

THE JUNIOR LEAGUE OF  
GAINESVILLE-HALL COUNTY  
IS PROUD TO PRESENT...

**“Mission Driven Leadership”  
Boards and Executive Directors  
Working Together to Change Lives**

**facilitator**  
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## ***MISSION FOCUSED LEADERSHIP***

*A fundamental responsibility of leadership is to make sure that everybody knows the mission, understands it, and lives it. Leaders translate the mission into action!*

### ***Peter Drucker's Five Questions for Leaders in Organizations***

- 1. What is the mission?***
- 2. Who is the customer?***
- 3. What does the customer value?***
- 4. What are our results?***
- 5. What is our plan?***

## **MISSION\***

**Why you do what you do; the organization's reason for being, its purpose. Says what, in the end, you want to be remembered for.**

**Staying true to the mission of your organization can often be difficult, painful, and risky. But it alone enables you to set goals and objectives and go to work. Unless the mission is explicitly expressed, clearly understood, and supported by each and every member of your organization, the chapter is at the mercy of events. Common vision, understanding, and unity of direction and effort of the entire organization depend on being true to the mission.**

*\*The Drucker Foundation Self-Assessment Tool*

**THE MISSION:**

**Is clear and easily understood**

**Is sharply focused**

**Defines why you do what you do, why the organization exists**

**Does not prescribe means**

**Is sufficiently broad**

**Provides direction for doing the right things**

**Address your opportunities**

**Matches your competence**

**Inspires your commitment**

**Says, what in the end, we want to be remembered for.**

## **Characteristics of Mission Driven Boards**

- ✓ Has clarity about its roles and responsibilities
- ✓ Pays attention to internal and external contexts
- ✓ Structures board work to get important things done
- ✓ Thinks strategically about board composition
- ✓ Evaluates its performance and uses evaluation to learn rather than criticize
- ✓ Has the confidence to take risks
- ✓ Cultivates constructive relationships with staff
- ✓ Communicates openly and honestly
- ✓ Works together as an effective team

## **BoardSource Ten Basic Nonprofit Executive Responsibilities**

1. Commit to the Mission
2. Lead the Staff and Manage the Organization
3. Exercise Responsible Financial Stewardship
4. Lead and Manage Fundraising
5. Follow the Highest Ethical Standards, Ensure Accountability, and Comply with the Law
6. Engage the Board in Planning and Lead Implementation
7. Develop Future Leadership
8. Build External Relationships and Serve as an Advocate
9. Ensure the Quality and Effectiveness of Programs
10. Support the Board

## BoardSource Ten Basic Board Responsibilities

- 1. Determine the organization's mission and purpose.** A statement of mission and purpose should articulate the organization's goals, means, and primary constituents served. It is the board's responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.
- 2. Select the chief executive.** Boards must reach consensus on the chief executive's job and undertake a careful search to find the most qualified individual for the position.
- 3. Provide proper financial oversight.** The board, in order to remain accountable to its donors and the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.
- 4. Ensure adequate funding.** One of the board's foremost responsibilities is to provide adequate funding for the organization to fulfill its mission. The board should work in partnership with the chief executive and development staff, if any, to raise funds from the community.
- 5. Ensure legal and ethical integrity and maintain accountability.** The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will help ensure proper decorum in this area. The board must establish pertinent policies and adhere to provisions of the organization's bylaws and articles of incorporation.
- 6. Ensure effective organizational planning.** As stewards of the organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.
- 7. Recruit and orient new board members and assess board performance.** All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, and many other considerations that define a balanced board composition. Boards must also orient new members to their responsibilities and the organization's history, needs, and challenges. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievements and reach consensus on which areas need to be improved.
- 8. Enhance the organization's public standing.** An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.
- 9. Determine, monitor, and strengthen the organization's programs and services.** The board's role in this area is to determine which programs are the most consistent with the organization's mission and to monitor their effectiveness.

**10. Support the chief executive and assess his or her performance.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of his or her performance.

Adapted from *Ten Basic Responsibilities of Nonprofit Boards* by Richard T. Ingram (BoardSource, Revised edition 2003).

## **Legal Duties of Nonprofit Boards**

According to nonprofit corporation law, a board member should meet certain standards of conduct and pay attention to his or her responsibilities to the organization. These are referred to as the *Duty of Obedience*, the *Duty of Care*, and the *Duty of Loyalty*.

### **Duty of Obedience**

Obedience to the organization's central purposes must guide all decisions. The board must also ensure that the organization functions within the law, both the "law of the land" and its own bylaws and other policies.

### **Duty of Care**

Board members must exercise due care in all dealings with the organization and its interests. This includes careful oversight of financial matters and reading of minutes, attention to issues that are of concern to the organization, attending board meetings, and raising questions whenever something appears unclear or uncertain. Active participation is essential to exercising the duty of care.

### **Duty of Loyalty**

Conflicts of interest, including the perception of conflicts of interest, must be avoided. This includes internal conflicts of interest or conflicts with other organizations that are connected to a board member.

