

# 10 Things Every Board Member Should Know – But Often Don't!



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**CEO/Executive Director = Hired professional who leads the staff and reports to the Board**

**President = Board Chair**

**Governance = Board of Directors**

**Executive Committee or Council = Board Officers**

**Executive Session = Board Meets w/out Staff**

# Audience Survey

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Board Members?  
Executive Directors?  
Nonprofit Staff?



# If your organization were a body, what would the Board be?



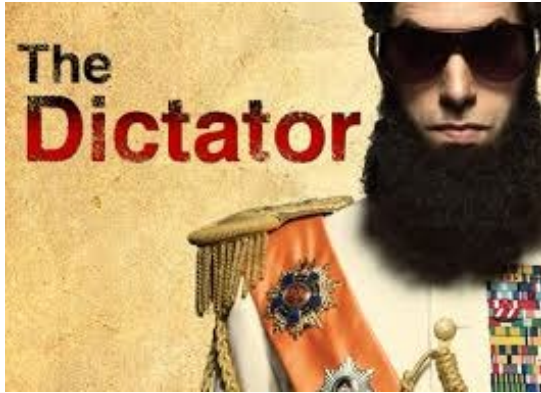


# What Do We Mean by THE BOARD

THE BOARD = One



# Nonprofit Executive Directors....



❖ Dictator

❖ Servant

❖ Guru/Know it All  
❖ Visionary

❖ Mentor  
❖ Assistant  
❖ **Partner**

# Whose Job Is It Anyway?

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The Board  
or  
the Executive Director?



# Whose Job Is It Anyway?



- ❖ Governance
- ❖ Fiduciary
- ❖ Board Management
- ❖ Board Recruitment
- ❖ Financial Sustainability and Advocacy
- ❖ Evaluation





# #1 Thing Every Board Member Should Know

**Board Service is a Job**





# Not Your Father's Nonprofit Board

- ❖ Chances are previous nonprofit boards on which you have served, have been **ineffective**
- ❖ More than attending a **board meeting**
- ❖ Consider this your new **part-time job**
- ❖ Requires **100%** commitment from **100%** board membership
- ❖ Should be considered an **honor, privilege and duty** to serve

If you have seen 1  
Nonprofit Board,

You have seen 1  
Nonprofit Board

# Duty of Care



*“Board members must act as an ordinarily prudent person would act under similar circumstances.”*

## Translation:

- ❖ Board members must come to meetings prepared.
- ❖ The Board speaks with *one voice* and respect the wishes of the majority.



# Duty of Loyalty



*Board members must put the interests of the organization above their own.*

## Translation:

- ❖ The Board has a conflict of interest policy and consistently enforces it.

It should **NEVER** even **LOOK** as if a Board Member **COULD HAVE** profited from their involvement.



# Duty of Honesty



*Board members must act in accordance with the organization's stated mission and applicable laws.*

## Translation:

- ❖ The Board follows the bylaws, ensures timely and accurate filing to regulatory bodies, reviews the Form 990 before it is filed, etc.



# Board Commitment Letter



- ❖ Restate individual board member job description.
- ❖ Includes **ALL** board members' commitments:
- ❖ Written and Signed annually by full Board.
- ❖ Board Chair responsible for distribution and regular evaluation



# #2 Thing Every Board Member Should Know

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## Stay in Your Lane



# Roles and Responsibilities



Board Chair – Acts as *liaison* between the Executive Director and Board Members as well as Board Members with each other.

Executive Director – Acts as *liaison* between Board Chair and Staff and *handles day to day operations* for organization.

## NonProfit Org Chart

Board Members – Work as a team to *support the mission of the organization* and create vision for organization's future.

