

High Performing Boards



**Board Handbook
High Performing Boards**



Introduction

Governance is an amorphous --- without clarity, shape or form. It is open to interpretation by the board, staff and members.

The desire for a nonprofit organization is a high performing board.

Governance is framed by the intent of the current board, precedents of the past (“we always did it this way”), state and federal legal requirements, established policies (disclosing conflicts, independent audits, etc.), the strategic plan, resources (staff, time, finances) and finally the governing documents (bylaws and articles.)

It’s no surprise that some directors approach their term thinking, “During my first six months I’m just going to observe and won’t say much.” The opposite is a director who proclaims, “I’m going to fix everything in the organization when I get on the board.”

Potentially the best advice is to know that the MISSION is the **destination**, and the STRATEGIC PLAN is the **roadmap** or GPS.

Between the destination and the journey, much can be achieved. But governance is open to misinterpretation and misunderstanding. This packet is intended to spark conversations and support continuous improvement.

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The Rusty Trustee

New directors may think, “I won’t say anything for six-months, until I learn the ropes.” This is a poor approach to governance and the responsibilities of directors.

Access to information is critical to facilitate good governance. The officers and executive director should invite questions. Expect to hear, “What is the best way to prepare for meetings?” and “I’m not sure I understand the details of finances.”

A unique idea is the appointment of an experienced leader to coach the board and new directors. The concept can be traced to the Kentucky Optometric Association, referring to the seat informally as the “rusty trustee.” The official title is the “Trustee Emeritus.”

The purpose is to help the inexperienced directors and board understand history, culture and good governance. Depending on bylaws and the group’s preference, the position may be non-voting and be limited to one year, enough time to get the board up to speed.

The emeritus trustee has multiple purposes:

The trustee can serve as the voice of experience and historian

The trustee can offer perspective.

The trustee can slow things down or steer away from an initiative that seems askew.

Their role is not to have heavy influence or a “no” vote impeding progress.

They serve as the voice of an elder who asks the board to think strategically.

The trustee may have a role in encouraging or curbing the enthusiasm of new directors.

Helping New Directors

Other methods for onboarding and adding confidence for new directors include:

Guiding Officers –

The officers share responsibility for mentoring new directors.

Orientation Process -

Orientation is important but overwhelming. In one setting, the bylaws, budgets and fiduciary responsibilities can be too much to ingest.

Past President –

One reason for a past president remaining on the board is to ensure continuity in the leadership transition.

Board Buddies –

New directors can benefit from being assigned a buddy.

Evaluation –

For continuous improvement, ask the board to evaluate their performance. # # #

Rump Sessions

A rump session is described as a meeting before or after the larger meeting.

In associations, a rump session might occur in the parking lot after the board meeting; a few directors hanging back to rehash what was decided.

At other times it is a call between directors to discuss association business. It could be a meet-up at lunch or the bar to talk about the upcoming board agenda.

The Scenario

Directors are anticipating the next board meeting.

They received the agenda and supporting documents to study.

They've had a thorough orientation about the importance of their governing roles.

Some might think,

I'll make a quick call to a few directors to ask their opinions.

Here's what happens. The director picks up the phone for a conversation about one action item in the packet.

The call between directors begins innocently, but it easily digresses.

This is the beginning of what can go terribly wrong for leaders, developing into legal and organizational problems.

The concerns may include antitrust violations, collusion, discrimination, apparent authority and voting blocks.

As the conversation moves from a simple question,

"What's your perspective on the recommendation,"

Directors should know their authority is limited.

They have authority to act from "gavel to gavel,

They do not wear their governing hat in between meetings.

perspectives of other board members might be discussed.

"How do you think they will vote?"

Directors should not be counting votes and lobbying outside the boardroom.

Directors may mistakenly convince each other they have all the facts.

They might make an agreement to vote or suggest calling other directors to influence votes.

Without officers and staff present, there is no agenda nor minutes recorded to protect the directors. Confidentiality has been breached.

Facts and knowledge are missing, replaced by hearsay.

Other directors realize what has occurred and feel left out.

Distrust infects the board.

Inside the boardroom is the safe place for deliberation. Opinions and votes are to

remain confidential.

The board should act as a unified body after meetings. No matter the outcome, directors must support the decisions of the board.

Rely on Staff

The staff, especially the association executive director, is the best source for information.

Their answers will be knowledge-based, neutral and watching out for the interests of the board and organization.

Avoid rump sessions that exclude directors, breed distrust, and appear to count the votes before the board meeting. # # #

Sabotaging the Consent Agenda

The board chair said, “To save time we will use a consent agenda.

We will be distributing routine reports in advance. I’m asking you to prepare for meetings by doing the reading.”

A consent agenda is an efficient board practice. It allows the board to focus on the substantive issues such as mission and its core competencies.

About a week before the meeting, when the agenda is distributed, the routine reports are provided to directors.

At the board meeting, the package of reports and updates by committees, officers and staff can be handled with a single motion,

“I move we accept the reports as distributed.”

Any reports deemed controversial or needing board action can be removed from consent and put on the regular agenda.

“Switching to a consent agenda allowed us to use our time together more wisely.

Rather than hearing committee reports, that can be read prior to the meeting, we now focus on our strategic plan and board development,”

Cultural Change

Some organizations are reluctant to adopt the process, change can seem awkward.

You might hear, “We’ve always done it this way.

A few organizations successfully adopt the consent practice, only to fall back into bad habits that waste valuable time.

When it comes to saving time and being efficient, hardly anybody objects.

So how does the concept get sabotaged?

Jeopardy

There may be resistance to using a consent agenda.

Some boards feel that if a volunteer prepared the report, they should have time on the agenda to present it.

Some directors say they have no time to read advance materials.

Here’s what jeopardized the process:

Deadlines –

The reports must be prepared in a timely manner to be attached to the meeting announcement or agenda.

Some committees may not be good at writing summary reports.

Provide a template for committees to keep reports to one page.

Encourage the use of bullets rather than paragraphs.

Meeting submission deadlines can be problematic.
People are inclined to wait until the actual meeting to think about their report.
The consent agenda required reports a week or two in advance.

When deadlines are missed, the lax board chair might excuse the omissions and let people have time on the agenda for reporting.

Discipline is key.

Breach of Duty –

To prepare for meetings directors have been told to read the advance reports (a fiduciary duty).
Listening to the questions at the table, it is obvious some directors neglected their duty.
A diligent chair will notice the breach, advising, “I expect directors to come prepared to our board meetings.”

Regurgitation –

The reports were prepared, distributed and read in advance by the board.
A motion was passed at the start of the meeting to accept the reports.
But some directors keep asking questions about the reports after the package was approved.
The board chair lets the transgression occur, using up valuable time for governance and strategy.

Hybrid Option

Encourage the board to try the concept for a year.
If the board is uncomfortable with the consent process, offer a hybrid solution.
The chair might allow report highlight to be discussed, with time limits.
For example, allowing two minutes for the authors to make comments.
Most boards don’t look back once they’ve adjusted to not wasting time on reports and updates.

Volunteer and staff time is irreplaceable.

An easy formula to determine the value of a meeting would be to multiply the number of people attending by the length of the meeting and a value of at least \$100 per person attending for their leadership contribution.

For instance, 15 people x 3 hours x \$100 equals \$4,500.

Governance should focus on advancing the mission and strategic goals, not reading and listening to reports. # # #

High Tech Consent Agenda

The consent agenda is a tool to facilitate more effective board meetings. Adding technology to the concept improves ease of use and impact.

In today's fast paced world, we must respect volunteers' contributions of time and talents. It will be difficult to convene a quorum if directors feel the meeting wastes their time.

It is especially problematic when so much of a meeting is used for reporting: listening, reading, discussing and approving.

The average agenda includes 15 to 17 "reports and updates."

One wonders how the board gets to the essential business of mission and goals if reports consume most the time.

A consent agenda may be the solution, technology may be the mechanism.

The Concept of Consent

Consent means permission for something to happen or agreement to do something.

A consent agenda is an efficient meeting practice that groups routine reports into a single agenda item.

The reports are distributed in advance with the expectation they will be read before the board meeting.

Most reports are for information only, requiring no action by the board.

The package of reports and updates can be handled by a single motion, such as, "I move to accept the reports as distributed."

At the start there may be resistance to use of a consent agenda.

Some boards feel as if a committee or officer who prepared the report should have a right to have time on the agenda to present it.

It requires that reports be in writing and prepared by a deadline before the meeting.

They will be distributed with the meeting notice and agenda. Technology integration improves the process.

Discipline Required

The consent process requires discipline.

Discipline to draft and submit timely and meaningful reports.

Discipline to ensure that directors read the items in advance.

Also discipline to avoid bringing the reports up again during the meeting.

It usually starts with someone saying, "I just have a question about that."

The question takes the conversation down a rabbit hole.

Application

The board of directors adopted the consent agenda process several years ago.

It has allowed for better-prepared directors, desired results and shorter meetings.

Start by deciding what should go on the consent agenda.
For example, the previous meeting minutes, financials and standing committee reports are bundled for advance reading.
General correspondence of board interest is also included.

The process is explained at the board's annual orientation.
Directors are informed they have a fiduciary duty as trustees to prepare for meetings.

Technology Integration

Each item in the consent agenda is hyperlinked to its source on a board portal or a file hosting service such as Dropbox.

Directors click on a link to review the information before the meeting.

The board's regular agenda is available at the meeting with similar links.
Directors using tablets can pull up reports with a single click.

The Process

The board president asks if anyone wants to discuss anything in the consent agenda.
If not, there is a motion to accept the items presented.
If the motion gets a second, the floor is open for discussion.
Once discussion is complete, the motion is voted.

If anybody wants to discuss something in the consent agenda, he or she may ask for it to be removed.

The president receives an amended motion to accept the items in the consent agenda except for the excluded item.

If the motion gets a second, the floor is open for discussion. Once discussion is complete, the motion is voted.

Immediately following this vote the item pulled from the consent agenda is discussed and any action warranted is taken.

Another time saving tip is to link the other items in the remainder of the agenda, so directors have access to information before they are discussed and voted.

This process supports knowledge-based board decisions.

Efficient, effective meetings, and only convening as needed, has supported director participation and understanding while improving outcomes for the association and members. ###

Passing Notes at the Board Table

Association success requires a partnership:

The collaboration between the chief elected officer (president or chair of the board) and the chief staff officer (executive director or CEO).

It can make or break good governance.

Both persons have a lot at stake.

Each brings different knowledge and perspectives to the boardroom, where most of the work is done.

The elected president is eager to lead.

His or her job is to advance a mission and strategic plan.

While intentions may be good, meetings can be painful because of lacking leadership skills.

They have to run meetings, involve the group, understand processes and manage time.

The executive director brings the needed experiences, including meeting management and organizational knowledge.

He or she knows about resources, what has been tried, member needs and what works.

The Dilemma

An executive director said, “I know how to run a good meeting and the essentials of governance, but I don’t know how heavy-handed I should be at the meeting.

Do I prod the board president, pass note and push the agenda?”

While the board, led by the president, is expected to set the direction of the association, the executive director expected to implement programs and manage.

The concern is, “what if the president doesn’t run a good meeting.

” What if the board is content to listen to reports, eat a meal and adjourn?

Should the executive director step in to rectify matters?

As the executive, I am unsure how I can sway the board president to stick to the agenda to produce results.

While I am the one with association management training and an understanding of governance, I am not the leader of the meeting.

It is challenging to watch a meeting go deep in the weeds with only a few directors and notice others who have checked out and feel their time is being wasted.

