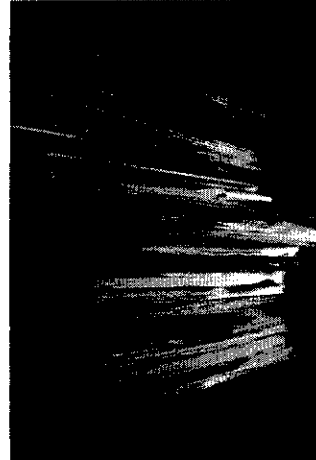
Participate in the process of approval of major obligations, fundraising, compensation arrangements.



Duty of Care (continued)

Read agency literature.

Review financial accounts, review actual to budget comparison.



Duty of Care (continued)



Participate in risk assessment and strategic planning.

Duty of Care (continued)

Make sure
organization has
written policies and
controls.



Types of Policies



Crisis Management

Employee Manual (hiring, firing, professional development, vacation, etc.)



Investment and Endowment

Facilities Management

Use of technology (email, social media)

Conflict of Interest

Duty of Care (continued)

Encourage board diversity.

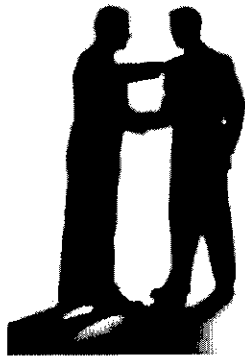


Duty of Loyalty



- Be aware of conflict of interest policy.
- Act always in the interest of the organization and not for personal gain.

Duty of Loyalty (continued)



Avoid transactions in which you or a family member benefits or disclose such transactions fully to the board.

Examine transactions involving board members to ensure there is no conflict of interest.

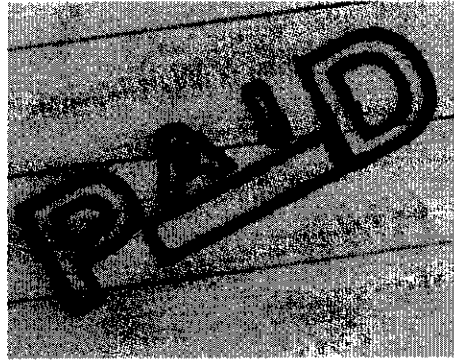
Duty of Obedience



- **Ensure** that the organization complies with all applicable laws and regulations and with its own internal documents and policies.
- **Make sure** that resources are dedicated to accomplishing the mission.

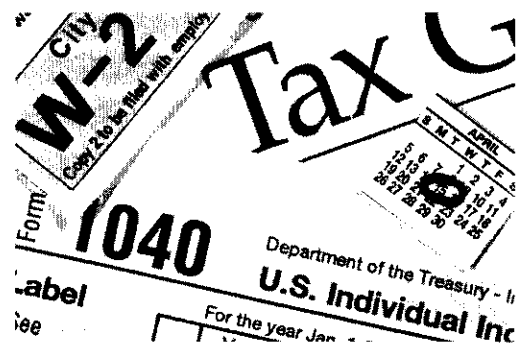
Duty of Obedience (continued)

Comply with all reporting laws, making sure that employees receive compensation and appropriate taxes are paid.



Duty of Obedience (continued)

Provide copies of tax-exempt forms, federal reports and financial reports as necessary to the public when requested.



