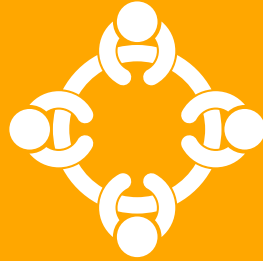


OUTI FLYNN



MEETING, AND EXCEEDING EXPECTATIONS

A GUIDE TO SUCCESSFUL
NONPROFIT BOARD MEETINGS

SECOND EDITION

BoardSource®

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BoardSource®

Empowering Boards. Inspiring Leadership.

BoardSource envisions a world where every social sector organization has the leadership it needs to fulfill its mission and advance the public good. Our mission is to inspire and support excellence in nonprofit governance and board and staff leadership.

Established in 1988, BoardSource's work is grounded in the fundamental belief that boards are critical to organizational success. With decades of hands-on experience working with and supporting nonprofit boards, BoardSource is the recognized leader in nonprofit governance and leadership, and a go-to resource for nonprofit board and executive leaders. BoardSource supports a broad and diverse cross-section of social sector organizations with

- leadership initiatives addressing key opportunities and issues within the nonprofit sector
- research and benchmarking of board composition, practices, and performance
- membership and board support programs
- customized diagnostics and performance assessment tools
- a comprehensive library of topic papers, publications, and downloadable infographics, tools, templates and more
- live and virtual education and training
- governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs
- a biennial conference that brings together approximately 800 board leaders for two days of learning and sharing

A note to our global readers:

The need for effective board leadership and governance knows no geographic boundaries, and BoardSource is committed to strong social sector board leadership and governance around the globe. While BoardSource uses United States laws and policies as the legal framework for our resources and recommendations, most of our resources do not focus on legal matters but rather on good governance practices, making them relevant to organizations working outside of the United States. We do suggest, however, that you refer to applicable laws in your country regarding financial reporting and other legal and transparency issues.

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INTRODUCTION

Q Our board meets only twice a year. Is that really enough?

A Legally, you are probably compliant, but remember, the law does not stipulate what you should do; it simply states the minimum legal requirement for your board. By asking the question, you are obviously wondering whether your board is on top of all it has to accomplish. If a meeting is the only place where the board can make decisions, it must be extremely organized and busy between meetings. It takes time to research and prepare for issues, anticipate the unexpected, and take care of the board's own needs and education. Very few boards can manage these expectations and feel confident that it is fulfilling all of its fiduciary duties in two yearly meetings. This might be a good question for your board to discuss and answer at its next meeting.

Every incorporated nonprofit is required to have a board. As there are no owners in a nonprofit organization — not counting the stakeholders and the constituencies as the symbolic owners — the board acts in the capacity of an owner that is legally accountable for what happens in the organization. Groups with such a responsibility must find a setting, i.e., a board meeting, to exercise that duty.

A board cannot perform without meeting. A meeting is the place for a board to make decisions, a place where individual board members “fuse” into the group that is responsible and liable for the organization. A meeting is where the board performs its role as the policy maker, sets the direction for the organization, defines and follows its own ethical guidelines, oversees the operations, and takes care of its own well-being. Together, individuals act as the board. Individually, members cannot make organizational decisions, but they can perform certain tasks on behalf of the board outside of the meeting room, such as fundraising, advocacy, or acting as ambassadors in the community.

ATTENDANCE IS REQUIRED

The board's role is to advance the mission of the nonprofit organization it governs. All decisions and actions ultimately are supposed to reflect and support that mission. Keeping the mission front and center in the minds of the decision makers ensures that the purpose of the organization is not overlooked.

Meeting attendance is not optional. It is a duty that comes with board service. Individual board members are bound by their duty of care, a legal obligation that defines the thoughtfulness and consideration that they must exercise in their role as the guardians of the organization. In practice, this means that a board member

comes prepared to meetings, asks probing questions, pays attention, and makes decisions according to his or her best judgment. Coming prepared means that the member is familiar with the agenda, has read the board book, and has completed any assignments from the previous meeting.

