



# Session One: Board Basics and Working with Nonprofit Management



## 10 Reasons to join a board according to Joan Garry



**10. You will learn patience.** A group of smart and passionate folks sitting around a conference room table can argue and pontificate. They can say stupid things and make the most brilliant observations. And you will learn patience to wade through it.

**9. You will learn how to ask for money.** You did it when you were eight years old carrying that orange UNICEF box but the skill might have lain dormant since. I believe every grownup should know how to ask for money for a worthy cause. I'll take it one step further. I'd argue that until you ask for money for a worthy cause, you have not reached "grownup" status.

**8. You will have an experience that enriches your resume.** OK, this one is a bit selfish but it's true and it's OK to be honest about it.

**7. You will meet interesting people who will add to your sphere of influence.** People who join boards are a wonderful breed. They have chosen to get off the bench and onto the field. You will be enriched by being in their company.

**6. You will learn to play nicely in the sandbox.** This is about diplomacy and making sure that your colleagues get their say (even if you think your comment said it all). The very best board members are teams.

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**5. You will learn to appreciate that assets = liabilities.** I mean this quite specifically. You will be able to read and understand financial statements and ask a related question or two that actually makes sense.

**4. You will have another excuse to skip the gym.** OK, just wanted to be sure you were paying attention.

**3. You will learn how to run an effective meeting of people who don't work for you.** Perhaps you will find yourself as a committee chair. Trust me, you learn a very different set of skills. These fellow board members are volunteers, not paid employees, and they may have more business experience than you do.

**2. You will stretch all your intellectual and emotional muscles.** Board service at its best allows you to bring your full self to the organization – your emotional connection to the work, your commitment to the overall sector, your life experience, your skills, and the good head you have on your shoulders. There are precious few tables you will sit at that will need all of what you bring the way a nonprofit does.

**1. You will fall more in love with your organization.** The closer you are to the work of your nonprofit, the more that work comes to life for you, the more passionate you will become. And you will feel another emotion.

# Why do nonprofits have boards and what do they do?

Most nonprofits are corporations, meaning they are legal entities distinct from the individuals that founded them. Corporations are governed by boards of directors with legal and ethical responsibilities that cannot be delegated. The board's responsibilities fall into the following categories.

## 1. Legal and Fiduciary.

- Ensure the organization meets legal requirements and is operating in accordance with its mission and for the stated tax-exempt purpose
- Individual members practice duty of care-attending meetings, making informed decisions
- Board members are responsible for protecting the organization's assets

## 2. Oversight

- Ensuring the organization is well run
- Has the power to moderate the power of management
- Has the power to hire and remove the chief executive/executive director

## 3. Financial Resources

- Actively involved in making sure the organization has the money it needs.
- Making a personal contribution
- Serving as an advocate of the organization
- Taking an active role in fundraising

## 4. Representation of constituencies and viewpoints

- Provide professional experience or perspective of a particular group or segment of the organization's constituency.
- Serve as the voice in governance.
- Vote with the nonprofits best interest in mind.

# Nonprofit governance

By law, every nonprofit must have a governing board.

## Expectations of a Board as a whole

- The Board of Directors is the highest leadership body of the organization.
- Determines the mission and purposes of the organization
- Selecting and evaluating the performance of the CEO/executive director
- Strategic and organizational planning
- Ensuring strong fiduciary oversight and financial management
- Fundraising and resource development
- Approving and monitoring organizations programs and services
- Enhancing Organizations public image
- Assessing its own performance as a governing body of organization



# Individual Board Members

The board is only as strong as it's individual members

## Expectations of Individual Board Members



- Know the organization's mission, policies, programs, and needs
- Read and understand the organization's financial statements
- Serve as active advocates and ambassadors for the organization, securing resources and partnerships to advance mission
- Leverage connections, networks, and resources to develop collective action to achieve mission
- Give a personal contribution
- Prepare for and attend board meetings
- Participate fully in one or more committees of the board
- Follow the organizations bylaws, policies, and board resolutions
- Sign an annual conflict of interest form and update as needed
- Maintain confidentiality about all internal matters of organizations

## What's what

**Board of Directors:** governing body of a nonprofit or for profit corporation; has specific legal and ethical responsibilities to and for the organization.

