



3/1/2014

Board Tune-Up Kit



A do-it-yourself manual for Board Tune-Up, Repair or Overhaul

Instructions

The Board Tool Kit provides guidelines and tools to improve your board's ability to fulfill its leadership and governance responsibilities.
(A Word version is available at www.boardcoach.com.)

Begin with a topic that addresses your most immediate needs, such as:

- recruitment
- board meeting effectiveness
- financial management
- fundraising

Using these tools will:

- Heighten the board's engagement as it works on reaching agreement on these central issues
- Encourage the board to work collaboratively with staff to develop tools that best fit the needs, capacities, history and culture of your organization.
- Guide ongoing change

All boards have similar responsibilities. There is however no one "right" way for a board to meet these responsibilities. Each board must find its own way. Sample tools and procedures are provided but they are only samples, not templates.

Caution

Use may lead to unexpected improvements in board leadership.

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Contents

I. Recruitment

Fiduciary Responsibilities of Nonprofit Boards	4
Board Profile Worksheet	6
Board member Contract	8
Candidate Interview Questions	11
Board Recruitment Procedures	13
Board Handbook Contents	14
Orientation Procedures	16
Board Prospectus	17
Recruitment preparation	18

II. Governance

Board Assessment Survey	19
Executive Director's Assessment of Board Governance	25
Governance or Management?	26
Total Activity Analysis	27
Governance Committee job description	28
Board Member Assessment Process	30
Director's report card	31
Board report card	32
By Laws	33
Governance Manual Contents	34
Consent Agenda	35
Generative Questions	36
Board Management plan	37

III. Fundraising and Finance

Elevator Speech	41
Financial Checklist	42
IRS expectations for the Board	43
NYS: Nonprofit Revitalization Act, 2014	44

IV. Executive Director Review

Executive Director Review Process	48
Executive Director Review: board survey	49
Executive Director Review: staff survey	53

V. Thoughts from the Coach Boat: selected Blog posts

What to do with board meetings	55
What to do with board meetings (cont'd)	57
The Executive Director is the board coach	59
The Board needs a Chief Operating Officer	61
Working Boards: Who is governing whom?	63
What is the role of the board? Another look.	65

I. RECRUITMENT

FIDUCIARY RESPONSIBILITIES OF NONPROFIT BOARDS*

Suggestions for use

This list covers the legally mandated fiduciary responsibilities. In planning for the work of the board, you will need to identify how these responsibilities will be fulfilled and whether the board has the needed skills.

The bulleted points are the documents that will demonstrate that you are meeting these responsibilities.

1. **Determine the Organization's Mission and Purpose** – It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means and primary constituents served.
 - **Mission Statement** (with the date of the most recent Board review)
2. **Select the Chief Executive** – Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
 - **Procedure used to determine the compensation of the CEO**
3. **Provide Proper Financial Oversight** – The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
 - **Financial control policies**
 - **Investment policy**
 - **Procedure used for board review of the 990 prior to filing**
 - **Audit practice**
 - **Procedures for budget approval, financial reporting and periodic financial review**
4. **Ensure Adequate Resources** – One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
 - **Board member contribution and fundraising expectations**
 - **The current board approved Development Plan**
5. **Ensure Legal and Ethical Integrity and Maintain Accountability** – The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
 - **Conflict of Interest policy**
 - **Procedures used to enforce the conflict of Interest Policy**

- **Document Retention Policy**
 - **Whistle Blower Protection Policy**
 - **Anti discrimination policy**
 - **Personnel Policy Manual**
6. **Ensure Effective Organizational Planning** – Boards must actively participate in an overall planning process and assist in implementing and monitoring the goals of the organization.
 - **Most recent strategic plan**
 7. **Recruit and Orient New Board Members and Assess Board Performance** – All boards have a responsibility to articulate their board recruitment strategy, orient new members, and periodically evaluate its own performance.
 - **Board member expectations**
 - **Board member assessment procedures**
 - **Recruitment procedures**
 - **Orientation procedures**
 - **Board Manual**
 - **Job descriptions for board officers**
 8. **Enhance the Organization’s Public Standing** – The board should clearly articulate the organization’s mission, accomplishments, and goals to the public and garner support from the community.
 - **Statement of organizational values/ethics**
 - **“Elevator speech” for board member use**
 9. **Determine, Monitor, and Strengthen the Organization’s Programs and Services** – The board’s responsibility is to determine which programs are consistent with the organization’s mission and to monitor their effectiveness.
 - **Program, organization and board outcome objectives**
 - **Procedure for board monitoring of objectives**
 10. **Support the Chief Executive and Assess His or Her Performance** - The board should ensure that the chief executive has the support needed to further the goals of the organization.
 - **Procedure used to evaluate the CEO**

* Adapted from Ingram, Richard, *Ten Basic Responsibilities of Nonprofit Boards*. Board Source

Board Profile Worksheet

Suggestions for use

This worksheet can be adapted by organizations to assess their current board composition and plan for the future. The governance committee can develop an appropriate grid for the organization and then present its findings to the full board. Once completed, you can look back on this worksheet to identify any gaps in skills or perspectives.

Remember, an organization will need different board skills and strengths depending on its stage of development and other circumstances.

Current Members

	1	2	3	4	5	6	7	8	9	10	11	12
Age												
Under 18												
19 – 34												
35 – 50												
51 – 65												
Over 65												
Gender												
Male												
Female												
Race/Ethnicity/Disability												
African American/Black												
Asian/Pacific Islander												
Caucasian												
Hispanic/Latino												
Native American/Indian												
Other												
Disability												
Resources												
Willingness/ability to contribute financially												
Access to Financial Resources												
Foundation Relationships/Resources												
Corporate Relationships/Resources												
Government Relationships/Resources												
Other Community Connections												
Small business												

Qualities													
Leadership skills													
Willingness to work													
Personal connection with the organization's mission													

	1	2	3	4	5	6	7	8	9	10	11	12
Personal Style												
Facilitator/mediator												
Spokesperson												
Strategist												
Visionary												
Areas of Expertise												
Administration/Management												
Entrepreneurship												
Financial Management												
Accounting												
Banking and trusts												
Investments												
Fund-raising												
Government												
International affairs												
Law												
Marketing, Public relations												
Human resources												
Social services												
Strategic planning												
Physical plant (architect, engineer)												
Real Estate												
Representative of clients												
Special program focus (education, health, public policy, social services)												
Technology												
Other												

Board Member "Contract"

Suggestions for use

This is an example of a statement of what board members will hold themselves and their colleagues accountable to, including standards for: contributions, meeting attendance and participation, committee service, etc. Having agreed expectations is a necessary in order to encourage high standards for board members, determine who should be re-nominated and inform prospective candidates of the expectations of membership.

The Governance or Executive Committee can review this statement and decide on what to propose to the board for consideration and adoption.

Sample Board Member Contract

Adapted from, By *Jan Masaoka* [Board Cafe](#) October 9, 2009

I, _____, understand that as a member of the Board of Directors of _____, I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward. As part of my responsibilities as a board member:

Outreach

1. I will interpret the organization's work and values to the community, represent the organization, and act as a spokesperson.
2. In turn, I will interpret our constituencies' needs and values to the organization, speak out for their interests, and on their behalf, hold the organization accountable.

Board and Committee participation

3. I will attend and prepare for at least ___percent of board meetings, committee meetings, and special events. I will inform the board in advance of any meetings that I cannot attend.
4. I will be an active member of at least one Committee or Task Force and will be willing to take a leadership role on a committee or on the board.
5. In addition to committee work, I will be willing to accept at least one individual initiative to be determined in collaboration with the Chair and the Executive Director and to share my professional expertise.