## Board Roles

### Establish Strategic Direction

- Develop and maintain focus on mission
- Establish vision of what the organization intends to be like at some point in the future (3-5 years)
- Approve strategic goals
- Articulate the values or principles by which the organization will operate

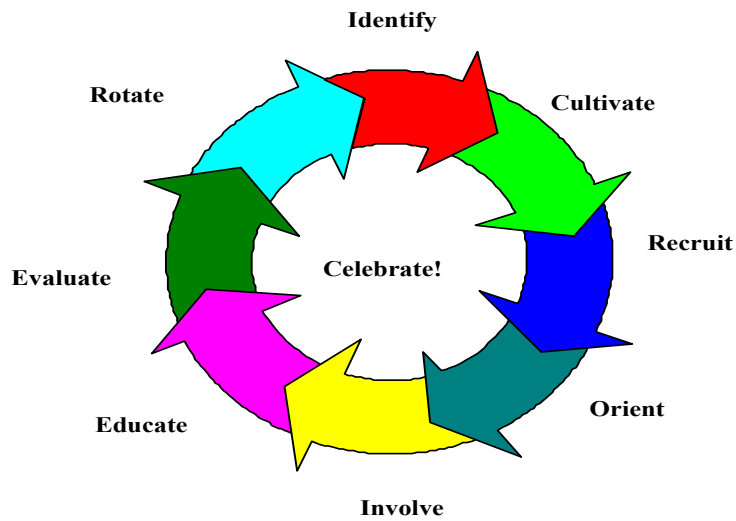
### Ensure Resources

- On an ongoing basis, identify the resources needed:
  - Financial resources
  - Chief staff officer (if applicable)
  - Information and knowledge
  - An effective board
  - Visibility, support, and credibility in the community
- Establish policies for how these resources will be acquired
- Determine how board members will participate in resource development, especially in fundraising

### Provide Oversight/Accountability

- Program
  - Monitoring (Are we doing what we planned to do in a timely manner?)
  - Evaluating (Are our programs effective in serving our mission?)
- Finances
  - Establish budget guidelines
  - Oversee financial management (Ensure that the necessary financial policies are in place; on a regular basis review financial statements, understand what they say and ask questions when things are not clear; arrange for audit and review audit report)
- Legal and Ethical Operations
  - Ensure compliance with legal requirements, including with the organization's bylaws
  - Safeguard the organization's values / philosophy
  - Avoid conflicts of interest
  - Hold everyone associated with the organization accountable.

# The Board Building Cycle



**Step 1: Identify** board needs (Skills, knowledge, perspective, connections, etc., needed to implement the strategic plan). What do we have? What is missing? Identify sources of board members with the needed characteristics.

**Step 2: Cultivate** potential board members. Get them interested in your organization and keep them informed of your progress.

**Step 3: Recruit** prospects. Describe why a prospective member is wanted and needed. Describe expectations and responsibilities of board members, and don't minimize requirements. Invite questions, and elicit their interest and preparedness to serve.

**Step 4: Orient** new board members to the organization (program, history, bylaws, pressing issues, finances, facilities and organization chart) and to the board (recent minutes, committees, board member responsibilities, lists of board members and key staff members).

**Step 5: Involve** all board members. Discover their interests and availability. Involve them in committees or task forces.

Assign them a board "buddy." Solicit feedback. Hold everyone accountable. Express appreciation for work well done.

**Step 6: Educate** the board. Provide information concerning your mission area. Promote exploration of issues facing the organization. Don't hide difficulties.

**Step 7: Evaluate** the board and individual board members. Engage the board in assessing its own performance. Identify ways in which to improve. Encourage individual self-assessment.

**Step 8: Rotate** board members. Consider establishing and using term limits. Do not automatically re-elect for an additional term; consider the board's needs and the board member's performance. Explore advisability of resigning with members who are not active. Develop new leadership.

**Step 9: Celebrate!** Recognize victories and progress, even small ones. Appreciate individual contributions to the board, the organization, and the community. Make room for humor and a good laugh.

# Individual Board Member Responsibilities

## General expectations:

1. Know the organization's mission, purpose, goals, policies, programs, services, strengths and needs.
2. Serve in leadership positions and undertake special assignments willingly when asked.
3. Avoid prejudiced judgments on the basis of information received from individuals and urge those with complaints to follow established policies and procedures.
4. Suggest nominees for the board.
5. Speak on behalf of the board only when asked to do so by authorized persons.
6. Follow trends in the organization's field(s) of interest.
7. Bring a sense of humor to the board's deliberations.

## Meetings:

1. Prepare for and participate in board and committee meetings, and other organizational activities.
2. Ask timely and substantive questions while supporting the majority decision.
3. Maintain confidentiality of the board's executive sessions.
4. Suggest agenda items periodically for board and committee meetings to ensure that significant policy related matters are addressed.

## Relationship with staff:

1. Counsel the chief executive as appropriate and offer support.
2. Avoid asking special favors of the staff without prior consultation with the chief executive.

## Avoiding conflict of interest:

1. Serve the organization as a whole, rather than special interest groups.
2. Avoid even the appearance of a conflict of interest, and disclose any possible conflicts to the board chair in a timely fashion.
3. Maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate.
4. Never accept or offer favors or gifts from or to anyone who does business with the organization.

## Fiduciary responsibility:

1. Exercise prudence with the board in the control and transfer of funds.
2. Faithfully read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility.

## Fundraising (if applicable):

1. Give an annual gift according to personal means.
2. Assist the development committee and/or staff by implementing fundraising strategies through personal influence with others (corporations, foundations, individuals) and participation in fundraising activities.

## **Effective Working Relationships Board and Executive Directors**

**The best relationships are based on respect and authenticity. A “strong” Board/Executive Director relationship will help govern and manage a “strong” successful, mission driven organizations.**

### **Conflict of Roles:**

- Boards set policy and staff manages the organization??? Does this always work?
- Boards govern—hold the public trust.
- Committees advice (personnel and legal issues can only be shared with Boards who are covered by insurance protection.
- Boards hold ultimate accountability and legal responsibilities.

