Taking Your Organization to the Next Level

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Pursue **mission** & uphold “the duty of the fiduciary”:

- To act for someone else’s benefit
- Has responsibilities in connection with the administration, investment and distribution of someone else’s assets
- Consists of the Duties of Care, Obedience, and Loyalty
Major Policy and Monitoring Functions of the Board

- **Board Management and Development**
- Personnel Oversight
- Fiscal Oversight
- Fund/Resource Development
- Mission Impact - Programs and Services
- Planning for the Future
- Stakeholder and Community Relations
What is Board Development?

- The process of creating, maintaining and improving the functioning, effectiveness and productivity of board leadership and governance
- *It goes well beyond recruiting and nominating!*
Board Roles in Board Management and Development

- Recruit & Nominate
- Assess & Plan
- Orient & Train
- Organizational Needs and Goals
- Build Leadership & Skills
- Engage Meaningfully

Community Focus | Statewide Impact | National Network
Board Management and Development

- Develop strategic board development goals, short and long term
- Regularly assess overall board functioning and composition in relationship to those goals
- Clearly define and regularly review board and officer job descriptions, qualifications, and performance expectations/standards
- Assess individual board member and officer level of engagement and performance
- Manage board process and communications with existing board members and officers re: renewal of terms, retirement, etc.
Board Management and Development (cont.)

- Recruit and nominate board members and officers positions according to procedure in by-laws
- Plan for multi-year leadership succession
- Design and implement board orientation along with Executive Director
- Encourage and coordinate ongoing development and training opportunities for board members
- Monitor and make recommendations with respect to ethical conduct
- Periodically review by-laws and make recommendations/propose amendments
Defining Board Structure, Roles and Accountabilities

- Bylaws
- Position Descriptions
- Committee Charges
- Organizational Priorities, Goals and Plans
- Corporate Compliance
- Board Performance Requirements, Expectations and Enforcement
- Board Culture
Examples Measures of Board Performance

- Progress with strategic goals, objectives and work plans
- How well do committees function?
- Percentage of Members who attend board/committee meetings?
  - Number of meetings you don’t have quorum
- % of Board that contributes $ annually and level of significance?
- Effective meeting management
  - Duration of meetings
  - Meeting productivity – actions and priorities
  - Board vs. staff participation

Methods: Survey; interviews; board/committee minutes; retreat; strategic plan monitoring/progress review
Examples Measures of Individual Board Member Performance

- Time and expertise contributed
- Attendance (number and percentage)
- Constructive participation/engagement
- Influence and representation (activities or results)
- Donations (give or get)
- Attended training/development opportunities
- For officers and committee chairs, performed duties as required
- Management of conflict of interest

Methods: Minutes; self-assessment survey; President or Committee Chair perceptions; interviews; ED/CEO input
Tips for Assessing the Board, Officers, and Members

- Have clear goals and expectations for the organization and for individuals
- Formally assess annually and consider doing so in writing
- If the bylaws or policies are obstacles or not conducive to effective governance, propose changes
- Promote and protect confidentiality and handle sensitive situations very carefully
- Share results with the board, but avoid unnecessary personality-based discussions
- Don’t allow mission and performance to be adversely affected by personalities, unhealthy relationships, etc.
Committee Fundamentals

- Establish committees when issues are too complex and/or numerous to be handled by the entire board
- Make full use of board members' expertise, time and commitment, and ensure diversity of opinions on the board
- Committees do not supplant the responsibility of each board member
- Committees may expand opportunities to engage experts or stakeholders
**New Rules on Committees**

**According to NPRA**

<table>
<thead>
<tr>
<th>Committees of the Board</th>
<th>Committees of the Corporation</th>
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<tr>
<td>Can be authorized to “bind” the Board</td>
<td>Cannot bind the board</td>
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<tr>
<td>Must have at least 3 members</td>
<td>Must have at least 3 members</td>
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<tr>
<td>– Comprised of only Board members</td>
<td>– May include non-board members</td>
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<tr>
<td>Appointed by majority of Board</td>
<td>Are to be appointed or elected the same as officers as stated in the bylaws</td>
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<tr>
<td>Cannot:</td>
<td>Can be accountable to the Board or to the Executive Director</td>
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<td>– Fill vacancies</td>
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<tr>
<td>– Fix compensation on board or board committee</td>
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<tr>
<td>– Adopt or amend bylaws</td>
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<tr>
<td>– Amend or appeal board resolution</td>
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<tr>
<td>May include non-Board members in advisory capacity only</td>
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Which Committees Does Your Board Have...or Need?

- Executive?
- Finance and Audit?
- Board Development?
- Personnel?
- Programs?
- Fund Development?
- Strategic Planning?
- Facilities
How Best to Utilize Committees

- Develop an annual work plan with clear objectives
- Respect - don’t repeat - committee work at board meetings
- Watch out for micromanaging tendencies
- Rotate members - use committees to educate
- Make functional or eliminate
- Consider non-board members
Board Development (or Executive) Committee manages process:

- Clarifies imminent role/leadership gaps
- Makes sure there are job descriptions for:
  - Board members
  - Board officers
  - Committee chairs
  - Also descriptions of committee charges
- In the short term...recommends qualified individuals for vacated roles and supports the transition process
- Over the long term...plan for multi-year leadership succession
Key Best Practices Summary

• Create a Board Development Committee
• Clearly define officer and other leadership roles
• Develop a goal-based board assessment process
• When recruiting, be positive but realistic and transparent about the organization’s status, needs and directions
• Formalize orientation process with comprehensive materials
• Promote ongoing board education and training opportunities
• Implement an effective committee structure
• Include governance goals and development in strategic plan