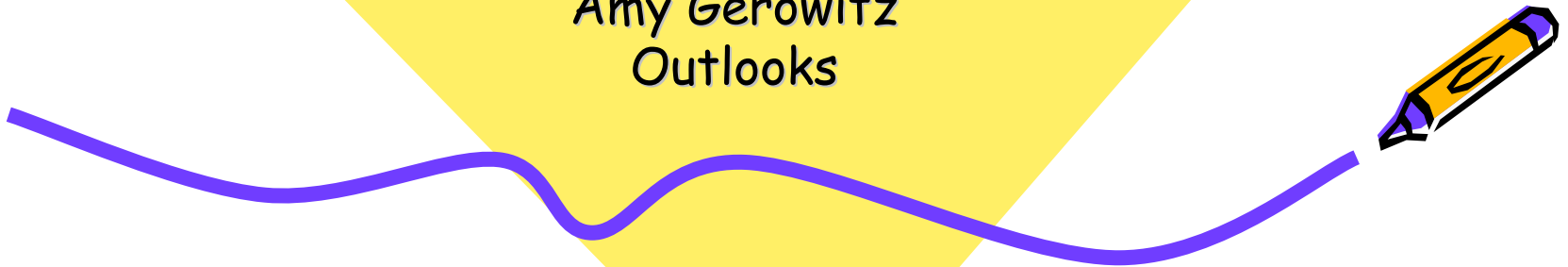




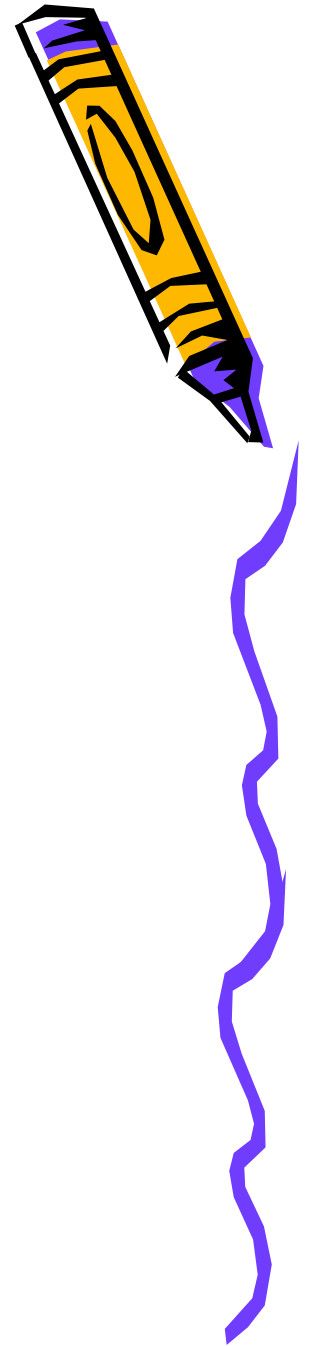
Arts Organization

Board Training
Amy Gerowitz
Outlooks



Overview

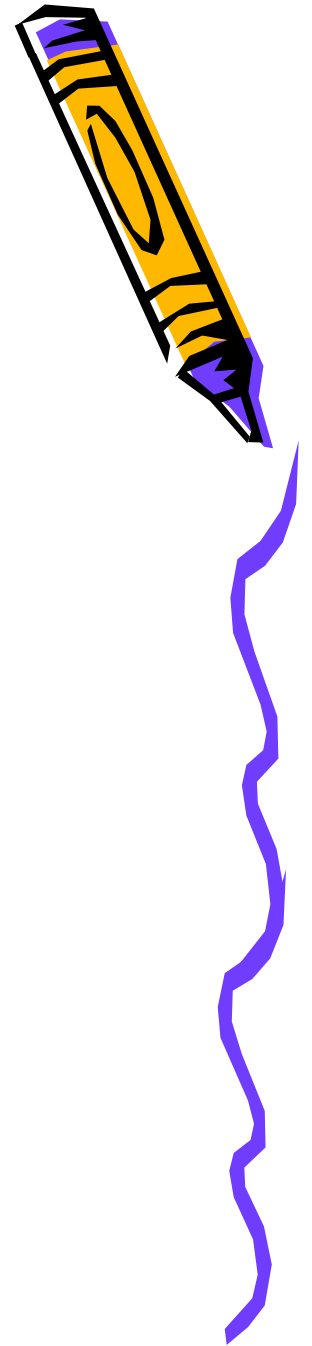
- Board effectiveness
- Board and staff responsibilities
- Legal/Ethical Responsibilities
- Risk Management
- Building a Board
- Board Committees
- Next Steps for Strategic Planning



Board Member Responsibilities

- "To preserve the integrity of the trust;
- To set policy;
- To support and promote the organization."

