

Boards in Gear

Unlocking the Why, What, Who, and How of Nonprofit Boards



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2

BOARD TRAINING AGENDA

Chehalis, Washington

October 29, 2015

Purpose: To elevate our board practice to better achieve our mission within a community of nonprofits.

4:00 Welcome and introductions

4:15 Consent agenda **decide**

- We will share our ideas and ask our questions.
- Knowledge is in the room as we start from where we are.
- We are stronger together.

4:20 Ideas to think about when thinking about boards **discuss**

4:30 Chapter 1: Connection to Cause

4:45 Chapter 2: Responsibilities **deliberate**

5:45 Chapter 3: Composition & development

6:30 Chapter 4: Operations

7:00 Chapter 5: Fundraising

7:30 Next steps: Getting to good and great!

3

Why Boards Matter

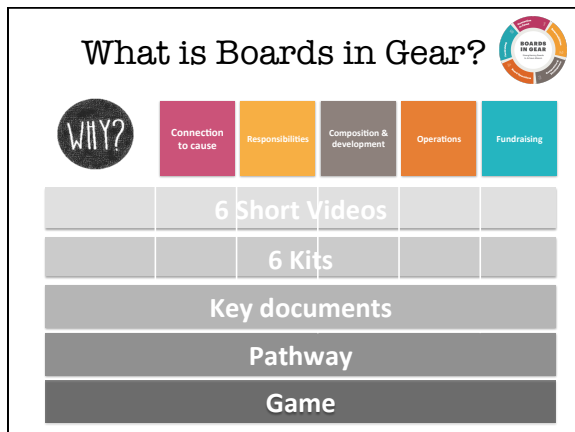


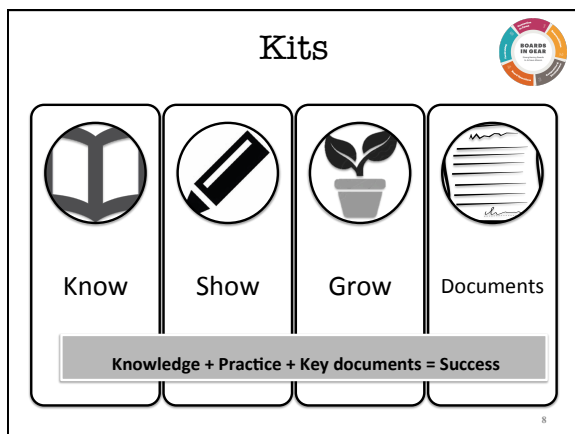
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6







Pathway



A. Communication

Needs work	Okay	Good	Great
Board members can not give a pitch about the organization.	Board members can give something of a pitch about the organization.	Board members can give a "pitch" about the organization.	Board members can give a "pitch" about the organization that resonates with diverse audiences.
Board members have no stories about the organization.	Board members have at least one story that they can tell.	Board members have a set of stories that they can tell about the organization and the role it plays in the lives of constituents.	Board members have regular ways to gather new stories.
Board members have no brochure or handout.	Board members have a brochure or some handout, though maybe not current.	Board members have a current one-page handout to share with potential supporters.	Board members have customized handouts for different audiences.