## **Relationship Challenges**

The bond between a nonprofit board and its chief executive is precious and can be “fragile”. This relationship needs constant attention if it is not to fray.

### **Ineffective working relationships between Board members and staff are often based on:**

- Lack of a clear and common understanding of what a Board “is”
- Lack of a shared leadership framework. This can include organizational performance shortfalls.
- Lack of a clear and common understanding of Board and staff responsibilities and functions. Board members are dissatisfied and frustrated with their governing work.
- Lack of clarity among individual board members about the collective Board’s role and mutual performance expectations.
- Lack of authentic conversation on tough issues and misunderstanding resulting from inadequate communication.
- Insufficient attention to board members as “volunteers”.

## **Tips for Good Working Relationships**

1. Board Orientation:
  - ✓ Have a rigorous dialogue to create clear expectations and an understanding of the organization – its mission, purpose, history, programs, and vision for the future
  - ✓ Ensure and understanding and acceptance of roles and responsibilities as Board members – emphasize collective versus individual power
  - ✓ Make sure that key decisions are deliberated and debated on by the full Board and voted on by a majority of the members (no hall meetings!)
2. Establish agendas in concert with Board Chair
3. Develop terms of office for Board Chair to ensure new and fresh perspectives
4. Groom future leadership by Vice Chair position which moves to chair
5. Assure that the Board is fully informed and engaged on key issues
6. Be sure you have:
  - ✓ Complete minutes from Board meetings
  - ✓ Documentation to support key decisions
  - ✓ A record of voting
7. Establish committees that work closely with the Executive Director on key tasks or time limited matters—and are directly aligned with the strategic plan
8. Establish clear expectations for the Executive Director and a method for evaluating the director that emphasizes demonstrated strategic thinking, linked to organizational impact.
9. Board Chair and Executive Director should establish how best to work together during Chair's term, recognizing that individual Board Chairs will have unique expectations and communication styles

## Board and Staff Responsibilities

Edited by Carter McNamara, PhD

To clarify the roles of the Board and staff, the following guidelines are suggested.

To help convey who does what regarding board and staff, the following activities are suggested to be done by board, staff or jointly. This document should be reviewed by board members to finalize who they would like to do what among board and staff members.

Activity	Respon- sibility
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### PLANNING:

Direct the process of planning	Staff
Provide input to long range goals	Joint
Approve long range goals	Board
Formulate annual objectives	Staff
Approve annual objectives	Board
Prepare performance reports on achievement of goals and objectives	Staff
Monitor achievement of goals and objectives	Joint

### PROGRAMMING:

Assess stakeholder (customers, community) needs	Staff
Train volunteer leaders (nonprofits only)	Staff
Oversee evaluation of products, services and programs	Board
Maintain program records; prepare program reports	Staff
Prepare preliminary budget	Staff
Finalize and approve budget	Board
See that expenditures are within budget during the year	Staff
Solicit contributions in fundraising campaigns (nonprofits)	Board
Organize fundraising campaigns (nonprofits)	Staff
Approve expenditures outside authorized budget	Board

Insure annual audit of organization accounts	Board
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**PERSONNEL:**

Employ Chief Executive	Board
Direct work of the staff	Staff
Hire and discharge staff member	Staff
Decision to add staff (nonprofit)	Board
Settle discord among staff	Staff

**COMMUNITY RELATIONS:**

Interpret organization to community	Board
Write news stories	Staff
Provide organization linkage with other organizations	Joint

**BOARD COMMITTEES:**

Appoint committee members	Board
Call Committee Chair to urge him/her into action	Board
Promote attendance at Board/Committee meetings	Joint
Recruit new Board members	Board
Plan agenda for Board meetings	Joint
Take minutes at Board meetings	Joint
Plan and propose committee organization	Joint
Prepare exhibits, material and proposals for Board and Committees	Staff
Sign legal documents	Board
Follow-up to insure implementation of Board and Committee decisions	Staff
Settle clash between Committees	Board

## **The Importance of Becoming a Board-Savvy Executive Director**

Becoming a board savvy executive director is important for three compelling reasons:

- Your being board savvy is critical to your building a close, positive, working relationship with your board and to your board's realizing its full potential as a high-impact governing body.
- Your organization's long-term stability, effectiveness, image, and reputation are heavily dependent on your working partnership with the board and on the board's capacity to produce high-impact governance.
- Your professional and career advancement –as well as your tenure as executive director are at stake in your becoming board savvy.

## The Four Characteristics of a Board-Savvy Executive Director

**1. Brings a positive, constructive, attitude and well-developed emotional intelligence to your work with their board.** It is important to see the board of your affiliate as a precious asset to be fully exploited in the interest of accomplishing the mission. It is important to welcome and celebrate strong board leadership, and view the board as neither potential adversaries to be guarded against, nor as a damage control challenge.

**2. Are experts in high-impact governance.** Not only do board-savvy executive directors devote significant time and attention to working with the board, but also develop considerable knowledge and expertise in the field of board leadership, particularly in “high impact governance”. It is important to understand the characteristics of high impact governing boards, the specific governing products and decisions that make-up high impact governance, and how board structure and process contribute to producing high-impact governance. It is important to master the process of leading and managing innovation and change.

**3. Plans an active role in helping the board to develop the capacity to produce high-impact governance.** It is vital to treat the board as an organizational entity that can be explicitly developed, and take accountability (along with the board itself)- for the board’s updating its governing design. In playing the capacity building role you must employ strong facilitative skills. Rather than directly attempting to convince board members to adopt particular improvements in governing structure and process, they plan a less direct role, promoting and supporting the active participation of board members in fleshing out the key elements of their own governing design.