The Non Profit Management Handbook - Barbara Burgess



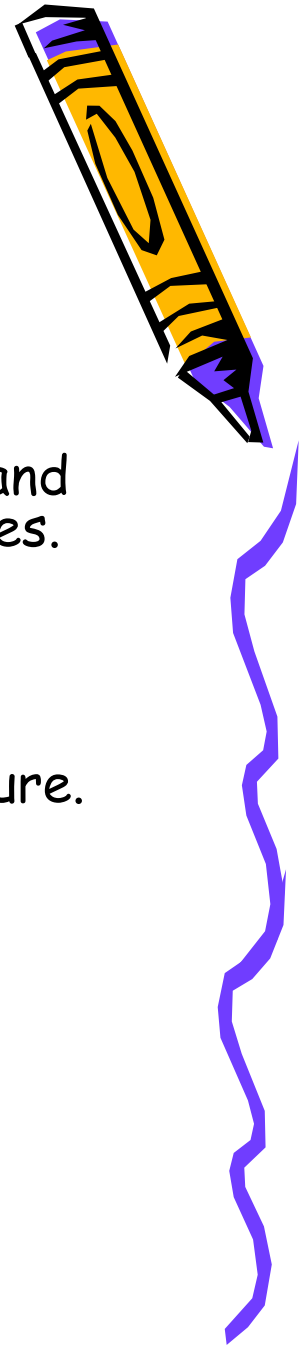
Types of Boards

- Administrative - A working board whose members make decisions regarding program and policy and also carry out policies through a committee system.
- *Policy Making Board: a board that makes policy decisions and has resources to hire a CEO. Often retain functions of fund raising and public relations. (CELC)*
- Policy Governance Model: a board that primarily focuses on governance issues; defining and refining the agency's ENDS and desired outcomes.
- Advisory Board; one with expertise in a particular area. Makes recommendations, gives advice, lends its name.



What a Policy Making Board Does

- Is a governing body for a non-profit with paid staff.
- Sets and reviews policy on an ongoing basis, i.e., vision and mission statements, purpose, values, goals and objectives.
- Develops and approves agency budgets.
- Evaluates performance of executive director.
- Hires, supervises and fires executive director.
- Operates through a standing/ad-hoc committee structure.
- *The Board is a key resource for the organization, when utilized effectively.*



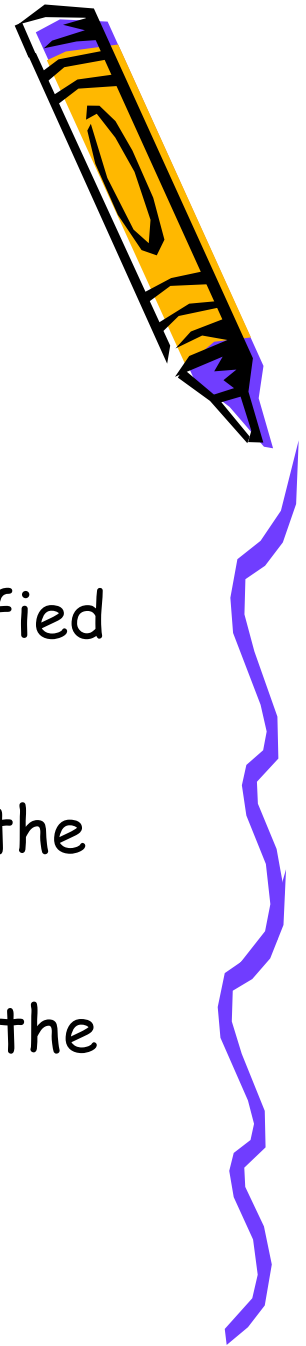
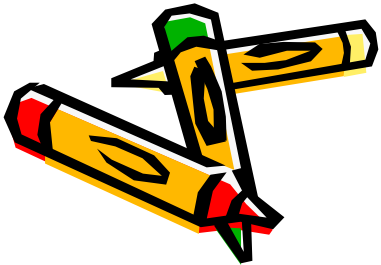
Characteristics of an Effective Board