Board Chair

Executive Director

Board Members

Committees

Staff

Volunteers



# Board Expectations for Staff



- ❖ Executive Director attends Board Meetings and provides report based on behalf of the staff
- ❖ Staff only attend Board Meetings when their presence is requested by the Executive Director
- ❖ Board expects Executive Director to manage staff
  - Succession plan for every staff member
  - Handle all staffing issues
  - Develop and administer internal controls

# Board and Staff Relations



- ❖ Board **DOES NOT** Supervise Staff
- ❖ Board **DOES NOT** Intervene in Staff Issues
- ❖ Board Members **DO NOT** Communicate with Staff Directly without Knowledge of the Board Chair and Executive Director\*
- ❖ Staff **DOES NOT** Communicate with Board Directly without the Knowledge of the Executive Director\*



*\* Staff members of course should respond to inquiries and communicate if they serve on committees with a Board Member.*



## Board

- Strategic planning
- Sets the budget
- Fundraising
- Develop community contacts
- Advocate
- Decisions are futuristic

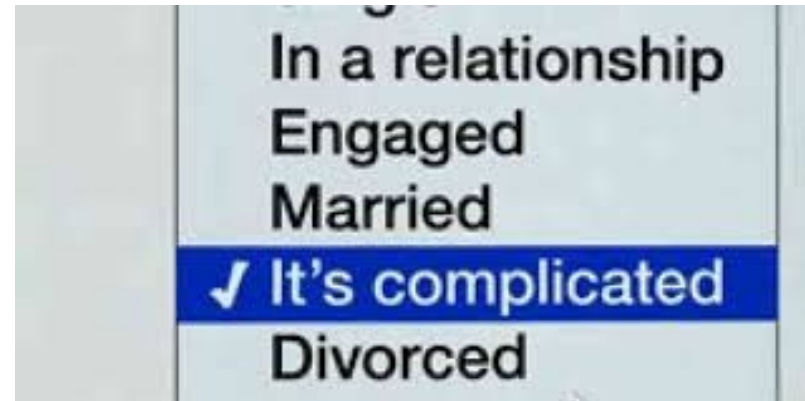


## Executive Director

- Develops strategic plan with Board
- Ensures staff implements the strategic plan
- All staffing decisions
- Develop community contacts
- Advocate
- Handles day to day decisions



# The Board and Executive Director Relations



# #3 Thing Every Board Member Should Know

**Board Orientation Should be Required for All Board Members Every Year**



# Audience Survey

Does Your Board Conduct  
an Annual Board  
Orientation?



# Board Orientation



- ❖ Required for New Board Members
- ❖ Governance and fiduciary duties.
- ❖ Budget and financials (Form 990).
- ❖ Strategic plan.
- ❖ Board Member job descriptions
- ❖ Commitment letter.
- ❖ Mission, vision and core values.
- ❖ Policies and procedures.
- ❖ Conflict of interest.
- ❖ *Connections! Networks!*



# Strategic Direction



The Board has ultimate responsibility for setting the organization's **Strategic Direction**.

- ❖ Annual planning retreat to set annual goals.
- ❖ Strategic plan is kept alive with progress reports at *every* Board meeting.



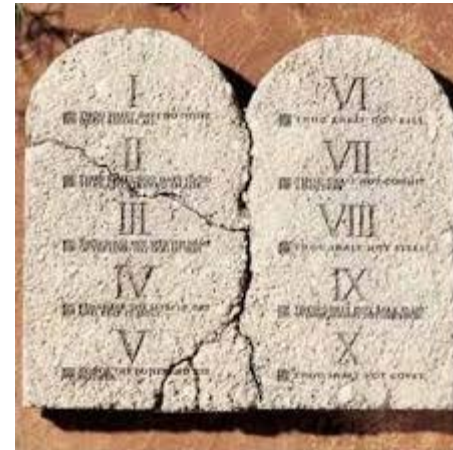


# Governance



The Board has ultimate responsibility for the effective and efficient **Governance** of the organization.

Bylaws (*should be general*)



Board Operational Policies and Procedures. (*more specific easier to change*)

# Mission and Purpose



The Board has ultimate responsibility for ensuring the organization operates to serve its *Mission* and *Purpose* through mission-driven decision making to prevent **mission-drift**.

**Mission Statement -**  
Articulates essence of why your organization exists.

**IDEA!** Print mission on all board and committee agendas.

**Vision Statement**  
What world will look like after you complete your mission.

# Annual Planning Retreat



- ❖ Review mission, vision, core values.
- ❖ Assess current strategic plan.
- ❖ Create a long term vision and 12 month plan of work.



