GOAL High School Board Training

October 27, 2020

Presented by:
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Agenda

- Board Member Duties
- Governance Role

What governs board members?

- State and Federal Law
- Articles of Incorporation and Bylaws
- Charter Contracts
- Board Policies

Board members are fiduciaries.

Fiduciary Duties

CARE

LOYALTY

FIDELITY TO PURPOSE

Board members are to discharge their duties to the School

In good faith

With the care an ordinarily prudent person in a like position would exercise under similar circumstances

In a manner they reasonably believe to be in the best interests of the School

DUTY OF CARE

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How does the Board meet its Duty of Care?

- Prepare for meetings in advance;
- Actively participate in discussion;
- Vote when eligible;
- Behave in a fiscally responsible manner;
- Read minutes;
- Question unclear or troubling activity;
- Exercise responsibilities in good faith and with diligence, attention, care, and skill;
- Carry out the purposes, mission, and strategy of the school(s);
- Comply with the school's governing documents (articles of incorporation, bylaws, policies, charter contract);
- Devote the necessary amount of time and attention to the affairs of the school to enable reasonable and informed decisions;
- Request expert advice if a decision requires information and judgment that is outside the Board's experience and expertise.

Business Judgment Rule

A director who exercises reasonable diligence and who, in good faith, makes an honest, unbiased decision will not be held liable for mere mistakes and errors in business judgment.

The “Rubber Stamping Board”

- Fails to ask pertinent questions or engage in deliberative dialogue on solutions.
- Does not work successfully together to arrive at independent-minded decisions.
- Accepts recommendations with little questioning.
- Fails to explore alternatives.

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Limit Liability

Board members are entitled to rely on information, opinions, reports, or statements prepared or presented by:

(1) officers or employees whom the director reasonably believes to be reliable and competent,

(2) lawyers, accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence, and

(3) a committee of directors if, the director reasonably believes that the committee merits confidence.

Duty of

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The School’s best interest must be the Board’s primary focus.

Directors meet the Duty of Loyalty by placing the interests of the organization before their own interests or those of related parties and avoiding the use of organizational opportunities for personal gain

Avoid using the organization's opportunities for personal or related parties' gain.

Conflicts of Interest

A conflict of interest exists when a director or officer (and related parties) might receive a tangible personal benefit as a result of a decision affecting the corporation’s business or assets.

Board Members Shall

- Have undivided loyalty to the school
- A written conflict-of-interest policy
- Provide full disclosure of potential conflicts of interest
- Ensure compliance with governing documents of the school
- Avoid engaging in opportunities that benefit board members or their families
- Be objective and unbiased in their thinking and decision-making
- Exercise duties free from external control and without ulterior motives;
- Exercise duties free of any conflict of interest when discussing issues and making decisions
- Observe total confidentiality when dealing with school matters

Duty of Fidelity to Purpose

- The purposes and powers expressed in the governing legal documents.
- External legal regimes, including federal and state laws that affect the organization.

How does the Board meet the Duty of Fidelity to Purpose?

- Strict adherence to the bylaws of the Board and the articles of incorporation;
- Compliance with all legal and reporting requirements;
- General understanding of all documents governing the Board and its operation (bylaws, articles of incorporation, board and committee job descriptions, charters, etc.); and
- Ensuring that decisions further the school's mission and comply with the scope of its governing documents.

What does it mean to govern?

The role of the Board and Board Members is to define and protect GOAL's Mission and Vision

MISSION

Develop productive members of society.

VISION

Helping all students achieve their full potential in a caring, supportive, and personalized environment.

Governance vs. Management Roles

Governance Roles	Management role
• Govern the organization and act on behalf of the members in a ‘trustee’ or ‘stewardship’ role • Keep the organization focused on its mission and vision • Lead the organization through strategic planning, goal setting, policies, and holding the Board’s one employee accountable	• Deal with the complexity and details of the day-to-day business operations and individual operational functions • Work directly within the organization • Act within the framework of the strategic direction, goals, and policies established by the Board

Directors Direct

Managers Manage

CHARTER SCHOOL

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Thank you for your time.