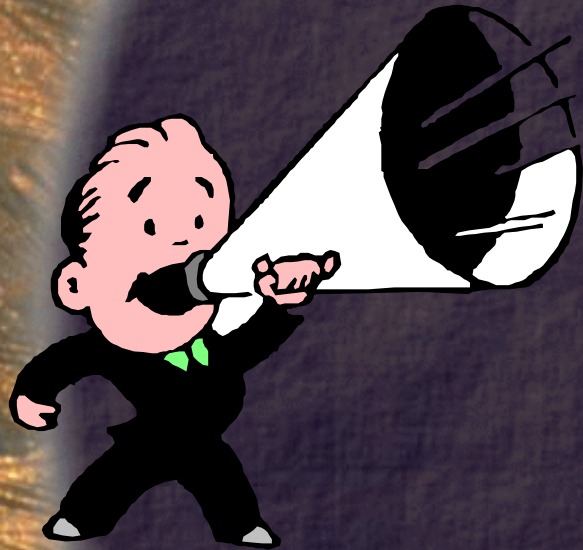


Building Better Boards

5 x 5



Why Build Better Boards?

Better Boards = More Successful Nonprofits!



- ✦ Nonprofits face tightening donor wallets
- ✦ Nonprofits need to do more with less
- ✦ Nonprofits can no longer succeed on good will alone
- ✦ Nonprofits face more fiduciary responsibility
- ✦ Dysfunctional Boards are more than annoying -they cost \$\$ and public relations!

5 Ways to Better Boards

Excellent Boards have Members who...

Manage Problem
Board Members

Are Excellent
Board Members

**ACHIEVE
SUCCESS!**

Conduct
Better Board
Meetings

Avoid Ethical
Errors

Know Board
Responsibilities

5 Qualities of Excellent Board Members

Excellent Board Members are NOT by Chance!

- ✦ Dedication
- ✦ Time
- ✦ Qualifications
- ✦ Engagement
- ✦ Dollars


Excellence!

5 Qualities of Excellent Board Members

✦ Dedication

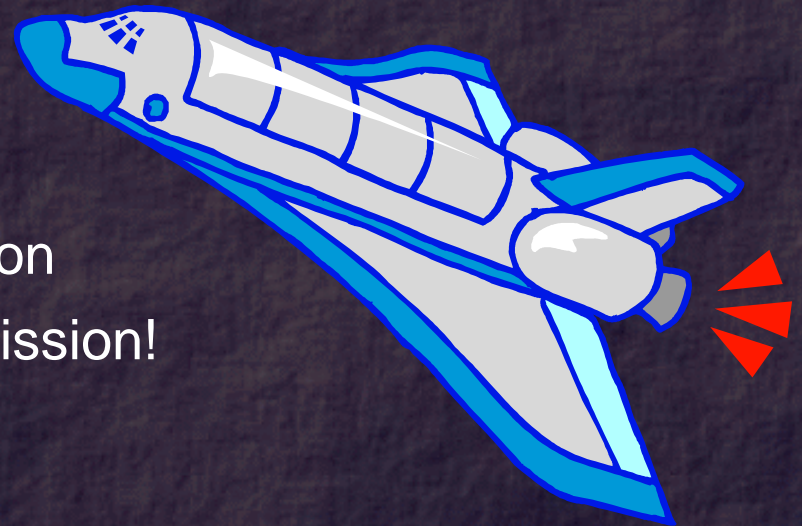
- ✦ **KNOW** the mission
- ✦ **BELIEVE** the mission
- ✦ **PROMOTE** the mission!

✦ Time

- ✦ Attend Board Meetings, Participate in Committees
- ✦ BE THERE!

✦ Qualifications

- ✦ Merit, Background, Skills, Diversity
- ✦ What skills does the organization need?
- ✦ What constituents does the organization represent?





