

# Great Governing Boards: How to Get There



**Presented by**

**Noelle Hagan,**  
Organizational  
Development Consultant  
[hagan@montrose.net](mailto:hagan@montrose.net)

# DESIRED OUTCOMES FOR TODAY:

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



# We' ll be talking about:

- Basic roles and responsibilities
- Board vs. staff—who does what?
- Tools that help us govern effectively
- Ideas for recruiting and retaining board members
- Your questions, ideas & insights on the above topics & others you identify

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

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

- **Serve as a vehicle for organizational cohesion & a foundation for strategic planning**
- **Supported and understood by every board member**
- **Reviewed periodically for accuracy and validity**

# **A Mission Statement Answers These Questions:**

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

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

# A Vision Statement Answers These Questions:

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

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

**— Alvin Toffler**

# A Values Statement Answers These Questions:

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

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

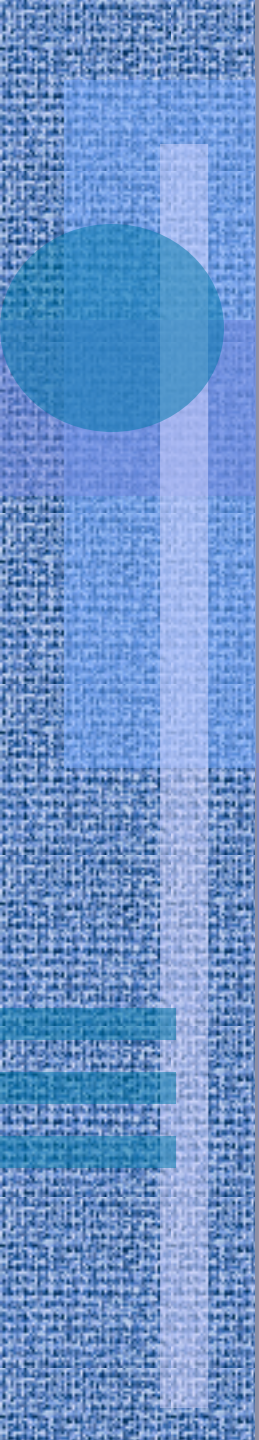
**Roy Disney**

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

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

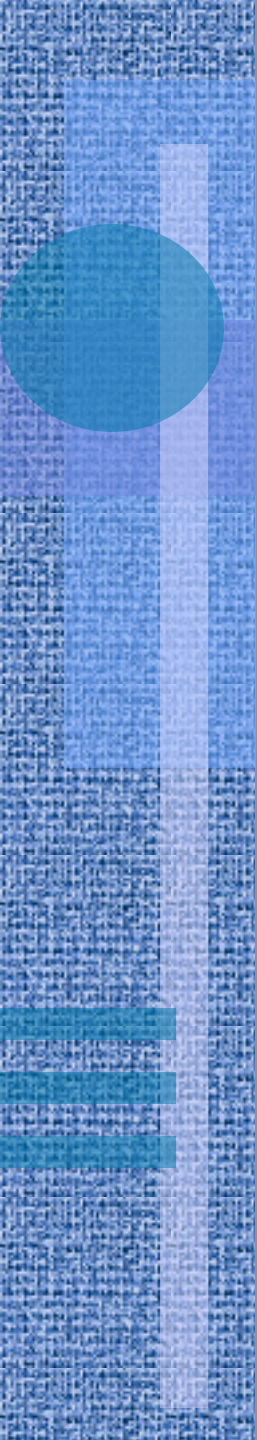
### **#3. Select the chief executive, support him/her, and assess his/her performance.**

- One of the most important jobs of the board
- Selection by consensus of the board
- Make periodic evaluations a priority
- Provide for a two-way communication as part of evaluation