- ❖ Focus forward, build consensus.
- ❖ 3-5 **S.M.A.R.T.** Goals with corresponding strategies (Strategic, Measureable, Accountable, Realistic, Time-Bound)
- ❖ Team building and fun!

# #4 Thing Every Board Member Should Know

**Board Members Can be Personally Responsible for Mismanagement**



# Board Members as Fiduciaries



- ❖ *Prudently handle organization's resources.*
- ❖ *Personal liability* can result should board member, breach standards of fiduciary responsibility.
- ❖ Act for the good of organization, *rather than personal benefit.*
- ❖ Every action geared towards *forwarding the organization's mission.* 2009 BoardSource Legal Responsibilities of Nonprofit Boards

NOTE! Even when board members represent a specific group, primary responsibility must be to organization as a whole.

# Fiduciary Responsibility



- ❖ Balance Sheet
- ❖ Income Sheet
- ❖ 990
- ❖ Giving Model (How you get your funding)
- ❖ Oversight
  - ❖ Internal Controls
  - ❖ Audit



# Policy “Musts”



- ✓ Conflict of Interest Policy
- ✓ Whistleblower Policy
- ✓ Document Destruction Policy
- ✓ Director’s & Officers Insurance

# #5 Thing Every Board Member Should Know

**Board Management is the  
Responsibility of the  
Board Members**





# Audience Survey

How often Does your  
Board Meet?



# Hold Effective Board Meetings



- ❖ **Monthly**, lasting no more than 90 minutes
- ❖ Board Chair **leads** meetings
- ❖ Full board responsible for board documents
  - ❖ Includes: agenda, minutes, financials, reports
- ❖ Use Consent agenda
- ❖ Delegate committee work to committees.
- ❖ Decide how/when to use Robert's Rules
- ❖ Stick to agenda.
- ❖ Begin/end on time.
- ❖ Include Executive Session at **every** meeting  
*(if you have an Executive Director).*

# Board Minutes and Archives



- ❖ Minute-Taker  
(**NEVER** Executive Director or a Staff Member)
- ❖ Heading
- ❖ Introductory Paragraph
  - ❖ If Bylaws require, state if the board gave prior notice.
  - ❖ Attendance
  - ❖ Quorum was present
  - ❖ Presider
- ❖ Committee and Other Reports
- ❖ General Resolutions
- ❖ How to Record Details

# Board Minutes and Archives



- ❖ *Closing* - meeting adjourn, submitted
- ❖ Set policy for retention of permanent records, including articles, bylaws, agendas, meeting minutes and other important documents.
- ❖ IRS requires 501(c)(3) public charities, private foundations and other tax-exempt organizations to keep their board meeting minutes permanently. The IRS also requires boards to keep important documents, such as the organization's determination letter, articles of incorporation and bylaws.

# Organizational Dashboard



Steering Wheel

Speedometer

Gas Gauge

Oil Light

Air Conditioning

Music

Staff and Board

Programs

Funding

Risk Management

Volunteers

Infrastructure

# #6 Thing Every Board Member Should Know

**Don't Ask Your Friends  
to Join the Board**



# Nominating Committee



- Responsible for *managing new board member process, not recruitment!*
- Year-round standing committee.
- Usually chaired by president-elect, past president, or seasoned member.
- Executive Director serves as pro-bono (non-voting) member.
- All board members identify potential new members

# Tools for Nominating Committee



- ❖ **Board Matrix** to identify:
  - ❖ What skills are needed?
  - ❖ Does board reflect community?



## **Board Recruitment Packet** to identify:

- ❖ Expectations, roles and responsibilities
- ❖ **Time** requirements in detail.
- ❖ Areas of commitment: **skills, financial contributions**, advocacy work, meeting requirements, committees, events, etc.
- ❖ Other: Application, board member roster, annual report, financials, fact sheet, organizations history and accomplishments, etc.





# Board “*Bless and Release*”



- ❖ Misrepresenting organization; saying negative things about executive director, staff, or board members to those outside organization.
- ❖ Doing media/public relations without knowledge of organization.
- ❖ Misunderstanding or taking no part in fundraising role of board.
- ❖ Being difficult to work with, due to overall negativity or not willing to help.
- ❖ Not attending board meetings, creating a knowledge vacuum so decisions cannot be made.

