

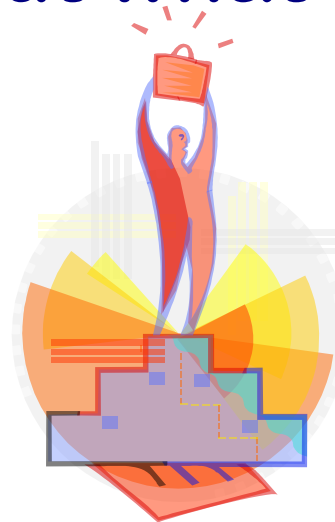
Great Governing Boards: How to Get There

Presented by

**Noelle Hagan,
Organizational
Development Consultant
nhagan@q.com**

DESIRED OUTCOMES FOR TODAY:

- Knowledge of the responsibilities of governing boards
- Strategies and tools for carrying out those responsibilities
- Motivation to put what we learn into practice!



We'll be talking about:

- **Basic roles and responsibilities of board members**
- **Effective meeting strategies**
- **Tools that help us govern effectively**
- **Ideas for recruiting and retaining board members**
- **Your questions, ideas & insights on the above topics & others you identify**

“... a lot of that wacky paperwork stuff is usually done by people assigned to handling things like that. So if you're looking at it thinking “I don't know what the heck these things are,” don't worry too much about that. The real nitty gritty of the way the organization runs is mostly the director's problem to worry about...”



#1. Determine the organization's mission, vision and values.

- **Developed and approved by the board itself**
- **Reviewed periodically for accuracy, validity and relevancy**

Why Take the Time & Trouble?

- Process can help a board “bond” & ensure buy-in from members
- They can be a useful tool marketing in community outreach
- They can be helpful in recruiting board or coalition members
- Vision, mission and values create the framework for strategic planning & other work

A Mission Statement Answers These Questions:

- **What is our purpose?**
- **What are we doing now?**
- **And, who are we doing it for?**

A mission statement acts as a disciplinary device, keeping you focused and preventing you from expanding willy-nilly.

A worksheet approach:

We exist to (*purpose*) _____

for (*who benefits?*) _____

so that (*key outcomes, results*) _____

_____.

A Vision Statement Answers These Questions:

- What does the ideal future for those we serve look like?
- What change will have taken place in people's lives as a result of our work?
- What if there were no barriers, limitations?

“You've got to think about big things while you're doing small things, so that all the small things go in the right direction.”

— Alvin Toffler

Examples:

"Our [Amazon's] vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online."

"The Community Foundation of the Gunnison Valley envisions the community it serves as characterized by a dynamic culture of giving in which the full range of human needs is met."

A Values Statement Answers These Questions:

- **What is our driving force?**
- **What traits and qualities do we care about the most?**
- **What are the beliefs that guide our actions?**

“When your values are clear to you, making decisions becomes easier.”

Roy Disney

EXAMPLE:

- ***Integrity***
We preserve the public trust through independent governance, objectivity, and honest leadership.
- ***Stewardship***
We are responsible stewards who manage and grow our varied resources with wisdom and compassion.
- ***Transparency***
We are open and forthright with one another, donors, grantees, and the community. We practice the highest standards of conduct and ethics in all we do.
- ***Inclusivity***
We embrace access, equity, and diversity as affirming the essential humanity of all people and as being basic to healthy community life.

#2. Develop and approve policies, that ensure the success of the organization.

- This includes by-laws
- Aim to make your policy development proactive, rather than reactive
- Policy development can be an opportunity for staff and board to work together
- Put systems in place that ensure policies are actually followed

#3. Select the chief executive, support him/her, and assess his/her performance.

