

# NPO GOVERNANCE TOOL BOX SERIES

Vol. 1, Issue 3, July, 2012

For private circulation only

## BOARD MEMBERS COMMITMENT SHEET



Financial Management Service Foundation

C-56/47, 3<sup>rd</sup> Floor  
Sector 62, NOIDA 201 307  
Ph: 91-120-4773200  
Fax: 91-120-4773227  
Email: [fmsf@fmsfindia.org](mailto:fmsf@fmsfindia.org)



# GOVERNANCE TOOL BOX

## Tools for identifying, recruiting and developing a Board

- Characteristics of Board Member - [Click here to download](#)
- What materials to be shared with the Board Members - [Click here to download](#)
- **Board Members commitment sheet (to be reviewed every year)**
- Areas to be covered in Board Orientation process
- Board Diversity Matrix
- Board Size
- Source for Potential Board Members
- Creating a database of the Board Members

## Job description (Including do's and don'ts)

- Chairperson (Including do's and don'ts )
- Board Members
- Secretary
- Treasurer
- Vice-Chairman

## Board Evaluations

- Board Evaluation Form
- CEO performance appraisal form

## Board Committee

- Executive Committees
- Audit Committee
- Finance Committee
- Human Resource Committee
- Program Committee

## **Policies**

- Human Resource Policy
- Finance Policy
- Conflict of Interest Policy
- Gender Policy

## **Conducting Meetings/Making Decisions**

- Notice
- Setting the Agenda
- Writing Minutes
- Taking Resolutions
- Attendance
- Following up on Decision
- Evaluating a Board Member

## **Creating a Board Manual**

- Need for the Board Manual
- Organization Essentials
- Board Structure and Processes
- Board – ED Relations
- Executive Parameters
- Review of Board Manual

## **BOARD MEMBERS COMMITMENT SHEET**

### **CONTENTS**

<b>INTRODUCTION</b>	<b>3</b>
<b>NEED OF COMMITMENT SHEET</b>	<b>4</b>
<b>PROCESS TO BE FOLLOWED</b>	<b>4</b>
<b>CONCLUSION</b>	<b>5</b>
<b>ANNEXURE 1</b>	<b>6</b>
<b>ANNEXURE 2</b>	<b>7</b>
<b>ANNEXURE 3</b>	<b>8</b>

### **BOARD MEMBER COMMITMENT SHEET**

#### **1. INTRODUCTION:**

It has been seen that in many Organizations the Board processes are not formally documented in a systematic way. The various processes, right from identifying to recruiting and developing the Board are quite critical to an organization's Governance. However, the only place that it is documented is in the minutes of the Board meetings. Again, taking minutes is another important skill and therefore, if the minutes are not properly taken, then the process is not even documented.

It needs to be recognized that membership in any Board is a formal & legal process and therefore there is a need to document it carefully. This tool box re-emphasizes the need to document the recruitment process in a systematic manner and also explains how to do it.

## **2. NEED OF COMMITMENT SHEET:**

Board member when appointed takes up his/her roles & responsibility with the understanding to be effective and being committed towards the Vision & Mission of the Organization. However, this implicit Commitment does not get expressed formally many times in written form. There are no Commitment papers available to reaffirm it. Therefore, in order to uphold the mutual accountability, a Board member Commitment sheet needs to be signed. ***“Board member Commitment sheet is both a legal as well as a moral document. It is a charter between the Organization and the Board member to fulfill certain responsibilities and stay accountable to each other”.***

## **3. PROCESS TO BE FOLLOWED:**

After identifying the qualities to be looked in for a Board member (*NPO Governance tool box series, Vol 1, Issue 1, May 2012*) and sharing the materials with them (*NPO Governance tool box series, Vol 1, Issue 2, June 2012*), next step would come to get the consent of the person to act as a Board member. After he/she goes through the materials thoroughly and gets convinced with all the documents and if he/she feels that this is an Organization to associate with, then a written consent is required to join the Board(*refer annexure 1 for the format for the consent of Board member*). This written consent is then placed before the Board for approval. Issues related to the election/appointment of the individual, the term for which he will be appointed, etc are discussed and then a clear resolution has to be passed(*refer annexure 2 for the format for resolution*). After the resolution is passed, the appointment is to be communicated to the member and then the Board member has to sign a Commitment sheet (*refer annexure 3 for the format of commitment sheet*).

