

Good Governance and Fiduciary Responsibility

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Who are We?



LOCAL FIRM.
NATIONAL KNOWLEDGE.
GLOBAL REACH.

Overview

- Governing Body
- Mission Statement
- Organizational Documents
- Financial Statements and Tax Compliance
- Policies and Procedures
- Transparency and Accountability
- IRS Hot Topics

Governing Body

- Primary role - governance of the organization
- Fiduciary responsibility - legal duty to act solely in the organization's interests
- Standard of Conduct
 - Duty of Care
 - Duty of Loyalty
 - Duty of Obedience to Purpose

Duty of Care

- Decisions made in good faith and with reliable information
- Regularly attend meetings
- Actively participate in meetings and activities
- Exercise independent business judgement
- Review and inquire about organizational operations
- Monitor financial affairs of organization

Duty of Loyalty

- Act in the interest of the organization and not in personal or another organization's interest
 - Conflict of interest policy
 - Adopted and followed
 - Reviewed annually
 - Corporate opportunity
 - Confidentiality
 - Do not use inside information for private benefit

Duty of Obedience to Purpose

- Consistent with the underlying charitable purposes and goals of the organization
 - Establish objectives and strategies
 - Monitor organization's financial health
 - Ensure organization activities achieve charitable purpose
 - Provide reports to members addressing results

Mission Statement

- Why does the organization exist?
 - What do you hope to accomplish?
 - What activities will you undertake?
 - Who will these activities impact?
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- Establish and regularly review mission statement
 - Disclosed on 990

Organizational Documents

- Articles of Incorporation/Organization
- Bylaws
- IRS determination letter
- Tax exempt application form

Financial Statements and Tax Filings

- Monthly bookkeeping and internal financials
- Annual audited, reviewed, or compiled financials
- Form 990, 990-EZ, or 990-N
 - Approval by board or finance committee before filing with IRS
 - Available to the public
- W-2s and 1099s

Policies and Procedures

- Conflict of Interest
- Document Retention and Destruction
- Ethics and Whistleblower
- Fundraising
- Investments
- Gift Acceptance
- Executive Compensation
- Meeting minutes and records

Transparency and Accountability

- Information available to members
- Clearly defined roles for board members
- Financial information is complete and accurate
- New board member packet
- Relationship with third party service providers

IRS Hot Topics

- IRC § 4958 – Excise Tax Penalties
 - Excess benefit transactions with insiders
 - Penalties on board members that approve such arrangements
- Unrelated Business Income Tax (UBIT)
 - Advertising vs Qualified Sponsorship Payments

Questions