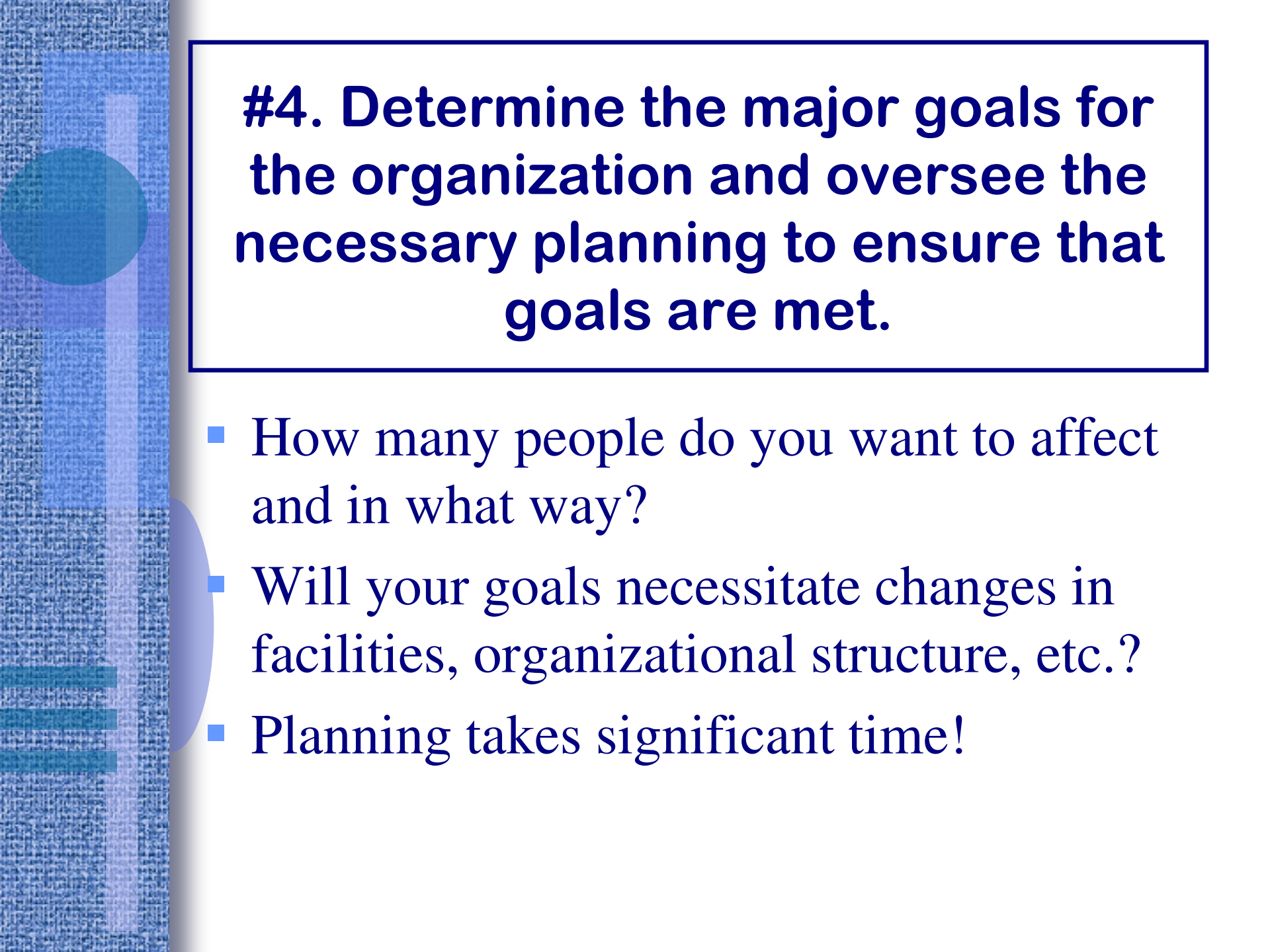
- One of the most important jobs of the board
- Mutual respect for the differing roles of board and E.D.
- #1 Reason Why ED's quit:
Micromanagement by board members
- Make periodic evaluations a priority

Performance Evaluation Simplified

- Assign 1-3 people to be in charge
- Establish criteria and indicators consistent with expectations
- Develop a process by which board members can respond to the criteria
- Hold meeting of board only to discuss results & decide on salary adjustments
- Distill information for presentation to the ED by the Board President

Performance Evaluation (cont'd.)