Resources for Writing a Conflict of
Interest Policy



...find the answer here

Available from the NonProfit Risk
Management Center: <http://bit.ly/ohaSl4>

More Resources



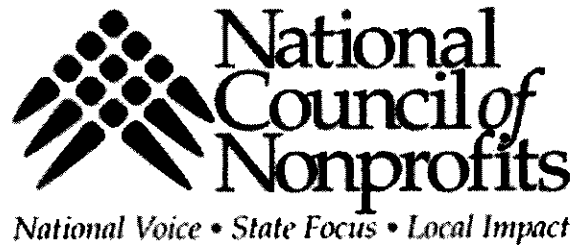
Nonprofit Law Report: Legal
Issues Affecting Nonprofit
and Charitable
Organizations

<http://www.nonprofitlawreport.com/guide/conflict-of-interest/>

National Council of Nonprofits

Sample Conflict of Interest Disclosure Form

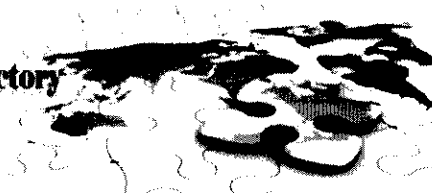
<http://bit.ly/pvRcpp>



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Non Profit-Direct
Non Profit National Resource Directory

Connecting the nonprofit sector with the
RESOURCES you need to SUCCEED



White County Single Parent Scholarship Fund, Inc. Strategic Plan

March 15, 2011

Mission Statement:

It is the Mission of the White County Single Parent Scholarship Fund, Inc., to provide financial assistance to single parents to obtain a post secondary education.

Core Values:

1. Self Sufficiency
2. Health & Welfare of White County Citizens
3. Stewardship
4. Integrity
5. Single Parent personal & professional development

Vision Statement:

The White County Single Parent Scholarship Fund Inc. aspires to assist all qualified single parent residents in White County who aspire to achieve a post secondary education.

Strategic Plan

Goals are defined in the following categories:

Continually (Ongoing Goals):

- Increase Public Awareness- (A) public (B) potential recipients
- Increase revenue from grants
- Expand our endowment Program
- Continue to increase positive public relations
- Maintain a minimum of 15 board members
- Increase revenue from annual fundraiser by \$3,000 each year
- Achieve 100% financial participation by the board (all members give)
- Continue to consider a physical location for WCSPSF, Inc. headquarters

One Year (1) goals

- Establish revenue sources to fund ED salary
 - A. Pursue AR Foundations
 - B. Pursue Local Business (Land O Frost, Eaton, Matthews, etc.)
 - C. Create annual fundraiser for ED salary
 - D. Utilize existing fundraiser for administrative expenses
 - E. Create new fundraiser for administrative expenses
 - F. Pursue individual donations
- Create donor base
 - A. Research
 - B. Pursue a web based tracking system
 - C. Pursue a systems administrator

Five (5) Year Goals:

- Establish full-time ED position (40 hours per week with competitive salary)
- Continue to increase the number of scholarships given each year by at least 3, as funding permits
- Increase the amount of scholarships by \$50 per year as funds permit
- Establish strong relationships with high school counselors

Addendum to the Strategic Plan

Appraisal:

A. Environmental Assumptions

- There will be an increase in single parent households in White County living below poverty levels.
- There will be an increase in unwed pregnancies.
- There will be an increase in the number of single parents who do not seek higher education due to financial considerations.
- Potential closing of factories in White County could have a negative impact on obtaining additional revenue funding.
- Having little or no post secondary education by White County single parents will lower the economic base for the population of White County.
- The increased cost of post secondary education (tuition, fuel, food, books, childcare, transportation etc.) will increase the need for expanding the single parent scholarship base and level of funding.
- Current Governor being a product of a single parent household creates a political base for our scholarships.
- There is a current trend to decrease funding for all social programs which creates more of a need for our scholarships to pick up some of the slack in that area.

B. Competition

- There is strong competition for donated dollars in the White County area.
- There is a strong competitive environment for obtaining available grants.

C. Strengths

- Diversity and dedication of the board members.
- Financial stability of the community.
- Availability of educational opportunities in the area.
- Strong organization leadership.
- Strong relationships with large donors who exercise stewardship.
- All volunteer Board.

D. Weaknesses

- Time constraints.
- Funding of ED is uncertain at this time.
- Inconsistency of board members to attend scheduled meetings.

