

BOARD GOVERNANCE

THE FRESHMEN CLASS OF DIRECTORS

Welcome to the board! While you may feel like the new guy on the block, nearly every board has a class of “freshmen directors.” Most organizations stagger board terms for consistency, transition of projects, and essential knowledge transfer.

Here are some fundamentals of board service worth knowing at the start:

A Attendance – Whether or not you attend the meetings, the decisions of the board belong to the entire board. Thus, not attending would not excuse you from actions of the board that were taken when you missed a meeting. [No fair saying, “I wasn’t at the meeting when they decided that.”] Plan to attend every official meeting in accordance with the bylaws and your commitment to serve.

B Be Present – To participate you have to be actively engaged. Don’t treat board meetings as a place to sit and learn or to return messages on a Blackberry. *Prepare* for meetings by reading materials in advance, making calls to committees and staff with your questions, and by being ready for knowledge-based, meaningful discussions. Don’t be the board member who opens his or her information packet as the meeting is called to order.

C Conflicts of Interest – Avoid conflicts by speaking up if you believe you may have a conflict of interest regarding an agenda item. For example, if the organization is recommending a product, and you happen to have a stake in that product, then advise the board and offer to excuse yourself from the discussion and the vote.

By Bob Harris, CAE

D Documentation – You’ll receive a lot of documents during your tenure. Remember that the purpose of information is to help you govern, and should remain *confidential* in most cases. The paper trail is also a way for you to build the file you need to effectively make decisions, study issues, etc. At the start of your term, consider how you will retain and use the information. Discuss with staff what documents you want to receive and in what format (digital, mail, fax, etc.)

E Effective Leadership – Commit to being an effective leader at the onset. Envision outcomes that will have lasting favorable impact while you’re in a leadership position. Be accountable for the commitments you make.

F Finances – Nonprofits find themselves in the news because the board did not oversee their finances. The members expect you to protect the organization’s resources. When it comes to finances, ask pertinent questions. If you don’t understand a report, ask to speak with the treasurer or staff before or after meetings.

G Govern – There is a difference between your role of governance, and the staff’s role of management. Some directors inappropriately slip into a management role. Governance has its roots from the word, “steering.” Your role is to set the destination and direction; let the staff use their administrative skills to decide how to best reach the destinations.

THE FOUR GOVER

What are my “governing documents?” There are four that create the framework for a nonprofit organization.

Board members should be asked to read the governing documents. The corporate concept of “duty of obedience” requires adherence to these documents.

1. Mission Statement

The mission statement — or statement of purpose — is the single most important governing document. It is the justification for the IRS issuing tax-exempt statement to the organization.

The mission statement guides the board and staff, and informs members, prospects and other organizations as to the reason for your existence. A mission statement is generally reviewed and

updated when the strategic plan is developed. The trend is for a short, memorable statement that identifies the organization, the membership it serves, and what it offers.

2. Articles of Incorporation

The articles of incorporation (sometimes referred to as the charter or constitution) are the primary rules governing the management of a corporation, and are filed with a state or other regulatory agency. State legislatures may amend the law periodically; thus staff must be well-acquainted with state corporate law.

3. Bylaws

A bylaw is a rule governing the internal management of the organization. Bylaws cannot supercede local, state or federal laws.

BY THE NUMBERS ASSOCIATION PRACTICES

Numerical principles of association management:

1

One page reports should do it. If the document needs a staple it's too long for the board of directors. *Brief is best.*

3/24

Answer phones within 3 rings. Satisfy member requests within 24 hours. *Customer service excellence.*

1479

A simple member retention plan: In the 1st month of joining, members get a welcome kit. In the 4th month a member of staff calls to introduce his or herself as a source of contact. In the 7th month a member of the board should call. In the 9th month a membership committee member calls to encourage renewal.

BY THE NUMBERS STRATEGIC PLANNING

Numbers reflecting today's strategic planning processes:

1-2

The length in days to complete a good strategic plan; organizations that assign the planning task to a committee can draw out the process for months.

3-7

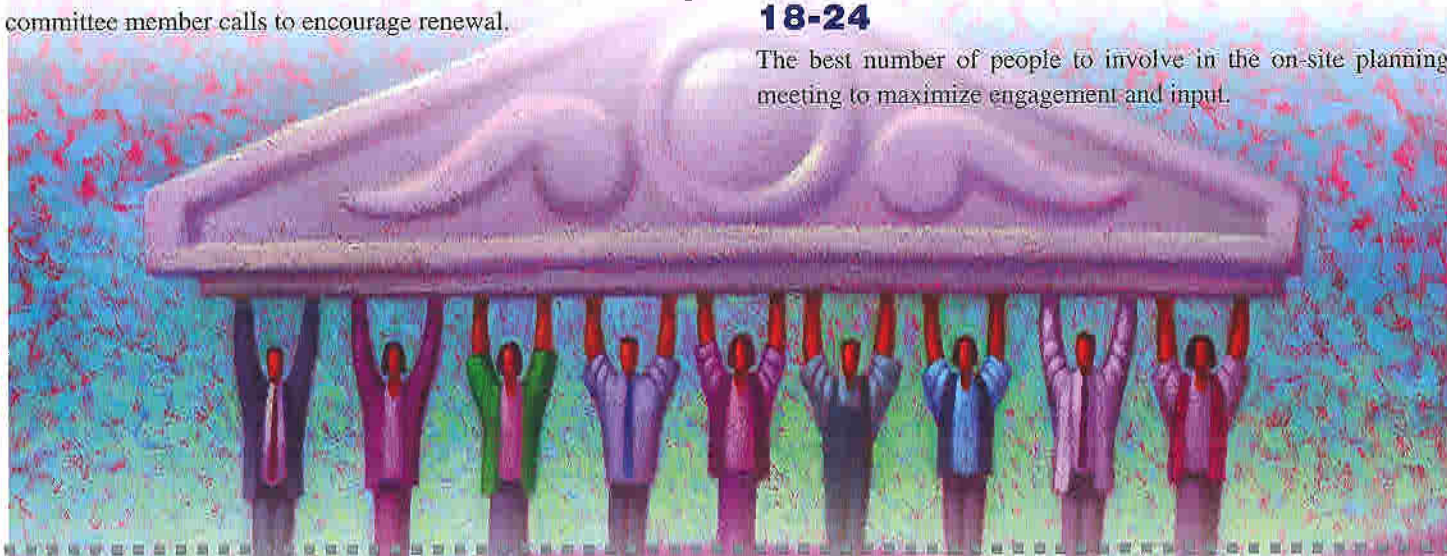
Number of major goals in strategic plans. Often times, fewer is better to maintain focus on core competencies.

3-5

The number of years most plan cover; with an intent to review progress at least once yearly.

18-24

The best number of people to involve in the on-site planning meeting to maximize engagement and input.



NING DOCUMENTS

The founding directors draft the initial bylaws under the authority of its articles of incorporation. Bylaws generally cover topics such as membership categories, how directors are elected, how meetings are conducted, standing committees, and descriptions of responsibilities.

The board of directors generally proposes amendments to the bylaws to the membership for approval. The IRS requires that amendments to the governing documents be submitted annually (use Form 990.)

4. Policies

A policy interprets the governing documents and is usually maintained in the form of a policy manual. The policy development process includes the identification of recurring issues and the best alternatives selected by the board.

Policies can be adopted or changed by the board without involving the general membership. The authority and rationale for policies are always found in the meeting minutes. Consider policies as the wisdom of the board passed on to future leaders and staff.

For additional tips and templates on association management and governance, visit Bob Harris' website at www.nonprofitcenter.com.