

ASSOCIATION

BOARD WORKBOOK



BY **BOB HARRIS**, CAE

2020 BOARD WORKBOOK

Introduction

An association or chamber is a group of persons working together to advance a cause or mission. Nonprofit organizations have served the USA for more than 150 years. With 1.5 million nonprofit, exempt organizations, the common traits are a 1) mission statement and 2) a volunteer board of directors. Good governance requires a vision, strategy and team efforts.

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Bob Harris, CAE

Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com. He helps organizations around the globe to achieve results, specializing in board development, strategic planning and operational excellence. The purpose of the Association Board Workbook is to prepare for a successful year. Understanding distinct roles, and nonprofit terminology is a great start.



TITLES

¹The chief elected officer might have the title of president or chair of the board. The executive director may have the title executive vice president or president and CEO.

²CAE – Certified Association Executive designated by the American Society of Association Executives.



ORIENTATION

Board Orientation

Directors need **access to documents** to do a good job. They must be familiar with the organization, including finances, programs, lines of authority, subsidiary organizations, strategic plan and governing documents.

Orientation for the entire board should be conducted annually. Individual orientation for new directors is also recommended.

DISCUSSION

1. Orientation communicates board roles and responsibilities. When is it planned and who will present?

2. A Leadership Manual provides the governing documents and important information to the board. Will it be a hard copy or access provided on a board portal?

3. A Commitment Form helps directors realize their obligations. Do they sign a multipurpose form?

DIRECTOR COMMITMENT FORM

1. Read and uphold the governing documents.
2. Work to advance the mission; serve the members.
3. Respect confidentiality of discussions and documents.
4. Disclose conflicts of interest.
5. Avoid antitrust violations.
6. Support decisions of the board.

4. Board Evaluation is a process for continuous improvement. What discussion or form will be used to facilitate a board evaluation at least annually?

5. Parliamentary Procedure is a tool to maintain decorum at meetings and to advance the agenda. Are directors well versed?

*Orientation is sometimes referred to "Refresh and Blend."
Find a "cheat sheet" on parliamentary procedure, for example, A-B-Cs of Parliamentary Procedure.*

MISSION DRIVEN

MEMBER FOCUSED

Mission and Brand Impact

Mission communicates the purpose for existence to internal and external audiences. It answers why join and promotes value (ROI⁵). It distinguishes the association from other organizations (often competitors.)

All discussions and decisions should be framed by the mission. A well-crafted statement will serve the organization for many years. It should be easy to communicate and tweet (less than 280 characters.)

Inform directors of the appropriate use of their positions, logos and the limited authority to represent or speak for the organization.

MISSION
(Purpose for existence)

ARTICLES OF INCORPORATION
(Relationship to State Government)

BYLAWS
(Relationship to members)

POLICIES
(Interpretation of the governing documents)

STRATEGIC PLAN
(Roadmap for the organization)

ANNUAL BUDGET
(Financial position)



NOTES

THE TEAM

DISCUSSION

1. The Mission is the statement of

purpose. Write it here: _____

On a scale of 1 to 5 (1 bad – 5 great) – rate the impact of your mission: _____

2. Mission Awareness is critical by all stakeholders. Identify 3 ways to improve awareness:

Brand Platform for the organization is likely to include images, logo, mission, colors and two other statements: **Vision and Values.**

The Vision Statement is the longer-term aspiration, for example: “Creating a world where no Canadian fears cancer,” by the Canadian Cancer Society.

Values are guiding principles for the board and staff. Examples include: **Accountability, Transparency and Diversity.**

3. What is the Vision and Values of your organization?

Vision: _____

Values: _____

⁵ROI – Return on investment against dues paid.

A Balanced Partnership

The board governs – and staff manage.

Directors are **fiduciaries**⁶ on behalf of stakeholders (membership.)

Governance is defined as the body authorized by state laws to make governance decisions (not micromanagement.)

Management is defined as professional staff administering the organization and advancing the direction set by the board. If the board sets clear objectives, the committees and staff work to achieve those goals.

