

## Fact Sheet - Board Activities

### Director Responsibilities

**Duty of Care** - A board member must be active in organizational planning and decision making. Board members must exercise reasonable care when he or she makes a decision for the organization. Reasonable care is what an "ordinarily prudent" person in a similar situation would do.

**Duty of Loyalty** - A board member must never use information gained through his/her position for personal gain and must always act in the best interests of the organization. Board members must avoid conflicts of interest or the appearance of conflicts.

**Duty of Obedience** - A board member must be faithful to the nonprofit organization's mission. He or she cannot act in a way that is inconsistent with the organization's goals. The public trusts the board to manage donated funds to fulfill the organization's mission.

Also, your board must:

- Make sure that the organization follows the law
- Approve all key contracts
- Attend most board meetings, thus indicating a dedication to the organization
- Hire and supervise the executive director
- Make sure the organization remains financially solvent by evaluating financial policies, approving budgets, and reviewing financial reports
- Participate in fundraising. Finances are not just about overseeing the budget.

### Foundational Documents

**The Articles of Incorporation** for Navy League of the United States Honolulu Council (NLHC) as a not for profit organization "dedicated to educational and charitable services", subject to section 501(c)(3) of the internal Revenue Code, were submitted to the state of Hawaii on June 6th, 1997.

- As such NLHC is exempt from federal taxes, sales taxes and property taxes.
- NLHC can receive tax-deductible donations.

**NLHC Bylaws** were filed on March 2006 and last amended in 2016.

#### • Committees

- Standing committees unless otherwise determined by the Board include a Finance Committee and Nominating Committee
- The Board may create other committees, assign directors to serve, and delegate powers.
- The Board may create Advisory committees with at least one member being a Director.

#### • Officers

- The council officers shall include a President, Senior Vice President, one or more Vice Presidents, a Secretary, a Treasurer, a Judge Advocate, a Deputy Judge Advocate, a Parliamentarian, and a Chaplain.
- Vice Presidents shall have duties and authority as the President or Board of Directors may assign to them.

### Honolulu Council Handbook

- Amplifies duties and responsibilities of officers and professional staff.