Resource Development

6. I will make an annual, personally meaningful, contribution of no less than _____.
7. I will actively participate in one or more fundraising activities.
8. I will be willing to solicit donations from individuals, corporations and philanthropies [Solicit donations of at least _____ each year from individuals, corporations and foundations]

Board policies

9. I will excuse myself from discussions and votes where I have a conflict of interest.
10. I will maintain the confidentiality of board deliberations and will publicly support the decisions of the board, including those with which I might have been in disagreement

Active Participation

11. I will stay informed about what's going on in the organization and developments in fields relevant to the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies, and other matters. I will not stay silent if I have questions or concerns.
12. I will encourage, enable and respect the participation and contributions of fellow board members
13. I will support, where possible, the recommendations of the committees.
14. I will participate in the assessment of my own performance and the performance of the board as a whole, recommend candidates for board nomination and be available to mentor a new board member
15. I will respect and support the Executive Director's authority, communicate ideas about program or administrative activities to the Executive Director rather than to line staff, refrain from making special requests of the staff and avoid discussion of personnel matters with staff
16. I will work in good faith with staff and other board members as partners toward achievement of our goals.
17. If I don't fulfill these commitments to the organization, I will expect the board chair to call me and discuss my responsibilities with me.

The organization is responsible to the board members for . . .

In turn, the organization will be responsible to me in the following ways:

1. I will be sent regular financial reports and an update of organizational activities that allow me to meet the "prudent person" standards of the law. (The "prudent person rule," applied in many legal settings in slightly differing language, states that an individual must act with the same judgment and care as, in like circumstances, a prudent person would act.)
2. Opportunities will be offered to me to discuss with the Executive Director and the Chair the organization's programs, goals, activities, and status; additionally, I can request such opportunities.
3. The organization will help me perform my duties by keeping me informed about issues in the industry and field in which we are working and by offering me opportunities for professional development as a board member.
4. Board members and staff will respond in a straightforward fashion to questions that I feel are necessary to carry out my fiscal, legal, and moral responsibilities to this organization. Board members and staff will work in good faith with me toward achievement of our goals.
5. If the organization does not fulfill its commitments to me, I can call on the board president and executive director to discuss the organization's responsibilities to me.

Signed by _____, Board Member Date _____

and by _____, Chair of the Board of Directors

Date _____

Candidate Interview Questions

Suggestions for use

In considering potential candidates you want of course to know about their skills and professional experience. Equally important however is to understand how well they will fit in the organization and work as part of the board team.

To ask	To be prepared to answer
Working styles	Working styles
What do they most enjoy about their work?	How do members of your board work together
Have they worked on projects with teams? What did they like about that? What did they dislike?	Can you give me some examples of effective team work on your board? What have been some of the committee accomplishments?
What did they most like and dislike about prior volunteer and board experience?	What are the strengths of your board as a group? What are its weaknesses?
Can you give an example of how you have worked with conflicting points of view?	What strong disagreements have there been? How were they resolved?
Leadership	Leadership
What roles do they tend to take in group projects?	What are the opportunities to take a leadership role on your board?
Would you be willing to take a leadership role on a committee or project?	Are leadership positions rotated?
Engagement	Engagement
An example of something that was personally satisfying in their work life. Outside of their work life.	What have been some of the projects that board members have taken on?

What about the mission of the organization resonates most strongly with them personally?	What are the opportunities for me to connect with the mission of the organization?
What would they like to gain personally and professionally from board service	What has made this a valuable board experience for you? What is unique about this organization?
The Work	The Work
Would you be willing to work with a committee that is.... [a specific deliverable]?	How might you use my skills?
Would you be willing to analyze.... [a specific individual assignment]?	Why do you think that I might make a good member of your board?
Financial expectations	Financial expectations
Board members are expected to personally contribute _____ each year and to bring in an additional _____. Could you agree to that?	Do all board members make contributions? What is the average contribution?
Would you be willing to host one or two house meetings to introduce the organization to your colleagues in the....[industry]?	How has the board been engaged in fundraising?
	How does the staff assist the board in meeting their fundraising expectations?
Board Structure	Board Structure
Board members are expected to prepare for and attend six board meetings a year as well as to work on a committee and attend the annual retreat. Could you commit to that?	Does the board have an annual retreat? What issues were discussed at the last retreat?
	Does the board have written expectations? How are they enforced?

Recruitment Procedures

Suggestions for use

Like any other board activity, recruitment requires the board to agree on the work that needs to be done in order to identify the candidates that will meet the board's needs. The process must include:

How the board will identify the needed skills and resources.

How candidates will be identified, cultivated and reviewed.

How will new board members will be oriented

Identification of recruitment priorities

- Solicit input from Board Committees and senior management regarding the board needs for expertise, representation and access to resources
- Assess current board composition
- Define priority recruitment needs
- Create a board recruitment prospectus that identifies the needed board members and the board action priorities

Candidate identification

- Communicate needs to sources for board candidates, including:
 - BoardServeNYC
 - NY Junior League Nonprofit Board Clearing House
 - Board Assist
 - Board Net USA
 - Corporate board placement programs, e.g. Time Warner, Chase
- Conduct other research for candidates with identified qualities
- Solicit Board and senior management recommendations

Screening

- Obtain basic background material through the referral source
- Determine priorities among the potential candidates identified
- Personal meeting with member of the Governance Committee to assess potential interest and suitability
- Interview with senior management and a member of the Governance Committee
- Committee recommendations to board

Appointment

- Meeting with Board Chair to decide on Committee and/or Affiliate board assignment
- Candidates are invited to attend the board retreat

Board Handbook contents

Suggestions for use

A well prepared Board manual is an essential part of the orientation process. This should provide the candidate all of the documentary material needed for an introduction to the organization and the board.

Contents

Organizational overview

- History of the organization
- Mission statement
- Strategic plan
- New developments

Staff

- Organizational chart
- Bios and contact information for senior staff

Programs

- Program overview
- Program statistics
 - Client numbers
 - Demographic statistics
 - Trends
 - Outcome data
- Brochures and flyers
- Program events calendar
- Grant application examples

Finance

- Most recent annual financial report and audit
- Current budget
- Most recent budget to actual report
- Most recent IRS Form 990
- Current funders

Policies

- Internal financial control policies
- Investment policies
- Personnel policies
- Program policies
- Conflict of Interest
- Document Retention
- Whistle Blower

Board organization

- Officers and Directors with bios and contact information
- Committees, chairs and members
- Committee and Task Force job descriptions

Board activity

- Calendar of Board meetings
- 2 years board minutes

Events and marketing

- Annual Report
- Gala invitation
- Newsletter
- Press clippings

Organizational documents

- Certificate of Incorporation
- By-laws
- Board responsibilities
- Board member responsibilities
- Directors and Officers Liability Insurance policy

Orientation Procedures

Suggestions for use

When you have identified the right candidates, and have communicated your decision to them, you want to maximize both the value they will provide the organization and their sense of connection to the organization and the board.

The following orientation steps have proved valuable in achieving these goals, as you are “on-boarding” a new board member:

- A “Board Buddy” is assigned to each new member for their first year, to guide them through the formal and informal workings of the board.
- Meeting with senior staff to review programs.
- Program visit Board member and / or the Executive Director.
- Meeting with Board Leaders and Executive Director to review Board Manual, board responsibilities, board procedures and current challenges and opportunities.
- Meeting with Board Chair to discuss committee and individual assignments.
- After six months, new Board Member meets with one member of the Board Development Committee to discuss problems, issues, etc.
- Opportunities to participate in board training.

Board Prospectus

Suggestions for use

Just as the organization markets itself to a potential funder, equally it should market itself to a prospective board member. A board prospectus of no more than 3-4 pages should make the case to a prospective candidate for why they would want to join your board and what they could look forward to in terms of the interesting challenges they might become involved with.

- Our Mission: the social change we are committed to
- The impact we have had
- The change we could make
- The work of the Board in achieving that change
- Needed skills, representation and connections to resources

Appendix:

- Board list with affiliations
- Board member contract

Recruitment Preparation

Suggestions for use

Approach the recruitment process as you would any other process where you are attracting someone's interest by demonstrating your interest in them.

