



# Governing Board Responsibilities

## 10 Essential Duties

ECFA's **Seven Standards of Responsible Stewardship™** place great emphasis on strong, effective governance. The importance of an active, informed governing body cannot be overemphasized. Left unchecked, even minor board neglect can eventually intrude upon the accountability and effectiveness of the ministry.

Included in ECFA standards are many broad responsibilities of a governing board such as being well informed and committed to board service, assuring financial vibrancy of the ministry and charting the long-range strategy of the organization in partnership with the top leader.

**Also included in the standards are very specific actions that must be routinely performed by the governing board. This checklist is designed to help your organization's governing board plan and perform these routine requirements.**



- #1:** Conduct at least two board meetings per year, ensuring that majority of board members present are “independent”



- #2:** Maintain proper minutes of board meetings and executive committee meetings



- #3:** Perform annual review of top leader performance



- #4:** Annually document designation and approval of **minister's housing allowance**

### #5: Top Leader Compensation:



- Annually approve top leader compensation package (even if no change)**
- Recuse from decision any individual(s) with conflict of interest
- Use reliable comparability compensation data in setting amount (if total compensation greater than \$150,000)
- Document approval in meeting minutes

### #6: Related-Party Transactions:



- Adopt conflict of interest policy covering board members and key staff**
- Annually review and disclose conflicts of interest using Conflict of Interest Annual Disclosure Statement

### #7: Financial Oversight:



- Approve the engagement or retention of independent CPA (annually or in first year of a multi-year agreement) and document in meeting minutes
- Annually review financial statements prepared by independent CPA and document in meeting minutes
- Maintain communication with CPA to be apprised of internal control weaknesses or other significant risks
- Routinely review top leader expenses



- #8: Complete board **Annual Self-Assessment Survey****



- #9: Consider adopting formal **Board Policies Manual****



- #10: Develop board **recruitment and onboarding process****

Effective governance includes many responsibilities not outlined on this checklist.  
Visit **ECFA Standard 2 - Governance** to learn more about strong, healthy governance.