**Advisory Committee:** a collection of individuals who bring unique knowledge and skills which augment the knowledge and skills of the formal board of directors in order to more effectively guide the organization. Has no legal responsibilities.

**Board Chair:** the chief volunteer position, the elected leader of the board.

**Board Officer:** a leadership position with a specific set of responsibilities; on a board typically refers to the chair, vice-chair, secretary, or treasurer.

**Board Committee:** Members of a board or other volunteers mandated to carry out specified functions, programs, or projects as assigned by the board.

**IRS 501(c)(3):** Designation most often is referring to organizations with a religious, charitable, scientific or educational purpose.

# Nonprofit Board Legal Principals

## Duty of Care

Requires leaders to use reasonable care and good judgement in making their decisions on behalf of the interests of the organization.



## Duty of Loyalty

Requires leaders to be faithful to the organization, avoiding conflicts of interest.



## Duty of Obedience

Requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc).





## Your Toolbox



Documents that should be made available to board members include:

- Mission Statement
- Articles of Incorporation
- Bylaws
- Policy Manual
- Strategic Plan
- Financial Statements/Budget
- Meeting Minutes
- Organizational Charts
- IRS Forms
- Frequently asked questions

# Rules of Order



**Agenda:** Ensures that important business is covered and discussions are on topic.

**Motions:** are proposals for action, beginning with " Move we..."

A **Second** is required for the motion to be discussed.

**Amendments** may be made to most motions if they improve the intent or clarify the original motion.

**Tabling** lays the motion aside.

**Calling the Question** refers to ending discussion and voting on the motion.

**Voting** is the official action after discussion to adopt, amend, kill or table the motion.

**Minutes** protect the organization by recording the time and location of the meeting, participants, and the outcome of the motions. They are not a place to record conversation, assignments, reports, etc. (Including reports and discussions that can incriminate)

**Quorum** is number of directors required to conduct business.

## Top 10 things every board member should know and understand -Joan Garry, author of Nonprofits are Messy.



**1. Board service is a job.** It's not an 'oh, by the way' kinda thing – it's a serious commitment. But please don't let this scare you away. The payoff can be big and way better than any office presentation you have ever given.

**2. Your voice is as valuable at your first meeting as it is at your last.** I've been on boards and heard new board members say the most powerful things AFTER their first board meeting. That's frustrating. New voices and new perspectives are critical (and part of why I advocate for term limits.)

**3. You deserve a very good orientation.** If you have one, your voice will be even more powerful from Day 1. If you don't get one, raise your hand to work with colleagues and staff to develop one.

**4. The board is NOT an appendage to the organization.** The game here is not "follow the leader." Think "partnership" and it will lead you to ask great questions and generate great ideas. It will make the board active and not passive. Think about your organization like a twin-engine jet. The staff is one engine and the board is the other. This will help you think about your role with greater clarity.

**5. You do NOT need to know rich people to be successful.** Allow me to bust one of the biggest myths out there. There are many ways you can be instrumental in raising money for the organization. As long as you are out there as a visible and vocal advocate, chatting up how proud you are to be a part of this amazing organization, you are reaching people who know people who know people. That's how it works!

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**-Joan Garry, author of Nonprofits are Messy.**



**6. Your passion for the organization must be greater than your fear of asking.** Passion is the #1 ingredient for successful board service. It's also the ingredient to inviting people to know and do more for the organization.

**7. If you miss two board meetings in a row, call your board chair.** It's a courtesy thing and it's important too. I generally find that if someone misses a few consecutive board meetings, a conversation with the board chair can either re-engage you or lead you to realize this may not be for you.

**8. You have power over staff – use it wisely and never abuse it.** Do not get me started on abuse of power. The number of stories I hear about bullying and abusive board members just gobsmacks me. So two things...if you are joining a board because it feels powerful, go be powerful somewhere else. And secondly and more importantly, please call it out if you see it.

**9. You need to give a gift that is one of the top 3 charitable gifts you make.** The number one phrase that will make you a successful fundraiser is this one: "Please join me ..." You have zero credibility as a fundraiser if you are not giving yourself.

**10. PLEASE share rewarding stories of board service to folks "on the bench".** More folks should be on boards. I believe there are myths to be busted and that board service needs better public relations. Organizations are hungry for great board members – it may be the #1 thing I hear from nonprofit leaders. Please spread the good word.