



Guide For the Board of Directors Winston Prouty

Northeastern University College of Professional Studies
6110 Legal & Governance Issues in Nonprofit Organizations
May 2022

www.winstonprouty.org
209 Austine Dr
Brattleboro, VT 05301

Diane Santos



WINSTON PROUTY

Center for Child and Family Development

Table of Contents

Welcome Letter 3

Disclaimer 4

Function of Board 6

General Board Rules 7

Board Legal Duties 8

Transparency & Accountability 9

Conflict of Interest & Ethical Considerations 10

Excess Benefit Transactions 12

Appendix 13



WINSTON PROUTY

Center for Child and Family Development

Winston Prouty Center

Welcome Letter



Welcome to Winston Prouty and thank you for joining our Board of Director's. We appreciate your decision and hope that your time with us will be rewarding and successful.

The Winston Prouty Center for Child and Family Development was founded in 1969 and became a 501(c)(3) in 1973. The Prouty Center provides inclusive education and support to promote the success of children and families. Their NAEYC accredited 5 STAR early learning center is licensed to serve 68 children from ages six weeks to five years. It is an inclusive program that uses the Roots Approach. The Roots Approach is responsive, respectful, relationship-based, and reflective early care and education.

Winston Prouty was established in 1969 as First Chance, which was one of the first programs in the country aimed exclusively for preschool children with special needs that also integrated typically developing children. In 1972, the name was changed to the Winston Prouty Center; named after Winston Prouty. Winston was Newport, Vermont's Mayor for four years and then served in the State Legislature as well as becoming a House Speaker. Winston's career was centered around improving the lives of the poor, the elderly, veterans and people with special needs.



This guidebook serves as a tool to help you learn more about Winston Prouty and outline your duties as a new Board Member. As a Director, you and your fellow director's are responsible for carrying out the mission of Winston Prouty and overseeing the organization's operations.



Winston Prouty Center



Disclaimer

This guidebook was created as a project for a Non-Profit Management degree at Northeastern University. It was created out of knowledge learned in Legal and Governance Issues in Non-Profit Organizations class. This guidebook serves as a guide for the Non-Profit organization; Winston Prouty Center for Child and Family Development.



Winston Prouty Center

Mission

The Winston Prouty Center for Child and Family Development provides inclusive education and family support to promote the success of children and families.

Values



Inclusion

We believe children, families and staff benefit from participating in an environment where everyone feels they belong

Learning

We believe in fostering a culture of learning

Collaboration

We believe in the power of groups to find solutions individuals cannot

Persistence

We believe that there is hope for every child and for every family

It is the responsibility of the board to ensure that all decisions regarding Winston Prouty align with the mission and values of the organization. Details of those responsibilities are outlined below



Values

Inclusion

Learning

Collaboration

Persistence



Winston Prouty Center

Function of Board



Through an elected board, the current WP members vote on new board members in a scheduled meeting that can happen annually or as needed due to an un-foreseen event. The Board consists of a President, Vice President, Treasurer and Secretary. WP also has a diverse group of members that contribute to the success of our organization with their wealth of knowledge and experience.

Board members should have a preexisting passion for the mission, professional experience or skills that can contribute to the success of WP, availability to be prepared and attend board meetings, fundraising and the ability and propensity to give to WP financially

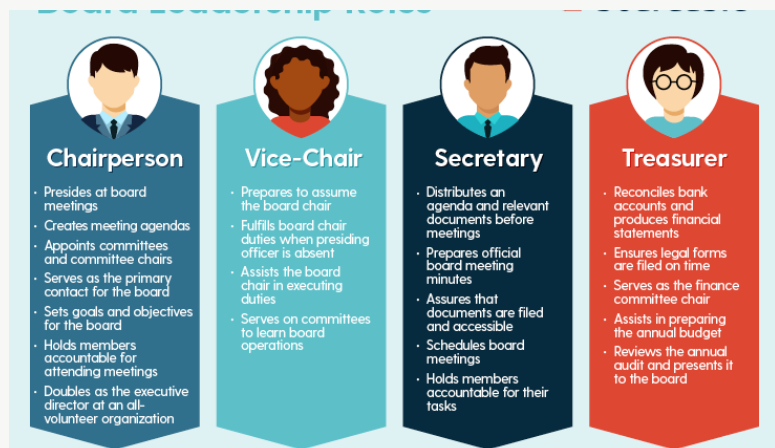
Appoint, support and evaluate the Executive Director: Once selected it is the responsibility of the board to set expectations and monitor his or her performance against those expectations. The Board will also acts as a sounding board to the Executive Director to discuss ideas and problems.

Establish diverse reliable funding streams to meet financial projections: Find new ways to increase funding with donor activity, corporate sponsorships or grants to meet projections. Continually evaluate for progress and make adjustments as needed

Fundraising: Actively participate in fundraising activities by volunteering and being an ambassador for WP efforts.

