

## ESTABLISHING GUIDING DOCUMENTS AND MEMORIALIZING DECISIONS

A board of directors will operate most efficiently if it has established a set of procedures, policies and work plans which guide its charitable work, and if it keeps track of its decisions by memorializing in writing its decisions. In some cases, some of these documents are required by law. In *all* cases, creating and using these documents will support the organization's ability of showing how it is meeting its fiduciary obligations. Here's a list of some of these documents:

*Articles of incorporation* are similar to a corporate constitution. They have important, critical, information but are not referred to daily.

*Bylaws* are necessary to deal with how the board of directors operates, including such things as how it elects its directors and officers, how it creates committees, how it reaches a decision (*e.g.*, by consensus or by majority or super-majority vote), and sometimes such things as who can sign checks, etc.

*Minutes* memorialize decisions made by the board of directors and are critical for helping the board remember its past decisions and actions, as well as to provide proof of meeting certain legal requirements.

*Policies*, such as conflicts policies and compensation policies help the board follow legal requirements, as well as assuring decisions are made in a methodical and consistent manner.

*Resolutions* are helpful for important decisions that should be memorialized in such a way that they can be easily recalled for review, or provided to others to show, for example, that an officer or employee may obligate the organization for a particular purpose.

*Mission statements* help an organization define itself and focus its energy.

*Vision statements* help an organization identify and explain some of what it hopes to accomplish through its activities.

*Strategic plans* take the mission and vision and turn it into a long term (usually five year) road map.

*Work plans* establish specific tasks that must be completed by specific times (six months to a year) in order to achieve the long term strategic plan.