

DIRECTOR DUTIES

During times of disruption, the need for engaged Board leadership and timely decision-making is only amplified. It is critical that Directors of nonprofit and charitable organizations are aware of their responsibility to protect and steward the organizations they serve both in times of stability and during change or crisis. Whether an organization has continued operations without pause, reduced programs and services, or is taking steps towards dormancy or dissolution, the duties and obligations of its directors remain unchanged.

The duties of directors continue to apply. Directors are required to act in the best interests of the organization, taking into account the interests of various stakeholders. The business judgment rule also continues to apply. Directors' decisions need not be perfect, as long as they are sound.

Strategy and Oversight



- Set the tone to show that the organization is capable of managing the crisis or navigating the impacts as they come.
- Keep in mind that management remains responsible for day-to-day operations but ask questions and stay well-informed.
- Review the strategic plan and develop supplemental direction for various scenarios over the next 12-24 months. Articulate, even crudely if need be, a picture of what a realistic future looks like moving forward for your organization. Your strategies may be rough and emergent, but they will be needed to provide, at the very least, initial direction for the route ahead.

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Legal Considerations Series:

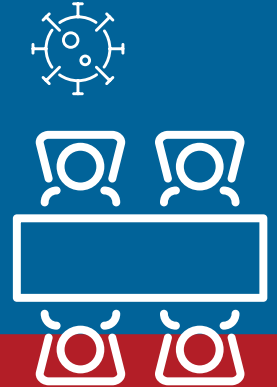
Legal Considerations for Nonprofits of Changes to Work and Workplace Related to COVID-19



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Liability and Risk

- Consider the adequacy of the organization's liquidity and capital resources.
- Be mindful of personal liability of directors for occupational health and safety matters (refer to [IntegralOrg's OHS Toolkit](#) or <https://www.alberta.ca/ohs-administrative-penalties.aspx#toc-2>) as the definition of employer includes a director or officer of a corporation.
- Review the terms of directors' and officers' liability insurance. If there are none in place, prioritize the instatement of a policy with the appropriate protections for your organization.
- Ensure that the board receives timely and ongoing communication with respect to risk, including supply chain risk, IT risk, and legal and regulatory risk. Consider bringing in outside experts if required.



Health and Safety

- Put health and safety first and monitor management's efforts in this regard.
- Consider the impact if members of senior leadership are stricken with the virus. Have a succession plan in place.

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