- Understands and supports the mission.
- It understands and adheres to the bylaws.
- It acts as policy setter and check and balance with the staff.
- It develops a job description for the executive director.
- It works primarily with Executive Director, sets goals and evaluates him/her in writing annually.
- The Executive Director works for the board, the rest of the staff work for the Executive Director.



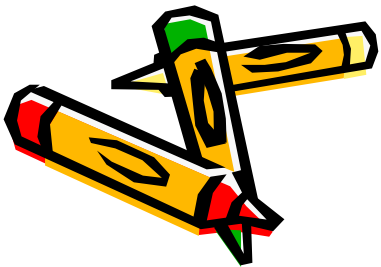
Characteristics - Continued

- Board membership changes over time, fills vacancies to meet the organization's changing needs.
- It elects qualified officers and appoints qualified committees
- It supports the organization in public.
- The board's committee structure carries out the work of the Board.
- Board meetings deal primarily with policy determination, long range plans, evaluation of the work of the organization.



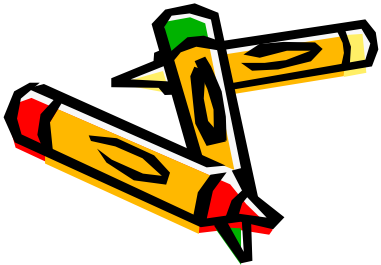
Barriers to Board Effectiveness

- Board members don't know basic up to date information about mission, programs and purpose.
- Board members get or ask for too much information.
- It doesn't get accurate and timely information from staff.
- It infrequently lacks a quorum
- It is not given anything meaningful to do.



Barriers - Continued

- Board leadership is weak.
- Meetings have no agenda and are not well facilitated
- Ineffective committee structure - every policy decision presented to board receives lengthy debate and second guessing
- Staff and board are unclear about their roles
- Staff lack the skills to support the board - or make systematic effort to ignore the board or undermine its effectiveness - (Smile, nod and do exactly what they want anyway)



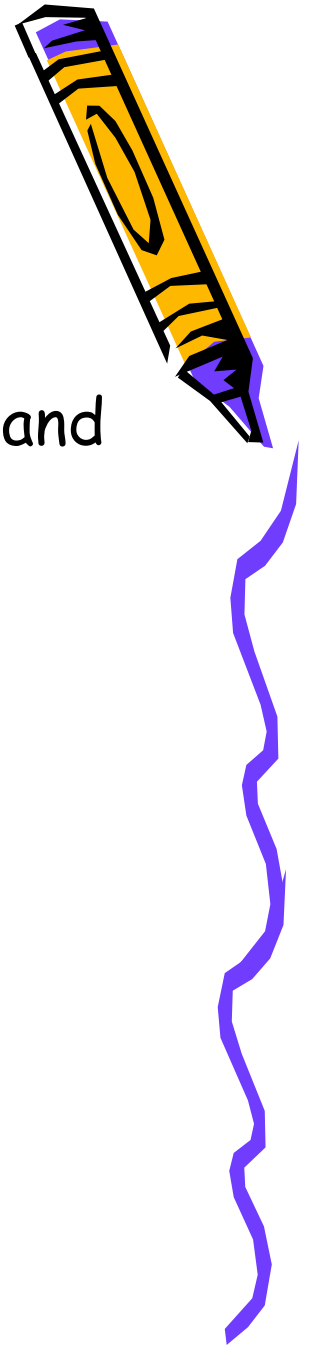
Individual Board Member Responsibilities