**4. Pays close attention to keeping your working relationship with the board fine-tuned and healthy.** It is important to recognize that board members are human beings, volunteers, with the usual diverse motivations, ego needs, emotions, and styles. Effective executive directors strive to help their board members to find satisfaction and to feel ownership of what they do. Board-savvy staff leaders maintain effective communication with the board as a critical element in keeping this relationship healthy. It is important for each executive director to view rigorous, thorough board evaluations of their performance as one of the most important tools for maintaining an effective board/chief executive working relationship and make sure that the evaluation process is well designed and effectively executed.

### **The Savvy Director:**

*Brings A Constructive Attitude:*

- It is important to WANT to have a strong governing board.
- Believes the board is one of the organization's most precious assets.
- Sees the role of the board as crucial to achieving the mission of the organization.
- Rises above the damage-control philosophy.
- Works to develop his/her "emotional intelligence".

*Makes High-Impact Governance A Priority: Keeps the Board-CEO Relationship Healthy*

- Is proactive in sure that the governance wheel turns smoothly and in the right direction.
- Devotes quality, significant time to the governance agenda.
- Helps the board to develop as a human resource.
- Defines high impact governance: The board plays a leading, proactive role –taking full advantage of the experience, expertise and other resources board members bring to the boardroom—in making the fundamental decisions that determine:
  - What the organization aspires to be and do over the long run
  - What your organization is now and in the short run
  - How well your organization is performing
- Doesn't see the board as simply a policy-making body.
- Helps to ensure board members systematically develop their governance skills.

*Keeps the Board-CEO Relationship Healthy*

- Works in partnership with the board chair.
- Communicates effectively with the board.
- Pays close attention to the board's "ego" satisfaction
- Welcomes the board's evaluation of his/her performance.
- Helps the board to build ownership of the organization's purpose and mission.

*A Few Final Thoughts for the Savvy Director*

- Create a share leadership context/framework

- Stay flexible as organization grows and changes
- Know what is critical to the organization – organize around what matters
- Know your stakeholders
- Know what to measure
- Create opportunities to say what needs to be said—with courage and authenticity

## Questions the Board Should Ask

1. What is our mission and purpose?
2. When was the last time the board discussed the adequacy of the mission statement?
3. How do we communicate our mission and purpose with stakeholders?
4. How do board and chief executive responsibilities differ?
5. What are our expectations for our chief executive? What are his/her expectations of the board?
6. Looking at the strengths and weaknesses of our organization, what kinds of skills and expertise do we need in our next chief executive?
7. How closely do we monitor our financial activity compared with what was budgeted?
8. What internal controls are in place in our organization?
9. What is our strategy to ensure the long-term financial health of the organization?
10. What is our policy on board member participation in fundraising?
11. How can board members best help our organization's fund-development efforts?
12. Who do we know from our professional or personal lives that could be potential funders for this organization?
13. How does the board ensure the organization keeps up to date on laws and regulations affecting nonprofit organizations?
14. Is every board member familiar with the organization's bylaws and are we adhering to them?
15. Are we keeping organized and accurate records in case they are requested by government agencies?
16. Are the strategic plan's underlying assumptions about the organization and its external environment comprehensive and plausible? Are any major factors missing?
17. Looking at recent incoming and expenditure trends, how realistic are projections? What goal should the organization strive to

achieve for financial reserves (e.g., at least one-half of its operating budget)?

18. Are new priorities clear and the proposed means of paying for them realistic? Which can or should be self-supporting and which should be operated at a loss?
19. How can we improve orientation for new board members?
20. What skills, expertise, and personal traits should we look for in new board members? Who's not at the table?
21. When was the last time our board conducted a self-assessment? How were the results used to improve board performance? When do we plan to conduct another self-assessment?
22. Who is our organization's spokesperson?
23. What should the spokesperson consider before responding to media inquiries?
24. What should board members other than the board chair do when contacted by the media?
25. What is our organization's communications strategy?
26. What are the key messages we wish to communicate to the public?
27. How can the board and staff monitor constituent satisfaction with current and future programs and services?
28. What do we know about who participates in or takes advantage of each of our major programs and services? Are participation trends in the right directions in terms of both numbers and categories of people served?
29. What proportion of the annual budget is devoted to programs and services as distinct from personnel costs and other expenditures?
30. What is our policy for evaluating the chief executive's performance? Is the chief executive aware of this policy?
31. Who is responsible for communicating with the chief executive about and during this process?

## Trends in Nonprofit Governance

Mission driven boards do not grow stagnant. As the environment in which they operate constantly changes, boards, must learn to adapt to new and different circumstances. New board members need to appreciate the context in which the board operates both by immersing themselves in the history and culture of the organization and by understanding the trends and developments affecting all nonprofit boards. In general, nonprofit boards are experiencing the following transitions:

1. From:       Enjoying the public trust  
   To:         Having to be accountable
  
2. From:       Forging individual participatory roles at the discretion of the individual  
   To:         Being expected to govern
  
3. From:       Creating a loose federation of common interests  
   To:         Maintaining a compact community aware of its culture and political dynamics
  
4. From:       Seeking comrades  
   To:         Finding colleagues
  
5. From:       Orienting new board members informally  
   To:         Holding formal orientations
  
6. From:       Constituting large boards to ensure support  
   To:         Right-sizing to ensure effectiveness
  
7. From:       Recruiting new board members based on personal relationships with existing members or strong emotional commitment to the "cause"  
   To:         Recruiting selectively based on future board members' skills and influence as they relate to the organizations strategic focus and direction
  
