

Empowering Your Board to Lead: Understanding the Roles and Responsibilities of Your Board of Directors

Cat Fribley and Kim Gandy
RSP and NNEDV

Acknowledgements

This project is supported by Grant No. 2014-TA-AX-K036 awarded by the Office on Violence Against Women, U.S. Department of Justice.

The opinions, findings, conclusions, and recommendations expressed in this webinar are those of the authors and do not necessarily reflect the views of the Department of Justice, Office on Violence Against Women.

About the Nonprofit Sustainability TA (NSTA) Project

- ▶ The Nonprofit Sustainability Technical Assistance (NSTA) Project is a program of the National Resource Sharing Project (RSP) of IowaCASA in partnership with the National Network to End Domestic Violence (NNEDV).
- ▶ The NSTA Project provides web conferences, coaching calls, and technical assistance. If you need technical assistance (TA) on nonprofit management issue, please contact Ellen Yin-Wycoff at ellen@iowacasa.org or phone 515-505-2729.

Upcoming Events:

- Coaching Calls on this topic will be scheduled in late June or early July. Please indicate your interest in the online evaluation following today's webinar or email ellen@iowacasa.org.



How to Use This Technology

- ▶ You can listen to the audio through the Internet or call-in for audio at 1-866-866-2244, Code: 8529292#
- ▶ If you are experiencing any technical difficulties, please call iLinc Technical Support at 800-799-4510
- ▶ The Public Chat function has been disabled for this webinar. If you want to ask a question, **please use the Private Chat function to send your questions to Ellen Yin-Wycoff in this webinar.**
- ▶ This PowerPoint presentation, as well as the webinar recording, will be emailed to you within the next 2 weeks.
- ▶ At the end of this presentation, please complete the online evaluation that will be sent to you.

Polling Question #1

Which of the following best describes your role/position at your agency?

- A. Executive Director
- B. Board Member
- C. Administrative Staff
- D. Program Staff

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

Our Time Today

- ▶ Participants will understand the basics of an effective and responsive board structure
- ▶ Participants will understand the three duties and ten responsibilities of a BODs (Board of Directors).
- ▶ Participants will understand the financial role of the board.
- ▶ Participants will have an opportunity to learn about the key aspects of board governance.

Polling Question #2

How many members do you currently have on your agency's Board of Directors?

- A. 5 or less members
- B. 6 - 10 members
- C. 11 - 15 members
- D. More than 15 members

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

General Board Theory and Effectiveness

- ▶ Composition
- ▶ Diversity
- ▶ Structure

Board Composition

The responsibilities of a board suggest those skills and areas of knowledge that a board must collectively possess. A practical listing might include:

- ▶ Nonprofit management
- ▶ Organizational planning
- ▶ Fund raising
- ▶ Personnel management
- ▶ Legal matters
- ▶ Public relations

Adapted from Thomas Wolf's [Managing A Nonprofit Organization](#)

Homogeneity in traditional governing boards has helped establish and maintain a model for class, ethnic, racial and sex discrimination throughout society.

Odehndal and Youmans, 1994

Board Composition

- ▶ The drive to diversify boards seeks to change this model and is motivated by a concern for accountability and accessibility
- ▶ Membership composition makes a difference for organizational decision making: that for organizations to be responsive to a diverse society, their boards need to be composed of a diverse membership

Johnson, Bonjean and Markham, 1994

Factors in Building and Maintaining Board Diversity

- ▶ The nominating committee has definite goals for diversity and takes the challenge of recruiting people of color seriously
- ▶ Racial and cultural diversity is a constant organizational priority
- ▶ Boards look all year round for candidates
- ▶ Tokenism and the expectation that people of color can/will represent their entire community are avoided
- ▶ Board and staff engages in ongoing anti-racist and cultural diversity training

How Should the Board Be Structured?

