

Leading Together: How to Build a Great Board/ED Partnership

Nonprofit Conference

Volunteer Center of Sonoma County

March 26, 2010

The power and authority of the board is held by the group.

The way a team plays as a whole determines its success. You may have the greatest bunch of individual stars in the world, but if they don't play together, the club won't be worth a dime.

– *Babe Ruth*

Training Outcomes

- Better understanding of the role of the board and the differences between board work and the work of staff.
- Awareness of areas for possible conflict between board and executive director
- Specific ideas for building a strong board/executive director partnership

Board and Staff Roles

Staff

Board

Means
(the how)

Ends
(the what)

Trends in Nonprofit Governance

- Greater scrutiny and focus on financial management
- California Nonprofit Integrity Act
- I.R.S Changes to form 990
- Wide availability of 990's online (Guidestar)

Trends in Nonprofit Governance

- Generation Shift
 - Old model of board member engagement evolving
 - Executive Director transitions

Trends in Nonprofit Governance

- Economic changes
- Pace of change
- Greater focus on board fundraising
- Need for new income streams
- Emphasis on strategy and flexibility

Legal Duties of Board Members

Duty of Care

- Ask questions
- Read materials to prepare for meetings
- Attend meetings
- Deliberate and decide
- Make appropriate decisions
- Review finances
- Oversee compliance



Legal Duties of Board Members

Duty of Loyalty

- Disclose personal conflicts of interest or personal gain
- Disclose information relevant to decision-making or oversight role
- No special benefits
- No disclosure of confidential information about organization to others
- Speak with one voice



Legal Duties of Board Members

Duty of Obedience

- Know and comply with local, state, and federal laws
- Compliance with all reporting rules
- Proper use of all documents governing the organization
- Insist on disclosures required by law
- Set ethical tone for the organization



Board as Governing Body

Board Members as Individuals

Board

- Legally constituted body
- Functions as Group
- Non-Negotiable Role
- Hires, evaluates, fires Executive Director

Board Member

- Supportive
- Functions as Individual
- Negotiable Roles
- Reports to the Executive Director/Staff

What is Governance?

- Fiduciary Activities

Safeguarding Assets
Financial Management Oversight
Risk Management
Legal Compliance
Evaluation of Executive
Governance Processes

- Strategic Activities

Hiring/Firing Executive
Long-Term Planning
Monitoring “Mission Drift”
Economic Logic Model
Emerging threats and opportunities

Board Governs; Executive Director Manages

Board Role

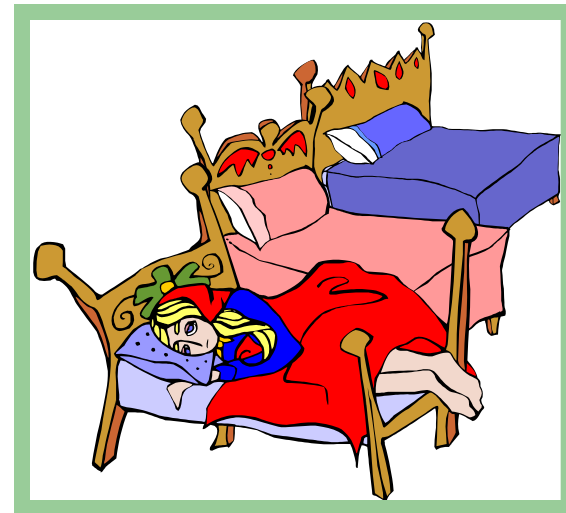
- Lead long-range planning process
- Financial Oversight
- Create Policy
- Approve budget, fundraising plan

Executive Role

- Operationalize and implement plans
- Financial Management
- Create, implement, oversee procedures
- Develop and manage budget, fundraising plan

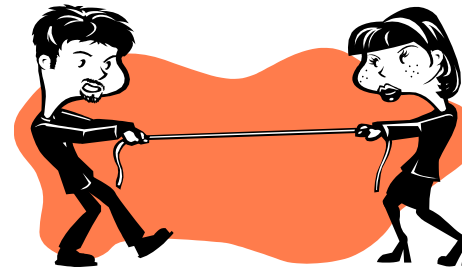
The Goldilocks Syndrome

- My board micromanages.
- My board is not engaged.
- My board is just right!



Common Areas of Conflict Between ED and Board:

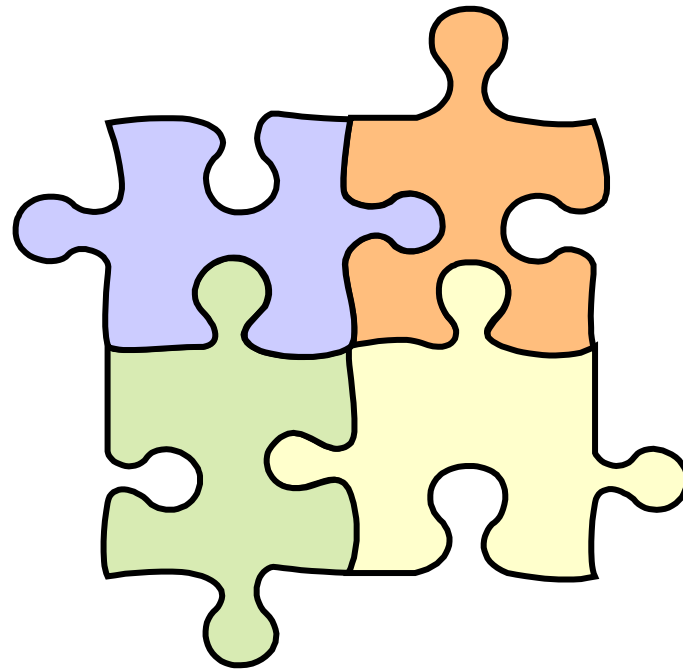
- Fundraising
- Board engagement with staff
- Financial reports
- Accountability
- Hiring
- Board members' supporting activities
- Communications
- Decision-making parameters



Tools for Resolving Conflict

Structure & Process

- Role of Board Chair
- Board Meeting Agendas
- Information Dissemination
- Role of Committees
- Term Limits
- Election of Officers
- Nominating
- Executive Sessions



Tools for Resolving Conflict

Relationship Building

- Meet regularly with Board Chair
- Meet individually with each new board member
- Develop your annual performance plan with your board
- Regularly solicit advice and ideas from individual board members in their areas of expertise
- Help your board identify its own strategic priorities
- Alert your board to any emerging problems – never surprise them
- Express appreciation often for their time and efforts

Tools for Resolving Conflict

Board Development

- Board Job Description
- Individual Member Commitments
- Annual Planning Retreat
- Governance Training
- Financial Training
- Succession Planning
- Annual Board Self-Assessment



Closing Thoughts

- Help your board understand the differences between your role and theirs.
- A board with its own objectives is less likely to micromanage.
- Reach agreement on what successful performance looks like -- for both you and your board.

Governance Resources

- Blue Avocado (formerly Board Café)
www.blueavocado.org
- BoardSource www.boardsource.org
- Training for your board:
 - CVNL
 - CompassPoint
 - The CBO Center