Essential materials

- Board member Expectations/Contract
- Board Prospectus
- Introductory email

Getting the first date with a candidate

- Email or mail outreach
 - Brief statement of the difference you make in the world
 - Targeted paragraph about the candidate
 - What about them interests you? Skills? Experience? Passion?
- Follow up if there is interest
 - Send Prospectus and Expectations
 - Arrange for a meeting
- First date
 - Prepare the questions that you will **ask about them**
 - **Do not** prepare or give an elevator pitch (They have your prospectus, have visited your website and maybe possibly looked at your 990)
 - Let the candidate **ask you** about the organization
- You're on your own from here

II. Governance

Board Assessment Survey

Suggestions for use

Every board should regularly step back and ask itself how it is doing. This process will always surface areas in which the board thinks that it can do better.

The survey should be anonymous so that each board member can be as candid as possible. The survey can be administered online through a service such as Survey Monkey. Feel free to delete, add or edit the questions.

The results should be compiled by either an outside party or a member of the board whose confidentiality can be relied upon, to maintain anonymity.

A summary should be discussed at a board meeting or as part of a board retreat to identify solutions to the areas identified as needing improvement.

Questions 1-34 are to be answered on a scale of one to four:

4. Strongly Agree
3. Agree
2. Disagree
1. Strongly Disagree

Board member engagement

1. The Board Chair effectively facilitates board discussions and actively engages and encourages each board member in productive work
2. There is a sense of collegiality among board members and a mutual respect for the contributions of every member
3. Every board member understands what is expected of them and how they can help support the mission of the organization

Board relationship with the Executive Director (ED)

4. The Board has a clear understanding of the distinction between the oversight and support responsibilities of the board and the management responsibilities of the ED.
5. Board oversight is guided by policy decisions that include measures which guide operations and against which performance can be evaluated

6. The board conducts an annual review of the ED based on mutually agreed objectives
7. The Board Chair and the ED have an effective working relationship
8. Board members do not interfere with the authority of the ED to direct the work of staff

Board meetings and committees

9. The agenda for Board meetings promotes a maximum of engaged discussion on important mission based goals and a minimum of reporting
10. There is an annual process to establish the objectives for each committee
11. There is a clear assignment of responsibility for management of committee progress.
12. Committee meetings and work between meetings is focused on achieving specific objectives
13. The Executive Committee does not supersede or duplicate the work of the Board
14. Board meetings begin and end on time

Financial Oversight

15. Financial information is presented in a way that enables board members to understand and question the implications for organizational sustainability and mission effectiveness
16. The Board approves the annual budget
17. The Board reviews the budget actuals on a regular basis

Program Oversight

18. Program performance is guided by board approved outcome objectives
19. The board regularly reviews progress towards achievement of the objectives

Fundraising and Outreach

20. Each Board member makes an annual personal financial contribution to the best of their capacity.
21. Each board member is actively involved in utilizing personal networks for contributions, connections and expertise
22. Each Board member is involved with community activities that support the organization's mission.
23. Board members are regularly connected with the organization through program visits, staff reports, conversations with staff and program participants, etc.
24. The board participates in an ongoing learning process, gathering the information needed to guide the achievement of the organization's mission

Management by objectives

25. Board and management are guided by multi-year strategic goals.
26. Board and management are guided by an annual work plan.
27. Progress toward goals and objectives is regularly evaluated
28. The work plan includes objectives for the board as well as for management

Board Development

29. Board recruitment is based on objective criteria that address the current needs of the board and the organization
30. All necessary skills, stakeholders and diversity are represented on the board
31. The contributions of each board member are assessed on an annual basis.
32. Leadership of the board is rotated on a reasonable basis and new leadership is developed and encouraged
33. Elections are held annually and all members are encouraged to participate.

34. There is a structured process to insure that board members have direct contact with programs

Personal Engagement

35. The number of individuals I have introduced to the organization over the last year.
- 1-3
 - 4-7
 - 8+
36. Contributions or solicitations I have made over the last year
- 1-3
 - 4-7
 - 8+
37. My personal financial contribution this year was:
- About the same as I gave to other organizations
 - The largest contribution I made this year
 - An amount I regard as personally quite significant
38. The percentage of the financial report that I have a comfortable understanding of:
- Less than 25%
 - 50%
 - 75%
 - 100%
39. Percentage of the materials sent to me that I review to determine whether I have any questions:
- Less than 25%
 - 50%
 - 75%
 - 100%
40. Approximate hours spent monthly on board matters
- Less than 5
 - 5-10
 - 10-15
 - 15+

Fiduciary Basics:

(Yes, No, DK)

1. The board reviews the annual financial audit report and has an opportunity to ask questions about the findings.
2. The board has adopted financial controls
3. The board regularly monitors financial performance and projections
4. The board has adopted a personnel policy manual
5. The board reviews the implementation of the personnel practices
6. The board has adopted an investment policy
7. The board reviews the 990 prior to filing
8. Board meetings regularly include an Executive Session where the board meets without staff
9. There are written expectations for the responsibilities of the members of the board
10. New board members are provided with an orientation to the organization's programs and staffing, the procedures of the board and the responsibilities of board members
11. The board has adopted a policy on board member responsibilities for contributions and fundraising
12. The board has adopted a policy to allocate the authority to speak on behalf of the organization
13. There is an annual retreat to plan for the coming year and to make strategic decisions
14. There is a Board Manual that details the operational procedures of the board
15. The board has adopted conflicts of interest, whistle blower protection and document retention policies

Open ended questions

1. What were the three most important organizational achievements of the past year?
2. What were the three most important board achievements of the past year?
3. What issues should the board should address in the coming year?
4. What are the major strengths of the board?
5. What are areas in which the board can improve?
6. What are the ways in which the staff can improve?
7. How can the board and the organization better motivate and support board member engagement and learning?
8. How can communication within the board and between the board and management be improved?
9. In what ways could you be of even greater help to the board and the organization?
10. Anything else that we should know?

Executive Director's Assessment of Board Governance

	Y/N	Impact on You
1. Do your board members understand their legal governance responsibilities?		
2. Does your board set the near, mid, and long term direction for your organization?		
3. Do your board members have a clear AND shared vision of the desired future of your organization?		
4. Do your board members have a clear AND shared view of what your organization is working to achieve and for whose benefit?		
5. Has your board laid out a statement of what outcomes your organization must achieve AND do they track progress and respond when things seem off track?		
6. Does your board understand the financial resources your organization needs short, medium, and long term?		
7. Does your board work to assure adequate resources (short, medium, and long term)?		
8. Does your board work to assure that a positive public image is maintained for the organization?		
9. Does your board keep an eye on the organization's financial wellbeing and take proactive corrective action when required?		
10. Does your board monitor that plans are being implemented and goals being met?		
11. Does your board monitor your organization's programs and assess whether program results are worth the resources spent on them?		
12. Do all your board members stay adequately informed about your organization?		
13. Do all members attend meetings and actively participate in the work of the board, including special assignments?		
14. Are all your board members active "ambassadors" for your organization?		
15. Do your board members work at the right level – neither too passive (rubber stamping) nor too involved in operations (managing rather than governing)?		
16. Is your board composition right for your organization's needs today?		
17. Is every member clear about his/her individual responsibilities as a board member?		
18. Do all members respect and support decisions determined by a majority of the board?		

Governance or Management?

The distinction between the governance and oversight responsibilities of the board and the management responsibilities of the Executive Director is clear in theory but very unclear in practice.

For every functional area there are both board oversight and management implementation responsibilities. These are, however, overlapping circles. There are areas in which authority and responsibility are clear but areas of overlap which require creative negotiation. To the extent that one side does not occupy their part of the circle, the other may expand their authority to fill the vacuum. This is the best case scenario. The worst is where responsibility falls between the cracks.

"When boards micro-manage it is almost always because they have not been given the chance to macro-govern."

Richard Chait, Fisher Howe. The Nonprofit Leadership Team. Jossey-Bass, 2004, p.47

How can we define the different areas of responsibility so that the Board's oversight role adds value to the pursuit of the mission, in addition to meeting the legally required fiduciary duties?

Conceptual framework

A useful starting point for defining the board responsibility to "set policy" and "provide oversight," is provided by John Carver's **Policy Governance** paradigm. Boards That Make a Difference.

