



## Governance Webinar #2

LSC Leadership:  
Legal, Ethical, and other “Really Important Stuff”  
Required by Board Leaders

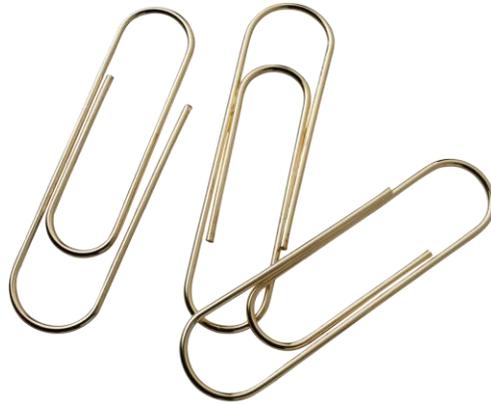


## Welcome/Introductions



Jane Grosser  
USA Swimming LSC Governance Consultant  
USA Swimming volunteer  
LSC Volunteer  
Swim Parent  
Coach  
Swimmer

## Strategic Thinking



### When an organization thinks strategically...

The Board of Directors:

Provides leadership that focuses your organization on the same goals.

Utilizes tools that allow your organization to function more effectively.

Can actually shape the future of your organization, not just react to it.



## 10 Basic Responsibilities of Nonprofit Boards

Basic Responsibility	How It's Carried Out
1. Determine the organization's mission and purpose.	Write mission as a group; review annually, post prominently
2. Select the chief executive	Job description; careful search, pre-employment screening
3. Support the chief executive and review his or her performance	Annual written review; frequent informal feedback
4. Plan for the future.	Annual retreat/planning sessions, written strategic plan
5. Determine, monitor, and strengthen the programs and services	Tie programming to mission, frequent review of programs, add new as needed, evaluate/eliminate underperforming programs
6. Ensure adequate resources.	Examine fees as related to budget, fundraising as needed
7. Protect assets and provided financial oversight.	Written policies and procedures, audit procedures, budget approval process, invested reserves
8. Build competent leadership	Recruit and orient new members; rotate, term limits
9. Ensure legal and ethical integrity and maintain accountability.	Follow legal and USA Swimming requirements, file necessary paperwork, follow written policies
10. Enhance the organization's public standing.	Be a public advocate for the organization, communicate clearly through various methods

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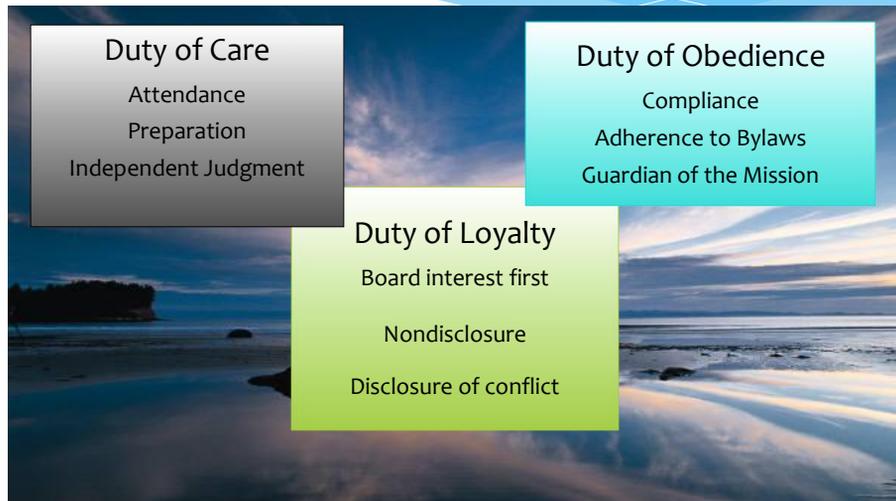
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## Questions Board Members often ask

- \* What kind of oversight am I expected to provide?
- \* What does it mean to be a board member?
- \* When and how could I be found personally liable?
- \* How can I avoid damage to the board and the organization?

# Legal and Ethical Integrity



## Duty of Care

Board members must exercise due care in all dealings with the organization. Directors should be reasonably informed about the organization's activities, participate in collective decisions, and do so in good faith and with the care of an ordinary prudent person in similar circumstances.

## How is the Duty of Care carried out?

Attendance  
Preparation  
Independent Judgment

## Duty of Loyalty

The duty of loyalty requires board members to exercise their power in the interest of the organization and not in their own interest or interest of another entity, particularly one in which they have a formal relationship. When acting on behalf of the organization, board members must put the interests of the organization before their personal and professional interests.

## How is the Duty of Loyalty carried out?

Board interest first  
Nondisclosure  
Disclosure of conflict

## Duty of Obedience

The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. Obedience to the organization's central purposes must guide all decisions. The board must also ensure that the organization functions within the law, both the "law of the land" and its own bylaws and other policies.

## How is the Duty of Obedience carried out?

Compliance  
Adherence to Bylaws  
Guardian of the Mission

## Bylaws

Organizational Structure  
Rights of the Membership  
Procedures of Operation

Update annually, submit to your HOD, submit to:  
[bylaws@usaswimming.org](mailto:bylaws@usaswimming.org)

# Financial Responsibility



## 10 key financial questions every BOD member should ask

Question	Yes	No	Unsure
1. Have we run a gain or loss?			
2. Are our key sources of income rising or falling?			
3. Do we have a diversity of funding sources?			
4. Are our key expenses under control?			
5. Do we have sufficient reserves?			
6. Is our cash flow projected to be adequate?			
7. Are we in line with our budget?			
8. Is our financial plan consistent with our strategic plan?			
9. Are we filing all needed reporting documents on a timely basis?			
10. Are we fulfilling all of our legal and financial obligations?			

## Crisis Management



Before a crisis arises:

Develop a written plan

Who speaks for your board?

Prepare for worst case scenarios

## BOD member Code of Conduct

### Commitment

As members we commit to each other that we will act in an honest manner with one another and that we will make decisions that are in the best interest of the members of our organization.

## The role of Individual BOD Members



Uphold: Duty of care, loyalty, obedience.  
Understand and carry out the expectations  
& roles of your position.  
Understand the roles of all BOD members.  
Prepare for and attend meetings.  
Avoid Conflict of Interest.  
Accept fiduciary responsibility.

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**Questions?**

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