

# Nonprofit Board Chairs Leadership Certificate Series Week #3



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# Week Three Agenda

I. Resource Development and Fiscal Oversight

II. Strategic and Program Planning

III. Performance Evaluation

IV. Leaving a Legacy

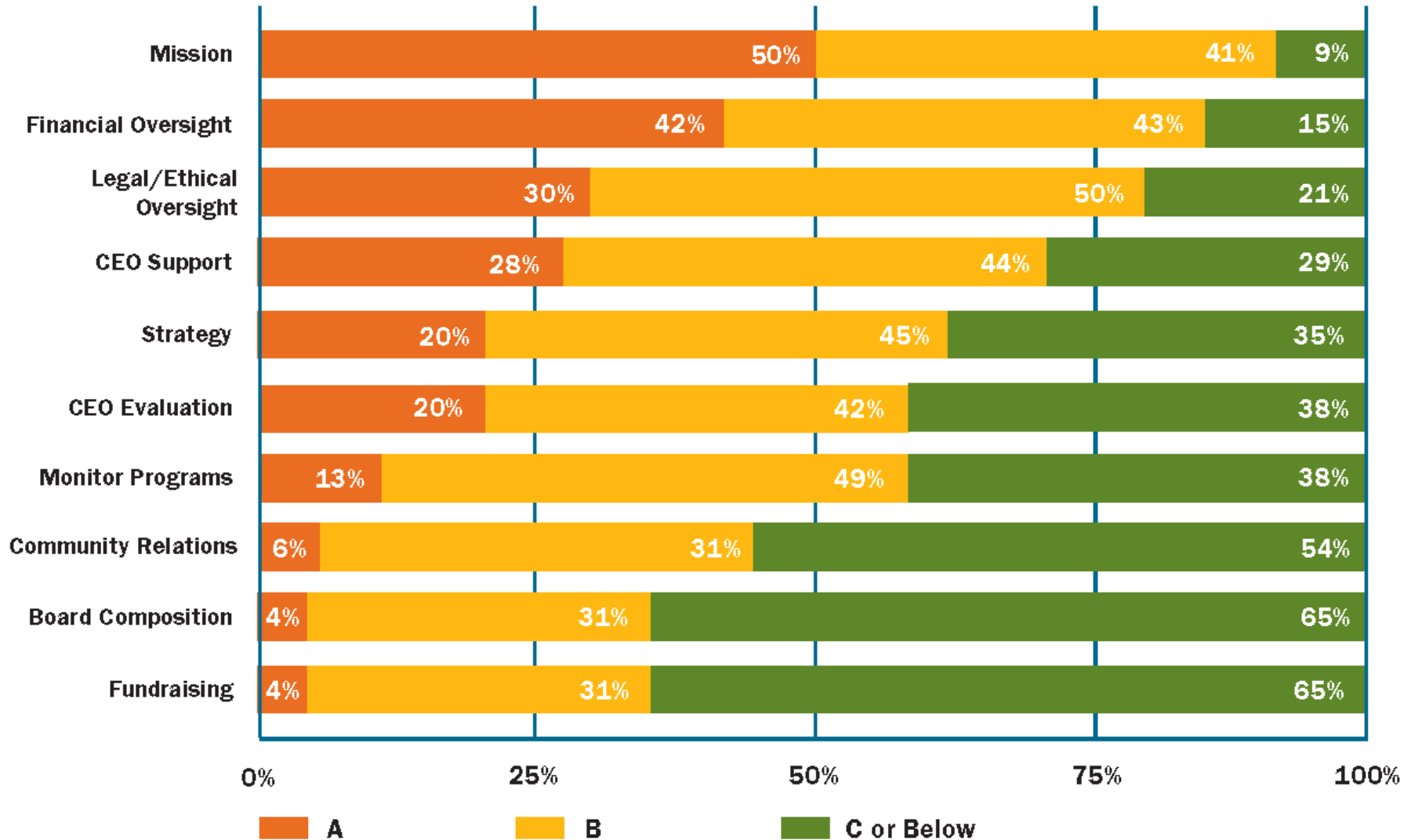
# I. Resource Development and Fiscal Oversight