Ends Policies

1. The board will direct the Executive Director to achieve certain results, for certain recipients, at a certain cost, through the establishment of Ends policies.
2. Only decisions of the board acting as a body are binding upon the Executive Director. Decisions of individual board members, officers, or committees are not binding, except in rare instances where the board gives specific authorization.
3. As long as the Executive Director uses *any reasonable interpretation* of the Ends policies, the Executive Director is authorized to make all further decisions, take all actions, establish all practices, and develop all activities.
4. The Executive Director shall provide regular reports on progress towards the Ends policies. .

Total Activity Analysis

The devil, of course, is in the details. For any given decision or activity, how do we determine whether it is a matter of "policy" or of "implementation?"

Total Activity Analysis is a way to reach operational agreements between board and staff about their respective roles.

Board and staff are asked to complete the following chart, assigning percentages of board and staff responsibility for each functional area and, most importantly, to describe the specific board activity that this percentage would represent.

Activity	% Staff	% Board	What is the board role?
Providing services			
Designing, planning and monitoring services			
Developing and maintaining an understanding of need			
Maintaining good public relations			
Fundraising			
Financial management			
Staffing and training			
Management, coordination and supervision of work			
Facilities and logistics			
Clerical and secretarial work and communications			

Adapted from, Harris, Margaret Exploring the Role of Boards Using Total Activity Analysis. Nonprofit Management and Leadership, Vol. 3, No. 3, Spring 1993

Governance Committee Job Description

Suggestions for use

A working Governance Committee is essential to the effectiveness and long term health of a nonprofit board. It is the group whose ongoing responsibility is the life of the board. The Board should review these descriptions and hopefully agree that such a committee is needed. The Chair will be responsible for appointing a Chair of this Committee. Other than as ex officio, the Chair of the board should not be a member of this committee. It should include both junior and senior members of the board and may include non-board members who represent important constituencies.

The governance committee is responsible for ongoing review and recommendations to enhance the quality of the board of directors. The work of the committee revolves around five major areas.

1. Help create board roles and responsibilities

- Lead the board in regularly reviewing and updating the board's description of its roles and areas of responsibility and what is expected of individual board members
- Assist the board in periodically updating and clarifying the primary areas of focus for the board's work and help shape the board's agenda for the next year or two, based on the strategic plan

2. Pay attention to board composition

- Lead in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider to accomplish future work of the board
- Develop a profile of the board as it should evolve over time
- Work with other board members and the chief executive to identify potential board member candidates and explore their interest and availability for board service
- Nominate individuals to be elected as members of the board
- In cooperation with the board chair and chief executive, contact each board member eligible for re-election to assess his or her interest in continuing board membership and work with each board member to identify what he or she might be able to contribute to the organization

3. Encourage board development

- Work with the chief executive to provide candidates with information needed prior to election to the board
- Work with the chief executive to design and oversee a process of board orientation, sharing information needed during the early stages of board service
- Work with the chief executive to design and implement an ongoing program of board information, education, and team building

4. Assess board effectiveness

- Initiate periodic assessment of the board's performance, and propose, as appropriate, changes in board structure and operations
- Provide ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness
- Regularly review the board's practices regarding member participation, conflict of interest, confidentiality, and so on, and suggest needed improvements
- Periodically review and update the board policy and practices

5. Prepare board leadership

- Take the lead in succession planning, taking steps to recruit and prepare for future board leadership
- Nominate board members for election as board officers

(Adapted from: Support Center for Nonprofit Management and Fred Miller, Chatham Group, Inc.)

Board Member Assessment Process

Suggestions for use

Once a board contract have been agreed to, it is then possible to assess how each board member has contributed to the board and the organization. This tool suggests a process for that assessment.

- Records will be maintained of each board member's fulfillment of the agreed expectations. Each board member can be provided with a "Report Card" (following tool) based on the expectations and their personal goals
- There will be an annual assessment and "check-in" interview with each board member by a member of the Governance Committee or the Chair to review the prior year and set personal goals for the next year.

Review of previous year's experience

- Satisfaction/high points?
- Were expectations met?
- Suggestions for improving the board's working relationships
- Review of past year's assignments
- Assignments for upcoming year

Personal Commitment

- Financial commitment, event attendance, etc.
- Cultivation activities (contact lists for solicitation, hosting receptions, making thank you calls, introductions to prospective donors, etc.)
- Access to resources: vendors, in-kind gifts, etc.
- Special Interests (e.g., program volunteering, etc.)

Board of Directors Report Card

Suggestions for use

Providing a review of a board members performance through a written document underscores the importance of the work of each board member and reaffirms that board membership is a "job".

Board of Directors		
<i>Summary of activities for:</i>	Member since January 2003	
<i>Term ends:</i>	2008	
<i>2007 committee membership(s):</i>	Development, Executive	
	2005:	2006:
<i>Board meeting attendance:</i>	71%	78%
<i>Comm. meeting attendance:</i>	3 of 4 (75%) – 1 by phone	4 of 4 (100%)
<i>Total Annual Giving:</i>	\$9,000	\$4,450
<i>Getting:</i>	+ 200K (Campaigns 1 & 2) (Company A, B, C, D)	+ 100K (Campaigns 1 & 2) (Company A, B, C, D)
<i>Committee Participation:</i>	Development	Development
<i>Event participation:</i>	Annual Meeting	Annual Meeting
<i>Other Service:</i>	Arranged 4 meetings with funders. Continues to leverage professional and personal relationships for organization, most notably securing Company is major supporter.	
<i>Stated goals for 2006:</i>	Goal for 2006: keep it up. She is eager to helpful, and wants to remain on the Development committee. (She also expresses strong preference that everyone attends meetings in person and not by phone.)	
<i>Stated goals for 2007:</i>		

Source: The Nonprofit Coordinating Committee of New York, Inc., (NPCC), Modified from Executive Director Richard Berlin, Harlem RBI, New York, NY as reprinted in *Board & Administrator*. April 2006 Vol. 22, No. 8

Board Report Card

Suggestions for use

This report summarizes the overall performance of the board. It underscores the importance of the work of board as a whole to the organization. This report could be provided as part of the board package, along with the other regular reports (financial, development, program outcomes, etc.).

Total number of directors in May, 2005:	25	
Total number of directors in April, 2006:	25	
Avg. attendance at board meetings in 2005-2006:		66.8%
Avg. attendance at board meetings in 2004-2005:		60.2%

% of directors making financial contributions in 2005-2006: 100% (25/25)
% of directors making financial contributions in 2004-2005: 92% (23/25)

Average contribution in 2005-2006: \$445
Average contribution in 2004-2005: \$381

Median contribution in 2005-2006: \$200
Median contribution in 2004-2005: \$150

Total board contributions in 2005-2006: \$14, 675
Total board contributions in 2004-2005: \$10,300

Source: The Nonprofit Coordinating Committee of New York, Inc., (NPCC),
Modified from Executive Director Richard Berlin, Harlem RBI, New York, NY
as reprinted in *Board & Administrator*. April 2006 Vol. 22, No. 8

Bylaws

Suggestions for use

By Laws are the board's answers to important procedural questions. They provide a road map for how the board can operate. In addition to having them reviewed from a legal perspective, it is important to make sure that the operating rules fit with how the board wants to conduct its affairs.

The By Laws should reflect **your** answers to these questions:

- How are board members elected?
- How are they nominated?
- What are their terms?
- Are there term limits?
- How can board members be removed?
- How are officers elected?
- What are the committees?
- How are new committees created?
- How are committee chairs and committee members selected?
- How are meetings scheduled?
- How can the board vote?
- Is there indemnification for board members?
- What policies have been established (conflicts of interest, nondiscrimination, whistle blower, etc.)?