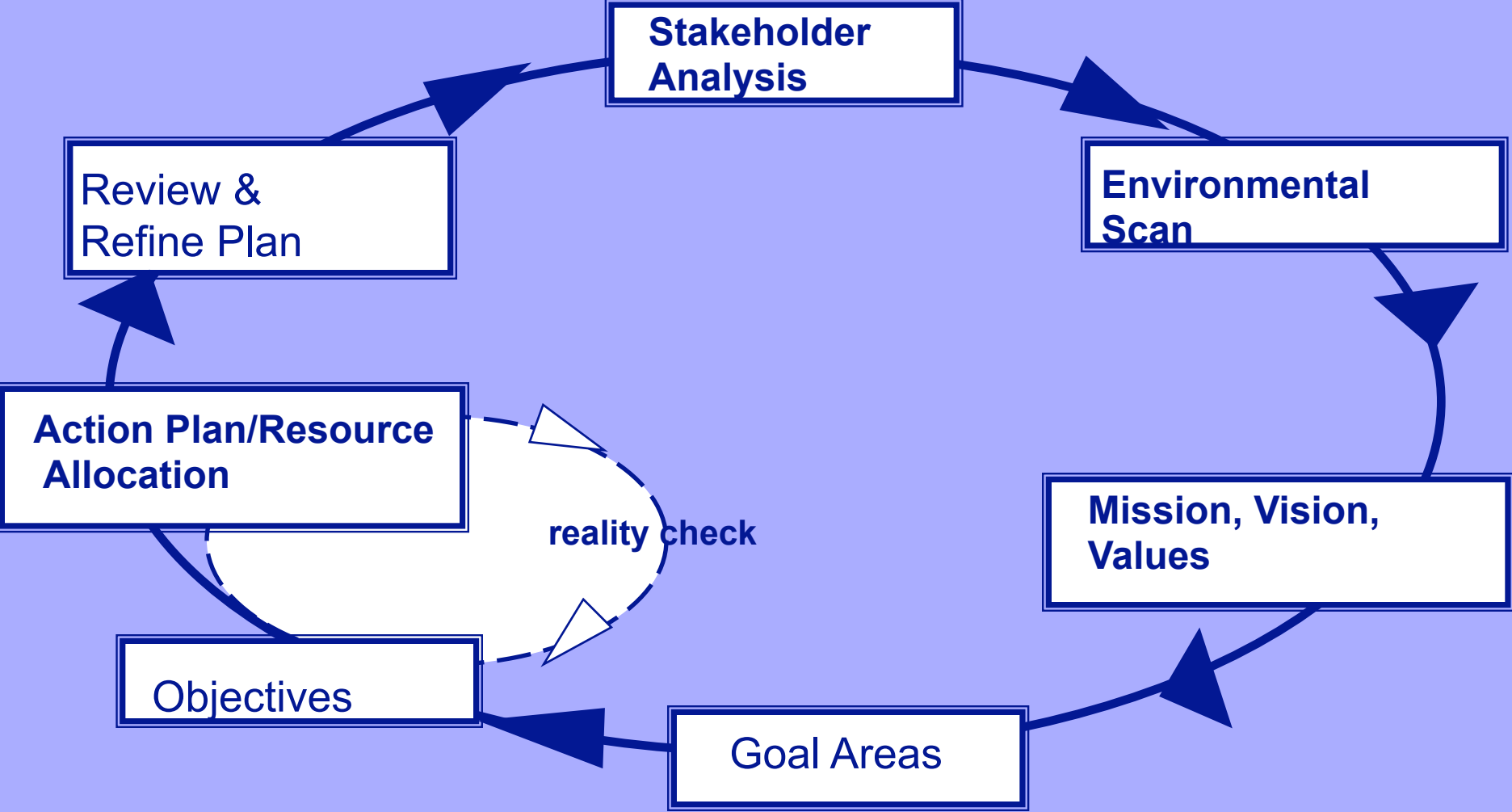


**#4. Determine the major goals for the organization and oversee the necessary planning to ensure that goals are met.**

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



# STRATEGIC PLANNING MODEL



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

- Understand the finances of the organization
- Put proper financial controls in place
- For most small non-profits, this means asking people for money! Board members have an obligation to be actively involved in fund raising.

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

- Are programs consistent with our vision and mission?
- Are they effective? How do we know?

