3 PRIMARY DUTIES OF A BOARD OF DIRECTOR
OF A CHAMBER OF COMMERCE

Duty of Care

• Take care of the organization
• Board members are legally bound to exercise reasonable care when he or she makes a decision for the organization
• The Board must ensure that practices are in place to reduce the risk of harm to its employees, volunteers, and clients
• Meaningful oversight of the organization
• Stay informed and ask questions
• Good business judgment at all times
• Due diligence in decision making
• Not a potted plant

Duty of Loyalty

• Be loyal to the organization
• Show undivided allegiance to the organization’s welfare
• Act in the best interest of the organization and membership at all times
• The duty of loyalty requires Board members to restrain from self-dealing and to subordinate their own personal interests to the interests of the organization.
• Cannot use your position for individual, personal advantage

Once an issue has been discussed and a final decision has been made by a majority, all members of the Board agree to abide by and support the decision.
• No side Board meetings
• Should not discuss Board meetings outside the Board
• Avoid gossiping outside Board meetings
• Compromises the integrity of the Board
Duty of Loyalty, Confidentiality, & Conflict of Interest

Board members have access to confidential, sensitive, and proprietary information that must stay within the Board

• For example, confidential information includes, but is not limited to, information concerning members, supporters, partners, employees, Board members, as well as financial information, which includes campaign contributions, marketing processes, current and future business plans, computer and software systems and processes, personnel information, Board documents, etc.

The duty of confidentiality is the duty to not to speak about Board matters to non-Board members or share board materials with non-Board members, unless authorized to do so

For example:
• Statements, positions, or votes by any Board member on actions taken by the Board should not be disclosed
• Agendas and other Board documents should not be disclosed
• Financials should not be disclosed • Member information should not be disclosed

Caveat, confidentiality is not intended to limit or interfere with legal rights to communicate with any government agency for the sole purpose of reporting a reasonable belief that a possible violation of law has occurred or may occur.

Open dialogue is crucial to Board deliberations
• Why? If Board members do not feel that their conversations are private or that the confidentiality of their discussions will be respected, they may feel pressure to avoid certain topic areas or to hedge their comments in a way that does not serve the organization’s best interest
Conflict of Interest
• A conflict of interest is conduct, a transaction, or relationship that is a conflict or may become a conflict with your obligations owed to organization
• Any activity that may give rise to bias or influence the decision of the individual, or
• Any activity that may create an unfair competitive advantage for an individual or outside organization

Managing a conflict of interest:
– Disclosure to the Board
– Annual Report Form
– Refrain from the discussion and/or voting on the matter
– Refrain from participation in activity while serving on the Board

Duty of Obedience
• Must be obedient to the organization
• Faithful to the mission and goals
• Follow the governing documents

Source: Extracted from the North Tampa Bay Duties of the Board of Directors