- Assure that all IRS and state not for profit reporting requirements
- Set policy and establish organizational goals.
- Hire the executive director
- Evaluate the executive director's performance in writing at least annually
- Ensure that fiscal policies are in place and followed
- Help develop and adopt annual budgets
- Review and amend bylaws on a regular basis



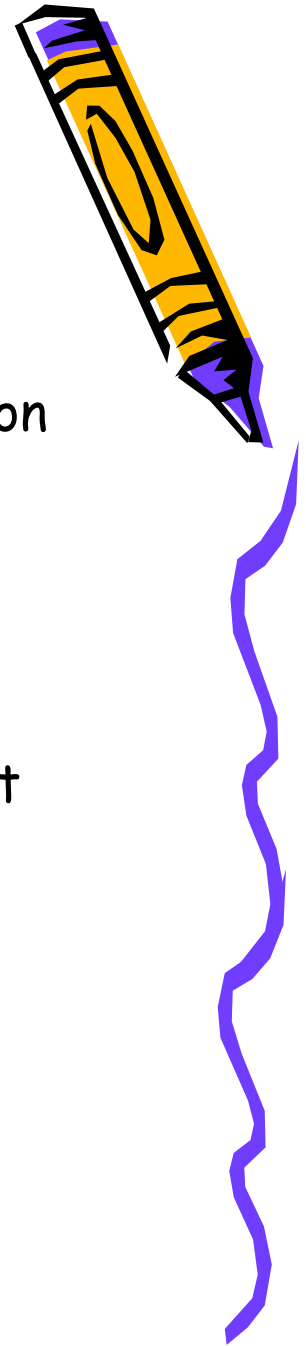
Responsibilities - Continued

- Ensure compliance with applicable regulations and policies
- Establish personnel policies and monitor their compliance
- Nominate and elect officers
- Represent the organization in public
- Help recruit new board members
- Oversee fund raising and/or raise funds
- Perform volunteer program work



Staff Responsibilities to the Board

- Provide accurate, timely, honest and focused information
- Inform board of new developments
- Analyze data and make recommendations to the board
- Report fiscal information regularly
- Develop process to educate all new board members and orient board members on an ongoing basis.
- Provide support for board recruitment and development
- Support board committees and provide them with information and expertise
- Attend board meetings as requested



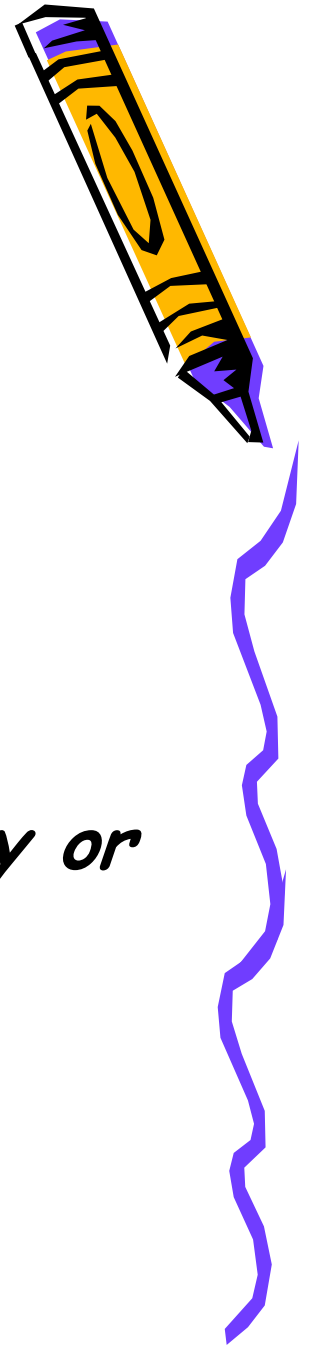
Assuring Performance of Legal Role

- Board members are fiduciaries
- Board members are legally responsible for the management and control of the organization.
- Balancing Question: How do you make sure that you know enough without micromanaging?
- Staff are experts in child care and education but you can't be totally led by them.



Red Flag

- From previous strategic plan:
 - Staff leads on philosophy, Board of Directors follows -
 - *"Board consistently supports staff even though do not understand fully or agree."*
 - Think about this!