Finding Balance

Here’s how to facilitate a collaborative partnership to produce desired meeting outcomes.

Collaborate –

Take time at the start of the term to discuss desired outcomes of both parties.

The elected officer may have ideas, but they can be unrealistic or unrelated to the existing strategic plan.

The executive director wants to have meetings that don't waste time and are productive. What platforms and resources will work to advance the desired outcomes of both?

Agenda Development –

A good agenda is vital for desired outcomes.

If the board chair gives it minimal attention, the meeting may be tedious or bomb.

Agenda design will dictate how and what issues will be addressed to advance mission and goals.

Seating –

Should the executive sit next to the president or is that reserved for other officers. I've found having the exec at the right hand of the president has significant value.

Close proximity will allow for silent cues and hints.

If tent cards are used for designated seats, place them strategically to best position directors.

Passing Notes –

The president might not want an executive whispering in his or her ear throughout the meeting.

Discuss how much guidance the exec should offer.

For example, when discussions are taking too much time without results (**"we're in the weeds"**) the exec might just point to the agenda and suggest getting back on schedule.

Or tapping one's watch and making eye contact to encourage a return to the agenda.

Directors often chase squirrels, and the executive will be first to notice.

It might be worth noting that directors texting each other during a meeting would be inappropriate.

To reach understanding and consensus, communications should remain transparent and above the board table.

Texting during a meeting is a distraction and may violate confidentiality about board meetings.

Roadmap and Guardrails –

Keep the strategic plan in sight of the board president.

A frequent question should be, "what part of the strategic plan does that address?"

Some groups format the strategic plan as a placemat style to have a copy at each director's seat.

If the strategic plan is the board's GPS, then the bylaws are the guardrails for their efforts.

Debriefing –

After the meeting, spend a few minutes asking, "How do you think it went?"

Look for ways to improve the next meeting to produce maximum results.

There is much at stake.

The elected president has an agenda and priorities to achieve within the term of office.

The executive director is responsible for efficiently, effectively advancing the association and serving members. ###

Buying Tools at the Board Store

In La Crosse, Wisconsin I passed an interesting shop. In bright lettering the awning reads, “The Board Store.”

The US has 1.5 million exempt organizations. Each has a board of directors.

I wondered what tools and equipment the board store sold.

Here are the tools, planks and signage the store could sell to support good governance.

Board Governs, Staff Manage –

The most important distinction in board roles. Directors govern by being strategic and setting a vision.

The staff and committees will work to advance that vision.

The board does not micromanage or supervise.

Gavel to Gavel Authority –

Directors have authority to govern at duly called meetings of the board.

When the meeting is gaveled to order it is expected that directors have prepared and will speak up as a fiduciary of the membership.

As the meeting adjourns, they no longer have authority to speak for the organization unless the chief elected officer has granted that authority.

After a meeting they may wear different hats such as committee volunteer, ambassador or chapter visitor.

“The biggest misnomer is that an individual director, regardless of position, has power in between board meetings.

The governing body has the authority to act as a body and not singularly.

It is important to get this point across as it prevents a director from calling the executive director and making a request that shifts the focus of the professional staff team.

Squirrel! –

Directors are easily distracted from the agenda at hand and the strategic plan.

Squirrels or bright shiny objects divert from the agenda and business at hand.

The board store should sell squirrel traps.

Brief is Better –

Presenters need to read body language.

As ideas and reports are presented, directors are quick to lose focus.

You can see it as they pick up their phones or make their own to-do lists.

Volunteers seldom read past page two of a report.

Use bullets and graphics to get across highlights.

We are in the Weeds –

Directors should be empowered to ask, “Are we in the weeds?”

Delving into HOW to do something is dangerous.

One board made a motion to improve member engagement through a robust listserv. The discussion dived into who will manage it, how often will topics be posted, etc.

Board's Don't Do Committee Work at the Board Table –

A sign on the wall should remind directors they are focused on governance, a vision and advancing the strategic plan.

Committees are assigned work from the strategic plan.

Leaders should NOT be doing lower-level committee work at board meetings.

"I just have a question?" –

This is the most frequent distraction at meetings.

A director asks an innocent sounding question and two or three people respond with, "I know the answer."

The board chair has lost control of the meeting.

50,000 Foot –

The board needs tools to maintain altitude.

Leaders work at 50,000 feet, committees at 25,000' and the staff administer at 10,000'.

A sign on the wall might read, "What altitude are we at in this discussion?"

No Volleyball –

A lot of good ideas are served up at the board meeting.

They are often debated until the discussion tires.

At that point the volleyball falls to the floor and a new idea is spiked.

By recognizing this style of discussion, it is easier to stick to the agenda and monitor how each idea is processed.

These are the tools, planks, and platforms needed for building good governance.

There should be a sale at The Board Store! # # #

Onboarding is Critical

Cassandra's college professor said, "After graduating you should join a professional association, and if there is a chance for a leadership role you should take it."

After she landed her first job, she joined an association.

A few months later she received a call from the elected president asking, "We have an open seat on the board of directors, would you consider serving?"

She felt honored and accepted without hesitation.

The time between accepting the seat and her first board meeting would be critical.

She needed the information to become a valuable member of the board.

It's called onboarding.

Onboarding is the process of integrating new board members into the organization so they can be effective in their roles and responsibilities.

"It is critical to help new directors prepare for their first meeting. In our organization, I schedule a meeting with them soon after they're elected to go over processes, procedures and to answer any questions they may have.

Every January, we have our leadership orientation where we provide relevant information--bylaws, policies, and financials--and usually include an organizational or industry expert to speak about the fiduciary responsibilities of leadership,"

Orientation Processes

Effective directors are developed through orientation processes.

There are several approaches to transferring the knowledge.

Personal Visit –

Some organizations visit the new board member at their work setting.

This affords the executive director a chance to get to know the interests of the new leader.

The new director might consider it a compliment that an association representative is spending time at their place of work.

Association Office Visit –

Another approach is to extend an invitation for the new director to visit the association.

Spending time in the office of the executive director imparts knowledge and familiarizes the board member with association operations, priorities and the staff.

Both methods have value for onboarding directors.

What's missing is group dynamics.

Group Orientation

Group dynamics occur when the entire board participates in the orientation.

With the involvement of the full board, the seasoned volunteers add their perspectives to the challenges and opportunities of board service.

Learning about responsibilities and assignments can feel daunting. The veteran directors are in a position to explain that support is available, and the board works as a team.

In another example, understanding rules of order can be frustrating to a novice. A more senior director can instill confidence with a quick explanation, “What is important about rules of order is to remember to make a clear motion and to seek a second; without a second it dies.”

More experienced volunteers nearly always have ideas and tips for effective governance. They can serve as mentors or board buddies to newer volunteers.

Yearly Refresh and Blend

There is value to conducting onboarding with a blend of experienced and new directors. New directors want to feel like part of the team rather than to be treated as newbies where they wait six months to speak up or offer ideas.

They are in need of information, while the experienced directors might wish to skip the training.

“Our board orientation is conducted annually.

In some years the content is more in depth than others.

I always meet with new directors and give them a high-level overview of the organization, expectations, strategic direction, roles, and responsibilities,”

“At the start of our association year, the number of new directors determines the type of orientation that is conducted.

Every director is given a folder of information including compliance documents to sign.”

In addition to imparting knowledge, there are some policy and legal advantages to an annual orientation.

The IRS expects all directors to disclose conflicts of interest annually.

The doctrine of volunteer immunity requires board members to work within the governing documents, thus orientation is the right time to distribute a leadership manual containing the bylaws, articles and policies among other information.

The FTC suggests trade associations promote measures to avoid antitrust violations.

The annual budget needs review and approval.

Progress on the strategic plan should be discussed at orientation.

Orientation Agenda

An orientation might take 1.5 to 3 hours --- a small investment of time to plan a successful year. It can be divided into four sections.

About the Association

- ✓ Mission Statement
- ✓ Elevator Speech
- ✓ Workforce – Board, Committees, Staff
- ✓ Resources

Director Responsibilities

- ✓ Fiduciary Duties
- ✓ Governing Documents
- ✓ Board Staff Distinctions

Strategic Direction

- ✓ Strategic Plan Introduction
- ✓ Tracking Mechanisms
- ✓ Committee Alignment with the Plan

Risk Avoidance

- ✓ Protections and Insurance
- ✓ Concepts of Risk Management
- ✓ Risk Avoidance

Orientation can be conducted by a team, including an experienced executive director, the counsel of an attorney, accountant and insurance agent, and seasoned volunteers.

“I prefer that our board chair conduct as much as possible.

It empowers him or her and demonstrates competency to fellow leaders.

I may coach the chair about what is important to communicate during orientation.”

Cassandra’s likelihood of board success and satisfaction will be improved with the transfer of knowledge through the orientation processes. # # #

Describe your Association in 3 Words

Do you or your board volunteers stammer when someone says, “Tell me about your organization?”

Telltale signs are avoiding eye contact by staring at the floor and starting the reply with “Ummm.”

Describing the association should be straight forward and succinct. It ought to be expressed with confidence.

Three Words

Some associations have identified just three words to describe their organizations. These words are the platform for communicating with impact a message that grabs the attention of the listener.

The Empire State Society of Association Executives has integrated the three words into their logo:

Guide. Empower. Lead.

Note how each is punctuated with a period to make a stronger point. A comma would make it look like a run-on sentence.



Three Words	Association Description
Guide. Empower. Lead	A society offering career and professional development opportunities.
Confident. Competent. Compliant.	The association provides the education and opportunities that support member skills for successful careers.
Value. Vision. Voice.	The organization delivers value to members, is positioned to be innovative, and serves at the voice of the members to government and media.
Better. Faster. Stronger.	An association of young entrepreneurs that provides benefits advancing member success.

Sell the Sizzle

“Sell the sizzle, not the steak” refers to a sales technique.

The listener wants to hear about results, not the details.

Imagine a steak on the grill where customers can hear and smell the sizzle, making their mouths water.

Too many volunteers describe the steak, not the sizzle.

They talk about the annual trade show and a monthly newsletter rather than the outcomes and return on investment such as improved competencies, leadership development and prosperity, for instance.

Listeners want to hear about impact.

They’d prefer to know the association is improving standards of excellence and quality of life rather than hearing about meetings and newsletters.

Elevator Speech

An elevator speech is a few key sentences to portray an impactful image.

It should include a brief mission, describe the membership, portray strengths of the association, and a summary, easily stated before the elevator doors open.

My colleague Nataliia Zhuhai taught business association executives how to create an elevator speech.

Based on her journalism experience she said to imagine you are in the Ukraine Parliament Building when a lawmaker says, “Tell me about your organization before I have to get off on the third floor.”

An association should develop and practice a consistent message, using an elevator speech.

Brief is Better

Whether you select just three words to describe the sizzle of the association, or draft an elevator speech, realize there may be only one chance to communicate the importance of the association.

Collaborate with the board to draft the best message with the greatest impact.

Write an elevator speech volunteers can use.

Discuss the three words that best describe the association.

Keep the mission statement to a length that is tweetable. # # #

Body Mass Index for Boards

I had an ultrasound body mass index (BMI) test the other day.
BMI is derived by analyzing the mass and height of an individual.

It revealed, as expected, I could lose some fat and build some muscle.
The test reported on health and relative risk of certain diseases.

It provided me with numbers and percentages to support healthy practices.
“Less fat, more protein, add a meal a day for metabolism, be sure to work out regularly.”
I left with a recommended diet, enhanced exercise program and a commitment to improving health.

Governance Measures Index (GMI)

Is there a BMI for boards?
Good governance can be quantified. Best practices can be measured. Let’s call it the GMI --- governance measures index.