Commitment sheet provides a clear understanding of the responsibilities of each Board member. With a Board commitment sheet, no one could say that they did not understand what they were getting into when they joined the Board. Once the Board members sign this sheet, there is a formal commitment of Board member to remain accountable to the Organization. This sheet needs to be reviewed and signed every year so that the Board members does not forget about it and stays committed to the work; else it may be signed once during the appointment and then forgotten. This sheet should be filled and signed in duplicate. One copy has to be retained by the Board member and another copy should be kept in the Organization’s Files.

#### 4. CONCLUSION:

It may be noted here that the Board members Commitment sheet should be looked at as a good practice rather than a mere compliance requirement. Unless these processes are internalized, they lose their relevance and essence. The Board member Commitment Sheet is another tool to further strengthen the Governance processes in Organization.

*\*Formats for the Consent form, Resolution & Commitment sheet is given as Annexure (1, 2, 3) respectively.*

---

***Watch out for the next issue on “Areas to be covered in Board orientation process”.***



Published by Mr. Sanjay Patra on behalf of  
Financial Management Service Foundation  
C-56/47, 3<sup>rd</sup> Floor, Sector 62, NOIDA 201 307  
Tel: 91-120-47732200, Fax: 91-120-4773227  
Email: [fmsf@fmsfindia.org](mailto:fmsf@fmsfindia.org)

**CONSENT FORM**

I the undersigned, hereby give my consent to act as a member of the Board of ..... (Organization name), if appointed. Once appointed, I will uphold my duties and shall do my best to ensure that the Organization performs its mission and achieves its goals.

Signed: \_\_\_\_\_

Date:

**(Name of the proposed member)**

---

**For Office use only**

1) Recommended to the Board for approval

Signed: \_\_\_\_\_

Date:

**(Chairman of nomination committee)**

-----

2) Approved in the Board meeting held on ..... (Date of meeting) Vide minute no. .... Dated .....

Signed: \_\_\_\_\_

Date:

**(Secretary of the Board)**

**Agenda item no. ..../....**

**Appointment of Mr. /Ms ..... as member of Board of trustees/Director**

The nomination committee presented the name of Mr. /Ms \_\_\_\_\_ to be a member of the Board for the term ..... to ..... . Mr. /Ms ..... is a skilled professional in the area of ..... having high commitment to the development sector. He has been approached by the nomination committee and after satisfying himself about the relevance and importance of the ..... (Organization name), he would like to offer himself to be part of the Board as an ordinary member. His consent form has also been received. The nomination committee in its meeting held on ..... (Date of meeting) has considered his / her credentials and proposes his name to be a Board member.

The members discussed in detailed about the nomination tabled. The Chairperson ensured that no member had any objection or material evidence against the proposed name. It was unanimously resolved to appoint Mr. /Ms ..... As a member of the Board against regular vacancy for the period ..... to ..... . The secretary of the Board was authorized to assign the letter communicating the decision to the new incoming members and obtain consent form.

Signed: \_\_\_\_\_

Date:

**(Secretary, Society name)**

**Name & Address of the Organization.....**

**BOARD MEMBER'S ANNUAL COMMITMENT SHEET**

I, recognizing the important responsibility I am undertaking in serving the Board of Directors of \_\_\_\_\_, hereby pledge to carry out in a trustworthy and diligent manner the duties and obligations in my role as a Board member.

I acknowledge that my primary role as a Board member is to contribute to defining of the Organization's mission and Governing the fulfillment of that mission and to carry out my responsibilities in ethical and legal manner to ensure that the Organization does the best work possible in pursuit of its goals.

My role as a Board member will focus on the development of broad policies and Governing of its implementation for institutional plan & purposes. As a Board member, I understand that I have duties of care, loyalty and obedience to the Organization.

I Would:

- try my best to give a high priority to attendance at all Board & committees meeting on which I serve, arriving on time & staying for the full agenda, unless I have otherwise notified the Board President or Committee Chair in advance.
- come prepared to discuss the issues to be addressed at schedule meetings, having read the agenda and all background material.
- abide by the rules & regulations as stated in the Organizations By-laws.
- maintain a courteous conduct in all Board & committee meetings.
- respect the opinions of my peers and leave my personal prejudice out of all Board discussions.
- always act for the good of the Organization & respect the interests of all people served by the Organization.
- refrain from interfering with the administrative issues that is responsibility of management except to monitor the results and remediate activities in conflict with the policies and mission statement.