# #7 Thing Every Board Member Should Know

**You Don't Have to Be a Board Member to be Involved**



# Establish **Effective** Committees



- ❖ Report to Board via Committee Chair
- ❖ Require progress reports at **every** Board meeting.
- ❖ Members **may** include individuals outside Board.
  - ❖ Standing: Finance, Nominating,
  - ❖ Ad Hoc: Marketing, Special Event
- ❖ ~~Executive Committee~~

[https://nonprofitquarterly.org/governancevoice/12681-how-to-revitalize-your-board-destroy-your-executive-committee.html?gclid=CjwKEAiA28ilBRCy5cXrgtfTxTISJABgX7E2ZhUU6qmo\\_yXpgPOT-L3dTYfFQJFI0PFRXnBIboFULhoCh1\\_w\\_wcB](https://nonprofitquarterly.org/governancevoice/12681-how-to-revitalize-your-board-destroy-your-executive-committee.html?gclid=CjwKEAiA28ilBRCy5cXrgtfTxTISJABgX7E2ZhUU6qmo_yXpgPOT-L3dTYfFQJFI0PFRXnBIboFULhoCh1_w_wcB)

**Committees**  
that make a difference

# ~~Advisory Board~~

*Leadership Circle...Friends...*

*Dead Presidents...*



- ❖ Members can include:
  - ❖ Former Board Members, community VIP's, major donors, individuals who cannot serve on Board due to Bylaws.
- ❖ Keep engaged and committed.
  - ❖ Job description of responsibilities and expectations.
  - ❖ Hold annual meeting, send regular communications
  - ❖ Assign a liaison from Board.

# #8 Thing Every Board Member Should Know

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**Fundraising and Advocacy are  
Part of the Job**



# Audience Survey

Does Your Board  
Participate in Fundraising  
for Your Organization?



# Percentage of Nonprofit Budget



- ❖ Giving by Individuals - 72%
- ❖ Giving by Foundations – 15%
- ❖ Giving by Bequests – 7%
- ❖ Giving by Corporations – 6%

## Best Practice:


Diversified funding with no more than 20% from any single source

<http://store.givingusareports.org>


# Most Effective Fundrai\$ing



## Greatest Success Rate

- 
- ❖ Individual Contributions
  - ❖ Bequests
  - ❖ Grants
  - ❖ Corporate donations
  - ❖ Special Events

## Amount of Time/Effort

- 
- ❖ Special Events
  - ❖ Corporate donations
  - ❖ Grants
  - ❖ Bequests
  - ❖ Individual Contributions



# What is So Special?

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About Special Events?



# Special Event Fundrai\$ers



Which of these is the *real* purpose of a special event?

*1) To make as much money as possible?*

*2) To use the event as a way to market our mission to cultivate potential new donors and if we make a profit, all the better?*

# Special Event Fundrai\$ers



What is the **most critical** element to ensure a successful special event fundraiser?

*1) Marketing the event throughout the community*

*2) Marketing the event throughout the community coupled with 100% support by the board to promote, solicit, volunteer and attend the event.*

# Giving Days



- ❖ **Primary Purpose:** Develop new donors not current
- ❖ **Board members participation is essential**
- ❖ Donors **34%** more likely to give on responsive websites.
- ❖ Email fundraising **1/3** of all revenue raised online

# Board Members as Fundraisers



- ❖ **Set expectations.**
  - Include role as fundraiser in board recruitment
  
- ❖ **Communicate how fundraising relates to the mission**
  - Understand you play an integral part in development
  
- ❖ **Train board members**
  - Seasoned board members teach fundraising to new board members at retreat
  
- ❖ **Buddy up**
  - Pair least comfortable with those most comfortable to help them out

# Board Members as Fundraisers



- ❖ **Fundraising is the board's fiscal responsibility**
  - It's part of the gig
- ❖ **Fundraising is a skill that can be learned**
  - You just need training
- ❖ **Don't neglect introverts**
  - Quieter board members can be the best fundraisers
- ❖ **You don't need "affluent connections."**
  - You just need to be good at connecting with people

