

C&O CANAL TRUST, INC.
ROLES AND RESPONSIBILITIES OF THE TRUST AND BOARD

May 4, 2007

This document describes the Trust's and the Board's roles and responsibilities as determined from three sources:

- Guidance discussed by Kevin Brandt, Superintendent, C&O Canal National Historical Park
- Roles and responsibilities established by the Board
- Generic responsibilities of non-profit Boards and Board members, taken from www.BoardSource.org

1. GUIDANCE BY KEVIN BRANDT, SUPERINTENDENT, C&O CANAL NATIONAL HISTORICAL PARK

Excerpted from his meeting on 4/3/07 with the C&O Canal Trust and the C&O Canal Association:

As background, Kevin Brandt (Superintendent, C&O Canal NHP) described “friends” organizations that support many other National Parks. These organizations: operate under partnership agreements with the parks; have a paid professional staff; raise large sums from corporate and private donors; and often assume certain operational functions formerly performed by park staff.

Kevin described the creation of the C&O Canal Trust as a necessary response to the Park’s budget shortfalls and shrinking staff. The Trust will work in very close cooperation with the Park management, with large-scale fund raising as its key task, and that it will conduct selected projects on the Park’s behalf.

An important reason for the formation of the Trust is the increasing complexity of laws and regulations governing the Park’s ability to accept donations. The Trust’s partnership status will enable it to comply with these rules, and to raise money with the official approval of the Park. It will also be able to disburse funds directly to the Park, to construction firms or other contractors, and to pay salaries of people working on Park projects.

The Trust will seek to cooperate fully with C&O Canal Association (“C&OCA”) and with the other organizations that support the Park. The Trust and C&OCA are complementary organizations. Under its partnership agreement, the Trust will not be able to express public criticism of Park policies, and its advocacy role will be muted. In contrast, C&OCA will be free to pursue advocacy, within the limited of its 501 (c) (3) status, and to oppose NPS policies when that seems necessary to fulfill the legacy of Justice Douglas. Both organizations can work together to help the Park overcome its many pressing problems and reach its full potential.

2. ROLES AND RESPONSIBILITIES ESTABLISHED BY THE BOARD

2.1 Roles of the Trust and the Board

Roles of the Trust

- Obtain private funding for the C&O Canal National Historical Park (“park”).
- Support the park in its efforts to obtain public funding.
- Conduct selected major projects, operations, and educational programs to augment the park’s staff.
- Support the park in building constituency and stewardship.
- Assist the park in its project development efforts.

Additional Administrative Roles of the Board

- Conduct financial management.
- Conduct operations.
- Develop and update the Trust’s Plan.
- Conduct Human Resources management.
- Conduct governance of the Board’s own operations.

2.2 Responsibilities

Regarding the “Roles of the Trust” above:

- The President has the lead responsibility.
- The Board’s Development Committee supports the fund-raising efforts of the President and staff
- The Board’s Program Committee supports the President’s and staff’s efforts to identify and conduct major projects, operations, and educational programs
- The Board as a whole supports the President in the other roles above.

Regarding the “Additional Administrative Roles of the Board” above:

- Financial management
 - The President prepares an annual budget and a monthly report of all financial activity
 - The Board's Finance and Audit Committee, chaired by the Treasurer, provides oversight of the Trust's finances by reviewing/approving the budget, monthly financial reports, and uses of funds over a specified limit, and by conducting a periodic financial audit
- Operations
 - The President plans annual operations, directs staff and volunteers to perform the daily operations of the Trust, and prepares a monthly operations report
 - The Board as a whole provides operations oversight by reviewing/approving operations plans and reports
- Trust's Plan
 - The Board's Planning Committee develops and annually updates the Trust's Plan, which includes a long-term vision for the Trust
- Human Resources management
 - The Board's Chair, with approval from the Board as a whole, hires/fires the President, negotiates his/her annual goals, and conducts an annual performance appraisal
 - The President hires/fires paid staff and volunteers
- Governance
 - The Board's Governance Committee provides oversight of its own operations, such as election of new members and officers, and assurance of compliance with bylaws and conflict of interest policies

