

## What is the Fiduciary Responsibility of the ONE-PS Neighborhood Board?

Fiduciary responsibility requires that a neighborhood's Board of Advisors / Directors ("Board") stay objective, unselfish, honest, trustworthy, and efficient. Boards, as stewards of public trust, must always act for the good of the neighborhood organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without exposing the organization to unnecessary risk.

The Board, as a single body, has a fiduciary responsibility for the assets of the neighborhood organization. The Board must make decisions on a regular basis that directly affect the rights and well-being of the organization's key stakeholders, including residents, donors, any beneficiaries and the public.

The minimum fiduciary responsibilities of a neighborhood Board includes:

- Avoiding conflicts of interests
- Acting in the interest of the neighborhood organization rather than in the interest of board members
- Providing oversight to assure that the organization's business is transacted legally and transparently
- Making decisions to protect the assets of the neighborhood organization

When it comes to neighborhood Board responsibilities as they relate to accounting issues, board members must ensure that they understand the facts and circumstances of major transactions, as well as the overall financial health of the organization. This is best accomplished if board members are actively engaged in the governance process. It is expected that members of a neighborhood Board will participate in all meetings and maintain frequent communication with the fellow Board members.

Neighborhood Board membership is about balancing a number of different roles and responsibilities. The most effective members of a Board simultaneously apply financial measures *and* business judgment to all major decisions.

## **GUIDELINES FOR SETTING UP A BANK ACCOUNT FOR YOUR NORG**

1. Obtain the official Certificate from the City's Office of Neighborhood Involvement (contact [Denise.Goolsby@palmsspringsca.gov](mailto:Denise.Goolsby@palmsspringsca.gov) ).
2. Obtain a copy of your NOrg's official Bylaws.
3. Take the above documents to your bank. This example is from Wells Fargo, **but** be aware that each bank may have a slightly different protocol:
  - The bank will classify your NOrg as "other services."
  - The description of your business will be "neighborhood community organization."
  - Absent incorporation and non-profit documents, the type of business will be "unincorporated association" - social/ recreation/civic group, etc.
  - Bank will assign an EIN (tax ID #) if one has not already been obtained.
  - The minimum balance and fees may be different per bank. It may help to consult with other organized neighborhoods to find out about where they bank.
  - You may receive a debit card that you can choose to use or not.
  - You can designate account signers as desired, usually 2-3 NOrg Officers.

**IMPORTANT NOTE:** If your neighborhood organization conducts fundraising (e.g., from dues, Modernism Week tours, neighborhood events such as garage sales), it should consider incorporating and obtaining tax exempt status from the IRS and the California Franchise Tax Board. The ONE-PS Governance Committee has prepared model incorporation and tax exempt filing documents and is available to assist your neighborhood organization with the filing process (contact [Governance@one-ps.org](mailto:Governance@one-ps.org)).

## **GUIDELINES FOR OBTAINING A POST OFFICE BOX**

1. Take the Certificate of Compliance, Bylaws and EIN to the Post Office. The charge for a standard mailbox will be approximately \$120 per year.
2. Regulations are becoming tighter. If the United States Postal Service doesn't work, you might want to check out the private postal services. Obtaining a Private Mail Box (PMB) is more expensive.

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