E. Opportunities

- Availability of post secondary schools and educational programs is a plus in White County.
- Increased opportunities to spread the word to recipients and potential donors.
- Increase knowledge of board members and the Executive Director in writing grants.
- Potential for exploration of other funding streams.
- WCSPSF, Inc. is in a good position financially

F. Threats

- Currently limited on the number of scholarships that can be awarded due to finances.
- Economic down turn could negatively affect our current revenue sources.

WHITE COUNTY SINGLE PARENT SCHOLARSHIP FUND, INC. GOALS FOR 2011

1. Establish and implement a plan to raise ED salary for 2012 and beyond.
2. Award 52 scholarships at \$700 each.
3. Have two receptions with awards being given at the reception.
4. Raise \$17,500 from Bunko Bash.
5. Write 12 grant requests.
6. Establish one endowment.
7. Contact every high school counselor and leave materials and explain what we do.
8. Maintain regular contact with colleges and trade schools.
9. Make a presentation to every civic club.
10. Develop and implement a new five year strategic plan.
11. Maintain board membership at 18.
10. 100% financial support by the board.
11. Maintain membership in Chamber of Commerce.
12. Maintain an effective public relations program.

WHITE COUNTY SINGLE PARENT SCHOLARSHIP FUND, INC.

COMMITTEE ASSIGNMENTS: June 23, 2011

CANDIDATE REVIEW:

Cheryl-Chair
Neil-Vice-Chair
Susan
Bonnie
Lisa
Scott Smith

BY-LAWS:

Loyal-Chair
Ted-Vice-Chair
Justin

GRANTWRITING:

Kay-Chair
Susan-Vice-Chair
Brandi

FUNDRAISING:

Betina-Chair
Brandi-Vice-Chair
Justin
Scott Hannigan
Gentry
Sherry
Bonnie
Leigh Anne

EXECUTIVE:

Chair-Loyal
Vice-Brandi
Treas.-Neil
Secretary-Lisa
ED-Dan
Immediate Past Chair-Paul

PUBLIC RELATIONS:

Dan-ED

ENDOWMENT:

Paul-Chair
Ted-Vice Chair
ED-Dan
Tim Walker

Note: Jeffrey Sheets will serve on the Long Term Planning Committee Along with the members of the Executive Committee.

THE EXECUTIVE COMMITTEE WILL ASSUME THE BUSINESS OF THE FINANCE, LONG TERM PLANNING, AND NOMINATING COMMITTEES.

ALL BOARD MEMBERS WILL BE EXPECTED TO ASSIST WITH FUND RAISING ACTIVITIES

THE EXECUTIVE DIRECTOR IS EXPECTED TO ADVISE AND ASSIST THE COMMITTEES AS NEEDED.

THE NUMBER OF COMMITTEES IS REDUCED FROM TEN TO SEVEN.

NO ONE WILL BE SERVING ON MORE THAN TWO COMMITTEES.



SINGLE PARENT SCHOLARSHIP FUND

White County

BOARD MEETING AGENDA

October 18, 2011

WELCOME: Loyal Crawford

INTRODUCTION OF NEW BOARD MEMBER – BONNIE MANOR: Loyal Crawford

MINUTES: Lisa Weathers

FINANCIAL REPORT: Neil Neideck

ELECTION OF OFFICERS FOR 2012: Loyal Crawford

ANNOUNCEMENT: Loyal Crawford

FALL SCHOLARSHIP/RECEPTION REPORT: Cheryl Cherry

EXECUTIVE DIRECTOR REPORT: Dan Newsom

1. **Grant Update:**
2. **Leadership Development Conference – October 28-29**
3. **ASPSF Scholarship Management Systems Training - Recommendation**
4. **Calendar of Events for 2011**
5. **Major Emphasis For 2010-2011**
 1. **SCHOLARSHIP AWARDS**
 2. **SCHOLAR AND DONOR APPRECIATION**
 3. **GRANT WRITING**
 4. **BUNKO BASH**
 5. **BOARD MEMBER RETAINMENT**
 6. **PUBLIC INFORMATION**
 7. **ENDOWMENT**
 8. **BOARD MEMBER DONATIONS-GOAL 100%**
6. **Next Board Meeting: November 15, 2011, 4:30 pm, White Co. DHS**



