



Article 241

May 14, 2012

## **Board Membership Offers Connections, Fulfillment**

*By Leslie McCarthy Apodaca, Director, Greater Albuquerque Chamber of Commerce; and Partner, Rodey, Dickason, Sloan, Akin & Robb, P.A.*

Serving on the board of a nonprofit organization can be professionally and personally satisfying, or it can be an exercise in boredom and frustration. Getting the most from board membership requires a good fit between individual and organization, and that requires some research.

### **Pros and Cons**

The benefits of board service are generally recognized, which is why the busiest and most successful members of a community often serve on community boards. Board membership offers an opportunity to collaborate with others who are interesting and like-minded. Board members can learn new skills and use skills they already possess to improve and benefit an organization they support. Most people who volunteer to serve on boards say they do so because of a desire to have an impact, to effect positive change and to give back to the community.

Networking opportunities and public recognition are other benefits of board service. Many business people join boards to get their names before the public and demonstrate their abilities through the work they do on behalf of the organization. For example, a certified public accountant might serve as an organization's treasurer. But others are simply passionate about an organization's mission, as when a classical music lover serves on a symphony board.

That said, board members need to approach board service with caution. They have a fiduciary relationship to the organization they serve and thus potential liability for financial mismanagement, including for allowing Internal Revenue Service penalties to accumulate. Before agreeing to serve, a potential board member should ask whether the board has ever been sued (lawsuits could suggest a tendency among board members to operate outside the scope of their authority) and ask to see an organization's financial information; any reluctance to open the books is a warning sign. The organization should provide adequate directors and officers (D&O) insurance to protect members in the event of a lawsuit.

### **Deciding Whether to Serve**

Many nonprofits, particularly in today's cash-strapped economy, are relying on board members far more heavily than in the past for their financial contributions, technical expertise, time and

connections. Prospective board members should determine the likely expectations and commitments — as well as the length of their term — before agreeing to serve.

Regular duties and obligations are often spelled out in a handbook that includes the organization’s bylaws, operational structure and board guidelines. Some boards, for example, expect members to lead fundraising activities, attend meetings, sponsor events, buy tables and donate to the organization.

Most boards have an executive committee made up of the president, vice president, secretary, treasurer and at-large members. The executive committee often takes responsibility for specific business such as oversight of the executive director, but exact responsibilities are typically spelled out in the bylaws. Some organizations set term limits for board members to ensure that the organization gets regular infusions of fresh energy and ideas.

*Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org). Sponsored by:*