DISCUSSION

Identify WHO is responsible for varied roles and responsibilities⁷: (See fig. 1)

BOARD GOVERNS

STAFF MANAGE

Internal Conflicts may arise — including differences between volunteers, staff and members.

Address issues before they become a serious distraction. Manage conflict carefully: 1) clarify and define the issue; 2) be an empathetic listener; 3) address the issue, NOT the personalities; 4) seek a positive outcome; 5) be leery of emotions – stay calm; 6) focus on a collaborative solution and 7) be sure these discussions stay “inside the board room.”

⁶A *fiduciary* is a person who acts on behalf of another person or persons.

⁷A good book for understanding role distinctions: *Your Director Hat.*

⁸Recommended book for the board table: *The Speed of Trust*

FIG. 1 WHO DOES WHAT?

Who's Responsible? ⁷	Board Chair	Executive Director	Collaborative Effort
a) Hire and Evaluate Staff			
b) Speak for the Board in Public			
c) Appoint Committees			
d) Accountability for the Board			
e) Create the Board Agenda			
f) Draft a Budget			
g) Strategic Plan Development			
h) Board Performance and Accountability			
i) Office Contracts			
j) Evaluate Exec. Dir. Performance			



NOTES

MEETINGS

Desired Qualities at the Board Table

Board work is hindered by bad behaviors. Be alert to the volunteer who plays **devil's advocate**. Address any directors who don't show up or don't come prepared.

There are desired qualities and discouraged behaviors:

FIG. 2 – QUALITIES OF A LEADER

DISCOURAGED	ENCOURAGED
a) Devil's Advocate	a) Accountable
b) Lack of Preparedness, Doesn't Read	b) Prepared, Timely, Accountable
c) It's all about ME	c) Team Player
d) It's not how we USED TO DO IT	d) Visionary, Future Oriented
e) Deceptive, Manipulative	e) Transparent
f) Group Think	f) Properly Vetted
g) "I just have a [another] question."	g) Disciplined Actions
h) "What are you doing to fix this?" Everything is a problem.	h) Innovative; Seeks Solutions
i) Fraternizer	i) Respectful of all People
j) Micro-Manager	j) Trusting
k) Never Shows Up	k) Governance Experience
l) Vague, Slippery Answers	l) Financial Acumen
m) Reveals Board Actions	m) Strategic Thinker

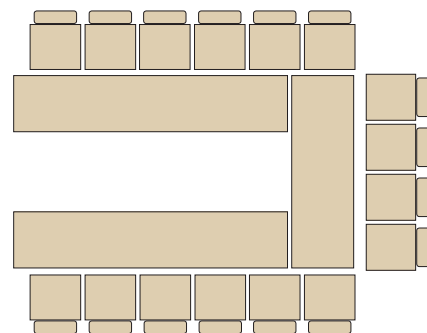
Identify behaviors that hinder your board progress:

Identify the desired qualities of the board that may be lacking:

Preparing for Board Meetings

Business is conducted at board meetings.

When a duly called meeting is convened, it is expected that all directors will attend. A quorum, the minimum number of directors required to conduct business, is defined in the bylaws.



be crafted? How do directors provide input? How many days in advance of a meeting must it be circulated?

4. A Consent Agenda reduces the time spent by reading and listening to reports. It requires committees, officers and staff to submit reports in advance for circulation with the meeting notice. Directors must be held accountable for reading the advance reports.

5. Minutes summarize the work of the board and protect the organization. Be sure the best person takes minutes, considering accuracy and brevity. Recordings are highly discouraged. Who will take the minutes?

⁹Read the last three sets of board minutes to determine if outcomes are worthy of the board's time.

¹⁰What accessibility will be allowed and used for remote meetings (calls, webinar, etc.)

DISCUSSION

1. The Frequency of Meetings will impact directors and staff. Meetings are NOT a platform to socialize or "get caught up." Does every meeting have a reason to convene and produce significant outcomes⁹?