Board Minutes of White County Single Parent Scholarship Fund, Inc. (WCSPSF)

Date: 09/13/2011

Location: White County DHS office 608 Rodgers Drive Searcy, AR

Board Member Present: Lisa Weathers, Loyal Crawford, Dan Newsom, Jeffrey Sheets, Susan Winkler, Neil Neideck, Ted Hackney, Justin Lawson, Scott Hannigan, Kay Price, Paul Ford

None voting member present/absent: Kim Dollins (absent)

Absent Board Member(s): Gentry Tomlinson, Scott Smith, Sherry Organ, Tim Walker, Brandi Glass, Betina Ramsey, Bonnie Manor, Cheryl Cherry, Leigh Anne Hawthorne

Handouts: Agenda, minutes from last meeting, 2011 schedule of events, budget and grant updates

Meeting called to order by Loyal Crawford. Loyal welcomed all board members to the September 2011 meeting.

Minutes: Susan Winkler made a motion to accept the minutes and Jeffrey Sheets 2nd the motion. Motion carried. No changes were noted.

Financial Report: Neil presented the financial report for review. We had a balance of \$89,145.43 at this time. Kay Price made a motion to accept the financial report and Jeffrey 2nd the motion. Motion carried.

Administrative budget currently has \$14,119.00 available for 2012: Motion was made to take \$3,881.00 from the bunko fundraiser and adjust the administrative budget to \$18,000. Kay Price made the motion and Paul Ford 2nd the motion. The motion carried.

Nomination of Officers for 2012- no one else was nominated: Jeffrey made the motion to accept the slate and Susan 2nd the motion. The motion carried.

The slate of officers to be voted on is as follows:

Chair: Ted Hackney
Vice Chair: Sherry Organ
Secretary: Lisa Weathers
Treasurer: Neil Neideck

- **Officer Election during our October 18, 2011 meeting**

SCHOLARSHIPS- WCSPSF, Inc. received 34 applications for the fall semester 2011.

- 17 new applicants (must be interviewed)
- 17 recertification's
- 8 didn't qualify
- 2 dropped out

WCSPSF will conduct interviews the week of September 19-23. At this time we have 17 to interview.

Cheryl suggested that the board members contact her ASAP to assist in the interviewing process

Fall Reception 10/06/2011 at ASU Searcy Student Center @ 6:00pm: Board members are asked to contact Cheryl for food donation for the reception.

EXECUTIVE DIRECTOR- DAN NEWSOM

- 3 endowments current value: Emde \$11,462.90; Kircher: \$6,937.45 and Wal-Mart \$10,867.29- down slightly
- Grant status 13 written (Goal 12) Brinker Corporation Foundation received letter of denial.
- Next Ace training in Jonesboro- Organizational Development on October 12, 2011.
- ASPSF Leadership Development Conference October 28-29: Dan & Betina will be presenters. 4 spots available for WCSPSF committee: Dan, Loyal, Betina, and Loyal will attend. Hotel- Holiday Inn Presidential Suite in Little Rock, if you room with a buddy the hotel is free - if you have no buddy the cost \$53.35.
- Calendar of events- see list
- Board Members - remember to make your personal contribution to the scholarship fund so we can have 100% board member participation.