10

Nonprofit Life Cycle



"Start where you are. Use what you have. Do what you can."
- Arthur Ashe

11

Common Threads

1. Relationships matter.
2. Explicit is better than implicit or tacit.
3. Small steps move us towards manageable goals.

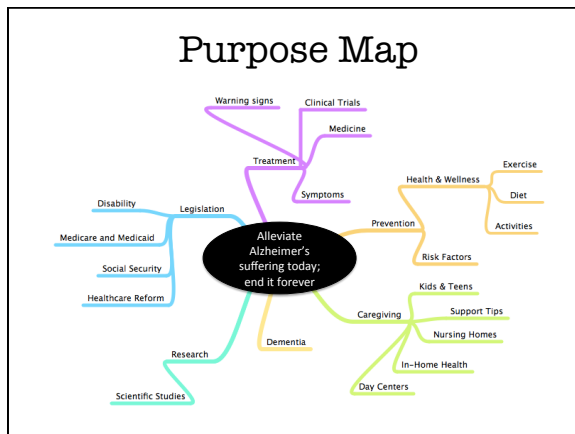
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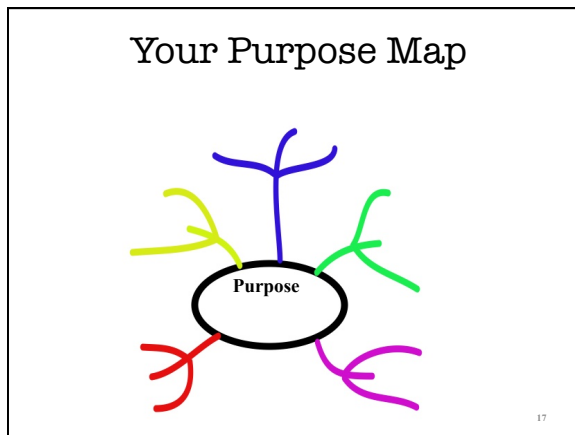






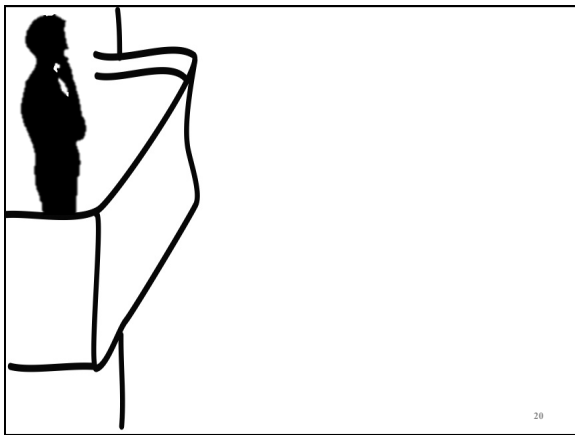
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Connection to Cause
SHOW

☐

Board members can **articulate the connection between their mission and the cause** which the organization is working to advance.

☐

Board members are **ambassadors for the organization**, building connections with the community and its leaders.

☐

Board members **engage key decision makers** and those involved in their work in telling the story of the organization and its work.

21



Connection to Cause **GROW**

- Ask: **Why does it matter** that board members connect the mission to the bigger cause?
- **Map all of the players** who have a stake in your work. Get to know them better.
- **Develop a deeper understanding for your work**, including what makes your organization needed.
- **Embed discussion** about bigger issues into your board and committee meetings.

22



Connection to Cause **DOCUMENTS**

- ✧ Articles of Incorporation
- ✧ Handout for decision makers on the organization and its impact
- ✧ Information on the landscape you are working in
- ✧ Advocacy plan*

23

Getting to Good and Great



Next steps	Lead person	Deadline
Ideas to discuss or topics to research		
Actions to take		
Documents to develop or review		
Other ideas		

24



What Responsibilities

25

Responsibilities



26

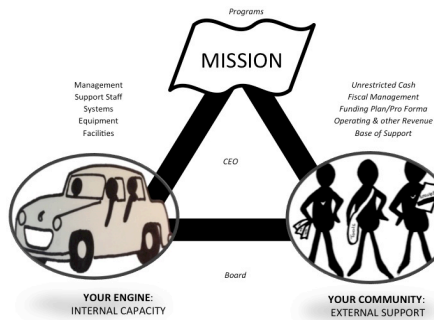


Responsibilities **KNOW**

- ✓ Individual responsibilities
- ✓ Legal and fiduciary responsibilities
- ✓ Financial responsibilities
- ✓ Risk management

