



*The Hendricks County Community Foundation partners with generous people to realize their charitable goals while addressing community needs in meaningful and lasting ways.*

## Board of Directors Qualifications & Responsibilities

(Approved by Board of Directors – 12-5-2016; reviewed and reapproved 8-27-2020)

**Background:** The Hendricks County Community Foundation, Inc. (HCCF) is a local nonprofit organization that connects residents of Hendricks County, Indiana with causes they care about through coordinated investments and grantmaking. It's a way for local people to come together and solve local challenges facing Hendricks County every day, leaving a long-term impact and legacy in the community. By working as an advocate for the whole nonprofit sector and connecting residents and organizations across the county, HCCF enables a larger impact beyond what one individual nonprofit or donor can accomplish.

HCCF is positioned to become the leading force for expanding private philanthropy in our region. The Board of Directors (the Board) is critical to the Foundation's ability to achieve its mission. Board members hold the organization in trust, and in their roles, make decisions and take action with the organization's mission and goals in the forefront. The Board is the Foundation's chief policy-making body and is ultimately responsible for the legal, ethical, financial, administrative, grantmaking, community service, and fundraising activities of the Foundation. The President & CEO is responsible for operations and executing the Board's policies.

**Charge:** The Bylaws state:

"The affairs of the Corporation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Amended and Restated Articles of Incorporation (the "Articles") and these Bylaws." (Art. II, Sec. 1. See the remainder of Art. II for more on the Board.)

**Powers:** The Board is HCCF's chief policy-making body. As such, the Board bears ultimate responsibility for oversight of the legal, ethical, and financial affairs of the Foundation, under state and federal law, and the organization's Articles of Incorporation, Bylaws and approved policies.

**Membership & Qualifications:** The Board shall have no less than nine (9), and no more than twenty-one (21), members, all of whom shall be voting members. Board members shall serve as volunteers and without compensation. Members shall be of legal age and reside in, work in, or have a compelling connection to, Hendricks County, Indiana. Board members are nominated by the Governance Committee, who seeks to find members who can fulfill the responsibilities defined in this document, who represent the varied interests of Hendricks County, who bring a variety of skills required for good governance, and who bring resources to help the foundation achieve its mission and goals for growth.

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The term of office shall be two (2) consecutive three-year terms; however, the Governance Committee may petition the Board of Directors to extend by up to two (2) years the term of a member of the Board who is serving or has served as Chair of the Board, Vice Board Chair, Secretary or Treasurer. Terms shall track with HCCF's fiscal year. Former Board members will be eligible for re-election to the Board after a period of at least one year following the end of their former term. Members are nominated by the Governance Committee and elected by the Board, and are covered by the organization's Officers and Directors Liability insurance policy.

Each Board member is expected to be totally committed to the vision, mission, philosophy, goals and objectives of the Hendricks County Community Foundation. When a person accepts election to the HCCF board, he or she agrees to contribute the following:

- Time and energy to prepare for, attend and actively participate in Board and Community Foundation meetings and events.
- Talent and expertise in an area of value to the governance of HCCF.
- A willingness to educate the general public as to the mission, goals and impact of HCCF.
- Participation in the various fundraising activities of the Community Foundation.
- Financial gifts at a level personally significant for the individual member.

Meetings and time commitment: The Bylaws require the Board meet no less than four times a year, quarterly, at a time and place to be determined. Current practice is for the Board to meet every other month (six times a year) for approximately 90 minutes. Attendance at Board retreats, committee meetings, special events, and social occasions will increase the time commitment. Additional meetings may be called as required. Overall time commitment is approximately 4 to 6 hours per month.

Responsibilities: Legal Responsibilities: Under well-established principles of nonprofit corporation law, and accepted best practices for nonprofit governance, a Board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. These standards are usually described as the duty of care, the duty of loyalty, and the duty of obedience.

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 organization a duty to actively participate, be informed and exercise reasonable care when he or she makes a decision as a steward of the organization.