Defining and Measuring impact: Consistently looking at agreed upon processes and goals to ensure they are being met and are aligned with the mission of the organization. Looking at key performance indicator's that were established and making changes as necessary to meet goals. Determining need for improved or additional programming.

Evaluate Cost Benefit Ratio: Ensuring that the benefit of programming and spending is less than the cost. Ability to make tough decisions on cutting spending or programming as needed for the benefit of the organization.



Winston Prouty Center

General Board Rules



Each Board Member has a Fiduciary responsibility to act prudently in the handling of Winston Prouty's income and assets. Each member is to maintain financial accountability and effective oversight of the organization. Board members should remain objective, unselfish, responsible, honest, trustworthy and efficient in relation to the organization.

The IRS stipulates the four principles for good governance for public and private organizations. The principles are based on the need for a careful balance between the two essential forms of regulation so that the organization does not abuse the privilege of the exempt status of Winston Prouty

The principals are organized under four categories

- Legal Compliance and Public Disclosure
- Effective Governance
- Strong Financial Oversight
- Responsible Fundraising



Anna Piergentili
Secretary

Manager of Dining Hall Operations,
Amherst College

Joined Board in
2019



Ann Allbee
President

Elementary
Teacher, Retired

Joined Board in
2017



Chris Campany
Vice President

Executive Director,
Windham Regional
Commission

Joined Board in
2020



Jenna Bagnall-Reilly
Treasurer

Senior Researcher,
TRC

Joined Board in
2017

Board Legal Duties



The following are legal duties that each board member needs to follow to ensure that WP is being guided with honesty, care, loyalty and obedience to it's mission.

Duty of Care

Requires that directors be reasonably informed about WP activities, participate in the making of decisions and do so in good faith and with the care of an ordinarily prudent person in similar circumstances.

- Attendance at meetings of the board and committees
- Preparation for board meetings, such as reviewing the agenda and reports
- Obtaining information before voting, to make appropriate decisions
- Use of independent judgement
- Periodic examination of the credentials and performance of those who serve the organization
- Frequent review of the organization's finances and financial policies
- Oversight of compliance with important filing requirements, such as annual information returns

Duty of Loyalty

The Duty of Loyalty requires board members to exercise their power in the interest of WP and not in their own interest or the interest of another entity, particularly one in which they have a formal relationship. This is to ensure that WP is not found to be involved in anything that would ruin it's reputation with the community.

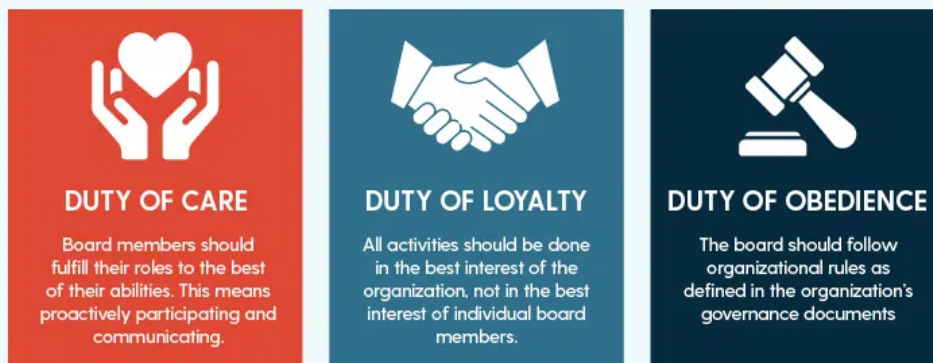
- Disclose any conflict of interest
- Adhere to the organization's conflict-of-interest policy
- Avoid the use of corporate opportunities for your personal gain or benefit
- Nondisclosure of confidential information about the organization

Duty of Obedience

The Duty of Obedience requires director's of nonprofits comply with applicable federal, state, and local laws, adhere to the entity's articles of organization and bylaws, and remain guardians of the mission which should be the top priority of the board members.

Winston Prouty Center

- Compliance with all regulatory and reporting requirements, such as overseeing filing of annual information returns and payment of employment taxes
- Examination and understanding of all documents governing the organization and its operation, such as the bylaws
- Making decisions that fall within the scope of the organization's mission and governing documents



Transparency & Accountability



It is particularly important to Winston Prouty to ensure we continue the trust that we have established with the public and all stakeholders through transparency and accountability. To help us do that we are committed to ethical principles that include the following

- WP is truthful and clear in communications with donors about how their gifts will be or have been used
- Providing the tax-exempt status for WP on our website
- Candid about who the board of director's are and publishing it on our website
- Posting financial information on our website like our recent 990 filing with the IRS, audited financial statements and annual reports
- Respond appropriately to requests by the public for financial reports
- Ensuring that all board members of WP review financial reports and the 990 prior to submitting it
- Having a Conflict of Interest Policy that is reviewed annually
- Having a Whistleblower Policy that is reviewed annually