2. Length of a Meeting should be determined by what must be achieved. Postpone unnecessary meetings .

3. The Agenda identifies what must be addressed. It should be developed in partnership between the board president and executive director. How will the agenda

OLD SCHOOL CONCEPTS

- Proxies and Alternates
- Ex-Officio
- Emeritus
- Public Officials on Boards
- Pre-Meeting Lobbying
- Voluntold
- Secret Meetings



NOTES

STRUCTURE

Communication Styles

There is one area that can always be improved: **COMMUNICATION**. Best intentions are easily misunderstood. For instance, if one person prefers phone calls while the other prefers to text, communications will suffer.

DISCUSSION

Identify the preferred methods for the executive director and chief elected officer to communicate efficiently:

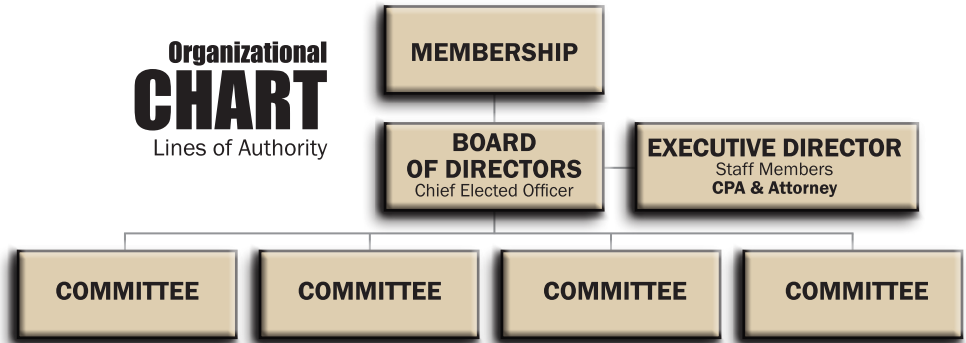
- ☐ Phone
- ☐ E-Mail
- ☐ Personal Visits
- ☐ Texting
- ☐ Social Media

Frequency

- ☐ Weekly
- ☐ 2x Week
- ☐ Every Other Week

Who Speaks for the Organization?

The chief elected officer has a responsibility to speak for the organization. The authority is usually shared with the executive director. Volunteers should understand they don't speak for the organization or use the logo and their positions inappropriately. When a problem arises, how should it



be addressed and who speaks for the association? Be sure to follow Lines of Authority depicted in an Org-Chart.

(See Fig. 3)

Strategic Plans

A strategic plan is the board's roadmap or GPS: Goals, Priorities, Strategies. It answers for stakeholders, "What does the organization do? What is that value?" Plans need NOT be lengthy or complex.

DISCUSSION

1. Awareness of the plan is essential. Is the plan always on the board meeting table and in committee packets? Are members familiar with the plan? Does a brochure exist, or business cards, that communicate mission, goals and priorities?

2. The Board Retreat is the time to develop a multi-year plan. What year was the current plan created and when is the next retreat?

(Be sure to do an annual refresh/review of the plan.)

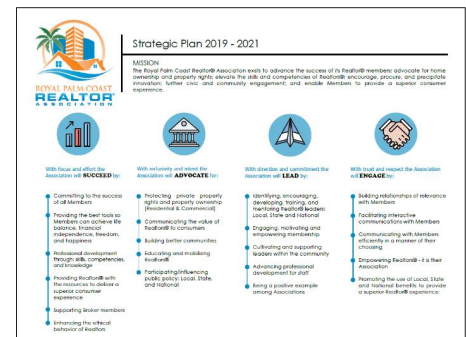


FIG. 3 ADDRESSING THE ISSUES

SITUATIONS	RESPONSIBLE PARTY
a) Board Problems (i.e. absences, conflicts of interest.)	
b) Member Grievance	
c) Press Inquiries, Interviews	
d) Committee Accountability	
e) Official Governmental Positions	
f) Response to a Crisis	
g) Personal Conflicts	
h) Other	



NOTES

FINANCES

3. Alignment is the relationship of resources to the strategic goals. Without aligning funds, time, committees and staff, the plan is unlikely to succeed.