- ▶ Every board has a fundamental responsibility for self management: for creating a structure, policies, and procedures that support good governance. The term "board organization" encompasses a variety of tasks, from routine matters such as preparing a schedule of board meetings to actions with broader consequences such as developing a policy about terms of service.

Polling Question #3

The composition of an effective Board of Directors would be diverse in terms of race, ethnicity, etc. in its membership.

- A. True
- B. False

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

Three Duties of a Board


Duty of Care

Duty of Obedience

Duty of Loyalty

10 Responsibilities of Nonprofit Boards

1. Determine the agency's mission and purpose
2. Select the Executive Director
3. Support the ED and assess her performance

- 
4. Plan for the organization's development
 5. Ensure adequate resources
 6. Manage resources effectively
 7. Determine and monitor the organization's programs and services to ensure mission

8. Enhance the organization's public standing

9. Ensure legal and ethical integrity and maintain accountability

10. Board Development

Ethics

- ▶ Conflict of Interest Policy
- ▶ Conflict of Interest Statements

It's not just about money!



Managing Your Liability

- ▶ Attend meetings and pay attention
- ▶ Know and follow policies and governing documents
- ▶ Know the laws that apply to your nonprofit
- ▶ Avoid conflicts of interest
- ▶ Request counsel when necessary

Polling Question #4

Which of the following is not 1 of the 3 duties of a Board?

- A. Duty of Care
- B. Duty of Loyalty
- C. Duty of Stewardship
- D. Duty of Obedience

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

Polling Question #5

Boards of Directors must have a Conflict of Interest Policy.

- A. True
- B. False

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

Key Roles and Responsibilities of a Nonprofit Board Member

- ▶ Supporting your Executive Director
- ▶ Setting policy
- ▶ Monitor finances and raise money
- ▶ Guide long range planning



Communication is Key!



- ▶ The secret to a strong and productive Board and Executive Director relationship is communication.

Is it Policy or is it Management?

- ▶ Separate management from policy
- ▶ Different Board and Executive Director/staff responsibilities



Chain of Command

- Who manages the people you serve?

Staff Members

- Who manages staff members?

Supervisors

- Who manages supervisors?

Your Executive Director

- Who manages the Executive Director

The Board



Board Supervises One Employee

► Evaluation of the Executive Director

1. Board policy on evaluation
2. Importance of plan for evaluation
3. Schedule of activities for evaluation
4. Sample evaluation is available



Polling Question #6

The Board of Directors hires, supervises, and evaluates the Executive Director.

- A. True
- B. False

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

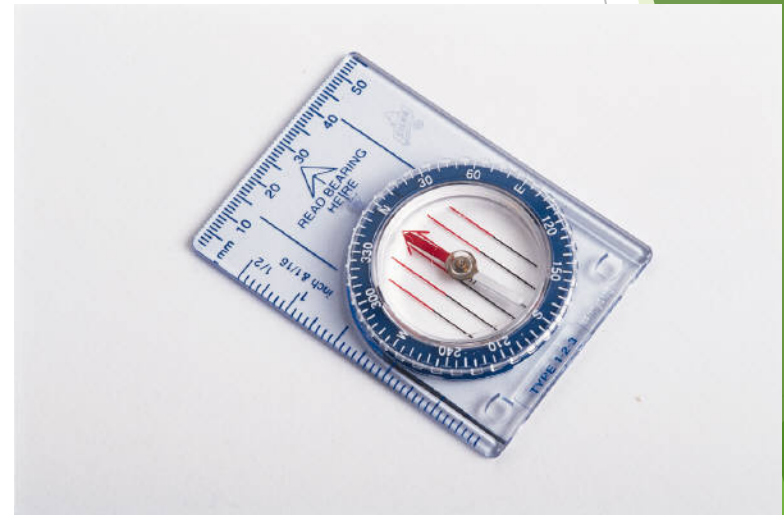
Financial Responsibility

- ▶ The board's financial responsibilities are:
 1. Set financial direction
 2. Delegate implementation of budget to the Executive Director
 3. Monitor financial status



Set financial direction

- ▶ Approve the annual budget
- ▶ Approve financial procedures
- ▶ Set financial policies



Monitor Financial Status

- ▶ Ensure that the organization is on target with planned expenses and revenues
- ▶ Ensure that the organization is financially solvent and has income to meet future expenses
- ▶ Review and understand the provided regular financial reports



Polling Question #7

The Board of Directors should receive and review the agency's financial statements on a regular basis.