- avoid conflict of interest between my position as a Board member and my personal life. This includes using my position for the benefits of my friends & family members. If such a conflict does arise, I will declare that conflict before the Board & refrain from voting on such matters.
- accept my responsibility for providing oversight of financial affairs of Organization.
- participate in the annual strategic planning retreat, Board self-evaluating programs and Board development workshops, seminars and other training events that enhance my skill as Board member.
- respect the confidentiality of Board’s decision as well as decision making processes.

**Commitment:**

By signing this document, I am acknowledging that Board engagement demands a three-way commitment i.e. Board members individually, collectively and the Organization as a whole. I understand that the Organization will rely on commitment of its Board members in formulating its plan and executing its strategy.

If for any reason, I find myself unable to carry out the above duties to its best. I agree to resign my position as a Board member.

Signed: \_\_\_\_\_  
**Board Member**

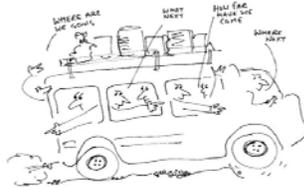
Date:

Signed: \_\_\_\_\_  
**Board Chairperson**

Date:

FMSF Launches a **4 months certificate program on Governance**. This will provide a comprehensive understanding on Governance to participants. This is completely e-based program. The first batch commences Mid June' 12. Please download the brochure from our website [www.fmsflearningsystems.org](http://www.fmsflearningsystems.org)

## NPO GOVERNANCE PROGRAMME



**LIMITED SEATS!!!**

**REGISTRATION  
NOW OPEN**

**HURRY**

*4 months Online Certificate Programme*

\* More than 440 Pages of analysis

\* Authored by Mr. Manoj Fogla, renowned expert on FCRA Law

\* Critical Input from Mr. J. K. Chattopadhyay, Former Deputy Secretary (FCRA) at Ministry of Home Affairs

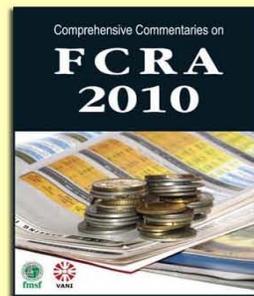
\* Covers all the possible Controversies and critical issues of FCRA and outcome of extensive research on the subject

\* Would be beneficial for NGOs, Finance Consultants, Auditors and other associated with NGO Sector

\* Written in Layman's Language for easy dissemination

# Procure your copy of the book

## "COMPREHENSIVE COMMENTARIES ON FCRA 2010"



Published by FMSF & VANI

The highlights of the book are:

- Frequently Asked Questions
- Analysis of Foreign Contribution & Foreign Hospitality
- Analysis of Foreign Source & Foreign Company
- Analysis of Organisations of Political Nature
- Analysis of Audio Visual Broadcast & Community Radio
- Analysis of Gift Received from Relatives & Foreign Sources
- Procedure for obtaining Registration & Prior Permission
- Common grounds for rejection of Applications for Registration & Prior Permission
- Procedure for Renewal of Registration
- Suspension & Cancellation of Registration Certificate
- Law relating to Board Member and Changes in Board
- Administrative Expenses & Speculative Investments
- Designated & Multiple Bank Accounts
- Procedure for Change in Bank Account
- Procedure for change in Address, Nature or Objectives
- Role & Responsibility of Bank
- Investment & Fixed Assets
- Custody and Management of FC & Assets by Central Government
- Transfer of Funds to other FC Registered Organisations
- Transfer of Funds to other Unregistered Organisations
- Loan from Domestic & Other Sources
- Applicability to Liaison Offices & Branch Offices of Foreign NGOs
- International Transfers, Activities & Transactions
- Supporting individual Beneficiaries, CBOs and SHGs
- Legal Due Diligence for Donors

Log on to :  
[www.fmsfindia.org](http://www.fmsfindia.org)  
&  
[www.fcraformgos.org](http://www.fcraformgos.org)  
to procure  
your copy

**Sale Price**      **Rs. 895/-**

**Order 10 Books**      **Rs. 700/-**  
   **per book**

**Order 25 Books**      **Rs. 600/-**  
   **per book**

\*Add Rs. 50 per book towards Shipping and handling charges

Please send the cheque in favour of  
"Centre for Promoting Accountability" payable at NOIDA at:

Financial Management Service Foundation

C-56/47, 3rd Floor, Sector 62

NOIDA - 201 307

Ph: 91-120-4773200

Email: [fmsf@fmsfindia.org](mailto:fmsf@fmsfindia.org)

Log on to : [www.fmsfindia.org](http://www.fmsfindia.org); [www.fcraformgos.org](http://www.fcraformgos.org)

to place your order



fmsf