Conflict of Interest Policy & Ethical Considerations

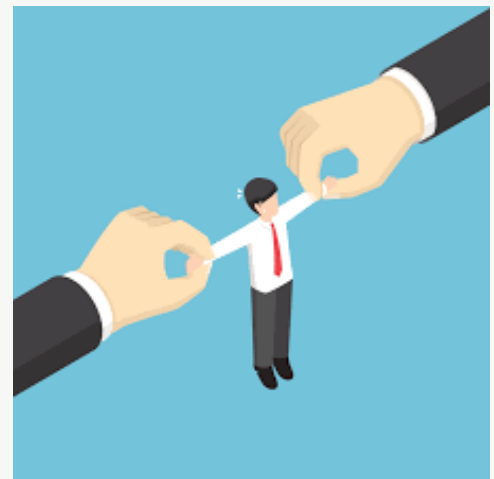


Conflict of Interest Policy: WP requires that all Board of Director's, members, and required staff sign a conflict of interest policy. Any new board member will be advised of this policy during board orientation. Each year the policy will be reviewed and a new signature will be required.

Employees and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.

An actual or potential conflict of interest occurs when a board member or an employee is in a position to influence a decision that may result in personal gain or gain for a relative as a result of WP'S business dealings. A relative is any person who is related by blood or marriage, or whose relationship with the board member or employee is similar to that of persons who are related by blood or marriage.

No presumption of a conflict is created by the mere existence of a relationship with outside firms. However, if a board member or an employee has any influence on any business transactions, it is important that he or she discloses to a board member of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.



Personal gain may result not only in cases where a board member, an employee, or a relative has a significant ownership in a firm with which WP does business, but also when a board member, an employee, or a relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving WP.

Any board member having a conflict of interest shall not vote or use his or her personal influence to address the matter, and he or she should not be counted in determining the quorum for the meeting.

Winston Prouty Center

Whistleblower Policy: Winston Prouty is committed to operating in its tax-exempt purposes and in compliance with all applicable laws, rules and regulations. This policy outlines procedures for employees to report actions that an employee reasonably believes violates a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to WP'S business.

If an employee has a reasonable belief that an employee or WP has violated this policy, the employee is expected to immediately report that information to the Executive Director. If the employee does not feel comfortable reporting the information to the Executive Director, he or she is expected to report the information to the Board of Director's.



All reports will be followed up promptly, and an investigation will be conducted. During the investigation, WP will strive to keep the identity of the reporting individual confidential, while conducting an adequate review and investigation.

WP will not retaliate against an employee in the terms and conditions of employment where the employee believes in good faith to be a violation of the law; or, participates in good faith in any resulting investigation or proceeding, or, exercises his or her rights under any state or federal law or regulation to pursue a claim or take legal action to protect the employee's rights.

WP may take disciplinary action (up to and including termination) against an employee who in management's assessment has engaged in retaliatory conduct in violation of this policy.

Staff will be trained on this policy and WP'S prohibition against retaliation in accordance with this policy.

Sarbanes-Oxley Act of 2002: Two provisions that apply to nonprofits:
A prohibition against destruction of documents that are tied to a criminal investigation
A prohibition of retaliation against whistleblowers.

Winston Prouty Center

Excess Benefit



An excess benefit transaction is a transaction in which an economic benefit is provided by a tax-exempt organization directly, or indirectly, to or for the use of a disqualified person, (person who is in a position to exercise substantial influence over the affairs of a tax exempt organization at any time during the look back period) and the value of economic benefit provided by the organization that exceeds the value of the consideration received by WP.

Winston Prouty will determine if an excess benefit transaction occurred by including all consideration benefits exchanged between or among the disqualified person and the tax-exempt organization an all entities it controls.



Winston Prouty Center

Appendix



Eisenstein, L. (2020, January 8). Making the Decision to serve as a Nonprofit Board Director. Board Effect. Retrieved May 5, 2020, from <https://www.boardeffect.com>

Ethics and Accountability for Nonprofits. (n.d.). National Conference of Nonprofits. Retrieved July 5, 2022, from <https://www.councilofnonprofits.org>

Financial Transparency. (n.d.). National Conference of Nonprofits. Retrieved May 5, 2022, from <https://www.councilofnonprofits.org>

Hopkins, B. R. (2017). Starting and Managing a Nonprofit Organization: A Legal Guide (7th ed.). Wiley.

Intermediate sanctions-excess benefit transactions. (n.d.). IRS. Retrieved May 18, 2022, from <https://www.irs.gov>

Love, J. (n.d.). 8 Characteristics of an Outstanding Board Member. Bloomerang. Retrieved May 5, 2022, from <https://bloomerang.com>

Board Roles and Responsibilities. (n.d.). National Council of Nonprofits. Retrieved May 7, 2022, from <https://www.councilofnonprofits.org>

The Complete Guide to Board Member Responsibilities & Roles. (2022, April 7). Boardable. Retrieved May 12, 2022, from <https://boardable.com>