- A. True
- B. False

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

Think of the BOD as having two financial roles:

- ▶ a governance role - where the board acts as a body to ensure accountability
- ▶ a support role-where board members support the organization, acting as individuals, through volunteering, making connections, donating, and fundraising.

Governance Role—ensuring that the organization has a realistic strategy for raising funds is CRITICAL

It must have three characteristics:

1. it will result in funding needed by the organization for its work
2. it will provide funding for emergency reserve, evening out cash flow, and organizational investments (computers??)
3. it is in line with the organization's ethics and values (money from a gun manufacturer, liquor company, or adult entertainment establishment?)

This strategy will include a combination of efforts; some possibilities may include but not limited to:

- ▶ fee for service (registration fees, training fees)
- ▶ special events,
- ▶ mail or social media fundraising campaigns
- ▶ government contracts
- ▶ individual major donor gifts
- ▶ grants from private or corporate foundations
- ▶ gifts from local businesses and national corporations

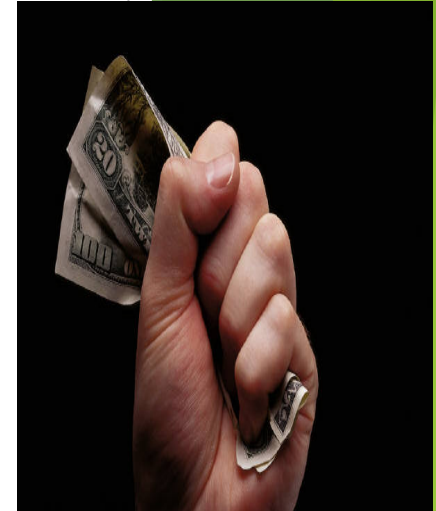
Three are four crucial rules to fundraising on the board:

1. As a body, the board is responsible for approving and monitoring performance of a revenue strategy that will sustain the organization's work
2. in the context of that plan, as individuals, each board member must do something to help implement the strategy, including a personal gift
3. no one has to do everything, and
4. Expectations must be clearly and fairly communicated to new board members during the recruitment process and beyond. *

Fundraising

► The “Four Ws” of Fundraising

1. **Work** - you will be expected to volunteer time and effort to raise money
2. **Wisdom** - you'll be asked to use your contacts and influence to generate contributions
3. **Wealth** - you may make a personal contribution that is commensurate with your resources
4. **Wallop** - you'll exercise your influence on legislators and other policy makers



Long Range Planning



- ▶ Strategic plans guide the nonprofit
- ▶ The board and Executive Director plan together
- ▶ Executive Director implements as necessary (time, money constraints)
- ▶ Do problem-based planning with a focus on the future

The Strategic Planning Process

- o Plan to plan
- o Create a committee with staff and board representation
- o Be realistic
- o Keep it short - no more than a three year vision
- o Create a document that can be referred to as needed.

Polling Question #8

In regards to fundraising, the Board's role is:

- A. Is to ensure there is a pot of unrestricted funds for the agency
- B. To solicit individual and business donors
- C. To ensure the organization has access to enough resources
- D. All of the above

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*

Questions and Comments?

*Be sure to submit your questions about the Uniform Guidance through the "Private chat" to **Ellen Yin-Wycoff** during this webinar, so we can be sure to address them for you today or in a follow-up Coaching Call or email!*