If directors know their metrics, they can make continuous improvements and use the numbers to justify change.
(Recently I worked with a board that reduced their size from 230 to 90 directors, a step in the right direction.)

“Similar to Bob’s BMI, a board can atrophy and lose strength.
Processes break down and results are poor.
Monitoring board health will lead to performance excellence and a stronger organization,”

Measurable Board Practices

Governance practices can be quantified and measured.
This serves as a platform for continuous improvement.

Metrics	Governance Rationale
Meeting Cost (People X \$100 Hour)	What’s the ROI for board meetings? An overly simple method to determine return on investment: Multiply the number of hours of the meeting x the number of people (staff and board) x \$100 hour = ROI. For instance, a 3-hour meeting for 20 persons equates to minimum value of \$6,000. Add time for preparation, travel and logistics. Does the meeting justify the cost, especially considering outcomes?
Board Size (15 Average)	Boards are all sizes for varied reasons. The average board is 15 persons. The IRS suggests the size should allow for meaningful conversation. There are pros and cons to large and small boards.

Metrics	Governance Rationale
Discussion Altitude (50,000 Feet)	Effective boards work at a 50,000' altitude to carry out their responsibilities. Committees supplement the work of the board at 25,000' and the staff administer at 10,000'. Boards should avoid doing committee and staff work at their meetings.
Quorum (50%)	Most bylaws require at least 50 percent of the board in attendance to conduct business.
Term Limits (3 to 6 Years)	There are advantages to term limits to bring new ideas to the organization and engage new persons. Most organizations have terms of 3 years, followed by the option of a 2nd term and then time off the board. Officers usually serve 1 year.
Self-Assessment (1 x Year, Ongoing)	Yearly the board analyzes effectiveness, governance processes and structure for continuous improvement.
Consent Agenda (5-15 Minutes)	Committee, officer and staff reports that are information-only are distributed in advance with the meeting notice. A consent agenda requires 100% of the directors' read reports before the meeting. At the opening of the board meeting a motion to accept the non-action reports is adopted in a few minutes. Don't get bogged down on reports that take valuable time away from mission and goals.
Advancing Mission and Strategic Goals (75% of the agenda)	About 75% of the meeting focuses on advancing the mission and goals. Print the mission and goals right on the agenda to frame discussions. Keep a copy of the strategic plan on the board table.
Strategic Plan (3 to 5 Years)	Most boards advance a three-year strategic plan. Be leery of an annual retreat that sets priorities only for the current chief elected officer. Think longer-term for greater impact.
Agenda Development (1 – 2 Hours)	Development of the agenda is a shared responsibility between the chief elected officer and executive director. Craft an agenda to yield significant outcomes and circulate it in a timely manner,
Performance Metrics (Frequent)	Progress must be tracked. Tie metrics to the strategic plan. Report as "dash boards" --- visual depictions of data and trends.

Metrics	Governance Rationale
What's Next (10 Minute Wrap Up)	Before adjournment the best question is, "What's Next?" Take a few minutes to summarize deadlines and accountability to get interim work underway.
Orientation (1 x Year)	Directors are effective when they have the information. Provide orientation annually. It may take from 90 minutes to a half day of discussion. Distribute the governing documents or a board "playbook."
Hydration (Continuous)	The board needs hydration. After so much coffee and sodas (Caffeine can be beneficial) they need water. Provide nutritionally sustainable foods rather than salt and sweet snacks.

"Boards around the world benefit by measuring their health in these ways. Volunteers expect to give and receive maximal value from their volunteer commitment, and these measurements help to demonstrate that,"

The BMI for boards is somewhat hypothetical.

The performance measures herein are real.

The numbers support improved board practices and governance reform for optimal organizational health.

Well, I've got to get back to the gym. # # #

From Good Old Boys to Good Governance

Perception is reality. It means if it is perceived to be true, it will seem more important than the facts.

If members perceive the organization's leadership to be good old boys, it can damage the credibility of an association or chamber.

Characteristics of good old boys are directors with seemingly perpetual terms.

A lack of diversity. And director ages representative of baby boomers and above (55 to 75); blocking the entry of young, diverse and emerging leaders.

Good old boys maintain an informal system of friendships through which they use their positions of influence by exchanging favors and information.

Their meetings are likely to be social, more interested in the luncheon and perks, than good governance.

In the Danger Report analyzing associations, describes a detriment to governance as a lack of "changing of the guard."

The report states the problem:

"As officers age, innovation declines."

A second point in the NAR report is the difficulty of finding quality volunteers. Few leaders are willing to spend time in meetings, debating unproductive issues and listening to reports.

Changing of the Guard

Consider ways to transform from good old boys to good governance.

Expectations –

Communicate responsibilities and desired behaviors.

What does good governance encompass?

It requires staying engaged between meetings, preparation for meetings, and consensus building.

Good old boys may not like the duties of governance.

Competency Based –

The nominating committee should assess strengths and weaknesses of the board.

Find people who have skills, including innovation, consensus building, visionaries and financial oversight.

Term Limits –

Most organizations prescribe term limits to ensure new people and ideas join the leadership.

Terms are usually often three-years with the right to serve one more term before stepping off the board.

Train and Orient –

Good old boys may be averse to training. One might hear at the meeting, “but we have always done it this way.”

Take time to train annually and provide the governing documents needed to guide board efforts.

Perception –

Discuss the image of the board. Perception may be reality, driving members away or harming strategic relationships. If members comment about the behaviors of the board that are not complimentary, discuss ways to change the image.

Diversity –

Find ways to instill diversity. It might require appointing persons to represent diverse segments or engaging them for input.

Have the board reflect the composition of the membership.

Less Social –

If the board meeting has become the place to enjoy a meal and possibly liquor, try changing the environment.

Be mindful of directors joining the board because they expect perks such as tickets, access to insider knowledge and the feel of exclusivity.

Accountability –

The board is responsible for achieving results. It requires a team effort amongst directors, committee volunteers and staff.

When directors don’t fulfill obligations it’s the role of the elected chair or officers to address the problem.

Boldness –

A good board approaches mission and goals with a sense of boldness.

Avoid a board focused inward, fearful of risk and lacking confidence outside the boardroom.

Conflicts of Interest –

If good old boys maintain their status or board seats by exchanging favors, there will be conflicts of interest.

Be certain directors understand the need to monitor and disclose conflicts.

Avoid proxies and vote swapping for personal projects.

Equality –

It’s a team.

People should be treated with respect and as equals.

Good old boys tend to be there because they do favors for their friends.

The board should have a feeling of being run by all directors, not only a few with power.

Personal Agendas –

Good old boys think they are on the board for personal benefit.

Emphasize the role is to serve members.

Use the nomination and installation processes to discourage personal agendas.

Strategy –

Good old boys are seldom strategic.

A high performing board sets and advances a strategic plan.

It is the roadmap for board, committee, and staff work.

Transparency –

Members and stakeholders have an interest in the image of the organization.

Good old boys prefer secrecy.

Promote transparency.

The image of good old boys impedes good governance and significant outcomes.

###

Misguided Association Practices

There is no single authority for how associations operate.

Every nonprofit and its board are unique.

They are influenced by culture, resources, scope and member expectations, for example.

While rigid guidelines don't exist, some processes are better than others.

Here are examples of MISGUIDED PRACTICES regarding minutes, board meetings and consent agendas.

Minutes as a Newsletter

"We use our board minutes as a newsletter, it is a good way to keep members informed.

We put them on the website for everyone to know what the organization is doing

The issue: The minutes should be drafted as a document to record the board's governance actions and to protect the organization.

They are not a newsletter for members and chapters.

Usually, brief is better for taking minutes.

Their purpose is not to record board reminders or the pros and cons of a motion.

They are the place to indicate the board convened, had a quorum, did their due diligence (without conflicts of interest) and conducted the business on the agenda.

One way to think of minutes is to consider if they were subpoenaed and viewed by a court or jury, what information would they communicate?

Thus, making them read like a newsletter can be dangerous.

When it comes to who should take the minutes, I always counsel it should be someone who understands their purpose and legal considerations.

If the elected board secretary can make them both accurate and brief, that is a good candidate.

Find another person if the recorder insists on putting everything in the minutes and cannot accurately document a motion.

It is misguided to think that the minutes should double as a newsletter for members.

There are other platforms for updating stakeholders.

Build Community with Board Meetings

An elected president said her board meets monthly, even if there is no reason.

She said, "Our board meetings are a platform for building community within the leadership."

The issue: The purpose of a board meeting is to govern. Most groups convene only when there is need.

Holding a board meeting to keep directors engaged or to build camaraderie is contrary to the intended purpose.

The IRS defines the board and its purpose as, “the group of one or more persons authorized under state law to make governance decisions on behalf of the organization and its stakeholders or members, if applicable.”

Leaders who meet monthly should be aware of the amount of time required to plan, execute, and follow up. By transitioning from monthly to bi-monthly or quarterly meetings the organization can save up to 200 hours of staff time annually. It can also improve focus and contribute to work-life balance for volunteers and staff.

Relapse

The executive said reports on the consent agenda are regurgitated during the board meeting.

A consent agenda is a method for getting the perfunctory reports to the directors in advance. When the meeting notice and agenda are distributed, it includes files or links to reports that require no board action.

The issue: The traps lie in accountability and relapse: Directors don’t read advance reports (it’s a fiduciary duty) and the chairman of the board doesn’t enforce accountability. Throughout the meeting the unprepared directors say, “I just have a question.” Advance reading would have limited the distractions.

A second trap is a relapse during the meeting.

While the consent agenda was accepted at the start, some directors rehash those reports as if they are new business awaiting discussion.

“Although reports are included in the consent agenda, the information is often regurgitated during the meeting.

To combat this the board president asks directors to identify how their discussions align with the strategic plan goals.

Reports and motions must support goals that are integrated into the meeting agenda.

Listening to and reading reports is not the best use of board time.

Their focus should be on advancing the mission and strategic plan, acting visionary and serving constituent needs.

###

Why Keep Committee Minutes

Committees work under the authority of a board of directors.

The bylaws prescribe their appointment; policies detail their operations.

The volunteer groups (committees, task forces, councils, special interest groups, etc.) are intended to supplement the work of the board and staff.

Asset or Liability

Committees may be an asset or a liability.

They can produce significant results, such as generating revenue, developing educational programs, and driving new projects.

Committees are a way to engage members who benefit through the exchange of information and meeting peers.

Future leaders are developed through participation.

“Organizations relies on committees to engage members and develop innovative ideas to advance our mission and goals.

They also serve a critical role in moving forward our strategic plan.

Committees are a great way to strengthen the association.”

The groups also can be a liability.

Because they fall under the auspices of the board, any price fixing, speaking inappropriately for the organization, copyright violations or the loss of funds, will impact the organization.

They require training and oversight.

Mission creep is possible.

Zealous committees may exceed their charge and must be reined in.

Some boards do not realize that committees expend resources such as time and budget.

The staff has to administer to their needs.

Assigned board liaisons champion their efforts.

And the board chair has accountability for the volunteer groups working under the board, necessitating that he or she monitor their progress.

Committees can draw or repel members.

A poorly managed committee, without an agenda, lack of respect for time or minimal results, can drive away volunteers.

I’ve seen members only to start late and not achieve anything; it was their last meeting.

Importance of Keeping Minutes

Cynically it has been said that “committees keep minutes and waste hours.”

Keeping minutes is a smart practice.

It’s a record of what the group did at a specific meeting, who attended and any needs or recommendations.

Minutes inform the board and staff.
They communicate progress, or equally important, problems.
When committees lose traction, quorum, or direction, the board should be aware.