## **#7. Enhance the organization's public standing.**

- You are a key link to the larger community
- Know your constituents and how to communicate with each type
- Garner support from community leaders and opinion makers

# #8. Ensure legal and ethical integrity.

As a board member you have legal responsibilities:

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

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

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

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

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

# Some things to ask yourself:

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

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

- Balance board composition & identify what's needed
- Don't minimize what's expected when recruiting! Have written job descriptions.
- Invite prospective board members to visit a meeting
- Provide an orientation & training for all new board members

## **Additionally, a Successful Board Member:**

- **Gets to know other board members and builds a collegial working relationship with them**
- **Acts in a professional manner and with objectivity**
- **Asks questions, is not afraid to speak up**
- **Is flexible and open-minded**

# BYLAWS

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

# MEETING MINUTES

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

# **BOARD MEMBER JOB DESCRIPTION**

**Define expectations for board members including:**

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

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

# COMMITTEES

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

# BOARD SELF-ASSESSMENT

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



# Why Do People Serve on Boards?

- ▶ They believe in the mission & vision of the organization
  - ▶ “Prestige” factor
  - ▶ They have evidence that the organization is effective
  - ▶ They like the other people who serve on the board
  - ▶ They feel obligated to the person who asks them to serve
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| Connections, Characteristics, Skills, Etc. | Ellen | Mary | Jose | Bill | Gavin |
|--|-------|------|------|------|-------|
| Senior Citizen                             | X     |      |      |      |       |
| Under 35                                   |       |      |      |      |       |
| Public Relations/Marketing                 |       |      |      |      |       |
| Local government                           | X     |      |      |      |       |
| Accounting/financial management            |       |      |      |      |       |
| Fundraising                                | X     |      |      |      |       |
| Legal background                           |       |      |      |      |       |
| Handyman                                   |       |      |      |      |       |
| Technology                                 |       |      |      |      |       |
| School district                            | X     |      |      |      |       |
| Small business                             |       |      |      |      |       |
| Corporate                                  |       |      |      |      |       |



## Some Strategies for Getting the Board Members You Need:

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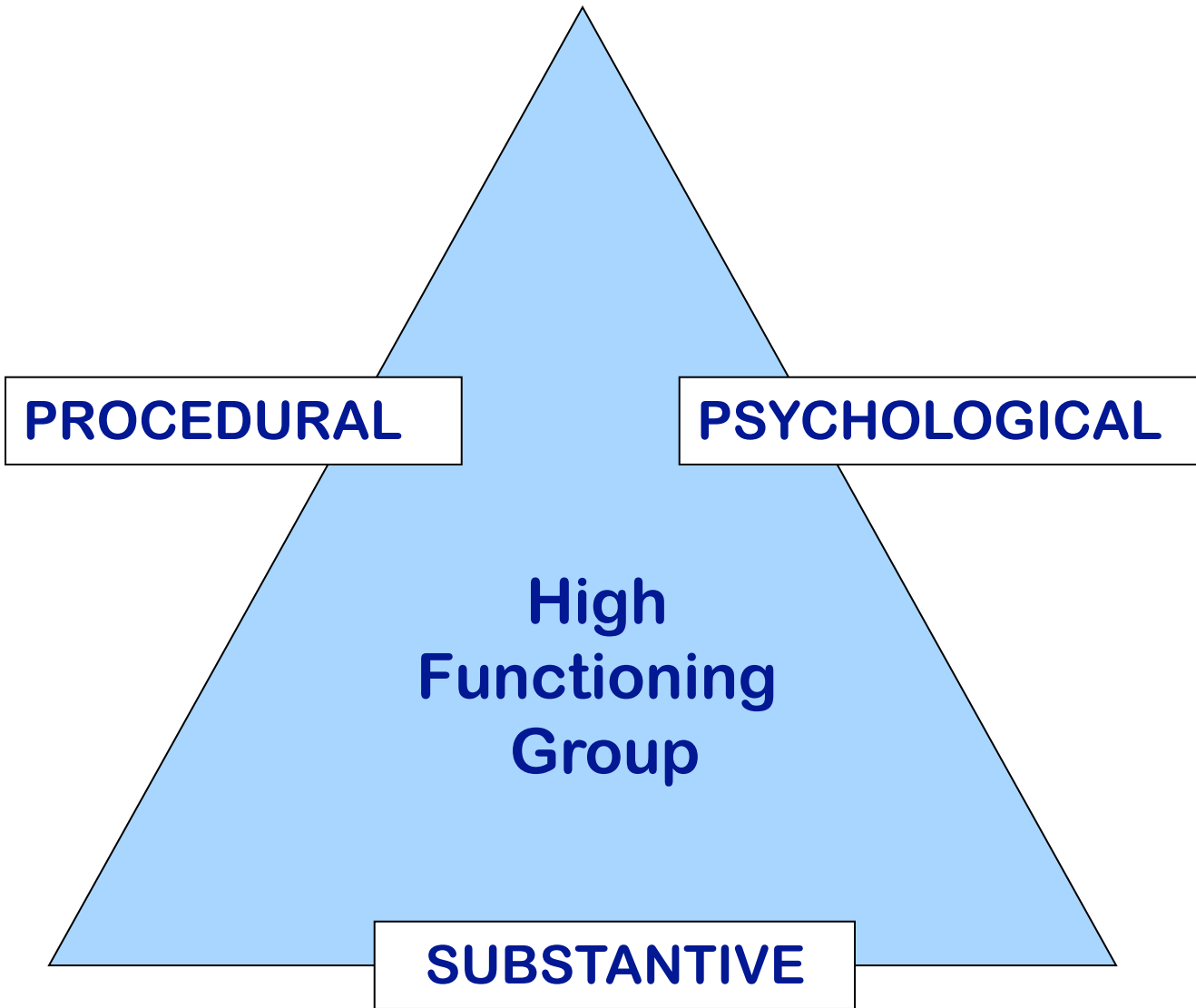


