Authority of Members of the Board of Directors—A Reminder

If volunteers are the lifeblood of museums and similar public benefit corporations, the board of directors (or trustees) must surely be the heart. As with the human mechanism, cardiac problems in a museum can have the most serious effect, including in the worst case, complete cardiac failure, which can lead the death of the organization. A recent situation brought to my attention illustrated the dangers of a corporate disease, which may be named "loose cannonitis." In this case the director, on his own initiative, took action, which action turned out not only to be ill advised but illegal in the manner in which it was handled, exposing both the corporation and the director, as an individual, to potential penalties.

One of the cardinal rules applicable to members of a board of directors is that *boards act through consensus* as a collective. An individual board member has no authority to act or to initiate action unless authority has been specifically delegated to him or her by action of the board.

In selecting candidates for the board of directors we are always looking for leaders and for people who want to get things done. Therefore, we need to remind board members that they must act as a collective and not on their own initiative. The board of directors may, of course, delegate certain functions to committees of the board and to individual board members. Such delegation is their authority to act. For example, officers of the corporation are frequently also members of the board of directors. Their authority to act as individuals comes from the office they hold and the authority given to that office by the board of directors acting as a whole (usually such authority is set out in the by-laws).

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