

## The foundation board: governance, investment and accountability

*Dr Alexander Ressos, TEP  
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),  
Solicitor (England & Wales)*

A foundation has no owners and no shareholders who hold its board to account. The foundation board therefore carries a particular responsibility: it must pursue the purpose defined by the founder, manage the assets prudently and account for its decisions to the supervisory authority. Good governance protects the foundation's reputation, makes it attractive to donors and partners, and protects the board members themselves against liability.

### 1 The duties of the board

The foundation board is the supreme body of the foundation. It pursues the foundation's purpose, manages its assets, decides on grants and represents the foundation externally. Board members must act with due care and loyalty to the foundation and its purpose, and they are liable for damage caused by breaches of their duties. The supervisory authority ensures that the foundation's assets are used in accordance with its purpose (Article 84 of the Civil Code) and can intervene if the board fails to do so.

### 2 Composition of the board

A board of three to seven members with complementary skills is usual: knowledge of the field in which the foundation works, finance and investment, law and administration. Founders often wish to sit on the board themselves or to appoint family members. This is permitted, but a board that includes independent members is more credible to authorities, donors and partner organisations and ensures continuity after the founder's death.

### 3 Investing the foundation assets

The board must invest the foundation's assets so that they are secure, generate an appropriate return and remain available for the purpose. Many foundations adopt written investment regulations that set out the strategy, the permitted asset classes, the risk tolerance and the mandate given to banks or asset managers. Increasingly, foundations also align their investments with their purpose, for example by excluding investments that contradict it.

### 4 Conflicts of interest

Board members must disclose conflicts of interest and abstain from decisions in which they have a personal interest. Transactions between the foundation and its board members, the founder or their relatives require particular care and should be documented. Remuneration of board members must be appropriate and, for tax-exempt foundations, compatible with the conditions for the exemption.

### 5 Audit and reporting

Foundations must keep proper accounts and, unless exempted by the supervisory authority, appoint an auditor. The annual report, the accounts and the auditor's report are submitted to the supervisory authority each year. Swiss foundations can also follow recognised good-practice recommendations for the governance of grant-making foundations, which many boards use as a benchmark.

The formation and supervision of foundations are explained in the article on [charitable foundations in Switzerland](#), and the conditions for tax exemption in the article on [tax exemption](#).

### 6 How Ressos Legal helps

I advise foundation boards on their duties, governance regulations, investment rules and conflicts of interest, and represent foundations before the supervisory and tax authorities. [Contact me](#) for a first conversation.

---

*For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.*

Online version: [helveticaregister.com/foundation-board-governance-switzerland](https://helveticaregister.com/foundation-board-governance-switzerland)