“Committees are integral to our association.
Their efforts help the board achieve results.
Through the minutes the board is aware of their progress.”

Combining a year of minutes serves as a tool for successive committee chairs.
By reading last year’s minutes the committee can build upon prior efforts and avoid redundancy.

Archive in various manners.
Maintain a notebook the chair can manage and pass along to the successive chair.
Or establish a portal accessible to board, staff and committee members, promoting collaboration and 24/7 access.

Committees should collaborate between related groups, avoiding silos.
Their efforts are more impactful by engaging with related committees.
The minutes are the platform for understanding the initiatives of related work groups.

The IRS Question

The IRS asks if committees keep minutes on Form 990.
“Did the organization contemporaneously document the meetings held or written actions undertaken during the year by.....each committee with authority to act on behalf of the governing body?”

Some organizations have adopted a policy that committees have NO authority to speak for the board or expend funds.
This may limit the requirement to take minutes.
The IRS tends to consider “authority” as having board powers as opposed to a task such as the conference or investment committees.

Whether or not one is responding to the IRS question, it is a smart practice to rely on minutes to monitor committee progress and reduce potential problems.

Recording the Minutes

When it comes to WHO should take the minutes, it can be anybody on the committee.
It is wrong to assume it is the duty of the staff liaison.
Liaisons are there to provide guidance and champion the committee.

Provide a template.
Brief is better and they don’t have to be typed, just legible. A one-page template suffices.

Organization DNA – Below the Surface

DNA is the building blocks of the body.

Deoxyribonucleic acid is a nucleic acid that contains the genetic instructions for the development and function of living things.

Unless you've invested in a DNA kit to check your family tree or health prospects, you don't give it much thought.

Theoretically it could apply to organizations. DNA lies below the surface.

We focus on delivering value for members.

The volunteer focus on the governance and committee responsibilities.

Staff get their jobs done each day.

As my friend Sheila Birnbach professes, what we see in an organization is the tip of the iceberg.

Eighty percent lies below the surface, out of sight to most parties in the organization.

That is where the organization's DNA rests.

Consider the DNA

I look below the surface in checking the health of an association.

Here are five areas that make up the DNA.

Use it to map out strengths and weaknesses.

Structure –

No two organizations are identical.

Each has a unique structure or DNA.

Some have established a foundation, PAC, trust and/or for-profit corporation to advance the mission.

They may have a "parent" organization and/or local chapters.

Some are simply a single 501c6 organization.

Structure is usually apparent in an organizational chart.

It depicts the relationship of components, hierarchy and lines of appropriate communications.

For instance, the committees and task forces get their authority and answer to the board.

Studying the structure will yield insights into effectiveness and dysfunctions.

Be sure you rely on legal and accounting counsel when making changes to structure.

Strategy –

A board must act strategically --- not tactically.

Some directors are unaware of the distinction.

A well-crafted multi-year strategic plan should guide board, committees and staff.

Do members and stakeholders know of the board's work and priorities?

The plan should always be on the board table.

Some organizations convene a planning retreat only to file the final report on a shelf to collect dust.

Many organizations relies on a strategic plan developed every 5 years to guide the leadership, committees and staff.

Having strategy in place supports a healthier more vital organization.

Sustainability –

Sustainability most often refers to the strength of revenue streams.

An organization relying on only one or two sources of income may not be sustainable if one of the sources fails.

Does the board seek to develop new reliable income streams?

What is the proportion of dues to non-dues income?

Sustainability also applies to the succession of leaders and professional staff.

Be sure efforts are in place to develop future leaders.

Committees, chapters and emerging professionals are training grounds for future leaders.

Relevance –

This refers to the value of the organization.

Are perceptions that it is a club run by good-old-boys or a lean mean education machine?

Do unique programs exist available only from the organization?

Customer service should be a priority.

Today's members expect return on investment for dues paid.

A golden handcuff is a benefit of such value that retention stays high and new members are asking for access.

Performance –

Performance has to do with people. Staff and volunteers have to be competent and accountable.

The opposite is the oft heard phrase, "I'm just a volunteer, don't expect much from me."

Progress will not be made without performance.

Metrics should be set to track the performance of nearly every program and effort.

From attendance to membership, lobbying wins to public relations, everything can be measured.

Association DNA includes the structure, strategy, sustainability, relevance and performance that seemingly lies below the surface.

Check it periodically to ensure the organization is positioned for success.

###

Save 200 Hours on Board Meetings

Are board meetings depleting association resources and staff time?
The culprit may be meeting frequency.

Most boards convene quarterly.
A few govern only three times a year.
Others gather as frequently as monthly.

The most common reason given for meeting often is, “We’ve always done it this way.”

Other rationales: “We like each other, and the meeting facilitates the board’s networking.” And
“If we don’t meet monthly the directors will forget what we are working on.”

Do the Math

Directors may not realize the impact on staff time.

Assume planning a meeting takes a day of staff time, add the actual meeting time, and then the time needed to wrap up with minutes and follow through.

Meeting monthly can require nearly 200 hours of staff time, annually.

Add to that an executive committee that convenes in between meetings of the board.
That can add another 12 meetings for staff to manage.

If there is a subsidiary foundation or PAC, those too require staff time.
And many bylaws indicate the executive director or staff must attend every committee meeting.

Before, During and After

Analyze the impact of convening the board in three phases: before, during and after.

Planning requires agenda development in discussions between the chief elected officer and executive director.

With the agenda, supportive items must be prepared and distributed.
Committees and staff will be asked to submit reports.

Logistics include determining if a quorum will be present.
Many meetings include a food and snacks.
Copies have to be made.
Possibly a hard-copy agenda and board packet is prepared for every director.

Then there is time scheduled for the actual meeting.
Add to that the time that directors spend at the office for friendly chats with the CEO or staff.
 (“While I was here, I wanted to ask some questions and get your help.”)

After the meeting, minutes must be prepared and distributed. Tasks will be assigned, tracked and reminders issued. In reality, the wrap up can take more time than the board meeting itself.

Work Life Balance

At AIA Columbus the executive director, Elizabeth Krile, CAE, explains how and why their association transitioned from monthly to bi-monthly meetings.

In 2018, a strategic goal of the board was to increase board engagement. Leadership felt the meetings were too long and “boring” as directors read their committee reports.

Most of the meetings had one action item, approval of the minutes. Meetings lacked robust discussions—and this was happening every month, giving board members a less than stellar volunteer experience.

It was clear the agenda needed to be restructured, but it was not until we reviewed the AIA membership survey results did, we realize we might be meeting too often. A clear theme in the survey was the desire for work-life balance.

We were expecting board members to meet every month, plus attend monthly lectures, committee meetings, continuing education programs, and executive committee meetings if an officer.

We were burning out our board members and, once again, giving them an unsatisfactory experience. It was too much.

Although there was a desire to change, there was the issue of tradition. The board had met monthly for decades.

This alone was a challenge, but through the strong leadership of the president and officers, we “piloted” a bi-monthly meeting schedule in 2018 that continues today.

With a combination of a restructured agenda and a bi-monthly schedule, meetings are now focused on higher-level strategic issues. Directors are fully engaged and energized at the meetings.

So far, the feedback has been extremely positive.

Although we continue to “tweak” the schedule, I believe we will not return to the monthly meetings any time soon.

Summary

Be analytical about the time and costs associated with board meetings. Does the return on investment and outcomes merit monthly meetings?

If in doubt, read the last few sets of meeting minutes to determine what significant results occurred.

Do results advance the mission and strategic plan?

Many board meetings are called to read and listen to reports.

Can an agenda be created to cover necessary items for 60 to 90 days, eliminating the need for convening every 30 days?

Can the same amount of work be accomplished by convening less often?

Discuss the frequency with officers and directors.

The savings for staff and directors can be significant.

If the trial doesn't work after a year, then return to monthly meetings.

For most associations, if there is work to be done between meetings of the board, the executive committee can be convened.

Or through technology, a conference call can be made to get the board's input and consensus.

###

Board Size Matters

The board table was set for 30. At each director's place there was a board packet and name tent card.

When the meeting convened there were 12 empty seats.

Nearly half of the directors did not show up.

They addressed the problem by reducing the size of a quorum from 50 to 40 percent or only 12 people.

In a different scenario an association rented the convention center for the board meeting. The directors numbered more than 200.

Prior to gaveling the meeting to order directors stopped by a "registration desk" where they showed a photo ID to receive their board packet and voting device.

Board members were seated classroom style in wide and deep rows.

It would be impossible to set an open-U conducive to meaningful discussions.

Governance Efficiency

What matters most about board size is governance efficiency and producing desired results.

Large boards are rich with ideas and volunteers.

Some organizations build their board on the philosophy of "Time, Talent and Treasure" to harness the resources of directors.

My preference is to build a board based on competency and efficiency.

A large board requires more staff support.

Logistics include distribution of materials, meal guarantees, travel costs, room setup, audio visual equipment and voting devices.

Members of big boards may feel the need to politic or form voting blocs in advance of the meeting because it is hard to build consensus during the meeting.

A large board usually delegates authority to or relies on an executive committee.

A small board may be efficient, but it too has drawbacks.

There are fewer directors to call into service or ask for resources.

Smaller boards are easier to administer and orient.

There may be no need for an executive committee because calling an emergency meeting electronically or in person is easy.

Regulations

The IRS addresses board size: "Very small or very large boards may not adequately serve the needs of the organization.

Small boards run the risk of not representing (members)....or lacking the required skills and other resources to effectively govern the organization."

“On the other hand, very large boards may have a more difficult time getting down to business and making decisions.

If an organization’s governing board is large, the organization may want to establish an executive committee with delegated responsibilities....”

At the state level associations are regulated by corporate statutes.

Most states require only 1 to 3 directors on a board of directors.

Influences on Size

Board expansion is affected by many factors.

Influences on size include complexity of the organization, history, culture, requirements of the governing documents, state law, anticipated workload, strategic plan, size and diversity of the membership.

Expansion of the group is influenced by precedents (“we’ve always done it this way”), culture (distrust) and even misunderstandings. For example, one might hear, “Board service is an honor so it should be conferred on as many members as possible.”

Boards may grow because chapters want a “voice.” Some believe the larger the chapter the more directors they deserve. I would ask, “Isn’t that a role one person could manage?”

Size increases innocently with best intentions by adding student seats, special interests, keeping the past presidents on and including ex-officio positions.

I respect large boards that can get the job done. I admire complex associations able to govern with a small board meeting less than four times a year.

Director Satisfaction

“What size should my board be,” is a frequent question.

Referencing the national support organization, Board Source, the average board size is 16 members, with a median of 15.

A 2010 survey found that organizations with budgets of \$10 million or more have an average of 18. Those with less than \$1 million typically have 14.

I find 20 or more to be nearly unwieldy. In large boards, directors struggle to be recognized or lose attention waiting to be heard.

I agree with Board Source, 15 directors is ideal.

For strategic discussions, 11 to 15 people allows for prudent decision making.

In an assignment in Amman, Jordan, I explained the average size of US boards is 15 directors.

The CEO of the Jordanian Logistics Association responded, “We consider 15 to be a crowd.” JTA’s board is just 9 directors.

In the report Assessing Board Performance by Board Source and the ASAE Foundation, they correlate board size and director satisfaction.

Dissatisfaction doubles when the board has more than 20 members.

“A majority of the smallest boards, those with 13 or fewer members report they are ‘very satisfied’ with the level of commitment.”

Volunteer service should be a positive experience. Directors will not last long if they feel they have no voice or cannot have an impact.