Governance Manual Table of Contents

- I. Mission**
- II. Board of directors**
 - Role and Responsibilities**
 - Board Size and Composition**
 - Board member Contract**
- III. Board Structure and Procedures**
 - Meeting schedule**
 - Sample Agenda**
 - Sample minutes**
- IV. Committees**
 - Committee Charters**
 - Committee Management**
- V. Officers**
 - Job Descriptions**
- VI. Terms and Elections**
 - Nominating and election procedures**
 - Board and Officer Terms**

VII. DOCUMENT APPENDIX

- By Laws**
- Recruitment Procedures**
- Board Manual contents**
- Orientation Procedures**
- Board Prospectus**
- Board Member Assessment Process**
- Board of Directors Report Card**
- Board of Directors Fact Sheet**
- Financial Checklist**
- Executive Director Review**

Consent Agenda

Suggestions for use

The quality, efficiency and effectiveness of board meetings begins with the agenda. A Consent Agenda is a technique that involves sending all items that are purely for information (routine committee reports, routine financial and program data, minutes of prior meetings, etc.) in advance and adopting them in a single vote. Board members are informed that the items will not be discussed.

Questions can be sent in advance.

This allows time for engaged discussions about items that require board input, speakers on issues of importance and staff reports on exciting stories about their programs.

You can make gradual changes in board meetings by sending some reports in advance and by using the time to bring an interesting speaker or brainstorm a new initiative.

Sample Agenda

Approval of the Consent Agenda, (5 min)

Chair Report

Executive Director Report

Informational committee reports

Approval of Minutes

Marketing Committee Report, (30 min)

Action Item: Approve proposed tag line

Finance Committee, (20 min)

Action Items: Approve Investment Guidelines

Program Committee, (20 min)

Action Item: Board input on defining the primary constituency

Staff report: New developments in the employment program (15 min)

Executive Session (10 min)

GENERATIVE QUESTIONS

(From the Excellence in Nonprofit Management Awards)

Suggestions for use

Once you have used the consent agenda to open up time at your board meeting, you might want to use the time to raise some of the “generative” questions that would engage the creativity of the board in thinking about the larger –“big picture”- questions about the organization’s work.

The following questions, taken from the application for the NY Times Awards of Excellence in Nonprofit Management, might promote such a discussion.

How does your mission guide the management of your organization?

How does your organization’s management focus on results?

How does your board of directors add value to your organization and help it perform better?

How does your organization ensure that it is diverse, culturally competent and responsive to emerging issues or communities?

How does your organization utilize and care for its human and technological resources?

Are you effectively telling the core story of how your organization makes a difference? How do you communicate with your constituencies?

Cite examples of creative program or organizational management practices that distinguish your organization’s work.

The Board should have a management plan

An often heard plight of Executive Directors, and Board Chairs, is a lack of nonprofit board performance. A major concern voiced frequently is "Why doesn't my board raise money?" The lack of engagement in fundraising, however, most likely applies to other areas of board responsibility as well.

Common answers are:

- We have the wrong board members
- Our board has too much dead wood
- We lack enough people with leadership initiative or the right skills
- Not enough of board members have the ability to give, etc.

Framework

While there may be some truth to each of these, I suggest that underneath it all is a failure of management.

In a world of competing demands, the best intentions are not always accomplished. It is the intentions that have a management process that are the most likely to be achieved.

The effective management process is simple - - clear objectives and accountability. We apply this to our work and home life. For some reason we do not seem to think that it should apply to nonprofit boards.

The needed structure for nonprofit board management is fairly straight forward:

- Clear expectations for each board member upon joining the board and at each year anniversary.
- A process to evaluate their performance of those expectations
- Specific deliverables for each committee; made new every year.
- A process to check on committee progress
- Regular reporting to the board of progress towards its objectives

Sample Board Management Plan

The Committees should be managed to assure that the board's responsibilities are met.

1. The Executive Committee will review the charters of the board committees to assure that all oversight and fiduciary responsibilities are assigned.
2. The Executive Committee, with invited Committee Chairs (or the board as a whole at its planning retreat) would annually determine the objectives for the Committees.
3. The Chair, Vice Chair or a designee of the Chair would be responsible for maintaining communication with the Committee Chairs to monitor their progress, provide needed support and to determine when the Committee is ready to make a recommendation for Board decision.
4. The Executive Committee would meet between board meetings to coordinate the Committee work, determine the board agenda, and serve as a sounding board for the Chair and the ED on current issues.
5. Committees would meet between board meetings
6. Committee Chairs, in collaboration with the staff liaison, will prepare the agendas for committee meetings and assign a member to prepare a progress report.
7. Committee Chairs will provide regular progress reports to the Board Chair and the Executive Director.

Board meeting should be structured to focus on strategic issues

1. The Board agenda would be organized around action recommendations of the committees or requests by a committee for board input. There might also be reports from staff highlighting program impact or outside speakers.
2. Committee reports and other routine information (minutes of the prior meeting, financial reports, and Executive Director's reports, etc.) would also be provided one week prior to the meeting and not generally discussed unless there is a concern that should be brought to the attention of the board. The Chair may entertain specific questions about the reports.
3. There will be four 2 hour meetings and an annual planning retreat.

4. Board minutes will include only attendance, board resolutions, the votes taken, any specific statement of dissent requested by a board member, referrals of matters to staff or a board committee and a list of the reports provided.

Sample Committee Objectives

Finance

- Work with staff to develop a proposed budget
- Monitor the program and administrative budgets
- Prepare quarterly status reports to the board
- Present the 990 to Board for approval

Audit

- Recommend selection of the audit firm
- Approve the audit process and support the audit presentation to the board
- Monitor compliance with financial control policies and audit recommendations
- Propose a risk management plan

Program Outcomes

- Work with staff to establish program goals, objectives and indicators
- Quarterly review of staff reports on achievement of those objectives
- Recommend changes to standards as needed and/or corrective actions

Development/fundraising

- Propose an annual resource development plan
- Provide quarterly reports to the board on progress towards the plan objectives
- Design, support and monitor board fundraising activities

Strategic Planning

- Identify current strategic issues for investigation, board discussion and/or consideration at annual planning retreats
- Guide the planning process and monitor implementation
- Develop plans for long range planning as needed

Governance

- Determine the annual board needs for representation, expertise and connections.
- Identify and cultivate potential board candidates
- Recommend candidates to the board
- Nominate the Board Officers
- Provide for the orientation of new board members
- Propose expectations for board membership

- Review the performance of all board members whose terms have concluded.
- Propose policies for leadership rotation and succession
- Propose standards and procedures for determining ED compensation and for the ED Review
- Conduct Biannual reviews of the By-Laws and the Board Operating Manual

Executive

- Provide the Chair and ED with advice and consultation on current organizational and board issues
- Be available when called by the Chair to make emergency decisions
- Develop the board meeting agendas
- Conduct a review of the Executive Director based on agreed objectives and a survey of the board
- Appoint a Task Force to review the Personnel Policy Manual with legal and/or Human Resources guidance

III. Fundraising and Finance

Elevator Speech

Suggestions for use

An “elevator speech” is a short statement that would interest friends and colleagues to learn more about the organization. The Development Committee might work with staff to outline the key points. Board members should be asked to try to introduce these ideas into conversations with friends, not by making a speech but by finding identifying interests that the friend or colleague has that might connect with an aspect of the work of the organization. The goal is to generate enough interest that they might be willing to receive information or even attend an event or program.

Outline

- What is your service (mission)?
- Who do you serve (anecdote)?
- Who supports your effort?
Financial
Your team
- What makes your organization unique from its competition?
- Request connection.

Board Training

- Board members work in small groups at a board meeting to develop a statement.
- Role play of a social conversation (seated at an event, during an office conversation, lunch with a friend, etc) with the goal of generating interest in attending an event or receiving additional information.
- Statements are refined and distributed.
- Each board member is asked to have conversations with five people and to report the results.
- Once board members are comfortable in speaking about the organization in this way, they can then use the skills to ask for contributions.
- Discuss what made them uncomfortable about the conversations

Financial Checklist

Suggestions for use

The entire board is responsible for financial oversight, not just the Finance Committee. It would be useful to set aside a portion of a meeting to assess the extent to which board members have the information to meet that responsibility.

Can board members answer the following questions?