5 Qualities of Excellent Board Members

✧ ***Engagement***

- ✧ Bench warmers and résumé builders need not apply
- ✧ *Every Board Member* should be involved in at least one critical function of the organization - fund raising, membership, programs, PR
- ✧ USE the skills that put you on the Board!
- ✧ Know whom you serve (your constituents)

✧ ***Dollars***

- ✧ Nonprofits cannot survive on good will alone!
- ✧ Expectations for Board financial support should be clearly defined – Board candidates should assume dollars are expected, unless told otherwise
- ✧ **GIVE - GET - or GET OFF!**



5 Ways to Better Board Meetings

Board Meetings don't have to be **TORTURE!**

- ✦ Have an Agenda
- ✦ Be Prepared
- ✦ Know your Audience
- ✦ Keep it Short!
- ✦ Keep track of what happens



5 Ways to Better Board Meetings



✦ ***Have a (written) Agenda***

- ✦ Keeps the meeting focused and moving
- ✦ Include routine and special items
- ✦ Consent Agendas save time
- ✦ Have handouts for reports and financial

✦ ***Be Prepared***

- ✦ Read your Board Packet - Know the issues
- ✦ Do your homework from previous meetings

✦ ***Know your Audience***

- ✦ What does YOUR Board expect from meetings?
 - ✦ “Show and Tell” versus “Just the Highlights”
 - ✦ Level of detail expected in reports
- ✦ Board Meetings should be RELEVANT to the time, place, issues facing the board

5 Ways to Better Board Meetings



✧ ***Keep it SHORT!***

- ✧ 1 hour or less (use “Time Checks”)
- ✧ Agenda helps manage time
- ✧ Robert’s Rules NOT required and wastes time
- ✧ If you can’t end on time –
 - ✧ Ask the Board to help prioritize remaining agenda items
 - ✧ Save some items for another meeting
 - ✧ Consider a special meeting to handle special matters

✧ ***Keep Track of What Happens at Meetings***

- ✧ Have someone take notes and prepare minutes
- ✧ Keep track of who is assigned to which tasks
- ✧ Document who makes motions and note “nay” voters
- ✧ Record action taken on Board matters
- ✧ (HINT: sometimes the government will ask for copies of minutes)

5 Important Duties of Board Members

3 “traditional” – 2 “extra”



- ✦ Duty of Care (Due Diligence)
- ✦ Duty of Obedience
- ✦ Duty of Loyalty
- ✦ Duty to the “Mission”
- ✦ Duty to the well-being of the organization



5 Important Duties of Board Members

✦ **Duty of Care - Due Diligence**

- ✦ Board Members are required to be INFORMED
- ✦ Must know - financial, government status, projects and operations
- ✦ No excuse for ignorance
- ✦ Includes a duty to train successors about their duties!

✦ **Duty of Obedience**

- ✦ Do what you are required to by the order of the Board, the policies of the organization or the law

✦ **Duty of Loyalty**

- ✦ Support the Board - even when you don't agree with it's actions (or politely resign)
- ✦ Don't talk about Board matters outside the Board room
- ✦ Always act in the organization's best interest

5 Important Duties of Board Members

✦ ***Duty to the Mission***

- ✦ KNOW - BELIEVE - SUPPORT the Mission
 - ✦ Should be able to recite the Mission - anytime, anywhere
 - ✦ (otherwise, why are you on the Board?)

✦ ***Duty to the Well-Being of the organization***

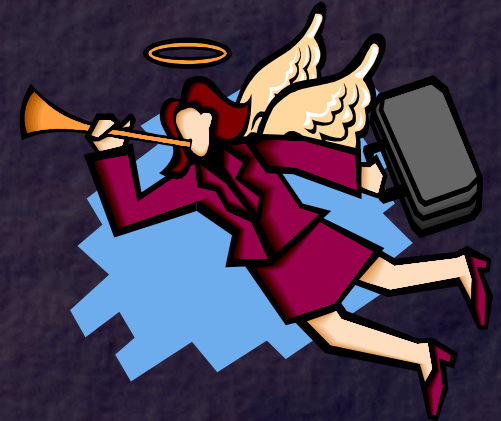
- ✦ It is the responsibility of the Board of Directors to ensure the financial and philosophical well-being of the organization
- ✦ The Board of Directors MUST:
 - ✦ Manage the organization through financial hardship
 - ✦ Ensure that programs and activities thrive
 - ✦ Ensure the longevity of the organization

5 Ethical Issues Board Members Must Avoid

Immoral, Illegal, and Can Cost YOU!