Relevance

Some members question the politics or bureaucracy of boards.

“Are they being transparent?

Why are decisions so slow?

Does the board really represent the membership?”

Most members simply want a fair return on investment for dues paid.

Harrison Coerver and Mary Byers they recommend significantly smaller boards.

They profess governance should be efficient and cut out waste and politics.

They prefer a 5-member board based on competency.

They argue against larger boards, especially those built on representing special interests, membership segments and geography.

Governance is about advancing the mission, not representing subgroups.

Summary

This is an important topic.

Organizations have their own valid reasons for board size.

Many have expressed a desire to downsize.

But as one elected president said, “Some of our directors feel threatened when we talk about board size.”

I say the size of the board should reflect governance efficiency and effectiveness to advance the mission and serve the members.

Start the process with an exploratory conversation.

Leave out the personalities or names --- we are talking about governance seats not people.

Focus on good governance.

The next step is to appoint a Governance Efficiency Task Force to make recommendations and a plan.

###

Stop Chasing Squirrels

If you've heard it once you've heard it dozens of times at board meetings:
"I just have a question."

I observed it at a meeting this week. The offending director may or may not have realized what she was causing.

Without being recognized by the chair, she said, "I just have a question."
She followed her question with what seemed to be a personal opinion.
For example, "Have we ever done it this way?
I think if we change our approach and use new technology, we will get better engagement."

The size of this board is 20 persons.

As I listened to the question, nine of the directors added their input, for example:

- "I know the answer to your question..."
- "I tend to agree with you..."
- "I think we tried that once before and it didn't work...."

Directors have a duty to ask appropriate questions at the right time. But they should not hijack the meeting.

Squirrels

When a dog sees a squirrel, it is natural to want to chase the animal.

Directors sometimes act similarly.

When something captures their attention, they are quick to go down that path.

At this board meeting nearly half the board chased the squirrel until it ran up a tree.
The conversation died a natural death and the board then looked at the chair as if wondering,
"What's next?"

The chair took an exasperated sign.

It was time to get back to the work laid out by the meeting agenda.

Chasing squirrels is dangerous.

It wastes time.

People speak as if they have some insider information ("I know the answer.")

Allotted time for the agenda lapses.

Taking Control

It is human nature – or the nature of dogs – to chase squirrels. There are ways to curb the behavior.

1. **Recognize it Happens.** Teach board members that squirrel chases are likely to happen, it's only natural. If they recognize the potential distraction, they are less likely to join the chase.
2. **Listen for It.** Directors can discourage squirrely behaviors by not responding when it arises. Let the board chair maintain the decorum of the meeting. Staff can answer the questioner during the break or after the meeting without engaging the whole board.
3. **Meeting Preparation** – Directors will have fewer questions if they receive and read the agenda and materials in advance. Before a duly called meeting directors are invited or expected to ask their questions of committees, officers and staff.
4. **Respect the Chair** – Directors don't have the floor unless they have been recognized by the chair. Have them ask to be recognized or raise their hand before they start down the path of "I just have a question." Directors proclaiming they have a quick question may be advised to hold their inquiry until the break.
5. **Respect the Agenda** – The agenda has been crafted to achieve results. The timing has been worked out to make the best use of board meeting. Every squirrel-chase takes away from the business at hand.

It requires discipline to not chase squirrels. Use these tips and techniques.

- ✓ Gavel the meeting to order. When a conversation seems to go astray and the chair does not have charge of the meeting, gavel things back to order.
- ✓ Respond with a question. For a director with a reputation for chasing squirrels, ask them if they prepared by reading the reports that were sent with the meeting notice.
- ✓ We're in the weeds. Empower everybody on the board to use the phrase, "we are in the weeds." They can share responsibility for staying focused on the agenda.

The board's role is governance. Governance should address the future and be conducted at a high level. Chasing squirrels is a waste of time.

###

Curbing Mission Creep and Micromanagement

Mission creep and micromanagement are disorders of a board. The symptoms and cures are different. Both create disruption in an organization.

Mission Creep

Mission creep is not a disparaging characterization of a member of the board.

It is the process where a gradual shift in purpose occurs, with or without awareness. In organizations with limited resources, the expansion of the mission will dilute programs and services.

A board that tries to be all things to all people will exhaust resources and reduce quality of programs and services.

From the perspective of the IRS, working outside the mission statement may cause “unrelated business income tax” or UBT.

The organization has described its purpose to receive its tax exemption status.

Guided by Governing Documents

Governing documents define the parameters of board work.

At the national level, the IRS has reviewed the narrowly defined purpose of the organization. It is noted in the application for exempt status with a “description of the activity including its purpose and how each activity furthers your exempt purpose.” Expansion beyond the purpose can be troublesome.

At the state level the Division of Corporations issues not-for-profit status. The original incorporators submit the association’s mission.

Bylaws describe the purpose of the organization and the relationship of the board to the membership.

In addition to defining the purpose the board’s duties are communicated.

Here is a bylaws example that specifies the board’s purpose:

- Establish governance policies.
- Approve the annual budget.
- Establish dues and fees.
- Retain executive director for organization.

Exceeding the parameters of board service, or expanding beyond the mission statement, can have adverse impact.

Generally, the bylaws approve the board approving funds, setting policy, advancing the mission, hiring a CEO and representing the membership.

Curbing Mission Creep

Some ways to curb mission creep:

- **Awareness** – Be sure board members understand the mission statement and its relationship to governing documents, membership and legal authorities.
- **Squirrels** – Directors, committees and boards that chase good idea may be distracted from the mission, like a dog chases every squirrel. Before pursuing new ideas, check them against the mission statement.
- **Discipline** – It requires discipline not to expand the mission. If directors don't have the discipline, you would expect the chair of the board to remind board members of the purpose. Use the techniques of reading the mission at the start of meetings or sharing a mission-moment to demonstrate how the organization has recently carried out its mission. Members generally prefer their association be good at a few things rather than trying to do everything.
- **Display** – Wherever governance decisions are made the mission should be displayed. It may be framed on the wall of a conference room, printed on the agenda, or on the reverse side of name tent cards.
- **Resources** – Limited resources should restrain mission creep. As resources grow the board may want to grow association programs. Possibly directors are not aware of the nexus between resources and new initiatives. "This won't take the staff much time," is a frequent board remark.
- **Strategic Plan** – A strategic plan is built upon the mission statement. Within the plan are goals and strategies. If directors ignore the plan or are unaware of its purpose, mission creep may occur. The plan keeps the board "between the rails."

Curbing Micromanagement

Micromanagement is a style where a manager, or in the case of an association, board members, too closely monitor employees. It has a negative impact on staff when employees feel they are not trusted and are being evaluated by the board.

An example would be a director that drops by the office and begins to ask questions about workload, efficiency and operations. These are areas outside of governance and not in the purview of board members. The staff answer to their supervisors and the executive director.

Remedies for Micromanagement

Try these cures for micromanagement, starting with awareness:

- **Board Training** – Directors may not realize that their service on the board does not include hiring and evaluating staff. A good orientation will help them understand that the staff work for the executive director.
- **Staff Relationships** – An organizational chart should depict the relationships and lines of authority in the organization. The board has a direct link to the executive director but not to the staff. It would be inappropriate for directors and committees to be calling staff asking for help or favors. Assume the staff has a full workload.
- **Fraternization** – Personal relationships with staff should be careful. Directors maintain a professional, collegial relationship with staff. If staff serve as liaisons to committees, they should be respected as a resource.
- **Enforcement** – In appropriate relationships with staff can result in conflicts of interest or even sexual harassment. The officers and executive director must enforce inappropriate behaviors.

In summary, both mission creep and micromanagement can have adverse effects on the organization. Awareness is the start to avoiding the problems. # # #

Gospel of Good Governance

The association exec said, “Please share the gospel of good governance with my board.” He was requesting the annual orientation of his board of directors.

I had to think about the context. The definition of “gospel” is something regarded as true and implicitly believed; or a doctrine regarded as of prime importance.

I summarized the doctrine for good governance in 12 principles.

- **Board Size** – Size matters; it should allow for meaningful conversations. Studies indicate the larger the board the more disengaged the directors. Average is 15 persons.
- **Directors** – Good boards include persons with the competencies to serve as trustees. Be cognizant of the impact of guests and ex-officio members at meetings.
- **Frequency** – Convene meetings as needed; postpone unnecessary meetings. Craft an agenda that works, not just reports and updates. (Boards can be a powerful force when called upon for visioning and solving problems.)
- **Room Set-Up** – Meeting rooms should be free of distractions and conducive to achieving results. Keep the mission and strategic plan on the table.
- **Mission Driven** – Nearly every discussion and decision will be influenced by the mission statement.
- **GPS** – The board’s GPS is a strategic plan. Directors work to advance a multiyear plan, not to build legacies or push personal agendas.
- **Trust** – Little is accomplished without a culture of trust, accountability, transparency, respect and integrity. Avoid risky behaviors.
- **Staff** – It takes a partnership of board (governance) and professional staff (management). Micromanagement is not governance.
- **Duties** – Directors have prescribed responsibilities including the fiduciary duties of loyalty, care, and obedience. An orientation develops board confidence and skills.
- **Documents** – Most questions can be answered by reading the bylaws, policies, strategic plan and budget.
- **Committees** – Committees supplement the work of board and staff. They should produce results, engage members and identify future leaders. Poorly managed committees repel volunteers.
- **Brevity** – Brief is better for nearly everything. Volunteers seldom have time to read protracted reports.. # # # -----

Technology Improves the Consent Agenda

The consent agenda is a tool to facilitate more effective board meetings. Adding technology to the concept improves ease of use and impact.

In today's fast paced world, we must respect volunteers' contributions of time and talents. It will be difficult to convene a quorum if directors feel the meeting wastes their time.

It is especially problematic when so much of a meeting is used for reporting: listening, reading, discussing and approving. The average agenda includes 15 to 17 "reports and updates."

One wonders how the board gets to the essential business of mission and goals if reports consume most the time. A consent agenda may be the solution, technology may be the mechanism.

The Concept of Consent

Consent means permission for something to happen or agreement to do something.

A consent agenda is an efficient meeting practice that groups routine reports into a single agenda item. The reports are distributed in advance with the expectation they will be read before the board meeting.

Most reports are for information only, requiring no action by the board. The package of reports and updates can be handled by a single motion, such as, "I move to accept the reports as distributed."

At the start there may be resistance to use of a consent agenda. Some boards feel as if a committee or officer who prepared the report should have a right to have time on the agenda to present it.

It requires that reports be in writing and prepared by a deadline before the meeting.

They will be distributed with the meeting notice and agenda.

Technology integration improves the process.

Discipline Required

The consent process requires discipline. Discipline to draft and submit timely and meaningful reports. Discipline to ensure that directors read the items in advance.

Also discipline to avoid bringing the reports up again during the meeting. It usually starts with someone saying, "I just have a question about that." The question takes the conversation down a rabbit hole.

Application

The board of directors at the Charleston Trident Association of REALTORS® adopted the consent agenda process several years ago. It has allowed for better-prepared directors, desired results and shorter meetings.

Start by deciding what should go on the consent agenda. For example, the previous meeting minutes, financials and standing committee reports are bundled for advance reading. General correspondence of board interest is also included.

The process is explained at the board's annual orientation. Directors are informed they have a fiduciary duty as trustees to prepare for meetings.

Technology Integration

Each item in the consent agenda is hyperlinked to its source on a board portal or a file hosting service such as Dropbox. Directors click on a link to review the information before the meeting.

The board's regular agenda is available at the meeting with similar links. Directors using tablets can pull up reports with a single click.