8. From:       Agreeing to be a board member while being unclear about roles, responsibilities and expectations  
   To:         Being clear about one's responsibilities
  
9. From:       Holding meetings as the only avenue for decision making  
   To:         Employing varied means of communication and maximizing the use of technology

10. From: Preparing agendas which reflect immediate past activities  
To: preparing highly structured agendas to address key organizational strategies
11. From: Meeting on a monthly basis to focus on key strategic issues  
To: Meeting less often and on a more ad-hoc basis
12. From: Providing financial oversight for a small, closed group  
To: Sharing relevant financial information with the entire board
13. From: Serving for life  
To: Having and respecting term limits
14. From: Making modest or no financial contributions to the organization  
To: Contributing personally to the financial security of the organization
15. From: Having little or no involvement in fundraising  
To: Being involved in fundraising according to one's means, talents, and contacts
16. From: Being uninsured and unaware of potential risks  
To: Having sufficient insurance and risk-management plans
17. From: Making decisions as a committee of the whole  
To: Organizing effective committee structures to recommend policy to the board
18. From: Informally and irregularly assessing the performance of the chief executive  
To: Structuring a regular review of the chief executive's performance as it relates to the organization's stated goals and expected outcomes
19. From: Focusing exclusively on the life and accomplishments of the organization  
To: Focusing on the life, expectations, and accomplishments of the board, as well as the organization

## Mission Driven Board Practices

1. Governance structures, operations, and relationships built around organizational vision, mission, and values.
2. Board members that “pay attention”.
3. More effective board and committee meetings
  - Fewer but more strategic meetings
  - Use of the consent agenda
  - Meetings allow for enhanced relationship building
  - Ongoing board meeting evaluations
  - Board development activity included on each board agenda
4. Governance committee guiding and institutionalizing ongoing board development.
5. Diminished role of the executive committee.
6. Fewer board standing committees, more task forces and organization-wide groups.
7. Understanding roles; agreed upon job descriptions/expectations statements for the (collective) board, individual board members, officers, committees and committee chairs.
8. Formal board self-assessment every 2-3 years, including a retreat and ongoing monitoring.
9. Term limits and/or planned means of keeping the board ‘fresh.
10. Executive session at each board meeting.
11. Annual review by the board of risk-management issues.
12. Audit committee as a standing committee on boards.
13. Parliamentary procedure alternatives to Roberts Rules of Order
14. Formal new board member orientation program balanced between information about the organization and individual board development education and training.
15. More compact time-frame in governance leadership/succession planning and selection; term limits for officers and committee chairs.
16. Technological advances incorporated into board operations (technology clause in bylaws; electronic participation, online meetings, publishing board agenda and minutes on Web site, agendas sent to board via documents or from a confidential board message center).

## **50 NIFTY TIPS FOR BETTER BOARD INTERACTIONS**

### **Missions and Goals**

1. Agree on the organization's mission.
2. Clearly define desired outcomes.
3. Ensure that everybody is talking about the same thing at the same time.
4. Try interest-based bargaining.

### **Advance Preparation**

5. Recruit effectively.
6. Require advance reading.
7. Draft recommendations.
8. Number the pages of board materials.

### **Agenda and Scheduling**

9. Choose a meeting time convenient for everyone.
10. Place time limits on the agenda.
11. Drop the standard format.
12. Consider consent agendas.
13. Schedule breaks.
14. Stick to the schedule.
15. Table major issues that don't have consensus.
16. Block out dates.

### **Decision Making**

17. Focus on decision making.
18. Vary decision making.

### **Individual Attention and Ownership**

19. Encourage self-reflection.
20. Involve all of the board members.
21. Encourage relationship building.
22. Keep meat on the board table.
23. Meet board members' needs.
24. Stay away from personal issues.
25. Remember confidentiality rules.

26. Schedule interactive learning.
27. Ensure that all members have a say.
28. Show appreciation.

### **Leadership**

29. Make sure the facilitator remains neutral.
30. Get help when you need it.
31. Elect an unofficial sergeant at arms.

### **Environment and Atmosphere**

32. Aim for balance.
33. Find a nice, quiet place.
34. Hold meetings in a relevant site.
35. Make sure the room is ready.
36. Specify the room set-up.
37. Watch where you sit.
38. Make board members comfortable.
39. Have fun.
40. Try for face-to-face meetings.

### **Logistics**

41. Establish ground rules.
42. Keep the finances understandable.
43. Use voting cards.
44. Be considerate of non-English-speaking board members.

### **Follow-Through**

45. Review the follow-up action items.
46. Critique the meeting.
47. Follow up with no-shows.
48. Study board meetings.

### **Outside the Boardroom**

49. Meet in executive session several times a year without the CPO.
50. Schedule a board retreat.

## BOARDS AND CONFLICT

Nonprofit boards are no more insulated from conflict than are other human institutions. Board leaders need to be prepared to deal with any number of conflicts as they come up—or even better, to understand enough about conflict to be smart about preventing it from becoming destructive.

A few thoughts as you work with boards with conflict:

- All conflict is not bad. A board with no conflict may be suffering from diseases that may be terminal, such as complacencyitis, rubber-stampitis, dysfunctional politeness, or diversity deficiency.
- To prevent conflict that could seriously compromise a board's effectiveness, learn how to explore conflicting ideas and perspectives. In other words, to develop a board culture where conflict is managed rather than suppressed or allowed to become destructive.
- Different people have different tolerance levels for conflict. What to some is a vigorous debate, to others feels like destructive conflict. What to some look like problems being swept under the rug, to others appear to be sensible avoidance of unnecessary conflict. Board leaders need to know how not to shy away from issues that need to be dealt with while finding ways in which conflict does not get out of hand.