27

Nonprofit in Balance









28

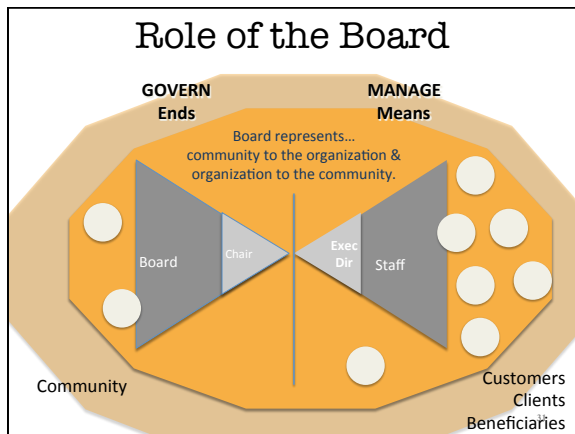
3 Ways of Thinking and Asking

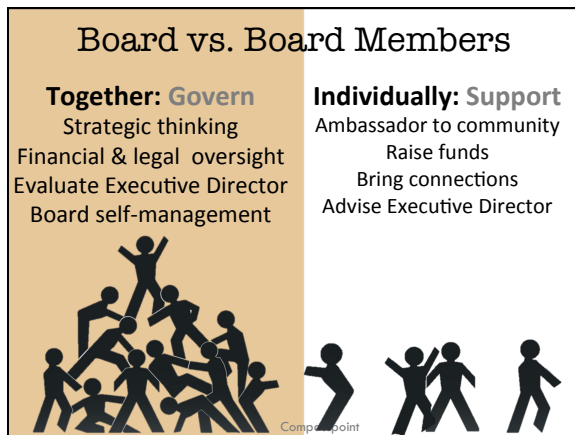


29

3 Ways of Thinking and Asking

	 Fiduciary	 Strategic	 Generative
Type of work	Oversight: Technical	Foresight: Analytical	Insight: Big picture thinking
Key Questions	What's wrong?	What's the plan?	What's the key question?
Central Purpose	Stewardship of assets	Strategist Partnership with management	Sense maker Source of leadership for the organization
Problems to be...	Spotted	Solved	Framed
<i>A thought for birds...</i>	<i>Be attentive like a hawk</i>	<i>In alignment like geese</i>	<i>and wise like an owl</i>
  			
<i>From Cathy Troner</i>			





Responsibilities

KNOW

Duty of Care
Board members will take reasonable care (that of an ordinarily prudent person) when making a decision as a steward of the organization.

Duty of Loyalty
Board members will give undivided attention to the organization when making decisions affecting the organization. The board member will work in the best interests of the organization and not for personal gain.

Duty of Obedience
Board members will be faithful to the organization's mission and governing documents, stewarding funds in a way that honors the public's trust in that organization.

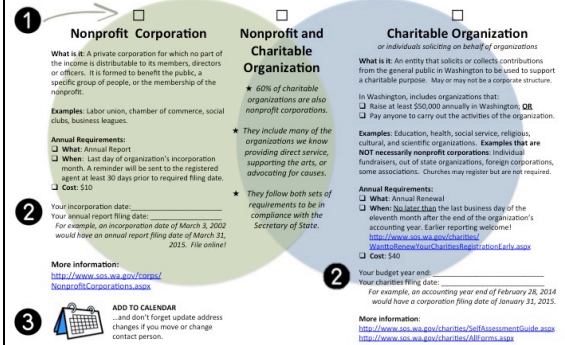
Financial Responsibilities



34

Stay Up-to-Date with the Secretary of State

Nonprofit and charitable organizations need to register and stay up-to-date with the Office of the Secretary of State.
 1 Check which type of organization you are. 2 Note your key dates. 3 Put those dates onto your organizational calendar.





Responsibilities SHOW

- ☐ Board members are committed to the mission and work of the organization.
- ☐ The organization is compliant with all federal, state and local requirements.
- ☐ Board members review the budget and IRS Form 990 annually.
- ☐ Board members possess and refer to key organizational documents.
- ☐ Board members add value to the development, implementation, and evaluation of key programs and services.