The Process

The board president asks if anyone wants to discuss anything in the consent agenda.

If not, there is a motion to accept the items presented.

If the motion gets a second, the floor is open for discussion.

Once discussion is complete, the motion is voted.

If anybody wants to discuss something in the consent agenda, he or she may ask for it to be removed.

The president receives an amended motion to accept the items in the consent agenda with the exception of the excluded item.

If the motion gets a second, the floor is open for discussion.

Once discussion is complete, the motion is voted.

Immediately following this vote the item pulled from the consent agenda is discussed and any action warranted is taken.

Another time saving tip is to link the other items in the remainder of the agenda so directors have access to information before they are discussed and voted. This process supports knowledge-based board decisions.

Efficient, effective meetings, and only convening as needed, has supported director participation and understanding while improving outcomes for the association and members.

###

Directors Wear Many Hats

The director walked into the board meeting with an agenda of her own. She said, “My chapter expects the state board to resolve our situation.”

What hat was she wearing, a chapter director, a board member? She got on the board because the bylaws allow for representation from each chapter.

This director had a bad assumption about governance. She was obsessed with the problems of her chapter rather than a shared focus on advancing the mission and goals of the state association.

Role Confusion and Apparent Authority

It is understandable that volunteers experience role confusion.

They are new to governance processes and bylaws can be difficult to understand.

Another example involves speaking for the association.

A director might think that as a member of the board they can speak on its behalf.

They may be asked a question by a newspaper reporter or government official about an association advocacy position.

They can decline to answer and redirect the question to the association designated spokesperson.

Or, they can make a mistake by answering, “Here’s how my association feels about it.”

Social media platforms can be another problem.

Someone might ask about the reputation of a supplier.

The board member responds on Facebook,

“I’ve used the supplier and found him to be costly and difficult to work with.”

Which hat was the director wearing?

It appears he was a board member negatively characterizing a supplier.

He might have been expressing a personal viewpoint, but it sounded like he was wearing his board hat.

Liability may arise because of volunteer leaders speaking without authority.

The legal concept of apparent authority refers to a person who “appears” to be representing an organization whether or not he or she has authority to speak for it.

In the example of a director criticizing a supplier on social media, it is possible readers believed the board member making the comments was speaking for the association.

Apparent authority is a legal concept that refers to the situation that arises when a person, such as a board member, indicates to another party that an officer or agent is authorized to act on its behalf, and the third party relies in good faith upon such authority.

Most nonprofit organizations have policies about directors posting on social media, restrictions on access to letterhead and business cards, and lines of authority as to who can speak for the association.

Changing Hats

To help directors understand which hat they are wearing, the Coastal Carolinas Association of REALTORS® distributed ball caps to each of the 2019 board members.

The association CEO Laura Crowther said, “Wear your governing hat when you are at board meetings, take it off when you perform other functions as a volunteer.”

Your Director Hat: A Guide to Serving as a Director on a Board.

In the book Zadel reminds directors that they are there to serve the members and advance the mission. They are fiduciaries, representing the interests of the membership.

Director Roles

There are a number of situations that require different roles.

Governance - The board of directors are charged with governance.

They get their corporate authority from state law.

Wearing a director’s hat, one would NOT expect board members to delve into staffing decisions, management or committee work.

Representation – There are lines of authority and communication that should be respected.

Directors should not use the board position to indicate they represent the association.

This is especially important to be clear when responding to media and governmental inquiries or using one’s title on stationery or outgoing e-mail signatures in hopes of gaining an advantage.

Committees – Often a director will attend an association committee meeting as a board liaison or member of the committee.

Just because a person serves on the board, they should not usurp the authority of the appointed committee chair or push through their own agenda.

Personal Gain – Established by law in 1896, it was determined that any director receiving financial benefit from a nonprofit might endanger its tax designation.

Thus, directors should not wear their board hat to seek personal gain.

Directors should disclose conflicts of interest and not promote personal agendas.

Financial Hat – A critical role of a director is oversight of the finances, including understanding budget and assets.

Stewardship of finances would be difficult if a director did not take financial oversight seriously.

Staff Relationships – Directors have the responsibility of governance; that does NOT include hiring and firing, evaluating, or directing staff working under the chief paid person (executive director.)

Directors maintain a collegial, professional relationship to staff but they don't call them for favors, make assignments or comment on their work.

Remember the adage, "board governs – staff manage."

Improve Understanding

The best way to communicate the multiple hats directors wear is through board orientation.

Supporting books for improving governance include Your Director Hat:

A Guide to Serving as a Director on a Board by Greg Zadel and The Perfect Board by Cal Clemons, CAE.

I credit CCAR's CEO for demonstrating the nature of the multiple hats by giving each director a custom ball cap.

Her best advice was, "Before taking any action consider whether or not this will benefit the members."

Zadel offers this final advice to directors,

"Have a good time. Don't be afraid to have a silly feather or a smiley button on your director hat."

###

Your Mission Statement is Not a Turkey!

Boards sometimes create a mission statement similar to how we prepare a holiday turkey. They stuff as much as they can into the mission to satisfy everybody.

Our family turkey used to have a bread stuffing. Then somebody suggested an oyster stuffing. My niece wanted a ground beef stuffing with onions, so we decided to go half and half inside the bird.

Through the years we were influenced to try different cooking techniques. Oven roasting worked but the family said the kitchen was too hot. We moved to the deck for outdoor barbecuing, eventually it was deep-fried in a beer brine.

The results were always good, satisfying everybody at the table.
(Dad probably should have said, "Sorry, this turkey can't be everything to everybody.")

Stuffing the Mission Statement

The board is responsible for adopting and advancing the mission. It should communicate the organization's purpose and distinguish it from others.

When directors are asked to recite the mission, the room often goes silent. Someone might offer, "We are here to serve the members."
" Many statements are complex or too long to remember.

Boards create mission statements like we cooked our family turkey, hoping to satisfy everybody's tastes.

Here's what often gets stuffed into the mission.

- **History** – "I think it ought to let people know the organization is over 100 years, let's include the founding year at the start."
- **Values** – One director said values should be inserted in the mission, "readers should know we value accountability and ethics."
- **Non-Profit** - One might assume people know the organization is a nonprofit, but many missions begin with, "Our association, a non-profit organization, provides....."
- **Size** – "Should we let people know we have more than a 1,000 members? Or we can include something impactful like representing 62 percent of the profession?"
- **Location** – Some mission statements include location: "Headquartered on Main Street for a powerful presence...."
- **Goals** – It's common to stuff the goals in the mission statement. For example, "We serve members through education, advocacy, events and networking." Goals should be in a strategic plan, not a mission statement.

I faced this mission recently: “The association was founded more than 80 years ago, we are located in the capitol city to do advocacy, supported by our political action committee, while improving the ethics, professionalism and operational dominance of members through education and our non-profit foundation, we promote member success.”

I prefer a statement that has quick understanding and impact.

The best are often short enough to tweet or fit on the back of a business card.

One group allowed each of their 15 board members to offer one word in developing the statement, upon consensus it was short and agreeable.

An example of an association mission: “Advancing member interests [i.e. trade or profession] while protecting the public.”

A chamber of commerce mission: “Creating partnerships, promoting community and serving as the voice of business.”

Don’t worry about adding the organization’s name in the mission, the staff will adapt its use with the name and logo as appropriate.

Items not in the mission are usually included in the strategic plan, vision and value statements.

Some of the best mission statements are developed when the board is challenged,
“Do you think we can create this in 30 minutes, using less than 15 words and get it as least 80 percent right?

We can fine-tune it later”

Revising a mission statement should take far less time than cooking the holiday turkey.

Watch out for too many cooks in the kitchen.

###

Enhancing the Weakest Link

Associations want to portray strength. If the national is composed of state chapters, or the state has local components, all of them should perform at a certain level to deliver consistent value to members.

An association with a network of components should have mechanisms to maintain standards of excellence. The focus may be on proper brand usage, strong advocacy, and sustainable membership growth.

“You’re only as strong as the weakest link,” is a concept that applies to components. If a chapter is underperforming or finds itself with troubles, the reputation of the entire network suffers.

The Rising Tide

President John F. Kennedy is credited with the phrase, “a rising tide lifts all boats.” It is about improving economic policies to benefit all of America.

The same can be said about association components. By improving operations and performance, all chapters benefit and the national stays strong.

Programs for Continuous Improvement

Parent associations address chapter performance with programs and training. Ironically, it may be the weaker associations that choose not or cannot afford to attend. Their rationale: “We don’t need it,” and “We don’t have the time or money to participate.”

Whether the state organization has local chapters, or the national association has 50 components, there are ways to raise performance.

Annual Education – Provide a national program to train component staffs.

In a collaborative forum, attendees can ask questions and share best practices.

The focus is on operations, governance, strategy, finances, membership techniques and risk awareness.

Without volunteer leaders being present, the executives are encouraged to ask their questions.

Accreditation – Some organizations have created a process to accredit the organization that meets prescribed standards.

Core Standards – Some national associations, especially those that are federated, have created core standards.

These are the minimum requirements to maintain the relationship.

For a chapter to exist, it must meet these benchmarks.

The standards prescribe the necessary legal structure, use of the brand and logo, and what must be included in the strategic plan for alignment between chapter and parent.

“MAHC implemented a core service accreditation process to ensure members have access to, at the least, minimum levels of services at the local and state levels.

The assessment considers both elemental needs, such as directors’ and officers’ insurance, bylaw compliance and financial management as well as availability of minimum hours of quality continuing education and other offerings.’

No association wants to be the weakest link. Through education, accreditation, and core standards, component associations can demonstrate organizational excellence, serve members and align efforts to advance a unified mission and goals.

###

Living the Association's Values

Boards frequently adopt values. Values are the guiding principles that are intended to frame discussions, decisions and events.

Often the process of adoption is only a perfunctory step in strategic planning; like updating the mission or adding a vision.

Once adopted the values remain buried in the strategic plan report.

They are seldom referenced at board meetings.

If you ask a board if it has valued the room may go silent.

After adopting any part of the association “brand platform” the elements should be purposely integrated. The brand platform or member promise is composed of the mission, vision and values.

Purposeful Integration

Meet the San Diego County Bar Association.

I describe it with one word – DYNAMIC. The word is a noun: “a force that stimulates change or progress within a system or process.”

That describes the intent of nearly every association.

The leadership and staff live the values they have adopted. It should be noted they reference the staff as the “internal team” rather than the administrators, managers and executives. This reflects their culture of respect and inclusion.

The association engages members through 50 unique sections, committees and divisions. There are nearly 10,000 members. It's a high-energy association producing results, relevance and celebrating successes.

Updating the Bar Mission

In 2018 board revised the mission statement to reflect who they have become.

The Bar was founded 119 years ago in 1899.

It a different kind of mission statement.

Not like the longer versions promoting heritage and describing the association.

Nor like shorter versions that can be tweeted but don't say enough to distinguish one organization from another.

It took the courage of the leadership to draft a statement that defines them and their relationship to their members:

“Inclusion and community define us. Innovation and leadership propel us. Your growth motivates us. Celebrating you and the profession is us.”

The revised mission is aggressively promoted to keep the bar, bench and local community aware and engaged.

Guiding Principles

The board also adopted guiding principles. These values should influence discussions, decisions and actions.

- ✓ Community
- ✓ Inclusion
- ✓ Leadership
- ✓ Growth
- ✓ Celebration

They are strategically promoted for member and community awareness, including customization of a set of Duplo building blocks to rest on desks and the board table. The principles are promoted on six-foot pop-up banners and promotional materials.