Next Meeting October 18, 2011 4:30pm at White County DHS- Motion to adjourn

Minutes submitted by Aletha "Lisa" Weathers

2011 GRANT INFORMATION FOR WCSPSF

NAME	AMT. REQ.	PURPOSE:	DATE REQ:	STATUS:	AMT. RECD:
United Way Venture	\$5,600.00	Scholarships	2/22/2011	A	\$5,600.00
First Electric	\$1,400.00	Scholarships	07/05/11	A	\$1,000
WCCF	\$4,900.00	Scholarships	1/19/2011	D	\$0.00
Eaton	\$5,600.00	Scholarships	2/2/2011	A	\$1,400.00
Sweet Foundation	\$24,000.00	Scholarships	2/9/2011	LD	\$0.00
Kresge Foundation	\$35,000.00	Salary	2/10/2011	LD	0
Chesapeake	\$7,000	Scholarships	4/26/2011	P	
Union Pacific Railroad	\$7,500	Scholarships	5/7/2011	P	
ARCF (Delta Endowment Grant)	\$40,000	Salary/Expenses	05/10/11	D	\$0.00
Energy	1,000	Scholarships	7/1/2011	A	\$980
Energy Micro Grant	\$250	Scholarships	7/19/2011	A	\$250
Family Dollar Stores	\$250	General	8/15/2011	D	
J.Hawkes Charitable Fdn			8/16/2011	L	
Lyon Foundation, Inc.			8/16/2011	L	
Brinker Corporation	\$6,000	Scholarships	8/22/2011	D	0
Fred Darragh Fdn			8/17/2011	LD	0
C.Louis and Mary C. Cabe Fdn			8/17/2011	LD	0
Bl Fdn			8/17/2011	L	
Bittha Godfrey and Maude J. Thomas Charitable Fdn			8/17/2011	L	
M.W. Murphy Foundation			8/26/2011	L	
Lyon Foundation, Inc.			8/26/2011	L	
Hubbard Family Charitable Fdn.	\$6,000	Scholarships	9/2/2011	P	
Hawley Family Charitable Fdn	\$6,000	Scholarships	9/2/2011	A	\$7,000

A = Awarded
 D = Denied
 P = Pending
 TBF=To Be Filed
 RFS=Ready For Submission
 L=Letter of Invitation
 LD=Letter of Invitation Denied
 TBD=To Be Determined

WHITE COUNTY SINGLE PARENT SCHOLARSHIP FUND, INC

2011 SCHEDULE OF EVENTS

1/18/11: Board Meeting	7/23/11: Day of Caring
2/14/11: Spring Scholarship Interviews	08/06/11: Bunko Bash
2/15/11: Board Meeting	08/15/10: Fall Scholarship Deadline
3/03/11: Spring Scholar/Donor Reception -- 6:00 pm -- ASU Searcy	08/16/11: Board Meeting
3/09/11: Ace Workshop-Resource Development-Paragould	9/13/11: Board Meeting*(One Week Early To Comply With By Laws Re: 30 Days Between Officer Nominations and Election) -- Nominations for Officers and Board
3/15/11: Board Meeting	9/19/11 thru 9/23/11: Fall Scholarship Interviews
4/26/11: Ace Workshop-Communication-Blytheville	10/6/11: Fall Scholar/Donor Reception -- 6:00 pm -- ASU Searcy
4/18/11: Board Meeting	10/12/11: Ace Workshop-Organizational Development-Jonesboro
5/11/11: Ace Workshop-Financial-Judsonia	10/18/11: Board Meeting-Officer and Board Elections
5/17/11: Board Meeting	10/28/11 -- 10/29/11: ASPSF Leadership Development Conference
5/19/11: ASPSF Mother's Day Gala at State Capitol	11/14/11: ACE Workshop-Community Engagement-Searcy
6/01/11: Summer Scholarship Deadline	11/15/11: Board Meeting
6/08/11: Ace Workshop-Leadership-Walnut Ridge	12/31/11: Spring Scholarship Deadline
6/21/11: Board Meeting	
7/11/11 thru 7/15/11: Summer Scholarship Interviews	
7/19/11: Board Meeting	