4. Performance Measures should be a part of every board discussion (“How will we know if we are successful?”) Like any business, set the metrics such as accountability, deadlines, and benchmarks. Identify what the board should measure and track?

5. A Plan Champion is an appointed director responsible for keeping it visible at meetings. An alternative would be to appoint Goal Champions. Is the strategic plan reflected on every meeting agenda? Who will monitor and report on progress?

Budget and Finances

Directors are responsible for protecting and making best use of assets. Consider the annual income and the reported assets for an understanding of the resources. Determine if there are any liabilities. All directors should be familiar with the financial situation.

DISCUSSION

1. The Budget identifies anticipated income and expenses for the year. Is a budget approved annually by the board?

Annual Income \$ _____ Reported

Annual Assets \$ _____

Create new streams of income? _____

2. A Financial Statement is a written report of income and expenses (compared against budget), cash flow and assets. Is it presented at every board meeting?

3. IRS Form 990 is submitted annually for exempt organizations; it is expected that the governing body reviews (not approve) before submission.

REVENUE SOURCES

Member Dues

50/50

Non-Dues

- Advertising
- Sponsorship
- Endorsements / Royalties
- Trade Show / Expo
- Interest
- Product Sales
- Education, Meetings
- Gifts, Grants
- Other

An Audit is offered by an outside independent professional conducting an audit, review or compilation of finances. What policy exists on auditing? Who will be the auditor?

5. Safeguards must be in place to protect finances and assets. They may be policies or proven practices. Are safeguards in place?

6. Ratios are a way to compare important data. Directors should be aware and monitor the ratio of budget to savings, as well as ratio of dues to non-dues income.





NOTES

MEMBER VALUE/RISK AWARE

Membership Value

Members expect **Return on Investment** (ROI) compared to dues paid. They seek information and activities that are not available elsewhere. From lobbying to inside knowledge, networking and training, value must be demonstrated.

Engagement is a good platform for retaining members. How can you increase engagement? How strong is your value proposition for attracting and retaining members?

DISCUSSION

1. How is Member Value communicated? Do benefits and services exceed the cost of dues (the Value Proposition)?

2. A Golden Handcuff is a benefit or service accessible to members-only and having enough value to support robust recruitment and retention. What is the organization's Golden Handcuff? Is it unique and protected by copyright © or registration ®?

3. Purposeful Abandonment is a process to review every benefit, service and activity to determine what can be eliminated or improved. (Activities build up over time, but they are seldom dropped, causing a drain

on resources – especially staff time.)

4. Surveying members and stakeholders is a method of engagement resulting in the ability to gauge satisfaction and needs. Surveys can take many forms, from a single question to focus groups. How do you acquire member input? _____

5. Engagement may be the best way to involve members. A new member is more likely to drop out if they are not involved. What percentage of the membership is engaged? What methods will increase involvement?

Risk Aware

Organizations must (1) comply with local, state and federal laws, (2) follow governing documents, and (3) avoid activities that create risk.

To avoid risk the leadership must (1) be alert to potential risks, (2) eliminate or (3) minimize the risk. Policies can increase awareness and avoid risks, i.e. guidelines for serving alcohol at functions.*

DISCUSSION

What measures are in place to avoid or reduce risks in the association?

Risks may include, but not be limited to:

- Antitrust
- Discrimination
- Personnel Practices
- Speaking without Authority
- Public Record Requests
- Embezzlement
- Copyright
- Whistle Blower
- Cyber-Crime
- Libel/Defamation

Insurance policies often include:

- General and Property Liability
- Directors and Officers Liability (D & O)
- Errors and Omission (E & O)
- Surety or Dishonest Bond
- Publishers Insurance
- Cyber Crime Insurance
- Meeting Cancellation
- _____

**Protective measures may include policies, best practices and established protocols.*

FIG. 4 SAMPLE BOARD AGENDA ADVISORY

CONFLICTS OF INTEREST

There is a fiduciary duty to disclose any conflict or potential conflict of interest at the meeting. Should a conflict arise, please inform the CEO.