In general, boards may experience one of three kinds of conflicts:

### 1. *Conflicts over Substance*

The direction, strategy, and—most difficult—values of the organization.

### 2. *Conflicts over Process*

How the board should conduct its business; board member accountability; and competition for leadership.

### 3. *Personality Conflicts*

Difficult individuals, singly or in combination. Common board character “types” that may cause organizational strife include the monopolist, the self-righteous moralist, and the nay sayer.

Two factors often complicate all of these points of potential conflict:

- Communication problems, which might be built into the organization’s structure or reflect inadequate leadership skills, and/or

- Board politics, depending on which individuals or cliques have power and influence over the group.

Whether you are inside an organization or facilitating a board development event, it is not always easy to figure out what a conflict is really about. To get the board to move on, someone must intervene. That someone needs to have perceptive listening skills and to be able to separate personal issues from disagreements about substantive and process issues. Without going into great detail, we would like to propose a few possible strategies for dealing with board conflict:

- Board Self-Assessment: Board members can identify problem areas which then can be addressed, possibly with the help of an outside consultant.
- Meeting Evaluation: Engage board members in helping to identify and change ineffective board meetings.
- Leave of absence, taking re-nomination seriously, and setting and adhering to term limits (This can be especially useful when dealing with difficult founding board members).
- Identify and explore options for solutions through informal problem solving, negotiation, mediation, and arbitration.

Do not let the group be held hostage to the troublesome behavior of a few members. Carefully choose the right person to address the problem. Handle the situation privately. Avoid pointing fingers and impugning other people's motives. Insist on "I" statements. Describe events, rather than judge them.

Through it all, recognize that some conflicts may not be solvable (e.g., if they are over basic values). But, an honorable separation may still be possible, and a third party may be useful in suggesting, defining, and leading that separation.

# Strategic Planning:

## WHY IS STRATEGIC PLANNING A BOARD RESPONSIBILITY?

- **Governance**

Boards are charged with organizational governance. To govern means to steer – to set direction. Strategic planning means determining where the organization is going and is therefore a board responsibility. Strategic planning implies “big picture” thinking, and determining what the organization needs to do in order to survive and thrive in the future.

- **Stewardship**

Boards have the ultimate responsibility for the well-being of the organization. Planning is one of a number of ways that boards help to provide both leadership and care for an organization. It is also an important platform for increasing the board’s role in fundraising. Both an inclusive planning process and a good plan help board members make a strong case with funders.

- **Objectivity**

Although board members often need to learn a lot about an organization before serious planning takes place, they may have the capacity to be more objective than staff about the basic inquiries of a planning process: what are the organization’s strengths and weakness, what are the opportunities and threats that face it.

## ELEMENTS OF THE STRATEGIC PLANNING PROCESS

- **Mission Statement**

Answers *WHY* we exist; *WHY* we are committed to support that existence.

- **Vision**

Answers *WHERE* we want to go/be.

- **Goals**

Answers *WHAT* we need to achieve to get where we want to go, to close the gap between current reality and our vision.

- **Core Values**

Answers *HOW* we will treat each other and our constituents.

## **Assessment and Evaluation Tools**

## Checklist to Evaluate a Nonprofit Board of Directors

Edited by [Carter McNamara, MBA, PhD](#) | Applies to nonprofits and for-profits unless noted

Rating *	Indicator	Met	Needs Work	N/A
E	1. The roles of the Board and the Executive Director are defined and respected, with the Executive Director delegated as the manager of the organization's operations and the board focused on policy and planning			
R	2. The Executive Director is recruited, selected, and employed by the Board of Directors. The board provides clearly written expectations and qualifications for the position, as well as reasonable compensation.			
R	3. The Board of Directors acts governing trustees of the organization on behalf of the community at large and contributors while carrying out the organization's mission and goals. To fully meet this goal, the Board of Directors must actively participate in the planning process as outlined in planning sections of this checklist.			
R	4. The board's nominating process ensures that the board remains appropriately diverse with respect to gender, ethnicity, culture, economic status, disabilities, and skills and/or expertise.			
E	5. The board members receive regular training and information about their responsibilities.			
E	6. New board members are oriented to the organization, including the organization's mission, bylaws, policies, and programs, as well as their roles and responsibilities as board members.			
A	7. Board organization is documented with a description of the board and board committee responsibilities.			
A	8. Each board has a board operations manual.			
E	9. If the organization has any related party transactions between board members or their family, they are disclosed to the board of directors, the Internal Revenue Service and the auditor.			
E	10. The organization has at least the minimum number of members on the Board of Directors as required by their bylaws or state statute.			
R	11. If the organization has adopted bylaws, they conform to state statute and have been reviewed by legal counsel.			
R	12. The bylaws should include: a) how and when notices for board meetings are made; b) how members are elected/appointed by the board; c) what the terms of office are for officers/members; d) how board members are rotated; e) how ineffective board members are removed from the board; f) a stated number of board members to make up a quorum which is required for all policy decisions.			
R	13. The board of directors reviews the bylaws.			
A	14. The board has a process for handling urgent matters between meetings.			
E	15. Board members serve without payment unless the agency has a policy			

	identifying reimbursable out-of-pocket expenses.			
R	16. The organization maintains a conflict-of-interest policy and all board members and executive staff review and/or sign to acknowledge and comply with the policy.			
R	17. The board has an annual calendar of meetings. The board also has an attendance policy such that a quorum of the organization's board meets at least quarterly.			
A	18. Meetings have written agendas and materials relating to significant decisions are given to the board in advance of the meeting.			
A	19. The board has a written policy prohibiting employees and members of employees' immediate families from serving as board chair or treasurer.			
Indicators ratings: E=essential; R=recommended; A=additional to strengthen organizational activities				

## How to Use the Tool

The checklist indicators represent what is needed to have a healthy, well-managed organization. Since it is a self-assessment tool, organizations should evaluate themselves honestly against each issue and use the response to change or strengthen its administrative operations.

