



Fiduciary Duties and Responsibilities of Board Members Policy

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Introduction

Objectives

PMINZ Chapter leaders have unique responsibilities, which are to foster effective governance, set expectations, assign accountability and reduce liability exposure. Also, directors in order to maintain compliance with New Zealand law and PMI policies, must adopt the following standards.

Background

This policy is based on the Policy Manual for PMI Chapters and requirements of New Zealand law.

Policy

1.0 Key duties of PMINZ Chapter Board Members

- a. DUTY OF CARE - Exercise the same level of care over the organization's business as any reasonable person would over his or her personal business.
- b. DUTY OF LOYALTY - Act in an independent manner and avoid conflicts of interest.
- c. DUTY OF GOOD FAITH - Comply with and uphold all requirements, policies, procedures, rules, and orders approved by the organization's governing body.
- d. DUTY OF INTEGRITY - Act in an ethical manner and conduct business in accordance with accepted business practices.

What are the possible consequences of not upholding the Duty of Integrity? Leaders who fail to fulfil their duties or who act in ways that directly conflict with their duties may be held responsible for their actions through legal action. To protect themselves, leaders must fulfil their fiduciary responsibilities in an appropriate manner.

2.0 Legal and ethical responsibilities of Chapter Board Members

- a. Adhere to all New Zealand laws that applies to not-for-profit organizations

What New Zealand legislation must be adhered to?

Includes but not limited to:

1. Incorporated Societies Act, 1908
2. Privacy Act, 1993
3. Financial and taxation legislation
4. Health and safety legislation
5. Employment legislation

Which PMINZ's governance documents have legal standing?

The Articles of Incorporation, the PMI-PMINZ Charter Agreement, and the Constitution regulate how PMINZ conducts its business and have legal standing.

- b. File and make available accurate and timely reports of tax filings and independent audits of the organization's financial records.

- c. Maintain records related to business affairs for individuals and organizations.

If an organization is challenged about any of its practices—past or current— and cannot produce appropriate documentation to substantiate its defence, the organization and its leaders may be at risk.

- d. Publish an annual report with the organization's mission, programs, officers, and financial status.
- e. Develop and maintain policies related to the organization's operations, including elections, financial disbursements, conflicts of interest, personnel, etc.

4.0 Elections and Succession Planning

- a. Chapter Board Members must promote elections and develop new Board members.
- b. Elections are an integral part of the organization's existence and required by New Zealand law and PMI Global rules.
- c. The election process is another avenue to inform the membership of the organization's mission, demographics, programs, services, and available opportunities to cultivate new volunteers.
- d. The Board must appoint a nominating committee, which publicizes board responsibilities, accept nominations, check nominees' credentials and experience, and implement the timeline of the election process to maintain the highest integrity of the process.

5.0 Chapter Board Members must monitor their own performance

The Board must conduct assessments of its own performance to review how well it is meeting its obligations to the organization and the membership.