

Effective Members

Each member of the board of directors must fulfill his/her fiduciary duties to the organization and the public they serve. Your primary legal duties include the duties of care, loyalty and obedience.

- ▶ The *duty of care* requires each member be familiar with the organization's finances and activities and to participate regularly in its governance by attending all Board meetings and participate in discussions and decision-making.
- ▶ The *duty of loyalty* requires that a board member must never use information gained through his/her position for personal gain, including tenant-related information and must always act in the best interest of the organization.
- ▶ The *duty of obedience* requires individual board members to ensure that the organization complies with applicable laws and regulations, which includes insuring that the organization carries out its purposes and does not engage in unauthorized activities.

Resources

HUD Publications

HUD Handbook, 4350. 1 Chapter 6

www.hudclips.org/sub_nonhud/cgi/select/bk.cgi

LISC Publications

Occasional Paper Series No.2 Selecting a Management Firm
A Workbook and Sample Forms

Occasional Paper Series No.3

A Guide to the Roles & Responsibilities of an Asset Manager

A Guide to Comprehensive Maintenance Repair

Chapter 5: Long Range Planning

Websites

U.S. Department of Housing and Urban Development

www.hud.gov

Local Initiatives Support Corporation

www.lisc.org

Management Assistance Program

www.mapforprofits.org

Minnesota Attorney General

www.ag.state.mn.us

Minnesota Council of Nonprofits:

www.mncn.org

Minnesota Housing Finance Agency

www.mhfa.state.mn.us

Minnesota Multifamily Housing Association

www.mmha.org

National Coalition for Homeless Veterans

www.nchv.org/docs/Board%20of%20Directors%204.21.05.pdf

ORIENTATION GUIDE

BOARD OF DIRECTORS



This Orientation Guide is one of a series of five
Compiled by the
Minneapolis Office
Multifamily Housing Division
U.S. Department of Housing and Urban Development



ROLES AND RESPONSIBILITIES



ROLES AND RESPONSIBILITIES

Goals

To assure that the organization's mission and purpose is being accomplished and ensure that decent, safe, and sanitary housing is provided to the residents.

To assure that every member has a full understanding of his or her role and responsibilities and follows the principles of nonprofit corporation law: duties of care, loyalty and obedience.



Major Responsibilities

The non-profit housing corporation owns the Multifamily Housing development. As Board members/owners, you are responsible in the following manner:

- ▶ Abide by the Articles of Corporation and the By-laws.
- ▶ Be familiar with HUD's rules and regulations pertaining to the Regulatory Agreement and Subsidy Contract. This includes Fair Housing Laws.
- ▶ Be aware of any fiscal, physical, and social needs of the project.
- ▶ Manage financial resources of the project effectively; seek and apply for additional resources when necessary. This includes reviewing and approving the annual budget.
- ▶ Oversee the performance of the management agent.
- ▶ Be an effective representative of the organization to the community.
- ▶ Evaluate the organizational effectiveness.

Effective Boards

Have a Board composition that includes a variety of skilled and experienced members in the areas of finance, management, public relations, legal, and human resources and in programmatic areas such as social services, education, etc.

Establish goals and develop a strategy plan in meeting those goals.

Schedule regular board meetings and send relevant reports in advance so that members come to meetings prepared.

Regularly assess the management agent's performance as well as a self-assessment of the Board's effectiveness.

Have a strategy for recruiting new members.

Conduct board training and provide copies of the bylaws; articles of incorporation, mission statement, and strategic plan, etc. for all new board members.