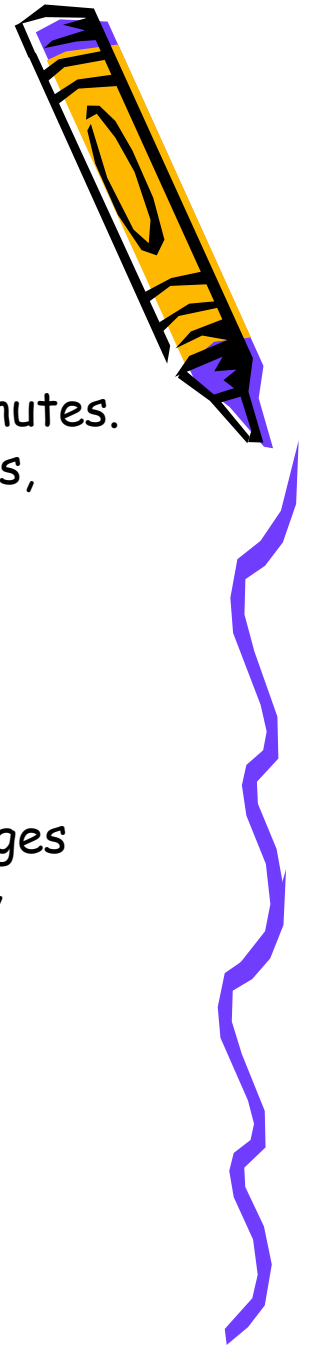
Prudent Person Expectations

- Avoid:
 - **Mismanagement** - Failure to follow fundamental management principles and practices, e.g. failure to ensure that planning occurs; failure to review reports for problems
 - **Non-Management** - Failure to use opportunities for management consistent with mission and mandate, not using control systems such as professional auditing, legal counsel, etc.
 - **Self-Dealing** - Exercise of voting privilege on decisions that may result in possible personal gain.



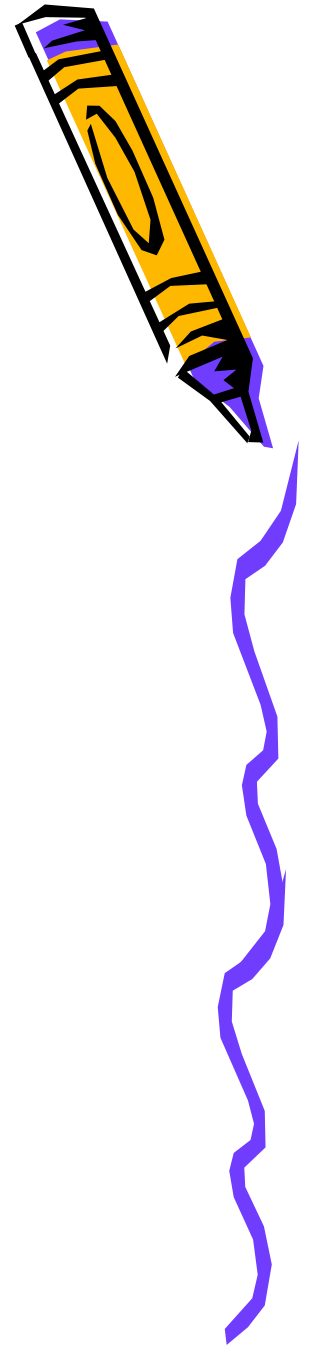
Proactive Steps

- Attend all board and committee meetings regularly - read minutes.
- Have a thorough understanding of mission and purpose, bylaws, goals and objectives and funding policies.
- Review facts carefully before setting policies; demand documentation.
- Require financial reporting in a way that is understandable to board members.
- Officially register dissents.
- Adopt and enforce a conflict of interest policy that discourages any business transactions between directors and corporation, unless stringent safeguards are put into place.
- Stay informed, but don't micromanage.



