

## Non-Profit Organizations

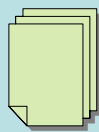
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## Who? What?

Who's who and what's what in a non-profit organization.



## What's What

Key Organization Documents

## Mission Statement

- Your mission statement is a brief statement articulating your goals and purposes as an organization.
- It is different from your stated legal purposes.
- It is different from your stated purposes/activities (as related to form 1023).

## Articles of Incorporation

- Creates a separate legal entity with the state
- Protects participants from personal liability
- Filed with State
- Requirements for amending articles are stated in HRS 414D

## Bylaws

- Document that provides guidance for the governance of the organization
- Not filed with State
- Filed with bank
- Must be made available to public upon request
- Rules for amendment are stated in HRS 414D

## Important Elements of Bylaws

- Duties of board, officers, senior staff
- Terms for board members and related policies
- Indemnification/insurance
- Financial policies
- Purposes/activities
- Cultural considerations

## Policies

- Governing policies not in articles or bylaws
- Simple majority (motions)
- Not filed with State (filed internally)
- Robert's Rules of Order
- Great way to manage organization
- Requires good organization of documents
- Copies should always be given to new board members, staff

## Agenda/Minutes

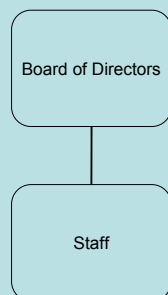
- Templates
- Required
- Notice
- Must be kept with organization's documents



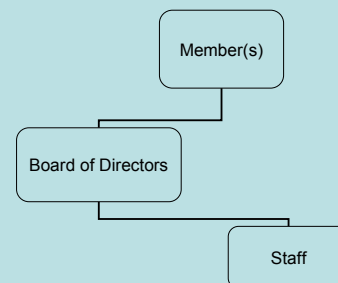
## Who's Who

Roles in a Non-Profit Organization

## Basic Structure (non-member)



## Basic Structure (member)



## Board of Directors

- Are all “directors”
- Governing body of the organization
- The board has “officers”
  - President
  - Vice President
  - Secretary
  - Treasurer

## Board Duties

- Duty of Care
- Duty of Loyalty
- Duty of Obedience

“The duty of care concerns the director’s competence in performing directorial functions and typically requires him to use the care that an ordinarily prudent person would exercise in a like position and under similar circumstances. The duty of loyalty requires the director’s faithful pursuit of the interests of the organization he or she serves rather than his or her financial or other interests or those of another person or organization. The duty of obedience requires that a director act with fidelity, within the bounds of the law generally, to the organization’s mission, as expressed in its charter and bylaws.”

*Non-Profit Governance and Management, p. 83*

## Staff

- Employees
- Unpaid personnel
- Authority to act on behalf of organization (authorized by board)
- Authority to act must be documented

## Executive Director

- NOT TO BE CONFUSED WITH A DIRECTOR ON THE BOARD
- CEO-type position (some non-profits now refer to their ED as the CEO to avoid confusion)
- Manages daily affairs of organization
- Often the “registered agent”

## Your Executive Director Can (and Should) be on your Board of Directors

(If you don’t believe me, find me the provision in the statute that prohibits it.)

### Follow Your Conflict of Interest Policy

- Directors cannot vote on matters related anything they have a financial interest in
- Disclose in writing any potential conflict of interest (critical on financial matters)
- Be pono
  - You cannot get paid twice for work you do
  - You cannot use the non-profit to further your own personal interests (or your family's)

### Working with your Documents

- Review Mission Statement
- Review Articles of Incorporation
- Review Bylaws
- Review purposes/activities
- Do you understand your own documents?
- Can you explain them to others?
- Can you navigate online resources?

A hui hou!