

information may have been determined to be not necessary for the board's consideration.

Especially in heavily regulated areas or other areas that are significant to the organization's existence and purpose, the director should evaluate whether he or she needs additional information to fulfill the director's duty and to best serve the organization. If for any reason any member of the board thinks that the information provided to the directors is inadequate in any respect, he or she should not hesitate to request further information from the staff or other sources. Since boards tend to become accustomed to the status quo, new board members can often serve a valuable function by calling the board's attention to the question of whether the board should be receiving different or additional information in certain areas. It is also important that any director disclose information to other directors that is not already known to the other directors when this information is material to the discharge of the board's decision-making and oversight functions.¹⁰

Reliance

In the ordinary course of business, a director may act in reliance on information and reports received from regular sources that the director reasonably regards as trustworthy.

A director may rely on the reports, communications, and information received from a committee or from any officer, employee, or agent, if the director reasonably believes the source to be reliable and competent. The Model Act, as well as many state nonprofit codes, expressly recognizes the concept of reliance on others. A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by the persons or bodies referenced below:

Officers and employees

A director may rely on information provided by officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented. If the information is provided in written form, it is expected that the director would have independently reviewed or evaluated the information, or received a sufficiently detailed summary from a reliable source, before relying on it.¹¹

Experts retained by the corporation

A director may rely on legal counsel, public accountants, or other persons retained by the corporation as to matters the director reasonably believes are within the person's professional or expert competence.