ANTITRUST AVOIDANCE

State and federal laws prohibit the exchange of information among competitors regarding matters pertaining to price, refusals to deal, market division, tying relationships and other topics which might infringe upon antitrust regulations. No such exchange or discussion will be tolerated during this meeting or in informal discussions during breaks, meals or social gatherings.

CONFIDENTIALITY

Meeting discussions and handouts are for the purpose of discussion and deliberation. Please respect confidentiality after the meeting and recognize the CEO is the spokesperson for the board unless otherwise specifically indicated



NOTES

BEHAVIORS

Heard at the Board Table

Boards say the darndest things.

A common disruption is: "I just have a question." It will divert from the agenda and lead the discussion down a rabbit hole.

Be mindful of board meeting distractions.

Directors are quick to "chase squirrels."

Be alert to groupthink.

¹⁶Groupthink: Making decisions as a group because someone made it sound like the right thing to do.

The two most desired qualities of board members **innovation and strategic thinking**.

Listen for discussions that drop "into the weeds."



DISCUSSION

Be aware of these board statements and how they might be used or addressed:

- We are nonprofit so all our records are open to the public. (False)
- This feels like we are in the weeds. (Board discussions are above 50,000')
- I just have a question? (Or – I admit I didn't read the advance materials.)
- We can't lobby if we are an association. (False)

■ I have a good idea! (How does your good idea fit in our strategic plan?)

■ Brief is better. (True)

■ The board doesn't do committee work at the board table. (True)

■ The board governs; the staff manage. (True)

■ How will we measure success? (Metrics are important in every discussion.)

■ Have we fully vetted this proposal before voting? (The right thing to ask.)

■ I heard as a nonprofit we can't maintain any savings. (False)

■ _____

Meeting Sign-In Sheet

Meeting Date _____ Location _____

ATTENDEE SIGNATURES

NAME	SIGNATURE
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ANTITRUST AVOIDANCE

Meeting attendees are reminded that state and federal laws prohibit the exchange of information among competitors regarding matters pertaining to price, refusals to deal, market division, tying relationships and other topics which might infringe upon antitrust regulations, and that no such exchange or discussion will be tolerated during this meeting. These guidelines apply not only to the formal meeting sessions, but to informal discussions during breaks, meals or social gatherings.

CONFLICTS OF INTEREST

There is a fiduciary duty to disclose any conflict or potential conflict of interest at the meeting. Should a conflict arise, please inform the chief elected officer.

CONFIDENTIALITY

Meeting discussions and handouts are for the purpose of discussion and deliberation. Please respect confidentiality after the meeting and recognize that the chief elected officer is the spokesperson for the board unless otherwise specifically indicated.

MISSION STATEMENT

The mission of the organization is to advance and protect.... [insert organization's mission statement.]



NOTES

AGENDA

50,000¹
Board of Directors
25,000²
Committees
10,000³
Management

Board Meeting Agenda

Welcome, Conflicts of Interest, Antitrust¹

Approval of Minutes

Acceptance of Financial Report

Consent Agenda²

Strategic Plan Goals

- A. Education and Training
- B. Advocacy and Government Relations
- C. Public Awareness and Marketing
- D. Organization Sustainability

Mega Issue!

Unfinished Business

New Business

What's Next?

Adjournment

MISSION STATEMENT

"... to advance and protect the profession and consumers through education, advocacy and public awareness..."

¹Chief elected officer reminds group about antitrust avoidance (FTC concern), asks if anybody has a conflict with today's agenda (IRS concern), and maintaining confidentiality.

²Reports are distributed in advance for Directors' review or available on the Board's portal.



NOTES



NOTES



BOBHARRIS^{CAE}
www.nonprofitcenter.com
bob@rchcae.com