Generally, all of the board's activities cannot be accomplished in a meeting that lasts only a few hours, so individuals, task forces, and committees carry out decisions made in the boardroom or prepare work for the full board to act on at the next meeting. All this action culminates in a masterfully conducted board meeting where every minute is spent on issues that advance the mission of the organization. This may sound idealistic, but with a solid objective as a guide, any board can improve its performance and members leave the meeting with a sense of real accomplishment and personal satisfaction.

A board meeting also serves the role of gathering together the decision makers and allowing them to interact in a manner that triggers productive communication and teamwork. During a board meeting, members get to know their peers and how they think. Personal contact between fellow members facilitates communication when consensus is in danger. Nonetheless, board meetings can be fraught with confrontations and tough challenges. To achieve a mutual goal, group members must be able to work together and not let personal differences create obstacles for achieving that goal — while respecting and hearing different points of view.

In the end, a board meeting is a session where those charged with being a board member gather to help shape the organization's future. When a meeting is properly orchestrated, wonderful things can happen around a board table.

MEETING, AND EXCEEDING EXPECTATIONS DISSECTS YOUR MEETINGS

Running a productive meeting seems to be a universal challenge. Who hasn't experienced a mind-numbing budget meeting, a committee meeting that accomplished nothing, a team meeting that simply rubberstamped the team leader's decisions, or a board meeting where the process clearly mattered more than the results?

Why is this, given that nearly every bookstore has an array of books on how to run meetings? It may be because many of these books focus only on parliamentary order, logistical problems, or the mechanics of meetings — all important in their own right. But isn't it the human factor that mostly creates the problems but also helps a group to conquer obstacles? The most fundamental problems tend to relate to board meetings where the presentation of informational reports clearly matters more than discussion and deliberation. After all, the boardroom is the "cradle" where the board shapes governance issues and decides on the future of its nonprofit. Balancing meaningful structure and effective communication provide a valuable basis for a board meeting that matters.

For years, BoardSource has addressed thousands of questions about boring, dysfunctional, or unproductive board meetings. Questions range from how to get members to attend meetings to how to control a domineering chair. Some ask for solutions to eliminate interminable sessions or improve minutes taking. Others ask whether the chief executive should be present at executive sessions or whether the public should be allowed to attend meetings. BoardSource has listened to the board members, chief executives, and chairs who have contacted us with their meeting issues. *Meeting, and Exceeding Expectations* (which was titled *Meet Smarter* in a previous edition) is built on the communication we have had with our customers, clients, and supporters.

WHO SHOULD READ *MEETING, AND EXCEEDING EXPECTATIONS*?

This book is designed to facilitate the work of the chief executive and the board chair, the key partners responsible for planning and orchestrating board meetings.

Its purpose is to invite board members, chairs, and chief executives to analyze their meetings and improve them. Boards with meeting problems should feel free to change old traditions. Sometimes bad meetings turn out to be expressions of other challenges the board may be facing, such as a power struggle between board members and the executive committee. Other times, poorly managed meetings turn into unnecessary stumbling blocks to achieving the board's objectives. Without a thorough understanding of the purpose of a meeting and an expectation of concrete outcomes, boards may find it difficult to change bad meeting habits. Boards should evaluate their meetings and make a commitment to turn them into productive and enjoyable events that shape the future of the organization. This book helps chief executives and chairs to determine the primary causes for their poor or boring meetings and to choose the best options to treat the problem.

And finally, this book is for the numerous board and staff members who have contacted BoardSource since 1988, educating us about the challenges they struggle with in their boardrooms. Their experiences and frustrations have been the major impetus to create this resource.

WHAT WILL YOU FIND IN *MEETING, AND EXCEEDING EXPECTATIONS*?

This book poses questions, provides answers, suggests tools, clarifies legal and ethical expectations, and shows you how to insert some fun into board meetings.

Chapter 1 examines the laws related to nonprofit board meetings. It discusses the general principles behind Sunshine Laws and outlines what the organization's bylaws should say about board meetings.