Risk Management

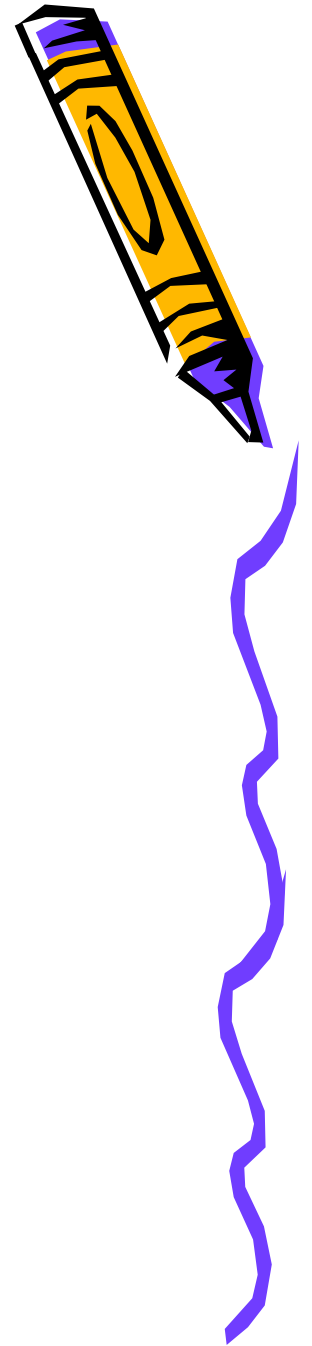
- Identify risks
- Evaluate risks
- Decide how to control risks
- Have adequate insurance
- Know enough about financial information - checklist



Types of Board Members

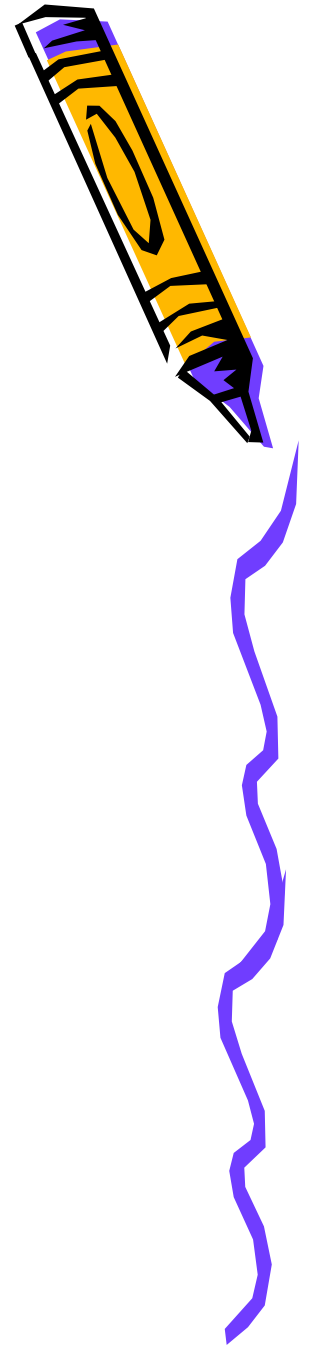
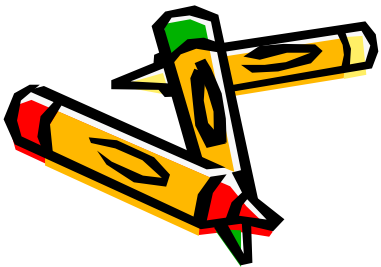
- Who do you want?

- Fundraising
- Management by Detail
- Policy
- Program zealots
- Titular
- Warm body