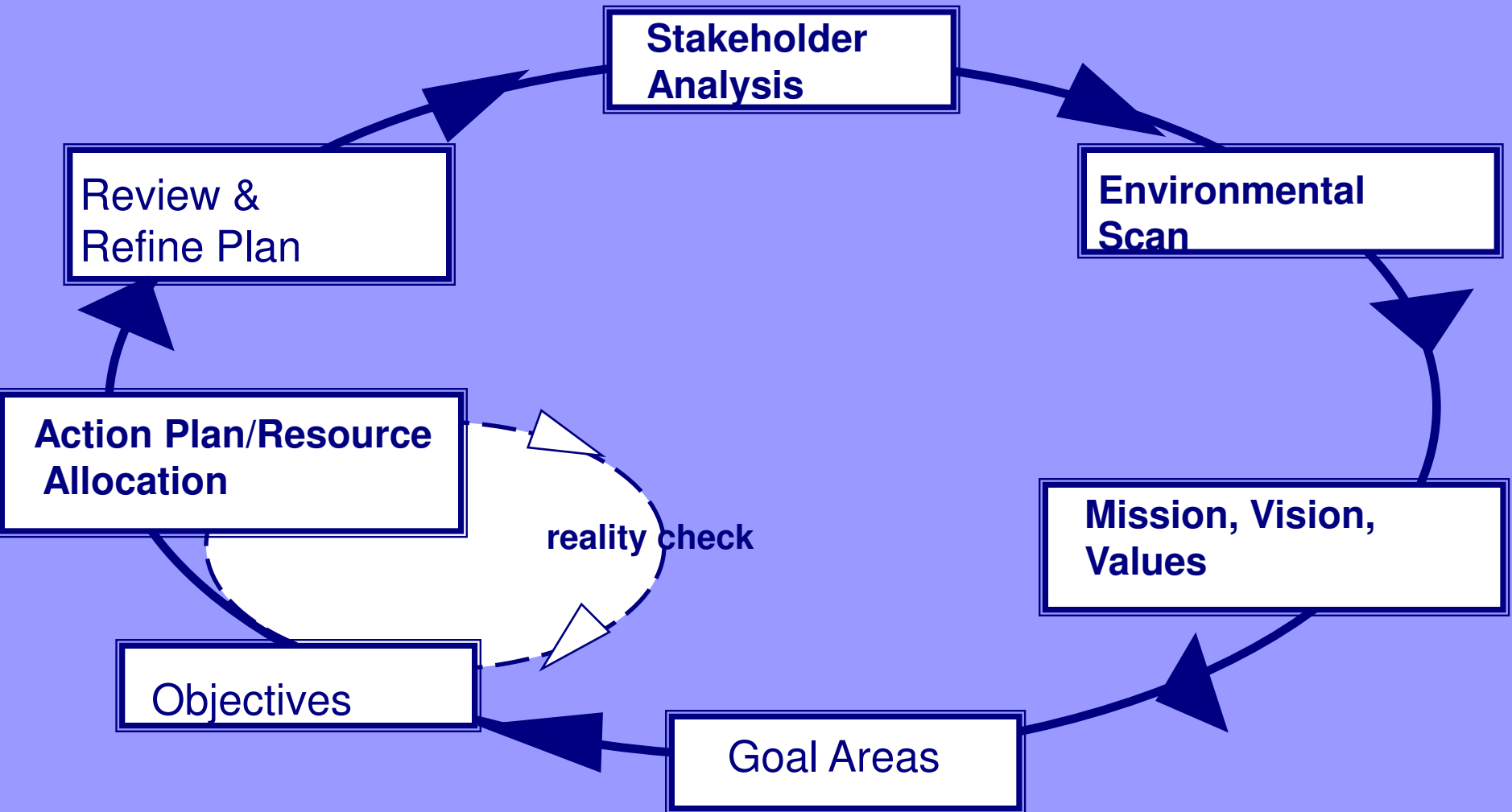
- Provide opportunity for ED to respond to the evaluation & to give board feedback on what he/she needs from the board to be successful
- Keep documentation of the process, including meeting minutes where salary adjustments are voted on



#4. Determine the major goals for the organization and oversee the necessary planning to ensure that goals are met.