### Ratings:

Each indicator is rated based on its importance to the operation and effectiveness of any nonprofit organization. The ratings are:

**E:** Indicators with an "E" are essential or basic requirements to the operations of *all* nonprofit organizations. Organizations which do not meet the requirements of these indicators could place their organizations in jeopardy.

**R:** An "R" rating signifies that these indicators are recommended as standard practice for effective nonprofit organizations.

**A:** Additional indicators which organizations can implement to enhance and strengthen their management operations and activities are rated with an "A".

### Checklist Responses:

Organizations can respond in one of three ways to each indicator used:

1. **Needs work** - An indicator that is marked as "Needs Work" implies that work has been done towards achieving this goal. The organization is aware of the need for this indicator, and is working towards attaining it.
2. **Met** - All indicators marked as "Met" demonstrate that the organization has fulfilled as essential management need. However, the organization should review these indicators in the future to be sure that their management remains healthy in view of the many internal and external changes which constantly occur in all organizations.
3. **N/A** - Indicators marked as "N/A" can mean several things, including:
  - the indicator is not applicable to the management operations of this organization
  - the organization is not sure of the need to meet the requirements of this indicator
  - the organization has not met, nor is working on this indicator presently, but may address it in the future

**All organizations should take note:** All responses to indicators should be reviewed carefully to see if they could improve management operations. Indicators checked "N/A"

due to uncertain applicability to the organization must be further reviewed to determine if they should become a part of "doing business." If the assessors simply do not know what the indicator means, further information may be needed to accurately assess the feasibility of its application. Indicators marked "N/A" because they have not been met but that apply to the organization, may require immediate attention. Technical assistance, consulting, or training may be required to implement these indicators.

The indicators in this checklist should be informative and thought provoking. The checklist can be used to achieve not only a beginning level of good management, but improve existing management to provide the organization with greater stability, reliability and success in the nonprofit community. It is also a useful tool if an organization is experiencing management problems, to help pinpoint any weaknesses so action can be taken or assistance sought to improve the organization's health. All organizations should use the checklist to re-assess themselves periodically to ensure compliance with established rules and regulations, and to continue improving administrative health through the indicator's helpful suggestions.

### **Disclaimer**

This checklist is designed to provide accurate and authoritative information regarding the topics covered. Legal requirements and non-legal administrative practice standards reflected herein are capable of change due to new legislation, regulatory and judicial pronouncements, and updated and evolving guidelines. All stated legal requirements are in effect as of September 1, 1995. The same are utilized with the understanding that the provision of this checklist does not constitute the rendering of legal, tax or other professional services.

If the organization requires professional assistance on these or other nonprofit tax, management, or accounting issues, please contact your own professional advisors.

## Strengthening the Performance of the Board

**Review the list of basic board responsibilities. What suggestions do you have for ways in which the board might improve its performance?**

	<b>Suggestions for Improvement</b>
Organization's Mission <ul style="list-style-type: none"> <li>• Establish, review, revise as necessary</li> </ul>	
Strategic Planning <ul style="list-style-type: none"> <li>• Review strengths, weaknesses, opportunities, threats</li> <li>• Establish vision, values, strategic goals</li> <li>• Identify key indicators of success</li> </ul>	
Program Monitoring and Evaluation <ul style="list-style-type: none"> <li>• Monitor program progress</li> <li>• Evaluate value of programs</li> </ul>	
Fundraising <ul style="list-style-type: none"> <li>• Board member participation in fundraising</li> </ul>	
Fiscal Oversight <ul style="list-style-type: none"> <li>• Budget planning and monitoring of financial performance</li> </ul>	
Public Relations and Advocacy <ul style="list-style-type: none"> <li>• Board involvement in community relations and advocacy</li> </ul>	
Relationship with Chief Staff Person <ul style="list-style-type: none"> <li>• Clarity of mutual expectations</li> <li>• Mutual trust</li> </ul>	
Board Structure <ul style="list-style-type: none"> <li>• Board size</li> <li>• Committees</li> </ul>	
Board Member Selection and Orientation <ul style="list-style-type: none"> <li>• Board composition</li> <li>• Orientation of new board members</li> </ul>	

Board Operations <ul style="list-style-type: none"><li>• Board meetings</li><li>• Teamwork</li></ul>	
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## Board of Directors Self-Evaluation

Written by Carter McNamara, PhD | Applies to nonprofits and for-profits unless noted

(The material on this page is adapted from the [Board Guidebook](#)).

The following table can be used by all board members and the chief executive to get an impression of how well the board is doing. The table is a rather basic form for board evaluation. But, if the evaluation is conducted wholeheartedly, the form should indicate how the board is generally doing in conducting its role.

Each member and the chief executive should complete the form about four weeks before a board retreat. Members attach suggestions about how the board could get higher ratings for any or all of the following 14 considerations.

Ideally, someone outside the organization receives the completed forms, collates the results and writes a report indicating the number of respondents who rated the board for each of the 12 considerations.