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. When there is a conflict or duality of interests, either actual or apparent, the Board member has an obligation to disclose that conflict and recuse himself or herself from any such decision. 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.

Duty of Obedience - The duty of obedience requires Board members to be faithful to the organization's governing documents and mission, as well as external laws. They are not permitted to act in a way that is

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inconsistent with the legal framework or central goals of the organization. This duty includes accepting and abiding by the Board's decisions (even if you voted against them), and the recognition that the Board has the power to act only as a body of the whole; individual Board members have no legal authority. A basis of this rule lies in the public's trust that the organization will properly manage donated funds to fulfill the organization's mission.

Specific responsibilities and expectations of HCCF Board members include:

- **Show Commitment:** Demonstrate an understanding of and commitment to HCCF and its mission of expanding private philanthropy in Hendricks County and consider service to the Community Foundation to be a high-priority civic commitment.
- **Be Informed:** Be knowledgeable, inquisitive, and participate in deliberations on board actions and policy matters. Ask for additional information, if needed, to make informed decisions.
- **Attend Meetings:** Attend an orientation session, at least five of the bi-monthly six Board meetings, an annual policy and strategic planning retreat meeting, and, as possible, any special events sponsored by HCCF. Members who miss more than two of the six Board meetings may be asked to resign.
- **Plan the Future:** Actively participate in planning and goal setting and implementation of plans, as appropriate. Suggest prospects for the board who can make significant contributions to the HCCF mission.
- **Serve on a Committee:** Actively serve on at least one committee, which generally meet four times per year (standing committees are Executive, Finance, and Governance, and ad hoc committee are Awareness, Development, Program, and Scholarship). Additionally, Board members may be asked to serve on time-limited task forces and work groups as needed.
- **Provide Appropriate Oversight:** Fulfill fiduciary responsibilities by reviewing the organization's monthly and annual financial statements, developing and approving the annual budget and assuring that proper financial controls are in place. Periodically assess the performance of the Board, its committees and President & CEO.
- **Ensure Adequate Resources:** Partner with staff to raise funds and assure the foundation reaches its goals and has adequate resources for the organization to fulfill its mission.
  - Assist in setting fundraising goals that are ambitious but achievable with full participation of the Board and staff.
  - Participate willingly in fundraising activities of the Community Foundation.
  - Make an annual gift, of a personally significant amount, to HCCF's operating fund.
  - Identify potential donors and become familiar with HCCF's list of prospective donors. Assist the Board and staff in cultivating relationships where appropriate.
  - Board members are encouraged to set an example for others by creating a personal charitable fund in the Community Foundation and include HCCF in their will or estate plan.

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- Promote the Foundation: Serve as an ambassador for the Community Foundation in the community; let others know of your service to the Community Foundation, and promote HCCF as an important asset in the community.
- Serve the Community: Demonstrate that Hendricks County is a vibrant, giving community through your actions.
  - Attend at least one meeting of the Program Committee during the first year of your first term.
  - Identify opportunities for the Foundation to serve the community and bring them to the attention of the Board and staff.
  - Ensure that the Boards and staffs of other community organizations with whom they are involved are aware of the Foundation's grantmaking programs and other services to charitable agencies.
- Maintain Confidentiality: Honor the confidentiality of Board meetings and the names of current or prospective donors. Speak on behalf of the Board, only if authorized to do so.
- Adhere to the Community Foundation's Conflict of Interest Policy.
- Respect roles and responsibilities: Honor the role of the President & CEO to execute board policy, to hire and supervise staff, and to be responsible for the daily operations of the organization. Provide open and respectful dialogue with fellow board members on governance matters, and abide by board decisions, even when disagreeing with them. Recognize that individual board members do not have legal authority to make decisions or give directives.

Staff support: The President & CEO shall be the primary staff support for the Board. Other HCCF staff may provide administrative support.

By signing, each board member attests to understanding and committing to the expectations and responsibilities of all elected members of the Hendricks County Community Foundation Board of Directors.

Signed:

\_\_\_\_\_  
 Member, Board of Directors                      Date

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