



Board Members' Roles and Responsibilities Policy

Approved - January 18, 2024

Policy Statement: The Private Directors Association's Board of Directors is committed to providing strategic leadership, governance, and oversight to ensure the organization's success in fulfilling its mission. This policy outlines the roles and responsibilities of Board Members, clarifies the distinction between strategic governance and day-to-day operational activities, and defines the consequences for non-adherence to this policy.

Board Members' Role: A Board Members' primary role is to contribute to the strategic direction, governance, and oversight of the Private Directors Association. This includes setting policies, ensuring fiscal responsibility, and safeguarding the organization's long-term sustainability. The Board has a fiduciary obligation under state law and is governed by the Articles of Incorporation and Bylaws. *Board members have no individual authority or responsibility related to PDA and its operations.* They may act only as a member of the full Board as it executes its responsibilities.

Responsibilities:

1. **Strategic Vision:** Board Members actively craft and endorse the organization's strategic vision. Their insights and foresight contribute significantly to its long-term success.
2. **Governance:** Board Members uphold the Member Code of Conduct, adhere to legal obligations, and ensure the organization operates in alignment with its mission as described below:
 - a) **Duty of Care:** Ensure prudent use of all assets, including facility, people, and good will.
 - b) **Duty of Loyalty:** Ensure activities and transactions are advancing its mission. Follow the Conflict of Interest Policy, recognize, and disclose conflicts of interest and make decisions that are in the organization's best interest, not in the best interest of an individual Board Member.
 - c) **Duty of Obedience:** Obey all applicable laws and regulations; follow the bylaws; and adhere to its stated mission.
3. **Financial Stewardship:** Board Members monitor and approve financial statements, financial plans and forecasts, and projected capital expenditures ensuring the organization's sustainability.
4. **CEO Life Cycle:** Board Members hire the CEO, support the CEO, evaluate the CEO's performance, and ensure a succession plan is in place for the CEO.

5. **Participation:** Board Members prepare for, attend, and conscientiously participate in Board meetings. Board Members participate fully in one or more committees. Board Members engage in learning opportunities to better represent the Private Directors Association.
6. **Advocacy:** Board Members serve as ambassadors for the organization, promoting its mission, vision, and values.
7. **CEO Support:** Board members offer guidance, suggestions, and support to the CEO, fostering a positive and constructive professional relationship.

Operational Activities: Board Members will refrain from involvement in day-to-day operational activities. Such activities are the responsibility of the staff and leadership team. Examples of such activities include signing contracts on behalf of the Private Directors Association, directing the work for the CEO, staff, legal counsel, or chairs of national committees, or initiating new committees, programs, or task forces without the knowledge and approval of the CEO or Board as appropriate.

Effective Collaboration: Board Members engage collaboratively with the CEO and with each other. Board Members will not dominate discussions and ensure that everyone has a chance to share their opinions. Board Members seek to understand the reasoning behind each other's comments, even when they do not agree.

Consequences for Non-Adherence: Board Members found to consistently violate this policy may face consequences, including but not limited to:

1. **Verbal Warning:** The Board Chair will issue an initial verbal warning, highlighting the specific instances of non-adherence, and emphasizing the importance of compliance.
2. **Written Warning:** If the behavior persists, the Board Chair will issue a written warning, clearly articulating the expectations and potential consequences of continued non-compliance.
3. **Removal from Board:** In extreme situations (i.e., fraud or embezzlement), or repeated cases of non-compliance or a written warning, the Nominating and Governance Committee will recommend to the Board of Directors removal of the Board Member from their position as a Board Member.
4. **Role of the Nominating and Governance Committee:** The Nominating and Governance Committee is entrusted with the responsibility of discussing and evaluating potential violations of this policy. This committee will conduct a thorough review of the circumstances surrounding the alleged non-adherence, considering all relevant factors, before recommending any of the consequences listed above.

Review and Amendment: This policy will be reviewed annually to ensure its relevance and effectiveness and it will be updated if required.

Approval: This policy has been approved and adopted by the Board of Directors of the Private Directors Association on January 18, 2024.