



Guidelines for Serving on the Board of Directors

Introduction: What does it mean to serve as a Director?

By serving on the Board of Directors of the New Jersey Glass and Metal Contractors Association (NJG&M), each Director demonstrates his commitment to the glazing industry's community, success and future. Each Director takes on duties and responsibilities that are separate and distinct from his role in his own organization.

A Board of Directors is a group of people legally charged with the responsibility to govern a corporation. In a nonprofit corporate such as the NJG&M, the Board is ultimately responsible to the "stakeholders" – the contractor members of the NJG&M and the glazing industry. The Board collectively possesses skills in various areas of organizational management, including finance, public relations, legal, and human resources.

A Director's responsibility to the stakeholders begins with the goals of the NJG&M. As you are aware, the NJG&M's "Mission" sets forth the Board's primary governing objectives:

The New Jersey Glass and Metal Contractors Association is a nonprofit corporation whose purpose is to promote quality standards, collect and disseminate information about the industry, and provide industry education opportunities to members. The association will market the glass and allied metal industry and trade and support its members by facilitating professional, academic, educational, and technical interests, and will provide a forum for advancement in technology and product quality for customers and manufacturers, while promoting free trade, fair competition, and adhering to U.S. laws and regulations regarding commerce and trade. The association will promote harmony and stability of relations between and among employers and employees in the industry including, but not limited to, maintenance of collective bargaining and elimination or settlement of grievances in conformity with currently existing Collective Bargaining Agreements.

Each Director must devote time and energy to further this mission and to revise it as necessary, to ensure that the Mission accurately reflects the purpose of the NJG&M and the future of the organization.

This memorandum is designed to clarify the basic duties, responsibilities and obligations of a NJG&M Director and to provide the framework required for success as a Director and for NJG&M's success as an organization.

What does the law require of a Director?

The following three principles constitute a Director's fiduciary duty to the NJG&M:

(1) **Duty of Care:**

A Director has the duty to exercise reasonable care when he makes a decision for the NJG&M. This duty of care describes the level of competence that is expected of a Director, and is commonly expressed as a level of care that a reasonably prudent person would exercise in similar circumstances. In other words, a Director must exercise reasonable care when he makes a decision as a steward of the NJG&M. For example, Directors should read documents provided to them at or prior to meetings; ask questions to ensure his understanding of the issues; and ensure that the NJG&M complies with the law.

(2) **Duty of Loyalty:**

A Director must never use information gained through his position for personal gain and he must always act in the best interests of the NJG&M. This duty of loyalty is a standard of faithfulness. A Director gives undivided allegiance when making decisions affecting the NJG&M. In addition, a Director is required to demonstrate dedication to the NJG&M by attending most, if not all, Board meetings as well as General Membership meetings.

(3) **Duty of Obedience:**

A Director must be faithful to the NJG&M's mission. A Director must not act in a manner inconsistent with the NJG&M's goals. The Director is trusted by the members, the public and industry to manage the NJG&M's funds to fulfill its mission.

What are the major duties and responsibilities of a Director?

1. **Determine the NJG&M's Mission and Purpose**

As mentioned above, the statement of mission and purposes should articulate the NJG&M's goals, means, and primary constituents served. The Board of Directors must create the mission statement and review it periodically for accuracy and validity. Each individual Director should fully understand and support the mission of the NJG&M.

2. **Select the Executive Director**

The Board must review and reach consensus on the Executive Director's job description. When necessary the Board also must undertake a careful search process to find the most qualified individual for the position.

3. **Support the Executive and Review His Performance**

The Board should ensure that the Executive Director has the moral and professional support needed to further the goals of the NJG&M. The Board should decide upon a periodic evaluation of the Executive Director and other officers' performance.
4. **Ensure Effective Organizational Planning**

As stewards of the NJG&M, the Board must actively participate in an overall planning process and assist in implementing the plan's goals.
5. **Ensure Adequate Resources**

One of the Board's foremost responsibilities is to provide adequate resources for the NJG&M to fulfill its mission. The Board should work in partnership with the President and Executive Director to raise funds and ensure the payment of fees from the membership.
6. **Manage Resources Effectively**

The Board, in order to remain accountable to the members, and to safeguard its tax-exempt status, ensure that proper financial controls are in place. Additionally, the Board is responsible for ensuring that any and all tax returns and other required filings are completed in an accurate and timely fashion.
7. **Determine and Monitor the NJG&M's Programs and Services**

The Board's role in this area is to determine which programs are the most consistent with association's mission, and to monitor their effectiveness.
8. **Enhance the NJG&M's Public Image**

The NJG&M's primary link to the industry, including constituents, the public, and the media, is the Board. Clearly articulating the Institute's mission, accomplishments, and goals to the public, as well as garnering support from important members of the membership, are important elements of the Board's comprehensive public relations strategy. Additionally, a Director must conduct himself personally and professionally in a manner that will maintain the NJG&M's public image.
9. **Assess Its Own Performance**

By evaluating its performance in fulfilling its responsibilities, the Board can recognize its achievements and reach consensus on which areas need to be improved. Discussing the results of a self-assessment at a retreat can assist in developing a long-range plan.

10. Provide continuity for the NJG&M

The Board must ensure the continuation of NJG&M's legal existence and represent NJG&M's point of view through its interpretation of its programs and services and its advocacy for them.

Revised:

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