



Effective Non-profit Board Governance

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Primary Responsibilities



Board Dysfunction

- ▶ Unprepared Trustees
- ▶ Unwillingness re decisions
- ▶ Unwillingness to fundraise
- ▶ Agenda set solely by Executive
- ▶ Rubber stamping
- ▶ Inadequate turnover
- ▶ Inability to evaluate Executive
- ▶ Role blur
- ▶ Board kept in the dark



Executive Committee



- ▶ Empowered to make commitments and decisions for the full Board within agreed upon parameters. (e.g. Purchasing at certain levels, capital expenditures within the budget, evaluation of CEO)
- ▶ Ability to “dive deep” on key issues and to provide recommendations to the full Board for policy action.
- ▶ More intimate setting for confidential dialogue with CEO.
- ▶ Provides guidance and support to other committees.



Fiduciary Oversight

► Finance Committee:

- ❑ Reviews and formally accepts monthly financial reports & Balance Sheets;
- ❑ Establishes finance office policy parameters
- ❑ Reviews audit reports and meets independently with auditors; (Audit Sub-Committee)
- ❑ Establishes asset investment policy; (Investment Sub-Committee)
- ❑ Reviews Budget and makes recommendations to Executive Committee and Board re adoption;
- ❑ Reviews fiscal policy decisions. e.g. retirement, elements of compensation
- ❑ How is the budget a moral document?

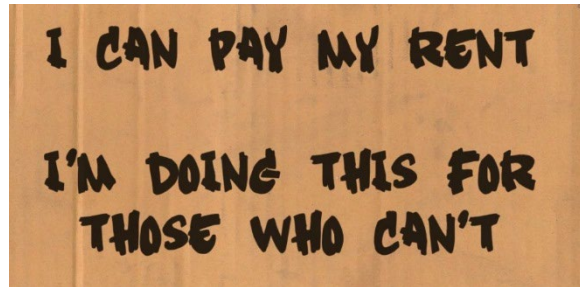
Program Quality



► Quality Management :

- ❑ Reviews data re key aspects of service;
- ❑ Reviews sentinel events or special circumstances;
- ❑ Oversees ethics process (Ethics Committee, Conflict of Interest Policy)
- ❑ Reviews reports from external reviews; (Accreditation, satisfaction surveys)
- ❑ Reviews program performance regarding grant funded projects;
- ❑ Reviews quality improvement projects and outcomes.

Development and Fundraising



► Development Committee

- ❑ Partners with staff to raise annual & capital funds;(events, mailers, direct solicitations)
- ❑ Oversees planned giving activities (wills, bequests, gift annuities, etc.)
- ❑ Oversees grant writing activities;
- ❑ Cultivates relationships with philanthropists and funders;
- ❑ Assures that all fundraising is consistent with the charitable mission, strategic plans and the ability of the organization to meet both organizational and donor expectations.

Role of the Board in Fundraising

General:

- ▶ Define the concept of the institution & set goals;
- ▶ Hire CEO and motivate executive staff;
- ▶ Audit & assess the performance of the organization;
- ▶ Set policy & assure that action is taken to meet organization's goals.

Campaign:

- ▶ Set goals;
- ▶ Encourage & collaborate with staff;
- ▶ Formulate plans;
- ▶ ID, cultivate & solicit major prospects;
- ▶ Accept major posts in the campaign;
- ▶ Contribute;
- ▶ Take on significant fundraising goals .

Strategic Planning



► Strategic Planning Committee

- ❑ Review corporate Mission, Vision & Values
- ❑ Examines status of the organization; (Strengths, Weaknesses, Opportunities & Trends)
- ❑ Establishes Priorities - Reviews and selects options for short and long terms action; (You can do anything you want... just not everything you want.
- ❑ Makes recommendations for Board approval

Motivation to Plan



- ▶ “External: decreased funding, changing social political and economic priorities in the external environment, increased competition, societal demographic, social, political and economic changes; and changing regulatory requirements.
- ▶ Internal: change in leadership or high turnover, conditions of stagnancy, crisis, or loss of focus, and rapid increases or decreases in demand for services.” (Austin & Solomon in Patti, pg. 344)

Nominations



► Nominations Committee:

- ❑ Inventories skills needed on the Board;
- ❑ Reviews prospects for Board membership;
- ❑ Cultivates and recruits new members.

A few axioms re the Board/Executive relationship:



- ▶ Hire for character train for skill.
- ▶ Share social capital and credit.
- ▶ Clarify policy and execution parameters. (Keep the camel's nose out of the tent.)
- ▶ Transparency in process is essential.
- ▶ Focus on policy not administrivia.
- ▶ Evaluate performance.
- ▶ Develop a succession plan. (Leaving properly is also a leadership opportunity.)

Effective Meetings



- ▶ More meaning per minute
- ▶ Prepare - Meet - Debrief
- ▶ Robert's Rules > Comity and Clarity
- ▶ Agendas control the process - Prepare jointly by Trustee Leader and Executive
- ▶ Minutes control the outcome - Review jointly, include deliverables
- ▶ Handle routine items with a consent agenda
- ▶ Time limit agenda items

Chait recognizes the three types of items for discussion:

- ▶ Fiduciary Items e.g. Budget
- ▶ Information/Action e.g. contractual agreements
- ▶ Generative Discussion e.g. discussion of an emerging consumer trend