What are Fiduciary Duties?

• Responsibilities imposed on people trusted to act in good faith and honesty on behalf of a 3rd party

• All boards act in good faith and honesty
Nonprofit v For Profit Fiduciary Duties

• For profit fiduciary duties

• Nonprofit fiduciary duties
Duty of Care

• How the board deliberates

• Appropriate care to manage affairs of the organization

• What is appropriate care?
Practical Application - Duty of Care

• Get information
• Review information
• Make decisions
Duty of Obedience

• Familiarity with law

• Familiarity with governing documents

• Know the mission and vision
Practical Application- Duty of Obedience

• Guides the actions of the organization
Duty of Loyalty

• Substance of board deliberations
Duty of Loyalty

• Act in the best interests of the organization

• Personal interest subordinated to the interests of the organization

• Watch out for private inurement
Practical Application-Duty of Loyalty

• Usurping a corporate opportunity

• Using authority for own benefit
Takeaways

• Read material before meetings
• Go to meetings
• Pay attention
• Ask questions
• Know when to hire a professional
• Always put interest of nonprofit before your own

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Thank you for watching!

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