36




Responsibilities

GROW

- **Discuss:** Why does it matter that your board members individually and collectively know and act on their responsibilities as board members?
- **Mission and Bylaw review**
- **Evaluation:** Do you KNOW that you are advancing your mission?
- **Financial literacy**

37




Responsibilities

DOCUMENTS

- ✧ IRS Form 1023
- ✧ IRS Determination Letter
- ✧ IRS Form 990
- ✧ Bylaws
- ✧ Articles of Incorporation
- ✧ Secretary of State
 - Corporations
 - Charities
 - Charitable Trusts

- ✧ Board commitment form (annual)
- ✧ Board job description
- ✧ Conflict of interest policy
- ✧ Directors & Officers Insurance policy

38



HOMES FIRST!

Overlaid Affordable Rental Housing
in Thurston County Since 1996.

Board Member Re-Commitment Form

Name: _____

Current Term of Service End Date: _____

Today's Date: _____

1. I will continue to:

- ☐ a. Attend a majority of all Board and committee meetings by phone or in person
- ☐ b. Review the agenda and supporting materials prior to Board and committee meetings.
- ☐ c. Serve on a committee and take on special assignments as needed.
- ☐ d. Assist in raising funds, as agreed upon annually by the Board.
- ☐ e. Remain informed about Homes First! mission, services, and policies and promote Homes First!, as agreed annually by the Board.
- ☐ f. Provide support and advice to the staff but avoid interfering in management activities.
- ☐ g. Suggest nominees and participate in board recruitment.

2. I will act in concert with the following principles:

- ☐ a. As a board member I understand that I have duties of care, loyalty, and obedience to the organization:
 - i. The duty of care is the duty to pay attention to the organization—to monitor its activities, see that its mission is being accomplished, and guard its financial resources.
 - ii. The duty of loyalty is the duty to avoid conflicts of interest, and
 - iii. The duty of obedience is to carry out the purposes of the organization and to comply with the law.
- ☐ b. I commit that I will uphold those duties and that I shall do my utmost to ensure that Homes First! performs its mission and achieves its goals.

39



My steps, my choice

SAFE STREETS CAMPAIGN
BOARD OF DIRECTORS

"Until Every Neighborhood Is Safe"

Memorandum of Understanding 2015

- Members are encouraged to attend all meetings. Excessive absences will be reviewed by the Executive Committee.
- All members are required to attend the annual strategic planning session. New members will be scheduled to tour the Safe Streets Campaign main office within ninety days of joining the board.
- Members will serve on at least one committee, with the exception of the Board President.
- Members are expected to attend at least one neighborhood organizing or one youth coalition meeting during each calendar year.
- Members are expected to make a significant financial contribution of at least \$500 each year. What is "significant" for one person may be insignificant for another; board members are encouraged to give as generously as they can. Board members are also encouraged to give of their expertise in the form of consultation and goods and/or services.
- Members are expected to participate in fundraising activities. These include developing business partnerships for the Annual Event, inviting friends and colleagues to the Annual Event, participate in donor cultivation, sharing Safe Streets stories with friends and co-workers, identifying and cultivating major gift donor prospects, promoting the annual fund drive, and advocating for the organization in both the public and private sectors.
- Participate in the thank you processes to funding sources for the organization.
- Volunteer and participate in Safe Streets Campaign activities as often as they are able. These include touring National Night Out parties, Youth Leading Change Events, Block Groups, and Coalition meetings.
- New members will provide the Safe Streets Campaign with a brief one-page biography as it pertains to the organization. This should include current employment or activities, interests and volunteer commitments.
- Members will complete a year end self-evaluation form to be used for future planning.


I agree to the above.

Name _____ Date _____

Rev. 1/1/2015

40

Getting to Good and Great



Next steps	Lead person	Deadline
<div style="font-size: 0.8em;"> Ideas to discuss or topics to research </div>		
<div style="font-size: 0.8em;"> Actions to take </div>		
<div style="font-size: 0.8em;"> Documents to develop or review </div>		
<div style="font-size: 0.8em;"> Other ideas </div>		