2.3 **Officer's Responsibilities as Defined in the Bylaws**

- SECTION 4. Chair. The Chair shall: direct and execute all decisions of the Board of Directors; chair the Annual Board Meeting; preside at meetings of the Board of Directors and the Executive Committee thereof; shall be an *ex officio* voting member of all committees; and shall have such other duties and powers as the Board of Directors may from time to time prescribe or authorize.
- SECTION 5. Vice-Chair. The Vice Chair shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the Chair may from time to time delegate, provided that the Vice Chair shall act as Chair in the Chair's absence.
- SECTION 6. Secretary. The Secretary shall ensure the keeping of minutes of all meetings of the Board including all votes and resolutions adopted, and shall record all such documents and records in a book kept for that purpose. The

Secretary shall ensure the issuance of notices of all meetings, shall see to the filing of all reports required by governmental authorities, and shall perform such other functions and duties as the Board may from time to time prescribe.

- SECTION 7. Treasurer. The Treasurer shall receive staff reports and provide Board reports about all funds, securities and assets of the Corporation. He or she shall seek to ensure the keeping of full and accurate account of Corporation's receipts and disbursements, and ensure that all monies and other assets are deposited in the name of the Corporation in such depositories or through such fiscal agents as the Board may from time to time prescribe. The Treasurer shall seek to ensure the disbursement of the funds and assets of the Corporation as ordered by the Board of Directors, and shall provide a financial report at each regular meeting of the Board. The Board of Directors may appoint and empower such Assistant Treasurers as shall be required to carry out the purpose of this section. The Treasurer shall furnish the Board with an operating and financial report at each regular and special meeting thereof.
- SECTION 8. President. The President shall direct and execute all decisions of the Board of Directors and handle all day-to-day matters for the operation of the Corporation. The President shall be an *ex officio*, voting member of the Board of Directors and act as the chief executive officer of the Corporation. The foregoing duties shall include, but not be limited to, the hiring and discharge of employees to fill such positions as the Board may from time to time authorize; the execution of contracts or other instruments on behalf of the Corporation as the Board may authorize; and the signing of checks, drafts or other orders for payment of money provided that the Board may, by resolution, provide that such checks, drafts or other orders for payment above such amount as may be specified in the resolution shall require the countersignature of one or more specified officers of the Corporation. The President is hired by the Board of Directors.

3. GENERIC RESPONSIBILITIES OF NON-PROFIT BOARDS AND BOARD MEMBERS

3.1 Ten Responsibilities of Non-profit Boards – from www.boardsource.org

1. Determine the organization's mission and purpose. It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.
2. Select the chief executive. Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
3. Provide proper financial oversight. The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
4. Ensure adequate resources. One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
5. Ensure legal and ethical integrity and maintain accountability. The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
6. Ensure effective organizational planning. Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
7. Recruit and orient new board members and assess board performance. All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
8. Enhance the organization's public standing. The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.
9. Determine, monitor, and strengthen the organization's programs and services. The board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness. *[Note: the Trust will look to the President to take the lead with this responsibility.]*
10. Support the chief executive and assess his or her performance. The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.

3.2 Legal Responsibilities of Non-profit Board Members – from www.boardsource.org

Under well-established principles of nonprofit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. Several states have statutes adopting some variation of these duties which would be used in court to determine whether a board member acted improperly. These standards are usually described as the duty of care, the duty of loyalty and the duty of obedience.

- **Duty of Care** - The duty of care describes the level of competence that is expected of a board member, and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.
- **Duty of Loyalty** - The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.
- **Duty of Obedience** - The duty of obedience requires board members to be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. A basis for this rule lies in the public's trust that the organization will manage donated funds to fulfill the organization's mission.