Chapter 2 focuses on thorough preparation as a key to productive board meetings. This chapter presents the how, when, and where of planning a board meeting. The chief executive and the chair may be the brains behind successful meeting planning,

but it is the staff that has the often thankless task of arranging the details and logistics. Productive meeting planning takes intellectual capital as well as thoughtful organization.

A board is at its best when it communicates effectively, both during and in between meetings. But in the spirit of good communication, board members may often be flooded with documents to read: meeting minutes, agendas, and reports. Without these reporting mechanisms, however, there would be no permanent record of the board's discussions and decisions. Chapter 3 addresses the content of a variety of board documents, the value of a consent agenda, and the legal protections documentation provides the board.

Chapter 4 looks at the process of how boards structure their meetings, make decisions, and vote. You will find alternatives to using strict parliamentary order and a variety of decision-making methods.

Chapter 5 introduces the participants who must be present or who have the power to influence the outcome of a meeting. There is no meeting without board members; they must be present. The chief executive is the catalyst for the meeting and helps the board to focus on key issues. For the chair, the meeting is the forum for guiding the board into action. Numerous outsiders have a stake in successful board meetings, and it is necessary to understand who can or should be present and who should not.

Bringing a group together for a common purpose naturally is colored by the individual motivations, personalities, and characteristics of the members. A boardroom is no exception. Chapter 6 discusses some of the challenges that conflicts of interest, private agendas, and cultural differences can create during a board meeting.

Board meetings are not the only meetings where board members congregate. Board members may find themselves in committee meetings or executive sessions, at retreats, and in other special meetings. Chapter 7 discusses the particular demands and characteristics of these gatherings.

Throughout the book you will read about real life situations common to boards, such as poor chair performance, absentee board members, and conflicts of interest. Question-and-answer sidebars provide easy tools to help solve some board dilemmas or promote preventative discussion. During the past two decades, tens of thousands of board members and chief executives have contacted BoardSource with their meeting problems. We present some of them as examples in this book. Use our suggestions to help your board members become more innovative and seek new solutions to old problems.

Also included are appendices to the text with sample documents, a glossary of terms, and suggested resources for further study.

CASE STUDY

MISSING IN ACTION

Stefan, the board chair of XYZ Organization, should have called the board meeting to order 15 minutes ago, but there were not enough individuals present to make a quorum. In the past, many of the absent board members had valid reasons for not attending meetings, but they didn't always ask to be excused.

Suddenly, four more members of the board entered the room. The group now had a quorum. Stefan called the meeting to order, indicating that the board should start planning a retreat to discuss strategic planning.

One member who punctually attended each and every meeting took issue with Stefan's suggestion, however. "What," she blurted out, "is the point of going forward with a board retreat if not every member will be present? And are all board members aware of the clause in the bylaws that states, 'Absence from three board meetings within a fiscal year, without prior notification, is equivalent to resignation from the board?'"

Stefan now realized that he and the board could no longer ignore the issue of poor attendance.

Attending board meetings regularly to contribute actively in discussions and decision making is a basic board member duty. Stefan and the board can address the attendance problem by taking one or more of the following actions:

- Work with the absent board members to identify why they are missing meetings and to explore what could help them overcome the obstacles. This should be done before a member misses three meetings.
- Reduce the number of meetings to help ensure full attendance. Depending on their missions, most organizations can, with the help of consent agendas, get all their work done in bimonthly meetings and an annual retreat. Between full meetings, committees can accomplish much of the board's work. And in practice, many committees don't meet in person. They get a lot done via e-mail and phone calls, which would make participation easier and more effective for people.
- Communicate board member duties during the recruitment process. This communication should address proper "notification of absenteeism."
- Form a governance committee to oversee the development, education, and orientation of board members to their crucial duties, one of which is to attend meetings.
- Abide by the bylaws. Members must know that there are no exceptions — it is essential to fulfill their legal duty of care.

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