41

Meeting Pulse



42



Who

Composition & Development

43

Composition & Development



44

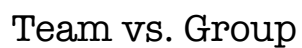


Composition & Development

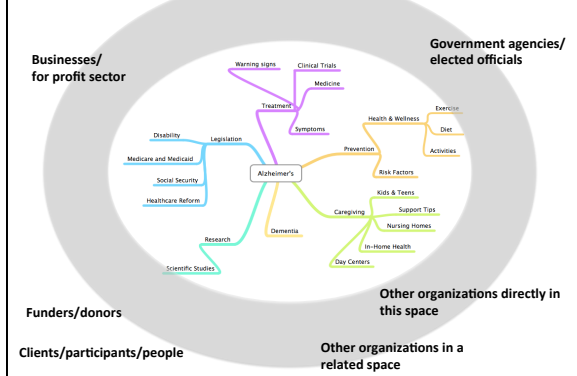
KNOW

- ✓ Recruitment, selection, orientation and evaluation
- ✓ Commitment to mission and success of the organization
- ✓ Conflict of interest
- ✓ Positions
- ✓ Self evaluation
- ✓ Succession planning

45



Purpose Map: Who Cares?



Board Matrix

[illegible]

Culture

Culture: A way of thinking, behaving, or working that exists in a place or organization

Merriam-Webster

“Culture is what people do when no one is looking”

Herb Kelleher, former CEO of SW Airlines

Board culture = A pattern of beliefs, traditions and practices that prevail when the board convenes to carry out their duties

49

Board Culture

Imagine you are an anthropologist studying your board's culture. What do you see in terms of...

Artifacts:

Visible structure and processes (agendas, table, names plates, where people sit)



Values?

Unconscious, taken for granted beliefs, perceptions and thoughts- group norms

Group norms and assumptions?

Stated strategies, goals, and philosophies

50

3 Toxic Cultures to Avoid



Culture of Maybe - “Analysis paralysis”

Culture of No - Loudest voice wins

Culture of Yes - Too much “groupthink”

- Michael Roberto (2005)

Conflict



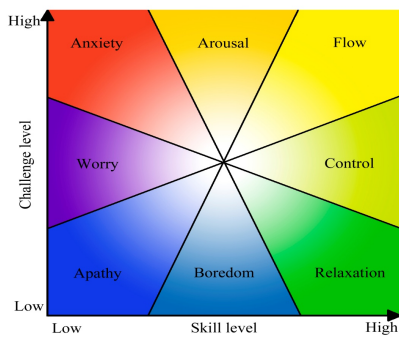
Cognitive: task-oriented
 “I don’t think your idea will work.
 Let’s try to look at it in a different way.” ↑ 😊

Affective: emotionally-oriented
 “I don’t think you have good ideas and you
 don’t understand the issue.” ↑ 😞

53

Flow

Mihaly Csikszentmihalyi -- Flow



Succession planning



54



Composition & Development **SHOW**

- ☐ Diversity
- ☐ 7-15 people
- ☐ Officers
- ☐ Role of Executive Director
- ☐ Unpaid & at least 2/3 of the board is independent.
- ☐ Process to recruit, select & orient new board members.
- ☐ Job description
- ☐ Conflict of interest
- ☐ Term length, limits, & removal written in the bylaws.
- ☐ Board evaluation
- ☐ Training

55



Composition & development **GROW**

- o **DISCUSS:** Why does it matter who is serving on your board and how they are prepared?
- o **CALENDAR:** Include recruitment, orientation, self assessment, and celebration.
- o **DIVERSITY:** Board matrix
- o **LEARNING:** About nonprofits generally, your nonprofit, your cause

56




Composition & Development **DOCUMENTS**

- | | |
|---------------------------------------|---|
| ✧ Conflict of interest policy* | ✧ Attendance policy |
| ✧ Whistleblower policy* | ✧ Board application |
| ✧ Job descriptions: Board Members | ✧ Board matrix |
| ✧ Job descriptions: Officer positions | ✧ Board recruitment plan |
| | ✧ Board self assessment |
| | ✧ Calendar, including recruitment timeline and orientation schedule |
| | ✧ Committee charters and/or job descriptions |
| | ✧ Terms: rotation and removal policy |

57

Getting to Good and Great



Next steps	Lead person	Deadline
Ideas to discuss or topics to research		
Actions to take		
Documents to develop or review		
Other ideas		

58




How

Operations

59

Operations



60



Operations **KNOW**

- ✓ Board meetings
- ✓ Planning
- ✓ Evaluation
- ✓ Committees
- ✓ Board/staff relationship

61

Planning

strat•e•gy:
a plan, method, or
series of maneuvers
or stratagems for
obtaining a specific
goal or result.