# Board Members as Fundraisers



- ❖ **Read**
  - Marshall Howard's *Let's Have Lunch Together*, Penelope Burk's *Donor-Centered Fundraising*, and David Sternberg's *Fearless Fundraising for Nonprofit Boards*.
- ❖ **One fundraiser isn't enough**
  - You're at a disadvantage if board members don't join in.
- ❖ **There's more to fundraising than the "ask."**
  - Board members play a part in donor identification, cultivating potential donors, stewarding existing donors
- ❖ **Be intentional about meeting and calling people.**
  - People appreciate being genuine and upfront with your intentions

# ~~Board Members as Fundraisers~~



- ❖ **Realize alternatives to fundraising if the Board does not fundraise.**
  - Reduce services?
  - Close?
  - Change the mission?

<http://www.nonprofithub.org/fundraising/transform-your-board-of-directors-into-fundraising-champions/>



# Advocate Everyday



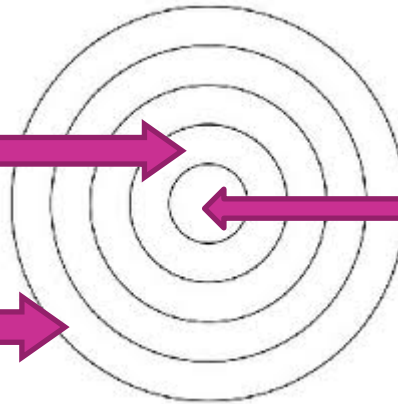
- ❖ Once a week tell someone about organization.
- ❖ Be the “go to” person for information on organization.
- ❖ Effective board members serve on one board at time.
- ❖ Loyalty
  - ❖ Faith Based Organization
  - ❖ School
  - ❖ **Your Organization**



One Board  
Member



All Board Members



Your  
Organization

# #9 Thing Every Board Member Should Know

**Annual Evaluations Should be Conducted for Everyone**



# Executive Director Evaluation



- ❖ Assign committee to manage process
- ❖ Mutually agree on evaluation tool
- ❖ **Full Board evaluates**, report all responses
- ❖ Executive session to discuss with the ED
- ❖ Allow ED to respond to full board



# Board Tenure



- ❖ *Term Limits. Term Limits. Term Limits.*
- ❖ New blood, ideas, connections, \$\$\$'s
- ❖ Remove deadwood
- ❖ Hold board members accountable
- ❖ Average tenure is 3 years, renewable once.
- ❖ Retire to Advisory or Emeritus Status.

# Deal with Unproductive Board Members



- ❖ *You get what you accept and what you reward!*
- ❖ Term limits critical.
- ❖ Maintain commitment letters.
- ❖ Keep performance expectations high.



# #10 Thing Every Board Member Should Know

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## Attributes of an Effective Nonprofit Board Member



# Attributes of an Effective *Nonprofit* Board Member



- ❖ Commitment to the **mission** of the organization.
- ❖ Understanding of the board's **governance roles**.
- ❖ **Active involvement** in board activities, committees.
- ❖ **Thinking and acting strategically**; not involved in day-to-day management of the organization.
- ❖ Abiding by the Duties of **Care, Loyalty and Honesty**.
- ❖ Supporting the organization both **financially** and through **advocacy**.



# Audience Survey

Which One of the Board  
Attributes Would surprise  
Your Board The Most?



# NONPROFIT RESOURCES





# Mary Beth Harrington, CVA



501c<sup>3</sup> Empowering Nonprofits

San Antonio Area Foundation

**TANO – Texas Association of Nonprofit Organizations**

Austin Public Library Foundation

Volunteer Center of North Texas (Volunteer NOW)