From an outsider perspective, I might define the values as:

Community – The Bar is a dynamic community supporting the legal profession; and the Bar is integral in giving back to the communities in which they serve.

Inclusion – There are all types of practitioners and practice settings to embrace and respect.

Leadership – Without authentic leadership by the entire team, little will be accomplished.

Growth – Sustainable growth of the Bar, membership, resources and leadership; a plan for the future.

Celebration – Have fun and recognize our members and achievements along the way.

Living the Mission and Values

The Bar integrates the enhanced mission and values into all aspects of their programs, governance, and management.

Awareness encourages the leadership to frequently ask, “Are we living our values on behalf of our members?”

Every association wants to be dynamic: a force that stimulates change or progress within their profession, trade, or community.

###

Humility on the Board

Is there one quality that is most respected among board members? A quality that supports continuous success. Something that enhances a culture of trust.

Humility is the trait that best positions a director for sustainable effectiveness on a board.

“When you step into leadership, success is no longer measured by your ability to do the work, but by your ability to set the stage for others to do the work,”

“The most successful leaders welcome input and take a step back to allow others to shine.”

A trio of past board officers shared their experiences with a freshmen class of incoming directors.

Here’s what they said about leadership and humility.

- Don’t be afraid to be self-deprecating. The person who might belittle him or herself, preferring to be undervalued or excessively modest, is likely to have the best experience. A director who hoodwinks the board or professes to know everything will have limited respect and success.
- Don’t take yourself too seriously.
- It is best if you approach leadership from the perspective of positioning the board or your committee for success. It should not be about personal or conflicted interests.
- Though you may have a title of “director” or “officer” on the board, it is not about the title --- it’s about the members.
- You don’t have to be right or win every discussion. You have to produce results that advance the mission.
- Plan to be a mentor. Demonstrate an interest in the growth and success of every person on the team.
- Respect and work within the existing framework of mission, bylaws, budget and strategic plan.
- Time will fly. Achieve as much as you can in the first three months, then the rest of year will be easier.

Their advice about humility reminds me of the book Wonder by R.J. Palacio. It tells the story of a 10-year-old boy who was born with distorted facial features. It suggests that when it comes down to everything that is important, “If you have a choice between being right and being kind, choose kind.”

###

Between the Rails

The elected chair suggested, “A strategic plan keeps the board members between the rails.” Her comment made sense to support good governance and a high performing board.

The rails are like train tracks or highway guard rails. The intent is to stay within the rails while conducting business.

The board should avoid derailments and detours. Distractions are frequent. They may come in the form of committees propose ideas that are beyond available resources. Or from directors unsure about governance so they delve into management.

Detours might come from an elected officer who wants to leave a personal legacy. Or diversions from members asking for new services, so the board tries to be “all things to all people.”

Here are the RAILS within which the board should be guided.

Mission Driven – The board advances the mission statement. It is the purpose for existence and justification for tax exempt status. Going too far outside the mission can cause jeopardy. The mission statement should frame nearly every discussion and decision of the board.

Governance vs. Management – The board’s role is governance. Directors are authorized to make governing decisions by state corporate law and the governing documents. Seldom should they focus on management decisions. Outside the rails is when a board begins to micromanage or gets into administrative work.

Strategic Plan – The board creates and advances a strategic plan. Most plans act as a 3-year roadmap for the organization. It’s easy to set the plan aside as the crisis of the month arises or new ideas are proposed. Keep the plan on the board table to check that committee work and board motions fit within the goals of the plan.

Board vs. Committees – Committees are appointed and assigned initiatives from the strategic plan. They supplement the work of the board. They receive authority from the bylaws and/or their appointment by the board. Directors should avoid doing committee work at the board table.

“When a board undermines the work of a committee to which it has entrusted an assignment, the processes lose integrity and support is weakened,”

Budget – A budget has been adopted by the board. Directors should be familiar with it and recognize that every new project exhausts resources. Stay within the rails by being knowledgeable about the budget and resources.

Strategy or Tactics – Directors have a responsibility to be strategic. It is easy to drop to the level of tactics, usually described as minutiae or administrative details. When the board dives into tactics someone should remind them to “stay out of the weeds.” -----

Who Needs a Strategic Plan?

In a meeting with a dozen executive directors, a colleague said, “Who needs a strategic plan anymore? That stuff doesn’t work.”

From the nods and statements of other executives, the rest of the room seemed to concur. It was incomprehensible. I thought, “No strategic plan?” My heart sank.

How can we expect volunteer leaders to advance a mission and priorities if there is no roadmap? Do they adjust their priorities at each meeting? React to a crisis of the month, or wait for the current chair to identify his or her legacy projects?

The documents that guide nonprofit boards include a strategic plan. The guardrails of good governance are the mission statement, articles of incorporation, bylaws, policies, multi-year strategic plan and the annual budget.

During lunch we exchanged beliefs with the executives. “Strategic planning is crucial to the success of an organization, initiative or team of people. However chaotic, quick or confusing this world gets, a strategy and plan are still necessary.”

Resistance

You might hear, “strategic planning doesn’t work because things are moving too fast.” Or “we’ve operated just fine with no plan so why start now?” And finally, “you can’t plan. 3-years out with the pace of societal change.”

No matter the reasons, a volunteer driven organization needs the buy-in, commitment and a check on its relevance. Without a plan how will alignment with finances, committees and staff be checked? A well-written plan will communicate value to members and stakeholders.

Executives avoid strategic planning for several reasons:

- **Tactical Thinking** - Planners don’t know the difference between strategy and tactics. On an altimeter, strategy is reaching 100,000 feet for a 3 to 5-year timeframe. Operations is at 10,000 feet, for the year ahead. Tactics are ground level day to day efforts. Some boards and committees think they’re strategic when they are doing operational or tactical work.
- **To-Do List** - The last plan resulted in a to-do list of tasks for staff to complete. It was not properly cascaded and assigned to the workforce of board, committees, staff and consultants.
- **Unwieldy** - The planning session was expensive, took too long, and included the wrong people. Part of the magic about running any great organization is getting the right people, in the right seats, going in the right direction.
- **Facilitator** -The facilitator spent too much time on rewriting the mission statement, leaving little time for identifying priorities and performance metrics.

The Process

Planning should occur about every three years. Organizations doing an annual retreat socialize the board to think only one-year at a time, wrongly waiting for directives from each incoming chief elected officer.

Identify and invite strategic thinkers, many directors think about the good old days or are tactical in nature.

The size for meaningful discussion is 10 to 16 people. A large group takes more time for everyone to be heard. After several hours the group grows weary, thinking more tactical than strategic.

Build the plan upon the principles of innovation, relevance, member needs, and resource alignment. Goals should reflect the SMART acronym: Specific, Measurable, Attainable, Purposeful and Time-bound. Planning should not be about throwing ideas on the wall to see what sticks.

A facilitator keeps the process moving. Avoid getting stuck on a topic too long or being hijacked by a boisterous volunteer offering history and lots of “good ideas.” Prep the facilitator with in-depth knowledge.

Success

The Wisconsin Restaurant Association created a strategic plan in 2018. Twelve months later they used the plan to conduct an evaluation. It is a tool to affirm the goals and priorities are accurate, making adjustments as needed.

WRA’s president and CEO, Kristine Hillmer, CAE, said, “We wanted to circle back and check our progress since the retreat.” We created a graphic to keep the plan on the board table and to communicate value to members.

As a result of their planning retreat:

- WRA has prioritized efforts within each of the five pillars or goals. Progress is being made on some very big initiatives.
- The plan has been integrated into board meeting agendas. We carved out time at meetings to ensure we are accountable and advancing the plan.
- We used the process to purposely abandon programs after an evaluation and alignment of resources and member needs. “We killed off a number of old programs that were no longer of value.” The plan became the litmus test for assessing, improving or dropping programs.
- The plan’s guiding principles have been integrated. They frame how the board and staff act in making **association decisions** and they have established a **culture of innovation** and respect.

- The plan is **shared** with members and stakeholders to demonstrate the work and value of WRA.

Considerations

To prepare for strategic planning, a board, committee and staff should ask themselves:

1. What is important to us? What about internal and external influences? How does a strategic plan support organizational success?
2. How will planning fit into our ongoing efforts? Can we get stakeholders to agree to new priorities? What should be dropped?
3. Who do we include at the planning retreat? Will successive leaders be willing to work the plan?

Reflecting on the group of executives who said they had no need for planning, it was interesting. Later in the conference they agreed if they had a plan, it would guide work of volunteer leaders to maximize effectiveness.

Most concurred their goals organizational would include delivering member value,

1. serving as the voice of business,
2. facilitating events and education,
3. improving public awareness, and
4. sustaining a strong organization. At that meeting they created a framework for their board retreats.

Few organizations are successful without the process and existence of a strategic plan.

###

Jump Start a Conversation

A board member explained, “People joined 30 years ago because it was prestigious. Membership was the way to establish credibility and meet the right people. Our stature has faded since the 80s.”

Another director said, “Our numbers have declined for decades. They joined to build their business connections, now they use the internet.”

Can this association be jump started for relevance and to deliver value?

Jumper Cables

A three-hour Saturday morning session kicked off a motivating conversation. Through discussions with the board new ideas and commitments developed.

The phrase “jump start” is associated with a dead car battery. The battery is revived by jolting it with jumper cables.

Some associations need a jolt of reality. A good time for jumper cables is at the annual orientation of the leadership.

Nonprofits conduct board training to inform directors of roles and goals. Extend the schedule to include a conversation about the past and more importantly the future. Transform directors’ concerns into positive actions.

“If the board is overwhelmed by the idea of change, appoint a strike force for the jump start. Identify a work that understands the problem and makes recommendations. Knowing the group will disband upon completion of their task, it is easier to get their buy-in,” suggests Claire Louder, President of Louder Non-Profit Strategies.

Opportunities

Areas that yield significant results:

Strategy – When I asked the elected president if a strategic plan exists, she said, “Yes I created a calendar for the year.” Most strategic plans should span 3 to 5 years.

Asked about the prior plan and they said, “We did it six years ago but seldom use it for board work.”

Share examples of how impactful organizations implement their strategic plans. Use the time to mark up a quick diagram of what might be in their next plan and set a date for planning.

Within 30 minutes they had outlined a vision and suggested four goal areas. The discussion motivated them and gave them a platform to build upon.

Mission – Their mission statement was a run-on sentence of 70 words. When asked about the meaning the room was silent. They agreed it should be more succinct, clearer and a size that could be tweeted. A quick-action team was appointed to bring recommendations to the next meeting.

Entrepreneurship – “What could the association offer that positions it to be essential for the success of members; a significant benefit or service,” I asked.

They suggested thinking outside their borders to collaborate with neighboring associations. Then they asked if creating a for-profit entity under the association would have advantages to building new benefits and services.

Committees – The association had 15 committees. Members cringed when asked to join a committee for fear it would be a waste of time. The board reviewed the list and made three decisions.

- Amend the bylaws to remove reference to specific committees, preferring to identify committees in a policy manual.
- Rely on short term task forces and micro-tasks to advance the work.
- Eliminate or merge committees that do not align with their strategic goals.

Governance – The board meets monthly, struggling for a quorum. Directors suggested meeting every other month, allowing the executive committee to conduct interim business. This freed up valuable time for the executive director.

Regarding their agenda they noted it was mostly reports and updates. The reports could be disseminated in advance for reading, allowing more time for meaningful discussions.

Conduct the jump start conversation at a time when rules of order and minutes are not part of the meeting. Promote a frank discussion based on reality and the board’s responsibility to be forward thinking.