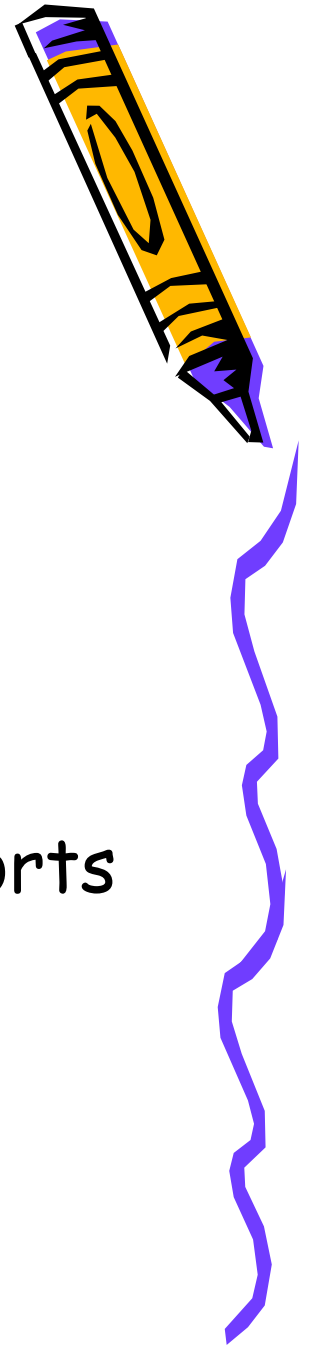
What Board Members Want

- Recognition/Status
- Obligation
- General social purpose
- Focused social purpose
- Desire to get board experience

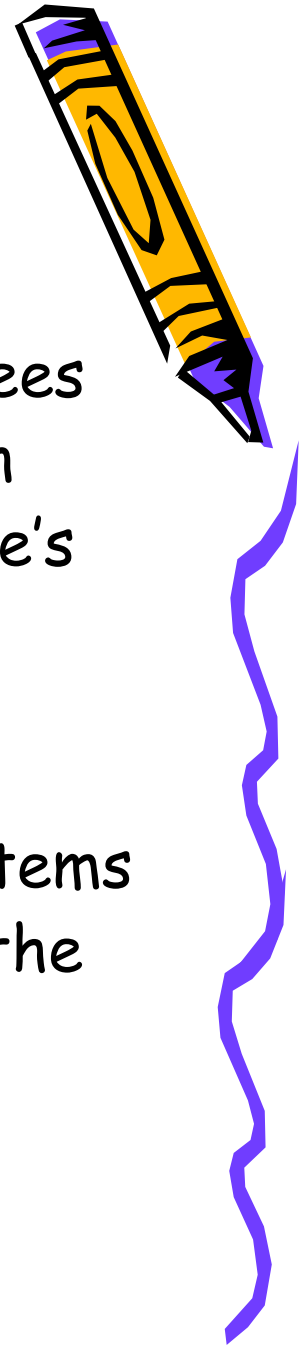


Effective Board Recruitment and Retention

- Consistent, ongoing effort
- Clear expectations of board members
- Joint board/staff task
- Enforce expectations
- Network and evaluate recruitment efforts
- Provide clear and ongoing orientation
- Have a Board Manual



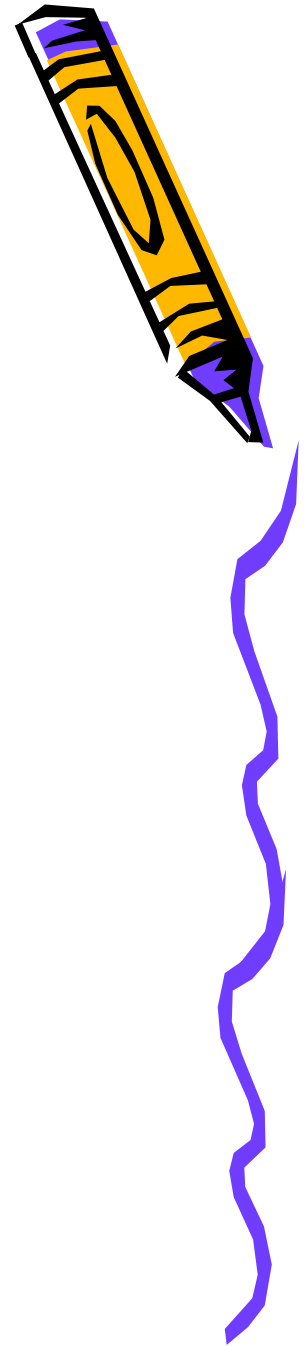
Successful Board Committees



- Recruit non board members to serve on committees
- Annually establish and review goals and work plan
- Delineate a clear understanding of the committee's role and its limitations
- Staff support
- An effective committee chairperson
- Reliable committee members - Clear actionable items
- Written minutes of each meeting, submitted to the board
- Recognition of each member's efforts



Committees - What do you
have? what do you need?



Next Steps

- Environmental Scan - Interviews, Focus Groups
- Analysis of Information
- Strategic Planning