- How many people do you want to affect and in what way?
- Will your goals necessitate changes in facilities, organizational structure, etc.?
- Planning takes significant time!

STRATEGIC PLANNING MODEL



#5. Ensure adequate resources & manage those resources effectively.

- Understand the finances of the organization and put proper controls in place
- Included in “resources” are people, facilities, etc.
- For most small non-profits, this means asking people for money! Board members have an obligation to be actively involved in fund raising.

Specific Fundraising Responsibilities of Board Members

(from “Boards That Love Fundraising”)

- Make a financial contribution yourself to the extent of your capacity
- Solicit contributions from friends, family colleagues
- Assist in recruiting new board members with financial capacity and influence
- Oversee fundraising efforts, including implementation of a fundraising plan

#6. Monitor and strengthen the organization's programs and services.

- Are programs consistent with our vision and mission?
- Are they effective? How do we know?
- Where there are weaknesses, have we put a plan in place to strengthen those areas?

#7. Enhance the organization's public standing.

- You are a key link to the larger community and have an obligation to serve as an advocate for your organization
- Know your constituents and how to communicate with each type
- Garner support from community leaders and opinion makers

#8. Ensure legal and ethical integrity.

As a board member you have legal responsibilities:

- Duty of Care
- Duty of Loyalty
- Duty of Obedience

Duty of Care: The duty to exercise reasonable care when making a decision as a steward of the organization.

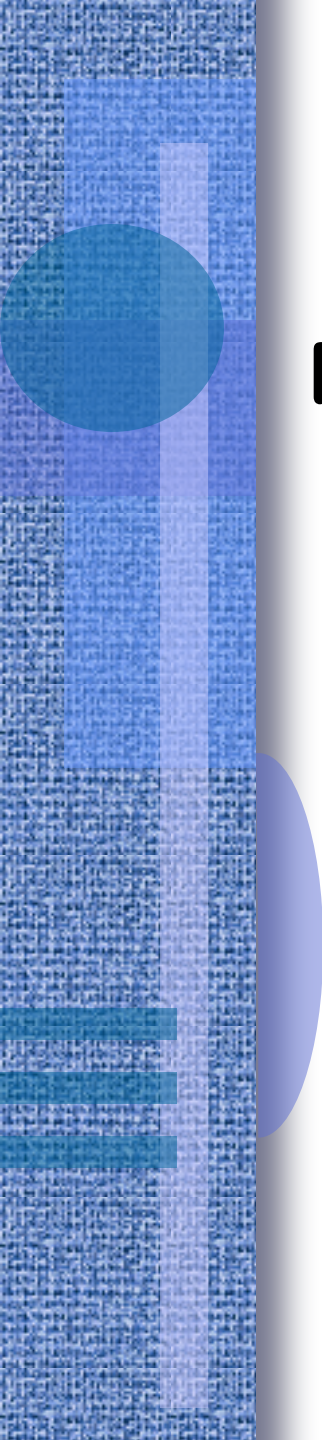
Duty of Loyalty: Undivided allegiance (no conflict of interest) when making decisions affecting the organization.

Duty of Obedience: Obedience to laws & regulations that exist at every level. Act in ways that are consistent with the organization's mission, goals & bylaws.

Adapted from "The Legal Obligations of Nonprofit Boards: A Guide for Board Members. Washington, D.C: BoardSource, 1997)

Some things to ask yourself:

- Do we have a formal conflict of interest policy?
- Do our by-laws clearly set out the duties of officers?
- Are we following our by-laws?
- Have we filed our 990 form with the IRS?
- Do we have a current Corporate Certificate of Good Standing? (Check online at Secretary of State's Office)
- Do board members read the minutes after each meeting and correct them as needed at the next meeting?
- Do board members approve financial statements on a quarterly basis (at least)?



For a terrific free resource, visit the Colorado Nonprofit Association's website: (coloradononprofits.org) and download a free copy of **“Principles and Practices.”** It is located under the “Help Desk and Resources” tab.

#9. Recruit & orient new board members and assess board performance.

