

# THE PRUDENT DIRECTOR'S CHECK LIST

1. Make sure your organization's mission is clear, and that the mission is followed.
2. Attend all, or nearly all, meetings of the board or committees of which you are a member.
3. Review by-laws annually to determine that they conform to law and that they incorporate all amendments which have been made through prior resolutions.
4. Make sure by-laws are followed and enforced; use consents to corporate action in lieu of meetings; all directors must sign.
5. Maintain a current membership list for your board and nonprofit organization members.
6. Request that the organization distribute important written materials in advance of board meetings at which action is to be taken.
7. Insist on advance notice to all directors of any major item of business to be acted upon at the next meeting.
8. Read, analyze and understand financial statements, budget proposals and other reports; raise at least one question with respect to each financial document at any meeting called for the purpose of reviewing financial documents; expect solid, businesslike answers from your organization.
9. Question all reports demonstrating inconsistencies, material errors, or other evidence of sloppy work.
10. Seek expert counsel — legal, accounting and otherwise — to supplement board member understanding and experience when dealing with complex issues.
11. Thoroughly review all minutes prepared by the secretary to insure that critical matters, including resolutions and discussions of complicated and controversial topics, have been covered.
12. Adopt a written conflict of interest policy that conforms with state law.
13. Question staff to determine that the IRS is kept advised of all material and substantial changes in the organization.
14. Have the most current articles and bylaws of the organization reviewed by competent counsel to ensure that they take full advantage of state law concerning indemnification and protection of board members.