- ✦ Conflict of Interest
- ✦ Conflict with other Board Members
- ✦ Conflict with Staff
- ✦ Conflict with Money
- ✦ Conflict with Confidentiality



5 Ethical Issues

Board Members Must Avoid



✧ **Conflict of Interest**

- ✧ Must have COI policy! – New IRS Requirement
- ✧ Board Members must disclose conflicts
- ✧ Volunteer Board is a Volunteer Board

✧ **Conflict with Other Board Members**

- ✧ Everyone has an opinion! “Discussion” versus “Conflict”
- ✧ If you get too much feedback, request information to be submitted in writing
- ✧ Choose your battles

✧ **Conflict with Staff**

- ✧ Don't micro-manage staff – Don't “rubber-stamp”
- ✧ Board Role is oversight and policy - not day-to-day
- ✧ “Too Many Cooks”

5 Ethical Issues

Board Members Must Avoid

✧ **Conflict with Money**

- ✧ Independent review of financial records
- ✧ Internal review of financial records
- ✧ Monthly/regular Board review of financial records
- ✧ Compensation of Board Members is a no-no
- ✧ Compensation of CEO should be handled professionally
- ✧ Business practices in handling money

✧ **Conflict with Confidentiality**

- ✧ Confidentiality versus Transparency
- ✧ KNOW the difference!



Tip:

“Headline News Test”

5 Ways to Handle Problem Board Members

They won't "just go away"
(as much as we might like that)



- ✦ Give them a voice
- ✦ Give them a job
- ✦ Give them respect
- ✦ Give them an "out"
- ✦ Don't give up control
- ✦ Bonus tip



5 Ways to Handle Problem Board Members



❖ ***Give them an voice - other than the meeting***

- ❖ What's REALLY bothering them?
- ❖ Ask for written summary of problems

❖ ***Give them a job***

- ❖ Sometime trouble-makers or “ghost” Board Members feel frustrated and ineffective -is there a meaningful project that would fulfill?

❖ ***Give them respect***

- ❖ No matter how misguided, all Board Members deserve respectful consideration
- ❖ If you make them mad, EVERYONE will know!

5 Ways to Handle Problem Board Members

✧ ***Give them an “out”***

- ✧ A problem or “ghost” Board Member may not be a good fit.
 - * privately discuss whether that Board Member should resign
- ✧ A problem Board Member may see the error of his or her ways
 - * give them a way to gracefully back off without “losing face.”

✧ ***Don’t Give Up Control***

- ✧ The Board President (or CEO) runs the meeting - don’t let a problem Board Member take control
- ✧ Give a few minutes, but then move things along
- ✧ “Let’s discuss after the meeting”



BONUS!

5 Ways to Handle Problem Board Members

What if the Problem Board Member Is YOU?

✦ How do you know if YOU are “The One”?

- ✦ You may be a “Problem Board Member” if you do THIS more than once a meeting/4 times a year:
 - * Vote “no”
 - * Contest a proposal
 - * Object to procedure
 - * Talk more than 10 minutes on one issue

✦ What should you do?

- ✦ If illegal activity - report to IRS, State or local authorities
- ✦ If philosophical difference - consider resignation
- ✦ ALWAYS be respectful, and remember Board Duties!

Building Better Boards 5 x 5



Are we “Loud and Clear?”

- ✦ Recruit Excellent Board Members
- ✦ Conduct Well-Managed Meetings
- ✦ Know Board Member Duties
- ✦ Require Ethical Conduct
- ✦ Foster Human Relations

Building Better Boards 5 x 5

Are we “Loud and Clear?”