- Balance board composition & identify what's needed
- Make board member recruitment ongoing; develop a “pipeline”
- Don't minimize what's expected when recruiting! Have written job descriptions.
- Provide an orientation & training for all new board members

Additionally, a good board member:

- Has good interpersonal skills
- Possesses integrity & strong sense of ethics
- Can act in a professional manner and with objectivity
- Is not afraid to speak up & ask questions
- Is flexible and open-minded
- Is able to make tough decisions
- Serves without a personal agenda

BYLAWS

- **Board composition, including number of members**
- **Board terms**
- **Board officers**
- **Appointment to the board, including vacancies**
- **Compensation**
- **Conflict of Interest**
- **Termination of board member**

MEETING MINUTES

- **A permanent record of decisions made by the board as per Colorado law**
- **A way for board members who miss a meeting to catch up**
- **Provide for continuity and progress**
- **Keep your minutes record book handy at board meetings**

BOARD MEMBER JOB DESCRIPTION

Define expectations for board members including:

- **Attendance at meetings**
- **Service on committees**
- **Annual donation to organization**

Put in these in the form of an agreement that board members sign when coming onto the board

COMMITTEES

- **Standing committees: Executive, Finance, Fundraising, Governance/Policy**
- **Temporary committees: Special event or project, hiring of E.D., etc.**
- **All committees should have parameters and a clear charge**
- **This is a great opportunity to involve other people—staff, volunteers, past board members**

BOARD SELF-ASSESSMENT

- **How well are we fulfilling our basic roles and responsibilities?**
- **Are there gaps in our “governance toolbox”—policies to be put in place?**
- **Are there things that need adjustment—meeting times, number of board members, etc.?**

THE BOARD PRESIDENT

- Has special skills re: handling people and facilitating meetings
- Believes in creating leadership opportunities for others
- Is willing to learn about non-profit issues if new to this world
- Has extra time to give to the organization
- Is open to feedback from others

Make things easier on yourself by creating a succession plan for the board presidency and putting it in your bylaws!

“Nonprofit Nightmare Scenarios”



Why Do People Serve on Boards?

- ▶ They believe in the mission & vision of the organization
- ▶ “Prestige” factor
- ▶ They have evidence that the organization is effective
- ▶ They like the other people who serve on the board
- ▶ They feel obligated to the person who asks them to serve

Connections, Characteristics, Skills, Etc.	Ellen	Mary	Jose	Bill	Gavin
Senior Citizen	X				
Under 35					
Public Relations/Marketing					
Local government	X				
Accounting/financial management					
Fundraising	X				
Legal background					
Handyman					
Technology					
School district	X				
Small business					
Corporate					

Some Strategies for Getting the Board Members You Need:

- ▶ Carefully consider who makes the “ask” & use a one-on-one approach; be professional in your invitation
- ▶ Consider using an application
- ▶ Invite prospective board members to sit in on a meeting
- ▶ Provide a job description & other written information that defines expectations
- ▶ Hold a special event that attracts



You Will Keep Good Board Members If:

- ▶ **They're given opportunities to participate in meaningful decisions & actions and to exercise leadership**
- ▶ **They see that progress toward goals is being made**
- ▶ **An ethic of teamwork & collegiality is developed**
- ▶ **Good use is made of their time**

The Bottom Line:

**Dynamic, effective people
will not waste their time in
boring, dysfunctional
meetings that accomplish
nothing.**

Poor Meeting Attendance?

- Have you set expectations for board member attendance?
- Are meetings held in a comfortable, convenient location?
- Are meetings well organized and stimulating?
- Are meetings scheduled even when there is nothing meaningful to decide?
- Are the meetings too long, held at an inconvenient time, or not scheduled enough in advance?

Steps to Take to Ensure Successful Meetings:

- Evaluate the necessity of meeting before scheduling
- Identify desired outcomes
- Ensure that everyone has information needed for decision-making
- Solicit everyone's participation
- Develop & hold to ground rules for decisions

- **Conclude within the allotted time**
- **Ask for feedback at the end of the meeting re: how things went**
- **Distribute minutes promptly, use them to provide continuity**



THANK YOU!

Questions?

Comments?

Ideas to Share?

