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COMMUNITY BASED HEALTH CARE

Lewis & Kappes provides complete and comprehensive legal services to community based health care organizations, boards of directors, and medical and service providers.

DUTIES OF NON-PROFIT BOARD MEMBERS

A board member of a non-profit organization has three fundamental duties; the duty of care, the duty of loyalty, and the duty of obedience.

Duty of Care

The duty of care requires board members to act in a reasonable and informed manner, and to discharge their duties in good faith. To uphold the duty of care board members must discharge their duties with the care that an ordinary prudent person in a like position would believe is reasonable.

Duty of Loyalty

The duty of loyalty requires board members to exercise powers in good faith and in the best interest of the organization. The duty of loyalty often involves conflicts of interest and the procurement of goods and services. A conflict of interest is present whenever a board member has a personal or financial interest in a proposed contract or transaction to which the organization may be a party. A procurement policy sets the board's guidelines for obtaining goods and services and should require the corporation to engage in fair dealing. Board members should ensure that their boards have adopted conflicts of interest and proper procurement policies and that those policies are followed.

Duty of Obedience

The duty of obedience requires board members to be obedient to the mission and purpose of the organization. Board members should regularly review an organization's Articles of Incorporation, Bylaws and financial reports to ensure that the organization is doing what it told the government it would be doing. These documents should be amended or updated to ensure that they reflect the organization's purpose and activities.

If we can provide you or your organization with additional information or assistance, please contact one of our community based health care attorneys directly at:

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