## **You Will Keep Good Board Members If:**

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

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



# Poor Meeting Attendance?

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

# Steps to Take to Ensure Successful Meetings:

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

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

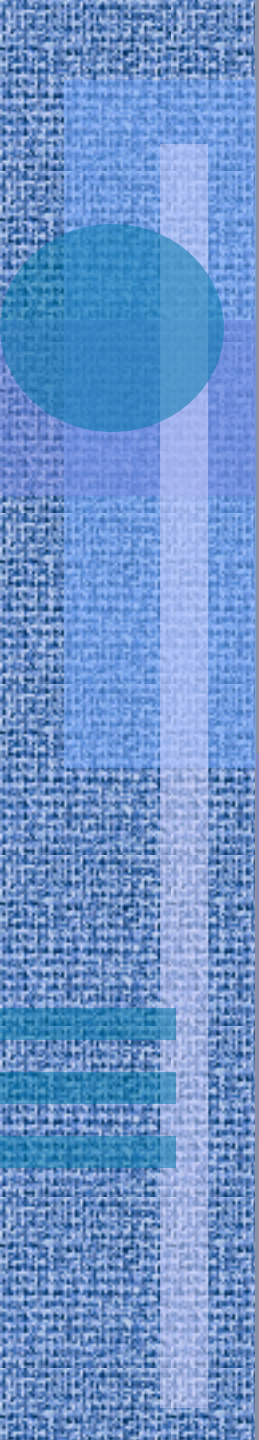


**S (Staff)** Is this activity a duplication or review of a task staff already does or has done? Is it a rubber stamp of a staff recommendation / staff initiated item?

**P (Past)** Is this a review / discussion of something that already happened? (This will include staff reports, committee reports, financial reports, etc., most of which review PAST actions.)

***V (Values)*** Does the item pertain to the organization's core values? Is it a discussion of how decisions are made, how actions are determined to be right or wrong, how the board ensure the organization is walking its talk?

***M (Vision & Mission)*** Is this a discussion of the effect the organization has in the community? A discussion of the impact the organization will create for individuals and for the community? Is it an item about how you will make more of a difference in people's lives?



**For a copy of this presentation, a board self-assessment, and Form 990 information, contact me at [hagan@montrose.net](mailto:hagan@montrose.net).**

**For a wealth of information including sample board job descriptions, information on conflict of interest policies, and much more, visit [www.managementhelp.org](http://www.managementhelp.org).**

# THANK YOU!

Questions?

Comments?

Ideas to Share?