62

Evaluation

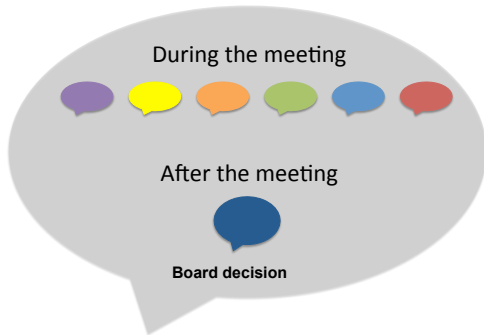
I feel like
we've been
walking in
circles

Oh snap, I've
been using the
wrong type
of compass



63

Speak with one voice



64

Dashboards

Goal: Quick gauge on how you are doing

CompassPoint

... and after: Dashboard

Indicator	Target	6 months ago	3 months ago	This Month
Days of cash on hand	60	48	48	57
Net surplus or deficit YTD compared with YTD budget	0.0	\$15,405 better	\$2,500 worse	\$5,400 better
Total expenses	On budget	\$2,500 worse	\$760 worse	On budget
Days from end of month to financial statement completion	45 days	61	62	60

12 CompassPointFinance2

65



Operations SHOW

- ☐ Board meets regularly, with strong attendance and high levels of engagement during meetings.
- ☐ Board makes progress on the work of the organization during meetings documented through minutes.
- ☐ Board utilizes committees.
- ☐ Board hires, supports, supervises, and reviews the executive director.
- ☐ Board provides the staff direction, support, and accountability through plans, policies and volunteering when appropriate.
- ☐ Board reviews its own performance on an annual basis.



Operations **GROW**

- **Discuss:** Why does it matter that your board operates effectively?
- **Meeting agenda:** Oversight, Foresight, Insight
- **Committees:** Alignment with goals/plans
- **Board/staff relations**
- **Board development**

67



Operations **DOCUMENTS**

- ✧ Attendance policy
- ✧ Board matrix
- ✧ Bylaws
- ✧ Calendar
- ✧ Committee charters and/or job descriptions
- ✧ Executive compensation policy*
- ✧ Job descriptions
- ✧ Meeting agenda
- ✧ Minutes
- ✧ Orientation schedule/agenda
- ✧ Staff organization chart

68

Getting to Good and Great



Next steps	Lead person	Deadline
Ideas to discuss or topics to research		
Actions to take		
Documents to develop or review		
Other ideas		

69



How Fundraising

70

Fundraising



71



Fundraising **KNOW**

- ✓ Roles & expectations
- ✓ Planning
- ✓ Culture of gratitude
- ✓ Development cycle
- ✓ Own the goals

72

Development Cycle





Fundraising SHOW

- ☐ Board members know what their role is generally and individually related to fund development.
- ☐ Board members “own” their role in fund development.
- ☐ Board members have the information and resources they need to support fund development.
- ☐ Board has systems in place to support fund development.


74



Fundraising GROW

- **Discuss:** Why does it matter that your board commits itself to securing adequate resources for your org?
- **100% giving**
- **Fund development cycle/board member match**
- **Thank yous**
- **Storytelling**

75




Fundraising DOCUMENTS

- ✦ Board job description
- ✦ Budget
- ✦ Case for support
- ✦ Fundraising plan
- ✦ Gift acceptance policy
- ✦ List of current donors
- ✦ List of current members (if a membership organization)

76



Board Action Map



Next steps	Lead person	Deadline
Ideas to discuss or topics to research		
Actions to take		
Documents to develop or review		

- This week, I will...
- By 3 weeks from now, I will...
- A year from now, our board...

78

Board Action Buddy



79



80

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