
Authorities Budget Office Recommended Guidance



This Recommended Governance Practice bulletin on corporate governance principles is intended for use by policymakers, and directors, officers and officials of public authorities. These bulletins are intended to delineate best practices and encourage their consideration and incorporation into the management and oversight of public authorities.

Subject: New Board Member Orientation

Objectives: A well-informed, engaged and principled board of directors is the most effective means to assure that public authorities act in accordance with their missions and the interests of the public, operate in an ethical and transparent manner, and adhere to the highest standards of good corporate governance. Those appointed to the board should be well prepared to undertake their role and responsibilities, add value to the deliberative and decision-making process and advance the authority's performance objectives.

A board's primary responsibility is to provide the vision and guidance necessary for the authority to fulfill its mission and meet its ethical and legal obligations. It is important for board members to be well-versed in the purpose and operations of the authority. New board members should familiarize themselves with the authority's mission, understand the responsibilities and expectations of their appointed position, and be willing and able to invest the time and effort to attend and actively participate in board meetings.

Recommended Practice: The Authorities Budget Office recommends that public authorities provide an orientation session for new board members upon appointment to the board. This orientation session at minimum should include an overview of the public authority and the new board member's responsibilities. Topics that should be reviewed with the new board member might include answers to the following questions:

- What are the board's fiduciary duties and responsibilities?
- What are the public's expectations for board members?
- What makes a board member "independent"?
- How is the board organized to do its work? How are decisions made?
- What information, staff and resources are accessible to members?
- When, where and how often are board and committee meetings held?
- How are special meetings handled?
- What laws, rules and regulations govern a board member's actions?

- How is board performance evaluated?
- Are members entitled to compensation or reimbursement?
- What is the mission and what are the values of the authority?
- Who are the authority's stakeholders?
- What is the organizational structure of the authority?
- What are the authority's major programs and services? What are the authority's current goals and priorities?
- How does the authority measure its performance to ensure it is effectively carrying out its mission?
- What are the authority's long-term goals and strategic direction?

New board members should also be given an overview of how to navigate through the public authority's web site, and where the board member can find the most recent information about the public authority. Some board members may be able to review policies, procedures and financials via the public authority's web site, while other board members may prefer hard copies. Depending on the culture of the public authority and its board, below are the types of documents that new board members should be able to easily access or be given at the time of their appointment, so that they may familiarize themselves with the public authority and their role and responsibilities on the board.

A. Board Information

- List of board members - names, affiliations, short biographies
- List of board committees, committee members, and charters
- Acknowledgement of fiduciary duties and responsibilities
- Calendar of board meetings and committee meetings
- Board and committee meeting minutes and agendas for the last two years
- Board member training schedule
- Code of ethics
- Conflicts of interest procedures
- Defense and indemnification policy
- Financial disclosure requirements and sample financial disclosure form

B. Authority's Background Information

- Mission statement
- Authority's enabling legislation*
- Performance measures for the year, including most recent measurement report
- Current By-laws

* Local Development Corporations should provide their articles of incorporation in lieu of an enabling legislation

C. Authority Organization and Structure

- Organizational chart
- List of staff with titles, short biographies of key staff
- Description of the authority's major departments/units and subsidiaries
- Description of major programs administered by the authority, including a list of grant and subsidies administered (if applicable)
- List of all active authority supported projects
- Authority's internal control assessment
- Authority's fee schedules (if applicable)
- Description of any material pending legislation
- Important dates for reporting deadlines; budget calendar
- Acronym dictionary - list of common acronyms used by the authority

D. Financial Information

- Authority's Annual Report
- Operating Budget (including an estimated vs. actual budget)
- Authority's Financial Audit for the last two fiscal years (including management letter and report on internal controls)
- Authority's debt schedule listing applicable debt caps, new debt issuances and outstanding debt including refinancings, refundings and defeasements
- Authority's current bond rating
- List of authority leases
- List and brief description of use of real property owned by the authority
- Four-year financial plan
- Current and projected capital budget

E. Policies & Reports

- Procurement Policy and Procurement Report
- Investment Guidelines and annual Investment Report
- Property Disposition Guidelines
- Uniform Tax Exemption Policy (for IDAs)
- Other required policies of the Authority (i.e. salary and compensation)

F. Other Applicable Laws and Guidance

- Public Authorities Reform Act of 2009
- Applicable sections of Public Authorities Law, General Municipal Law, Public Officers Law and State Finance Law
- Guidance issued by the Authorities Budget Office
- Other applicable State and Federal laws relating to the authority's operations
- Other applicable rules and regulations