

THE MICHIGAN
WWII LEGACY
Memorial

HONORING SACRIFICE. CELEBRATING FREEDOM.

Commitment to Duties

The Michigan WWII Legacy Memorial recognizes that the duties of a nonprofit board member are set forth in state law and generally constitute the scope of individual liability for a board member. It also understands that “best practice recommendations” published by the Internal Revenue Service in February 2008 suggest compliance with these duties. Additionally, the board recognizes the work published by the Panel on the Nonprofit Sector in October 2007 that is based on the premises that nonprofit board members accept their role in protecting and upholding the nonprofits mission. As such, all trustees must understand and to adhere to the following duties:

Duty of Care

The duty of care is often defined as “the amount of care that an ordinarily prudent person would exercise in a like position and under similar circumstances.” In everyday terms, this means that board members must exercise reasonable care when they make a decision for the nonprofit.

To meet the reasonable care standard, board members must take an active and informed role in decision-making. They follow the policies related to board meeting attendance and participation.

Duty of Loyalty

All board members owe a duty of loyalty to the organization and to the mission. The duty of loyalty requires a board member to keep the best interests of the organization in mind at all times when making decisions on the behalf of the organization. A board member must never put personal priorities or opportunities ahead of the nonprofits interests. To comply with the duty of loyalty, boards members must be sure that they are acting with the organization’s interests in mind, not their own. They must act to fulfill the mission of the nonprofit and sign the Conflict of Interest policy annually.

Duty of Obedience

The duty of obedience requires board members to be faithful to the organization’s mission and policies. Their actions must be consistent with the mission statement, Articles of Incorporation, bylaws, and tax-exemption documentation. The nonprofits central goals must guide all board decisions. In addition, board members should also comply with all applicable laws and regulations and with “recommendations” published by the IRS in 2009 and the Panel on the Independent Sector’s best practices.

Duty of Confidentiality

The duty of confidentiality requires that board members acknowledge the decisions are made by majority rule. Board members must leave the board room united around the collective decisions made and not engage in discussions that may in any way damage the mission, the reputation of the nonprofit, or of fellow board members.