- Is our cash-flow projected to be adequate?
- Are our cash-flow projections reasonable, objective and not overly optimistic?
- Do we have sufficient reserves?
- Are we regularly comparing our financial activity with what we have budgeted?
- What are the internal controls over expenditures?
- Do we have an external audit?
- Does our annual audit include a Management Letter?
- Are our key sources of income rising or falling?
- What is our investment policy?

Adapted from Leifer, Jacqueline C and Michael B. Glombs. *The Legal Obligations of Nonprofit Boards* and Steven Berger, *Understanding Nonprofit Financial Statements*. BoardSource.

IRS expectations for the Board's Role in Financial Compliance

Suggestions for use

The new IRS 990 expects that the board will take a very active role in financial oversight and monitoring. The 990 asks not only if certain key compliance policies are in place, i.e. Conflicts of Interest, Whistle Blower Protection and Document Retention and Destruction but how the board assures **implementation** of those policies. The treasurer should update the board on its compliance with these expectations.

Some specific board expectations:

Review of the 990

The 990 must now be signed and attested by an Officer of the Board. The board must describe the process it used to review the 990 **before** it was filed

Conflicts of Interest

The organization is asked to **describe the process** used to monitor and enforce compliance with its policy including whether the board and key employees are required to annually disclose any "interests that could give rise to a conflict".

The board is also required to disclose business relationships with any "current or former officer, director, key employee, substantial contributor or person related to such an individual"

Executive Director Compensation

The board must describe the **process** it used to determine compensation of the Executive Director, including whether there was a "review by independent persons, use of comparability data and documentation of the deliberation and decision"

Board procedures

The board must disclose whether there are contemporaneous minutes of the board and key committees and how the organization's documents are made available to the public

Regulatory Compliance

The board must identify the states in which the organization should be registered because it solicits funds in that state and whether the organization is in compliance state and federal regulations

The Nonprofit Revitalization Act of 2014

Audit Threshold

	Independent Financial Review required	Independent Audit required
Current law	\$100K-\$250K	\$250 K +
July 1, 2014	\$250 K-\$500K	\$500k +
July 1, 2017	\$250K-\$750 K	\$750 K +
July 1, 2021	\$250K-1 million	1 million +

Audit Procedures

[Effective July 1, 2014 for organizations with revenue of 10 million +.
Effective Jan 1, 2015 for all others.]

The audit must be overseen by an Audit Committee comprised of “independent” directors or the board must designate independent directors to oversee the audit. They will also be responsible for administration of the conflict of interest and whistleblower policies.

- The board or the committee must:
- Oversee the accounting and financial reporting process
- Retain an independent auditor
- Oversee the audit
- Review the results of the audit and the management letter

If revenues are in excess of 1 million the board, or the committee must also:

- Review the scope of the audit prior to its commencement
- Annually review the performance and independence of the auditor
- Review with the auditor, after completion:
 - Any material risks or weaknesses in the internal controls
 - Any restrictions on the scope of review or the auditors access to information
 - Any significant disagreements between the auditor and management
 - The adequacy of the organizations reporting process

Conflict of Interest/ Related Party Transactions

Transactions with “related parties” (including directors, officers and key employees) are prohibited unless the independent directors determine the transaction is: fair and reasonable and in the corporation’s best interests.

If there is a substantial financial interest, the directors must consider alternatives to the transaction and make a contemporaneous record of the decision.

The organization must adopt a conflict of interest policy that applies to the directors, officers and key employees. The policy must include:

- A definition of when a conflict occurs
- Procedures for disclosing conflicts
- A requirement that the conflicted persons not be present at or participate in any deliberations or vote on the issue
- A prohibition against the person with a conflict from attempting to influence the decision
- A requirement that the conflict and its resolution be documented
- A requirement that any new director must submit a written statement that identifies any entity in which such director is an officer, director, trustee, member, owner, or employee with which the organization has a relationship,” and any transaction in which the director might have a conflict. Such statement shall also be submitted annually.

Whistleblower Policy

If a corporation has 20 or more employees, and more than \$1,000,000 of revenue, the corporation must adopt a whistleblower policy to protect against retaliation towards persons who report suspected improper conduct. The policy must provide:

- No person who in good faith reports any action or suspected action that is illegal, fraudulent or in violation of any policy shall suffer retaliation or adverse employment consequences
- Procedures for reporting and preserving confidentiality
- A requirement that the policy be distributed to all directors, officers, employees and volunteers, and that a director, officer or employee be designated to administer the policy, and to report to the audit committee, the directors or another committee

Enforcement

Any Director, Officer, member or creditor can bring an action against the corporation for misappropriation of funds.

The Attorney General can bring an action to rescind related party transactions that have not complied with the conflict of interest requirements as well as to remove directors or seek restitution. In the case of intentional conduct, the Attorney General can require the payment of double the amount of any benefit improperly obtained.

Other Changes

Independent Chair

No officer or employee of the organization may serve as Chair of the Board

Purchase or disposition of Real Estate

Generally requires majority rather than 2/3 approval

Notices

Organizations with more than 500 members can post notices “by publication” on their web site. Proxies for membership meetings can be sent by email.

Meetings can be held via electronic video screen and email voting is permitted for actions taken by written consent.

Approvals

Major transactions such as mergers or dissolutions can be accomplished with only Attorney general approval. They no longer require Court approval.

Pre-approval by the State Education Department is no longer required for most organizations with an educational mission. Schools, libraries, museums and historical societies will still require pre approval.

Resources

New York Non-Profit Revitalization Act of 2013. Skody Scot & Co., CPAS, Brand K Partners, Edward Wildman

Not-for-Profit Alert. New Governance Rules for New York Not-for-profit Corporations. Gabriel Gershowitz. Weil, Gotschal & Manges, LLP

IV. Executive Director Review

Suggestions for use

The board should provide the Executive Director with an annual review. The purpose of this review is not to find fault but is rather to make sure that the board and the Executive Director are on the same page, are communicating effectively, are clear on the priorities for the board as well as the Executive Director and that the Executive Director has the resources and support needed to achieve the objectives that the board expects.

Below is an outline for a review process that has been found to be very effective, followed by sample board and staff surveys.

- Executive Director submits a year end summary of accomplishments and goals for the following year to the Executive Committee
- Board members complete a survey of Executive Director performance based on strategic goals
- Staff members complete a survey to assess the Executive Director's leadership, supervision, collaborative skills, communication, etc.
- Executive Committee meets with the Executive Director to:
 - Review report and survey results
 - Discuss priorities for the following year
 - Consider areas in which the Executive Director might need additional staff support and/or professional development
 - Identify areas of board responsibility
- Presentation to the Board of a joint report by the Executive Committee and Executive Director

On the following pages you will find samples for the board and staff surveys that you can adapt to fit your needs.

Resources.

Assessment of the Chief Executive, Board Source, 2005

The Nonprofit Board Answer Book: A Practical Guide for Board members and Chief Executives. Board Source, 2007

Sample Executive Director Review Surveys

The performance levels are:

5. *Excellent: Possesses superior skills that generate results which exceed expectations.*
4. *Very Good: Demonstrates skills beyond the requirements of the position.*
3. *Good: Has the required level of skill to meet the expectations of the position.*
2. *Fair: Does not consistently meet expectations.*
1. *Poor: Demonstration of this competency is inconsistent or absent and job performance is persistently and adversely affected.*

NS Not sure: You do not have enough information to assess performance in this area accurately.

