

Who Bears Primary Responsibility for Ensuring that CAPACITY BUILDING Actually Happens?

Capacity-building is the special purview - in law and in practice -- of the Board of Directors or Trustees of a nonprofit organization working in tandem with the Executive Staff (CEO/Executive Director, Chief Development Officer and Chief Financial Officer). For the Board, a higher order of duties and responsibilities is required for their role in guarding the public trust (as delineated by the Revised Model Nonprofit Corporations Acts, State law and by the organization's own Articles of Incorporation and Bylaws) as well as the statements made to the IRS in the process of obtaining official recognition of tax-exempt status:

- Directors share in the **Duty of Care** by which they are legally obliged to exercise the degree of care and skill that a "prudent person" would exercise under similar circumstances in a like situation.
- The **Duty of Loyalty** stipulates that Directors may not use their positions to further conflicting interests - personal, family, corporate or in favor of another nonprofit organization.
- Directors are legally compelled by the **Duty of Obedience** to ensure that the nonprofit not deviate in any substantial way from the legal obligation to fulfill the particular purposes for which the organization is lawfully incorporated.

In short, Board Directors and Officers have a fiduciary responsibility - an obligation of public trust to serve the best interests of the community - to ensure the nonprofit's survival, financial viability and program performance. Breach of any of these duties may result in liability for Directors and Officers of the Board.