Dallas Public Library

Carter BloodCare

# Clients Include...



- ❖ Habitat for Humanity International
- ❖ Meals on Wheels of America
- ❖ US Tennis Association (USTA)
- ❖ Susan G. Komen
- ❖ Arkansas Literacy Council
- ❖ AFP Oklahoma and Texas
- ❖ Texas CASA
- ❖ Texas Association of Museums
- ❖ One Star Foundation/AmeriCorps
- ❖ United Way of Texas
- ❖ USTA Texas
- ❖ Corporation for Public Broadcasting
- ❖ Keep Texas Beautiful
- ❖ Literacy Texas
- ❖ Texas Library Association
- ❖ Junior League of Texas
- ❖ San Antonio Nonprofit Council
- ❖ Bike Texas/Dallas Bike Alliance
- ❖ Aberg Center of Dallas
- ❖ Dallas/Fort Worth Tourism Council
- ❖ Washington Nonprofits

# Our Mission is Your Success!



**Free** advice and counsel to everyone.  
**Always!**



**NO** Travel fees



**NO** Preparation fees



Consulting fees?

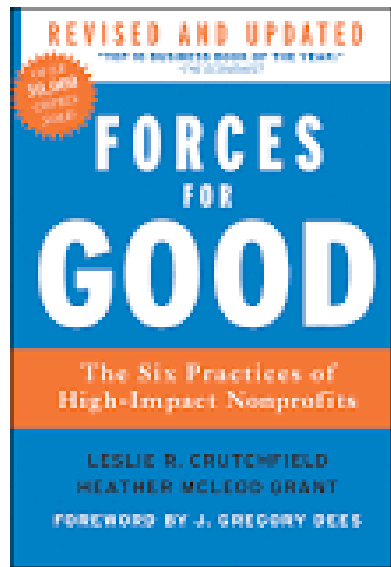


You Choose our Value – **Really!**

# Favorite Nonprofit Websites



- ❖ GrantStation – [www.grantstation.com](http://www.grantstation.com)
- ❖ Chronicle of Philanthropy - [www.philanthropy.com](http://www.philanthropy.com)
- ❖ Nonprofit Quarterly - [www.nonprofitquarterly.org](http://www.nonprofitquarterly.org)
- ❖ Blue Avocado – [www.blueavocado.org](http://www.blueavocado.org)
- ❖ BoardSource - [www.boardsource.org](http://www.boardsource.org)
- ❖ TechImpact – [www.TechImpact.org](http://www.TechImpact.org)
- ❖ TechSoup – [www.techsoup.org](http://www.techsoup.org)
- ❖ Nonprofit Risk Management Center – [www.nonprofitrisk.org](http://www.nonprofitrisk.org)
- ❖ Independent Sector – [www.independentsector.org](http://www.independentsector.org)



Authors: Leslie Crutchfield and  
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1. Advocate and Serve
2. Make Markets Work
3. Inspire Evangelists
4. Nurture Nonprofit Networks
5. Master Art of Adaptation
6. Share Leadership

# 501c3 Empowering Nonprofits



- ❖ Volunteer Management Services
- ❖ LeadershipPlenty Modules
- ❖ Nonprofit Management Courses
- ❖ Strategic Planning
- ❖ Succession Planning
- ❖ Change Management
- ❖ Advocacy
- ❖ Understanding the Nonprofit Sector
- ❖ Social Media & Marketing Courses

Our services start with a **free** conversation to assess your situation; together we then determine what elements of support you may need and provide you with an individualized proposal based on those needs and budget. Through our skilled diagnosis, we ensure that you receive the level of support you need at a price your agency can afford.

***Our mission is to Unleash the Power of the Nonprofit Community  
by generating Confidence, Competence and Collaborations!***



# 501c3 Empowering Nonprofits



- ❖ Programs for Conferences and Resource Centers
- ❖ Customized Programs for Individual Nonprofits
- ❖ Strategic Initiative Retreats for Nonprofit Boards
- ❖ Nonprofit Interventions for Staff, Boards and Volunteers
- ❖ Certified ToPs (Technology of Participation) Facilitations
- ❖ Qualified LeadershipPlenty Courses
- ❖ Constant Contact - Authorized Local Expert
- ❖ Certified CCAT (Core Capacity Assessment Tool) Evaluations
- ❖ Association Management Consulting Targeting Membership Growth Dynamics
- ❖ Volunteer Program Assessments

**Free** Nonprofit Career Counseling for Universities as well as Individuals

**Free** Nonprofit Referrals and Resources

# *FREE ADVICE AND COUNSEL*

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