Board Survey

Strategic Orientation and Focus	Rating					
	5	4	3	2	1	NS
1. Leads THE ORGANIZATION and makes decisions in accordance with its strategic direction						
2. Anticipates changes and scans the internal and external environment for new opportunities, challenges, ideas, and approaches						

Comments:

<i>COMMUNICATOR AND LEADER</i>	Rating					
	5	4	3	2	1	NS
3. Is an articulate and knowledgeable spokesperson for THE ORGANIZATION						
4. Maintains THE Organization's standing as a leading literacy/grassroots organization, both within the nonprofit community and the public at large						
5. Cultivates lasting, effective relationships with key external constituencies						

Comments:

<i>INTERPERSONAL SKILLS</i>	Rating					
	5	4	3	2	1	NS
6. Exhibits honesty and candor with the Board, staff, and/or public						
7. Communicates and listens clearly and effectively, showing a genuine interest in the opinions of others						

Comments:

<i>INTERNAL ORGANIZATIONAL EFFECTIVENESS AND MANAGEMENT SKILLS</i>	Rating					
	5	4	3	2	1	NS
8. Seeks and develops talent to ensure that THE ORGANIZATION has the skills required to achieve its goals and that the talents of the staff are well utilized						
9. Is effective at setting personal priorities						
10. Ensures clarity around internal organizational priorities						
11. Is effective at fundraising						
12. Seeks out diverse input to address issues						
13. Fosters a work environment that encourages individual professional growth						

Comments:

<i>WORKS SUCCESSFULLY WITH THE BOARD</i>	Rating					
	5	4	3	2	1	NS
14. Understands the appropriate role of the Board and is an effective partner with the Board						
15. Works with the Board to create an effective process for long range/strategic direction and planning						
16. Recommends new programs and the modification or discontinuance of current programs, as appropriate, to the Board						
17. Uses Board members' expertise effectively						
18. Provides the Board with timely and appropriate information regarding issues, questions and activities of the organization						

Comments:

Open ended questions

1. Which of the Executive Director's accomplishments in the past year have been the most valuable to the organization?
2. What are the Executive Director's greatest strengths?
3. What are the areas in which the Executive Director needs the most improvement?
4. How should the Board and the Executive Director best communicate information and ideas about developing plans?
5. What is your understanding of the areas of responsibility of the Executive Director and of the percentage of her time that should be devoted to each?

Staff Survey

<i>INTERPERSONAL SKILLS</i>	Rating					
	5	4	3	2	1	NS
1. Exhibits honesty and candor with the staff and public.						
2. Communicates and listens clearly and effectively, showing a genuine interest in the opinions of others.						

Comments:

<i>WORKS SUCCESSFULLY WITH STAFF</i>	Rating					
	5	4	3	2	1	NS
3. Builds a sense of teamwork and ownership across programs so that staff members are working collaboratively and toward common goals.						
4. Delegates authority and demonstrates confidence in and reliance on others.						
5. Encourages staff to be innovative in their ideas, and encourages and supports risk taking.						
6. Creates an environment that welcomes differences of opinion, and fosters trust and cooperation.						
7. Provides helpful job performance supervision and feedback						

Comments:

Open ended questions

6. Which of the Executive Director's accomplishments in the past year have been the most valuable to THE ORGANIZATION?
7. What are the Executive Director's greatest strengths?
8. What are the areas in which the Executive Director needs the most improvement?
9. What about the Executive Director's leadership inspires you to do your best at fulfilling your job?

V. Thoughts from the Coach Boat: selected blog posts

Thoughts from the Coach Boat

What to do with board meetings?

The Problem

For many organizations, board meetings are a problem rather than a solution. For staff, they create anxiety and time-consuming activity to "get ready," and mostly relief when they are finally over.

For board members, they are too often seen only as a "duty." Boards can be deeply engaged for episodic decisions, such as a CEO transition, a financial crises, merger, major strategic decisions, etc. Mostly however, board meetings are a time to see friends, offer reactions to the Executive Director's report, vote on technical matters or check email while reports are being read. Much of the agenda is designed to make sure that no one can later say that the board was not "informed."

On a well-functioning board, oversight and supportive work is accomplished in the committees. The leadership of the committees and the Executive Committee is trusted to bring matters to the board when there are concerns or when a board level decision is needed. There is usually very little that actually requires a meeting of the full board.

From a legal point of view, only one board meeting a year is really required--an annual meeting for a financial report and elections. Theoretically, all of the necessary business of the board could be accomplished in committee, voted on by the Executive Committee and ratified at the annual meeting.

We could reduce the number of board meetings or, in the alternative, think about how the meetings can be used to fully engage the attention of the board and to best serve the organization.

A proposal

In an important article, recently re-published, Ryan, Chait and Taylor, offer a suggestion I find very persuasive.

*If boards approached the question of how to use down time explicitly, rather than lament the absence of a perpetually strategic agenda, they might in fact become more valuable assets to their organizations. Boards could construe learning about their communities or constituencies as vital, continuous preparation for governing...organizations could **use their meetings to promote learning by all board members**. Board members could construct and pursue a learning agenda through field work, meetings with other boards, or extended interaction with constituents. **

What a radical idea--using board meetings to provide opportunities for boards to develop a deep understanding about the organizations they govern!

*Problem Boards or Board Problem? William P. Ryan, Richard P. Chait, and Barbara Taylor, Nonprofit Quarterly, Winter 2012

Michael Davidson
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Thoughts from the Coach Boat

What to do about board meetings?—continued

Groups are most effective when the members all share an experience of being part of the “In” group. Board dysfunction, such as board members seeking control or attention or, at the other extreme, disengaging, may be reactions to experiencing exclusion from an “In” group.

In a recent interview in the New York Times, David Rock, Director of the NeuroLeadership Institute, makes the point that effective group leadership creates an “In” group experience by encouraging the development of shared aspirations and goals. ([link](#))

Board meetings provide an opportunity to create the shared goals necessary to enable all board members to experience being part of an “In” group.

Meetings are also an opportunity to promote the creativity that many think is best encouraged by face-to-face conversation that promotes “creative serendipity” (what we of the pre-Silicon Valley generation used to call brain storming).

To the extent that we can clear routine matters from the board table, we can create opportunities for creative conversations to establish the shared goals and strengthen the “In” group experience.

Examples of fruitful topics for such conversations can be found in the “Eight Areas of Nonprofit Excellence” used for the New York Nonprofit Excellence Awards.

Imagine the creative policies and organizational work that could develop from board conversations around questions such as:

1. How do we measure the social change we are seeking to achieve and what do we need to do to maximize those outcomes?
2. How can the board maximize its ability to support the achievement of the mission objectives?

3. In addition to prudence, how does our system of financial management support the achievement of our mission goals?
4. Do the staff and board have the diversity and cultural competence to enable us to best meet the needs of the populations that are served?
5. How can we best support and strengthen our human capital?
6. Are we making the best use of available technology?
7. Do we communicate effectively with our stakeholders and how do we use information from them?
8. Does our resource development plan make effective use of the resources potentially available?

Interesting examples of board conversations that have led to significant social change were presented at the April meeting of the New York State Conference of Bar Leaders.

The board of the National Association of Women Lawyers decided to address the under-representation of women in leadership positions by adopting the specific objective of raising the proportion of women in legal leadership positions to 30% by 2015.

Through research, workshops and advocacy they have worked towards that objective in each leadership area, e.g. equity partners in law firms, tenured law school faculty, the judiciary, etc. Like all strategic initiatives, the exact goal may not be obtained but by setting a clear goal they have moved the needle.

In a similar vein, the board of the New York State Bar Association recognized that the objectives of “diversity” (the composition of the profession) and of “inclusion” (the distribution of leadership in the profession), while aligned, are very different. Following this, they created separate committees to pursue each objective.

It’s not only lawyers who can have such creative board conversations.

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Thoughts from the Coach Boat

The Executive Director is the “Board Coach.”

I recently led a workshop for Executive Directors- **“The Board: What Can I Do About it?”**

Answers to a pre-workshop survey made it clear that the participants had solid ideas about where they needed to go.

- The board has become too inward looking, they need to re-engage the broader community for opportunities for mission and fundraising
- Increase dialogue between board members outside of meetings
- Create formal processes for on-boarding new members, evaluating current members and providing training for the board chair
- Foster more leadership from the Board Chair
- Enhance the relationship between the Board Chair and the ED
- Put processes in place for Board committees to deliver on stated objectives.
- Greater engagement with the life of the organization. Spend time connecting with staff and programs
- Change board roles from operational issues to fundraising and vision

There was one very frank comment that expressed the fear that may be behind the lack of commitment of some EDs to engaging their board;

“I am concerned that increasing engagement will lead to board members becoming overly involved in management issues”

The survey also revealed that the boards were no place near where the EDs knew that they needed to be.

