

SCAN ME



Governance Efficiencies (3-21)

Bob Harris, CAE

In a regional webinar on good governance the chief elected president said, “Bob taught us these practices years ago. We adopted them and now have a more efficient board.”

When meeting with boards I ask how the governance routines came about. The common answer, **“We’ve always done it this way.”**

For example:

- Why does the board meet every month?
- Who designed the agenda with more than a dozen reports and updates?
- How did the board grow to be 28 directors and officers?

I gave the president’s statement thought and have pulled out 20 ideas for board efficiency. Try these practices to improve governance:

Right Size Board – The average size board is 15. The IRS suggests the number of directors be a size to facilitate meaningful conversation. The larger the board the more disengaged directors, some thinking, “They won’t notice if I don’t show up.” (Larger boards have value, especially for input and fund raising.)

Meeting Frequency – The staff expends about 200 hours annually to plan monthly board meetings. Make best use of everyone’s time by empowering the executive committee to convene in between meetings of the board to address urgent issues that arise.

Agenda Design – Together the executive director and board chair craft an agenda to advance the mission and goals. Reconsider placing “new business” at the end of the agenda when directors are eager to depart. Question the practice of slotting general reports and updates that usurp valuable board time.

Mission Statement – Adopt a mission statement easy to recite and understand. It should frame all discussions and decisions at the board table. Include it at the top or bottom of meeting agendas.

Consent Agenda – If most of the meeting is used to reading and listening to reports, like “show and tell,” that can be changed using a consent agenda. Distribute the reports with no calls-for-action in advance of the meeting. Upon convening, a director will make a motion to “accept the reports as presented.” It is a fiduciary duty for directors to come prepared.

Orientation – Without orientation, new directors sit back, “I won’t say anything for six months until I understand the governance processes.” Provide an annual orientation of the board, positioning it as “refresh and blend.” Refreshing the seasoned volunteers and blending in new directors. Provide access to all the governing documents.

Role Distinctions – Role confusion leads to chaos. The board governs and the staff manage. Stay in your lane. Committees supplement the work of the board, receiving authority from the bylaws and assignments from the chief elected officer.

Conflicts of Interest – Identify potential conflicts of directors at least annually (as queried by the IRS.) Add a footnote to agendas to remind the board chair to start the meeting by asking, “Does anybody have a conflict of interest with anything on today’s agenda?”

Strategic Plan –The plan belongs to the board; they should continuously monitor and discuss progress. Keep it on the board table, frequently asking, “How does this motion advance our strategic plan?”

Meeting Minutes – Minutes are not a newsletter for members. They are a document to protect board and organization, showing they did their fiduciary duties. Brief is usually better. Discard recordings and notes upon approval of the minutes.

Attendance – When a duly called meeting is convened, directors are expected to attend. Some organizations offer up to two excused absences according to bylaws. Enforcement of the bylaws or policy is critical to maintain a dedicated leadership team and presence of a quorum.

Protections – Directors are expected to provide good governance. Most boards are protected through D & O liability insurance, indemnification, corporate veil, and volunteer immunity. Upon renewal, circulate a copy of the cover page of the D & O policy so the directors understand the coverage and risk management.

Trustee and Fiduciary Duties – While they may think of themselves as “just a volunteer,” convey the importance of their roles as trustees of the corporation.

Explain the fiduciary duties of care, obedience, and loyalty.

Public Records – Some directors mistakenly believe a nonprofit is subject to open-record laws, government in the sunshine, and freedom of information act (FOIA). Be sure directors understand the protocol for providing IRS records but NOT minutes, member rosters or other intellectual property.

Apparent Authority – Be sure the board understands that directors and committees do not have authority to speak or contract for the organization unless specifically designated. A board member posting to social media is frequently assumed to be speaking with the authority for the organization when that's not true.

Committee Alignment – Committees engage members and supplement board and staff efforts. Align them with the goals in the strategic plan to be sure every goal has a volunteer workforce advancing initiatives.

Committee Minutes – IRS Form 990 questions if committees with authority

keep minutes. Provide a template to make minute taking easy for any volunteer, including start and end times, indication of a quorum, and the recommendations to the board.

Sign-In Sheet – Instead of the secretary passing around a blank piece of paper asking everyone to sign in, provide a formatted sign-in sheet. Include the organization's mission, advisory on conflicts, confidentiality and antitrust, and a place for signatures.

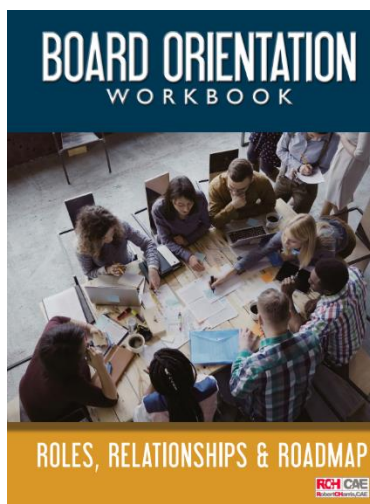
Executive Sessions – They can be dangerous. Convening without the CEO, without having an agenda, or without keeping minutes can be problematic in the long run.

Guests – Guests attending board meetings may influence discussions and outcomes. Set protocols for guest attendance, if at all, by indicating they must be recognized before speaking, respect confidentiality, and sit apart from the board. Set aside a time for reports if guests are attending only to present information.

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Note: Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com. QR Code for the 2021 Board Orientation Workbook.

[Governance Efficiencies 3-21]



BOARD ORIENTATION
WORKBOOK

ROLES, RELATIONSHIPS & ROADMAP

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