



# News Release

Attorney General Robert E. Cooper, Jr.

**FOR IMMEDIATE RELEASE**

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**TENNESSEE OFFICIALS ANNOUNCE GUIDEBOOK NOW AVAILABLE TO ASSIST NONPROFIT ORGANIZATIONS**

The Tennessee Attorney General's Office, the Department of State and the Center for Nonprofit Management today unveiled a guidebook to help nonprofit organizations operating in Tennessee.

"What Every Board Member and Officer Should Know" is a product of coordination among the three entities. It is designed to serve as a reference tool for board members and officers of Tennessee nonprofits. It is available online at the Attorney General's website at <http://tn.gov/attorneygeneral>.

"Tennessee is known as the volunteer state because of the giving spirit of our citizens," Attorney General Bob Cooper said. "We believe the principles and practices in this Guidebook can help board members and officers fulfill their duties and enrich their experiences."

"A lot of dedicated people want to work with nonprofit organizations, but they need some guidance on what to do and how to do it," Secretary of State Tre Hargett said. "This Guidebook is designed to provide that guidance."

Lewis Lavine, president of the Center for Nonprofit Management, said, "I am grateful to the Attorney General and the Secretary of State for making this guide possible. I challenge nonprofit board members in Tennessee to take it to heart."

The three entities collaborated to develop the guide because each has a particular role in the nonprofit business operation. The Attorney General has broad oversight and authority over Tennessee's nonprofit sector, including public benefit hospitals.

The Tennessee Department of State is responsible for processing documents filed under the Nonprofit Corporation Act and administers and enforces the Tennessee Charitable Solicitations Act and Charitable Gaming Implementation Law.

The Center for Nonprofit Management provides a range of services and guidance to nonprofits, including workshops, training and networking with other nonprofit organizations

The Guidebook covers board member and officer responsibilities including, among others, being engaged and staying informed about the organization, selecting and compensating the chief executive officer, avoiding conflicts of interest, protecting assets of the nonprofit and acting in good faith and in the best interests of the organization.

Some specific suggestions in the Guidebook include:

- \*Be involved and well-informed about your nonprofit even if you serve as a volunteer or part-time, particularly with respect to strategic planning and matters on which you vote.
- \*Act in the best interests of your organization because you may be personally liable for any harm if you do not act responsibly or neglect your responsibility.
- \*Make certain you have a realistic budget.
- \*Pay special attention to how and why funds are invested and document those transactions or expenditures.
- \*Make sure your organization has followed all legal procedures for filing the proper paperwork and legal documents with the correct agencies in a timely manner.
- \*Be informed about the salary and benefits of the chief executive officer in the context of your community.

The Guidebook is intended for use only as a helpful resource and is not intended as legal advice. It is also available on the Tennessee Department of State website at <http://www.tennessee.gov/sos> and the Center for Nonprofit Management website at <http://www.cnm.org>.

More information on Tennessee laws relevant to nonprofits and other information is available on the Tennessee Attorney General's website at <http://www.tn.gov/attorneygeneral/> and the Tennessee Department of State's website at <http://www.tennessee.gov/sos>. Other information is available online at The Center for Nonprofits (Chattanooga) <http://www.cnpchatt.org>, The Center for Nonprofit Management (Nashville) <http://www.cnm.org> and The Alliance for Nonprofit Excellence (Memphis) <http://www.npexcellence.org>.