Boards work well to the extent that they are experienced by their members as groups that they want to be a part of; groups that provide the value they seek from group membership.

We identified the qualities of valued groups.

- Mutually supportive
- Willing to compromise
- Valuing differences in perspective and skills
- A place for learning
- Fun
- Collegial
- Achievable and clear objectives
- Mutual accountability
- Open communication

Creating this environment can only happen if the ED accepts an active role as coach for the Chair who has the primary responsibility for the working of the board.

The qualities of the Chair identified by the group, included:

- Mission focused
- Leading by example and setting expectations
- Providing recognition for contributions
- Managing disagreement and facilitating decision making
- Keeping members connected with each other and with the mission
- Holding members accountable
- Unflappable

Where the Chair's ability to maintain the needed group dynamic falters, it is the responsibility of the Executive Director to coach the Chair in techniques for creating the group experience that will provide the motivation for the engagement of its members.

There is simply no one else there to do it.

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You can subscribe to my newsletter -Thoughts from the Coach Boat - at
www.boardcoach.com

Thoughts from the Coach Boat

Boards need a Chief Operating Officer

A complex organization requires both an Executive Director to provide overall leadership as well as some form of Chief Operating Officer to manage the day-to-day operational detail.

When it comes to the Board, however, we expect the Chair to fulfill both of these roles. It is an expectation that leads to burnout and/or a lack of attention to one or the other of these sets of responsibilities.

A recent article by Eugene Fram of the Rochester Institute of Technology on borrowing the concept of the "Lead Director" from corporate boards, focused my attention on this issue.

The best Board Chairs I have known focus on three non-delegable tasks:

- Maintaining an unwavering commitment to stand above the details in order to maintain focus on the strategic needs of the organization
- Motivating board members to devote the best of their capacities to the achievement of the mission
- Establishing a supportive and watchful partnership with the Executive Director.

Accomplishing this requires significant time as well as focus.

The management of the board is a responsibility in itself that includes:

- Maintaining contact with the Committee Chairs to assure that work on deliverables is on track
- Drafting board meeting agendas
- Assuring the timely distribution of the right materials for the board meeting
- Following up on action agreements from the board meetings
- Maintaining the calendar of board and committee meetings

Having responsibility for operational management of the board will distract the chair from the key leadership responsibilities.

A Solution

Rather than create a new position of a “lead director,” I have used available board officer positions for this role. The most likely candidate is the Vice Chair. The Vice Chair is elected based on perceived leadership abilities but has no specific duties, other than to be a member of the Executive Committee.

Besides enabling the Chair to focus on their key responsibilities, assigning the management work to the Vice Chair also creates a strong successor candidate.

Identification of “who’s next” is a challenge faced by every Chair. Having a potential, or even designated, successor, frees the Chair to devote the best of their attention to their important responsibilities.

In addition to its effectiveness in organizations I have guided, this structure has worked for me personally, both as a way to ease into accepting the position of Chair and as a way to make the position more effective once I have assumed it.

Action

- The first step is to develop a job description for the Chair.
- From there it will be possible to distinguish the non-delegable responsibilities of the Chair from those that can be assigned to the Vice Chair.

This is relatively easy to fix and will probably be welcomed by the Chair.

* Eugene, H. Fram. Can Lead Directors Help Improve Not-for-Profit Board Performance?

Working Boards: Who is governing whom?

The Challenge

Establishing a workable distinction between the governance responsibilities of the board and the management responsibilities of the staff is a continual challenge for every nonprofit organization.

Resolving this is made additionally complex when there is minimal or no staff; when board members deliver the programs and are at the same time responsible for the policy direction and oversight of the programs. The board members are, in effect, overseeing themselves.

An example

I recently led board planning retreats for three such organizations. The solutions to this dilemma developed by one, in particular, might be instructive.

Swish is dedicated to *“Engaging straight allies in joyful partnership with the LGBT community to achieve equality and freedom.”* www.swishpride.org

Swish volunteers deliver direct services to LGBT teens and seniors, organize advocacy efforts and produce fundraising events. Board members have been involved in leading or co-leading all of those efforts, resulting in board member burnout and lack of time to attend to their strategic objectives

Solutions

To help bring some clarity to the conceptually different roles of the board, I suggested, firstly, that they divide the agenda of their board meetings into two sections. One for matters of oversight/policy (budget, financial oversight, strategy, board recruitment, etc.), and the other for items relating to program delivery.*

*See, Michael Burns, *Organizational Life Cycles. You and Your Nonprofit Board*, Terri Temkin, ed., 2013

In defining their oversight role, they identified three strategic objectives for their programs:

- Development of corporate partnerships
- Maintaining integrity of mission and vision in all programs and events
- Developing future leadership

To insure that their programs were structured to achieve these objectives, the board members needed to step back from active event leadership. Rather than leading the events, board members would be responsible for mentoring and

guiding their “Super Volunteers” who would be given more operational responsibility and authority.

Board members would need to have the discipline to allow operational leadership to develop so that, as a board, they could concentrate on program integration and the achievement of their strategic objectives.

With these principles in mind they developed specific operational guidelines, including,

- A Board member agreement
- Board Committee charters and responsibilities

For copies of these documents, contact: info@swishpride.org

Overview

- This is, in actuality, simply an example of the challenge faced by every organization where board members play different roles when they switch between the “two hats” of fiduciary oversight and volunteer support.
- Board members of all nonprofits wear both of these “hats;” although the degree and nature of the volunteer support they provide will vary depending on the size of the staff and the needs of the organization.

Action

Boards need to develop specific understandings that when board members switch to a volunteer “hat” they are no longer in their “oversight” role but must accept direction, whether from the staff or from the board as a whole.

Thoughts from the Coach Boat

What is the role of the board? Another look.

In leading board workshops I have found it helpful to ask participants to look at the question of why we have boards by comparing not for profit boards with the boards of for-profit corporations.

If the for-profit board exists to provide oversight and strategic advice to protect the interests of the shareholders, who are the stakeholders whose interest the not for profit board should be protecting?

The stakeholder interests that the board of a not-for-profit should be considering are clearly much more diverse than the for-profit stakeholders and include:

- Clients
- The community
- The public interest in the social change
- Government
- Corporate supporters
- Foundation funders
- Individual contributors
- The organization
- Staff

There are never easy solutions for making decisions that respect all of these usually conflicting interests.

How, for example, should the organization:

- Collect data to demonstrate impact when the staff is over-burdened with client meeting client needs?
- Expand to new program space when to do so might impact on other community needs for that space?
- Eliminate unsustainable programs when some supporters have strong attachments to them?
- Adjust programs to a changing community?

How can the board of a not for profit enable itself to make decisions that take into consideration the interests and perspectives of these diverse stakeholders?

The challenge is not resolved by having representatives of each of these interests on the board. This may help but do they really “represent” the various communities with which they are nominally identified?

For me the answer is obvious. Board members must all spend time obtaining direct knowledge of the various stakeholder interests and concerns.

As stated succinctly by Ryan, Chait and Taylor*,

“How can a board develop strategy without direct contact with the operational realities...?”

“How can a board evaluate the performance of an organization without some direct knowledge of the enterprise?”

Or, as stated even more strongly by Ruth McCambridge, the Editor of the Non Profit Quarterly,

“It has always struck me as next-to-insane to bring people onto a board when they have no significant experience with the work of the organization.”

Board Stories Involving Humans. Nonprofit Quarterly, Governance Issue

In the same way that it is an essential part of the job of the Executive Director and the Board Chair to spend time getting to know the interests, strengths and capacities of the members of the board, the members of the board must spend time learning about the constituencies they serve.

Being out in the community talking about the organization is as much a part of the job as attending board meetings.

*Problem Boards or Board Problem? William P. Ryan, Richard P. Chait, and Barbara Taylor, Nonprofit Quarterly, Winter 2012
<http://www.boardcoach.com/downloads/Problem-Boards-or-Board-Problem.doc>