###

Committee Responsibilities

Committees are an integral part of successful organizations. Their purposes include: supplementing the work of the board and staff; engaging members; and developing leaders. The Committee Responsibilities guide clarifies responsibilities, authority, recommendations, smart practices, trends and risk avoidance.

Types of Committees

Standing Committees are identified in the bylaws and serve the duration of the year.

Subcommittees divide work amongst subgroups.

Task Forces and Ad Hoc Committees are appointed for a specific purpose. The committee disbands after completing the assignment. Because volunteers have limited time, consider using task forces or Quick Action Teams (similar to task forces but even shorter duration.)

Councils, Think Tanks, Brain-Trusts, Strike-Forces and Special Interest Groups are other committee names, often created to engage persons with similar interests, such as practice specialty, geography or ethnicity.

Chairs and Liaisons

Every committee needs leadership.

The **chair** should have the best understanding of the purpose of the committee and the immediate tasks. He or she sets the tone for achieving results and engaging volunteers. The chair should be able to communicate a clear vision and desired outcomes.

Use a **vice-chair or co-chair** for sustainability. The position supports the chair and may become next year's leader.

Committee liaisons serve as a resource and champion. A board liaison is the communication channel between the committee and board. The staff liaison is a link to management and resources.

Alignment in the Organization

Committees have a "fit" within the organization. Each has an explicit purpose often identified in the **governing documents** (bylaws, policies or committee purpose statements.)

Efforts of the committee should align with the organization's structure, strategic goals and resources. An org-chart will depict hierarchy and the relationship to the board and staff.

Trends in Committees

- There are no "sacred cows." Is the committee necessary?
- Elimination of standing committees in favor of task forces.

- Committees are all aligned with the organization's strategic goals.
- Technology use, on-line meetings and committee web portals.
- No silos. Committees should interface with other committees to collaborate.

Outcomes and Recommendations

Committees should produce results. For example, instance, creating new educational content, programs, publications, fund raising, a robust special interest section or enhancements in the organization.

Most efforts by a committee will require approval by the board. Recommendations should be in the form of a motion or resolution. A request to the board should be explicitly clear so that directors understand and approve.

When setting committee goals. Be realistic about what can be achieved. Break projects into monthly or quarterly steps.

Committee Resources

Resources take the form of time and money:

Finances - The annual budget may have allocations for committees.

Time - Consider the value of a committee meeting by multiplying the # of persons involved x the length of the meeting x \$50 hour wage/vale (minimum).

Information - "Read to Lead." Know the mission, by-laws, policies, strategic plan, budget and organizational chart.

Committee Want Ads

Consider breaking projects into smaller tasks and then advertising for members who have an interest but prefer short term commitments; another way to increase member participation.

Planning Meeting

Whether meeting in person, on-line, or by conference all -- there is a pattern for successful meetings.

Before - Plan for the meeting with adequate notice, an impactful agenda, and enthusiasm for achieving results.

During - "The devil is in the details." From room set up to having the information at hand for making decisions, preparation is critical. Try to avoid motions to delay ---

Or poor decisions because the committee didn't have needed information. The likelihood for success is set by the attitude and vision of the chair.

Meeting details

1. Meetings need plenty of notice to maximize participation ; consider setting a year-long calendar.
2. There must be a compelling reason to meet; postpone meetings if the purpose is not clear.
3. Create a written agenda of what needs to be accomplished; share the agenda and supporting documents with committee members in advance.
4. Involve the board and/or staff liaison. Their role is for support; not to run the meeting or serve as secretary.
5. Rules of order will help advance the agenda and maintain decorum.
6. Chairing the meeting is like conducting an orchestra. Try to engage each attendee, stick to the agenda, avoid distractions and sidebar conversations, and work towards consensus.
7. Meeting minutes are important to maintain accountability, reports, and to inform the board and staff.

8. Use technology when face to face meetings are difficult to plan. Collaborate on documents between meetings by using conference calls and shared online portals.
9. Set guidelines, such as meetings will start on time and information will be treated with confidentiality.

Meeting Guidelines

The committee chair may want to develop guidelines so that committee members know what to expect. For example:

- An agenda will be distributed at least 10 days in advance; it will frame our discussions; avoid meeting distractions and sidebar conversations.
- Prepare for meetings by reviewing advance materials.
- Meetings will start and end on time.
- Turn off digital distractions.
- If you arrive late, please refrain from voting until the next agenda item so as not to interrupt the flow of discussion of those who arrived on time.
- Minutes will document decisions and actions of the committee.
- Decisions of the committee shall stand; expressing dissenting opinions after the meeting is inappropriate.
- Respect new ideas and new people on the committee.

RISK AWARENESS

Every nonprofit board of directors and staff have a responsibility to protect the organization. Risk management includes awareness of potential risks, avoidance or mitigation of the risks, and continuous monitoring. This guide is divided into six areas to improve awareness in associations, chambers and nonprofits. *Be certain to rely on legal, accounting and insurance counsel for advice.*

Finances and Assets

A common risk is loss of funds or assets. The IRS requires losses be reported as "diversions." There are many safeguards for protecting assets.

- ✓ Diversions, theft of assets.
- ✓ Audit process and frequency.
- ✓ Safeguards in place.
- ✓ Credit card usage – PCI.
- ✓ Budget adoption process.
- ✓ Financial reports regularly.
- ✓ Form 990 filing with IRS.
- ✓ Transparent processes.
- ✓ Savings and investments.
- ✓ Subsidiary organizations.
- ✓ Reimbursement processes.
- ✓ RFPs and bid processes.
- ✓ Operating ratios.
- ✓ Public dollars (income).
- ✓ Sponsorship or advertisement, unrelated business income tax (UBIT).

UBIT – Federal income tax on activities outside of the mission, commonly applied to advertising, rent and royalties.

Management and Administration

A nonprofit is required to submit state and national filings. Having employees requires compliance with labor laws.

- ✓ Personnel manual.
- ✓ Whistleblower policy.
- ✓ Software licenses.
- ✓ Business license if applicable.
- ✓ Charitable solicitation

Charitable Solicitation – More than 40 states have a requirement for organizations soliciting funds from persons they do not have an existing relationship to be registered.

- registration.
- ✓ Apparent authority, speaking.
- ✓ Fraternization, harassment.
- ✓ Alcohol served at events.
- ✓ Agreements, contracts, MOUs and leases.
- ✓ Annual business meeting.
- ✓ Record retention, document destruction.
- ✓ Cyber security, hacking.
- ✓ Sales tax collection, reporting.
- ✓ Filing articles of incorporation.

- ✓ Compensation levels.
- ✓ Performance reviews.
- ✓ Lobbyist registration, ethics requirements.
- ✓ PAC filings.

Boards and Committees

Good governance includes certain disclosures, protocols and confidentiality.

- ✓ Authority to speak for the organization.
- ✓ Antitrust avoidance, measures.

Antitrust - Relating to legislation preventing or controlling trusts or other monopolies, with the intention of promoting competition in business. Fines can run to \$10 million.

- ✓ Stationery and business cards.
- ✓ Sign-in sheets.
- ✓ Meeting minutes.
- ✓ Disclosure of conflicts.
- ✓ Public records and requests.
- ✓ Electronic, virtual meeting notices and votes.

- ✓ Amendments to governing documents.
- ✓ Guests attending meetings, protocols.
- ✓ Confidentiality of documents and discussions.
- ✓ Meeting recordings.
- ✓ Ex-officio directors.

Ex-Officio – A person who serves by virtue of holding a position on another organization, stature or experience. Bylaws will indicate whether or not they have a vote.

- ✓ Quorums.
- ✓ Behaviors and conduct.
- ✓ Annual review of IRS Form 990.
- ✓ Protections for board and committees:
 - Volunteer Immunity
 - Directors and Officer Insurance (D & O)
 - Indemnification
 - Corporate Veil

Membership

The IRS sets expectations for notice to members.

- ✓ Voting on, approval of members.
- ✓ Notice of % direct lobbying.
- ✓ Charitable donation notice.
- ✓ Endorsement, preferred vendors.

- ✓ Associate, supplier members.
- ✓ Defamation, libel.

Approving Members – Though some bylaws call for the board to approve new members, the action should simply be an acceptance of the membership report without commenting on each member with an acceptance or rejection. .

Communications

With more newsletters posted on the internet it is important to be cognizant of potential risks.

- ✓ Social media and listservs.
- ✓ Copyright violations.
- ✓ Licensed, copyrighted materials.
- ✓ Photo release.

Protections

There are methods to protect against risks. When good policies and procedures are applied the exposures may be reduced. Risk management begins with awareness and avoidance.

The federal **Volunteer Protection Act of 1997** (the VPA or the Act) aims to promote volunteerism by limiting, and in many cases completely eliminating, a **volunteer's** risk of tort liability when acting for nonprofit organizations or government entities.

- ✓ Volunteer immunity.
- ✓ Access to legal and accounting counsel.

- ✓ Policies adopted by the board.
- ✓ Meeting sign-in rosters.
- ✓ Comprehensive board orientation, access to documents.
 - Mission Statement
 - Articles of Incorporation
 - Bylaws
 - Policies
 - Strategic Plan
 - Annual Budget and Financial Statements
- ✓ Insurance Coverages
 - General Liability
 - D & O Liability
 - Meeting Cancellation
 - Host Liquor Liability
 - Surety or Fiduciary Bond
 - Cyber Crime
 - Publishers Insurance

**BOARDS GOVERN
STAFF MANAGE**



**BETTER
GOVERNANCE**

<Risk Awareness >

BOARD EXCELLENCE

Best Practices and Techniques for Excellent Boards

Techniques to improve governance and management of associations, chambers and nonprofit organizations. Presented in 10 distinct modules to assist leadership and staff, by Bob Harris, CAE, of NonProfitCenter.com, instructor, author and certified association executive.

Board's Roles & Responsibilities

- Making a Difference
- The Ten Responsibilities
- Three Legal Perspectives
- Being "Great, not just Good"
- Governance or Management?
- Governing Models
- Structure – Complexity
- Unique Terminology
- Run Like a Business
- Sarbanes Oxley and Boards

Protecting the Organization – Risk Mgmt.

- Apparent Authority
- Antitrust Avoidance
- Volunteer Immunity - Insurance
- Auditing, Audit Committee
- Public Records
- Sponsorships, Endorsements

Leadership Development and Orientation

- Process, Frequency
- The Leadership Manual
- Commitment and Ethics Form
- A Word about Confidentiality
- Board Assessment Tools
- Bylaws; Articles of Incorporation
- Policies and Procedures
- Special Terminology

Challenges, Issues, Values

- Diversity, Revenue, ROI, Workforce,
- Competition, Collaboration,
- Technology, Transparency, etc.
- Franchise Model of Efficiency

Finances - Budgeting

- Reading the Financial Report, UBIT
- The Audit Committee's Role
- Maximizing Revenue Sources

Committees

- Charging Committees-When
- Standing Committee or Task Force?
- The Board Development Committee
- Committee Reports - Authority

Goals and the Strategic Plan

- Purpose of Planning
- Mission, Vision & Values Statements
- 90 Day Planning Process
- Appoint a "Plan Champion"
- Goals and the BHAG

Meetings of the Board

- Agenda Development & Notice
- Utilizing a Consent Agenda, Reports
- Minutes, Recordings and Notes
- Rules of Order
- Room Set-Ups

Membership, Retention, Benefits

- The Benefits Portfolio
- The Golden Handcuff
- "Treat them Like Customers --- Engage them Like Members"*

Workforce and Staffing

- Relationships, Ethics
- Professional Development
- Communications, Technology
- Whistle Blower Clause

BETTER GOVERNANCE