	<b>Considerations</b>	<b>5 Very Good</b>	<b>4 Good</b>	<b>3 Ave.</b>	<b>2 Fair</b>	<b>1 Poor</b>
1	board has full and common understanding of the roles and responsibilities of a board					
2	board members understand the organization's mission and its products / programs					
3	structural pattern (board, officers, committees, executive and staff) is clear					
4	board has clear goals and actions resulting from relevant and realistic strategic planning					
5	board attends to policy-related decisions which effectively guide operational activities of staff					
6	board receives regular reports on finances/budgets, products/program performance and other important matters					
7	board helps set fundraising goals and is actively involved in fundraising ( <i>nonprofit</i> )					
8	board effectively represents the organization to the community					

9	board meetings facilitate focus and progress on important organizational matters					
10	board regularly monitors and evaluates progress toward strategic goals and product/ program performance					
11	board regularly evaluates and develops the chief executive					
12	board has approved comprehensive personnel policies which have been reviewed by a qualified professional					
13	each member of the board feels involved and interested in the board's work					
14	all necessary skills, stakeholders and diversity are represented on the board					

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**Please list the three to five points on which you believe the board should focus its attention in the next year. Be as specific as possible in identifying these points.**

1.

2.

3.

4.

## An Assessment of Your Board

**Review the list of basic board responsibilities. Indicate whether, in your opinion, the board currently does a good job in an area or whether the board needs to improve its performance.**

	<b>Does Well</b>	<b>Needs Work</b>	<b>Comments</b>
Supports and Understands the Organization's Mission			
Relationship with Chief Executive			
Program Evaluation			
Fundraising			
Financial Oversight			
Strategic Planning			
Selection & Orientation of Board			
Board/Staff Relations			
Public Relations & Advocacy			
Board Operations			

Board Liability & Risk Management			

## **LEADERSHIP**

Skills that increase, if not guarantee, the chances for effective leadership in your organization:

1. **Envisioning**  
To create a powerful image of a better organization and a better community and the board's role in this
2. **Communicating**  
To understand board members and be understood by them
3. **Motivating**  
To encourage board members to fully commit to the organization's mission and to full participation as a board member
4. **Collaborating**  
To work with board members to build productive, long-term relationships
5. **Decision-Making**  
To make wise and appropriate decisions that are in the organization's and the community's best interest
6. **Facilitating**  
To convene people and run meetings in a way that generates results
7. **Planning and Organizing**  
To plan and organize your work with the board effectively and efficiently
8. **Mentoring**  
To serve as a guide, role model and coach for current and emerging leaders (board and staff)
9. **Managing**  
To provide guidance and directions to volunteers and other leaders- paid and unpaid.
10. **Learning**  
To continuously improve oneself

# The Top 10 Mistakes Leaders Make

## by Hans Finzel

### 1. The Top-down Attitude

#### *The Number-one Leadership Hang-up*

- The top-down attitude comes naturally to most people.
- Servant leadership is much rarer.
- Effective leaders see themselves at the bottom of an inverted pyramid.

### 2. Putting Paperwork/Computer before Peoplework

#### *Confessions of an Obsessive-compulsive*

- The greater the leadership role, the less time there seems to be for people.
- The greater the leadership role, the more important peoplework is.
- People are opportunities, interruptions.
- Only through association is there transformation-for people and organizations.

### 3. The Absence of Affirmation

#### *What Could Be Better than a Pay Raise?*

- Everyone thrives on affirmation and praise.
- Leadership has as much to do with the “soft sciences” as with getting things done.
- We wildly underestimate the power of the tiniest personal touch of kindness.
- Learn to read the varying levels of affirmation your members need.

### 4. No Room for Mavericks?

#### *They Bring Us the Future?*

- Mavericks can save us from the slide toward institutionalism.
- Large organizations usually kill off mavericks before they can take root.
- Mavericks make messes by their very nature—the good messes institutions need.

### 5. Dictatorship in Decision-making

#### *Getting beyond, “I Know All the Answers”*

- Dictators deny the value of individuals.
- The major players in an organization are like its stockholders. They should have a say in its directions.
- The one who does the job should decide how it is done.
- “Flat” organizations are the model of the future.

### 6. Dirty Delegation

#### *Refusing to Relax and Let Go*

- Overmanaging is one of the great cardinal sins of poor leadership.
- Nothing frustrates those who work with you more than sloppy delegation with too many strings attached.
- Delegation should match each member’s follow-through ability.

## **7. Communication Chaos**

### ***Singing off the Same Page in the Hymnbook***

- Never assume that anyone knows anything.
- The bigger the group, the more attention must be given to communication.
- When left in the dark, people tend to dream up wild rumors.
- Communication must be the passionate obsession of effective leadership.

## **8. Missing the Clues of Organizational Culture**

### ***The Unseen Killer of Many a Leader***

- Organizational culture is “the way we do things around here.”
- Never underestimate the might power of your organization’s culture.
- Cultivating and changing the culture should be one of leadership’s top priorities.
- Learn to respect values different from your own.

## **9. Success without Successors**

### ***Planning Your Departure the Day You Begin***

Pride tightens the grip on leadership; humility relaxes and lets go.

- Finishing well is an important measure of success in leadership.
- Letting go of leadership is like sending your children away to school; it hurts, but has to be done.
- Mentoring is a nonnegotiable function of successful leadership.

## **10. Failure to Focus on the Future**

### ***Prepare Yourself, It’s Later than You Think***

- The future is rushing at us at breakneck speed.
- A leader’s concentration must not be on the past nor on the present, but on the future.
- Vision is an effective leader’s chief preoccupation.
- Organizations are reinvented with new generations of dreamers