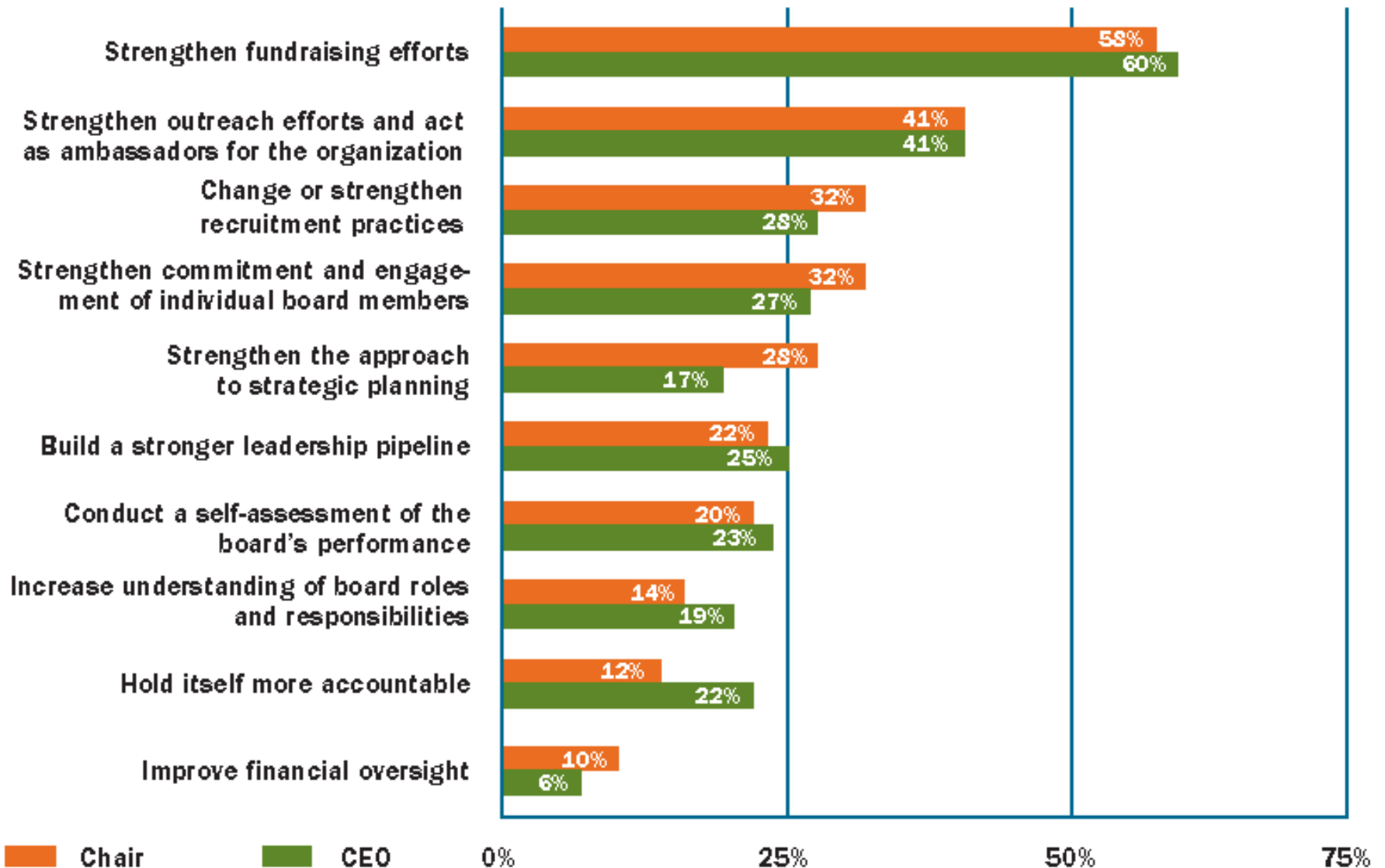
# Would you rather...

- A. Solicit funds for your organization.
- B. Drag your nails across a chalk board.

Figure 15. Board Report Card: Distribution of Grades (Q10.2 CEO)



In your opinion, what are the three most important areas the board should address to improve its performance?



# Resource Development & Board Member Engagement

- Identify resources needed in strategic planning
- Help create resource development plan
- Use contacts to expand resource base
- Identify potential donors
- Cultivate potential donors
- Organize/host fundraising events
- Write thank you notes to donors
- Make a personal contribution
- Ambassadors for the mission

# Division of Labor

## BOARD

- Approve fundraising policies
- Support staff by:
  - Identifying potential donors
  - Participate in face-to-face meetings and events
  - Make personal gift
  - Monitor fundraising results

## STAFF

- Prepare fundraising plan with specific goals
- Develop donor cultivation and solicitation plan, including:
  - identification of prospects
  - Prep solicitation team
  - Scheduling of meetings
- Prepare regular reports
- Maintain stewardship of donors



# Board Chair Roles

- Work closely with CEO, development officer or committee to maximize the board's role
- Be a role model in terms of financial support, attendance at events and donor cultivation
- Ensure each board member has a role in helping meet fundraising goals

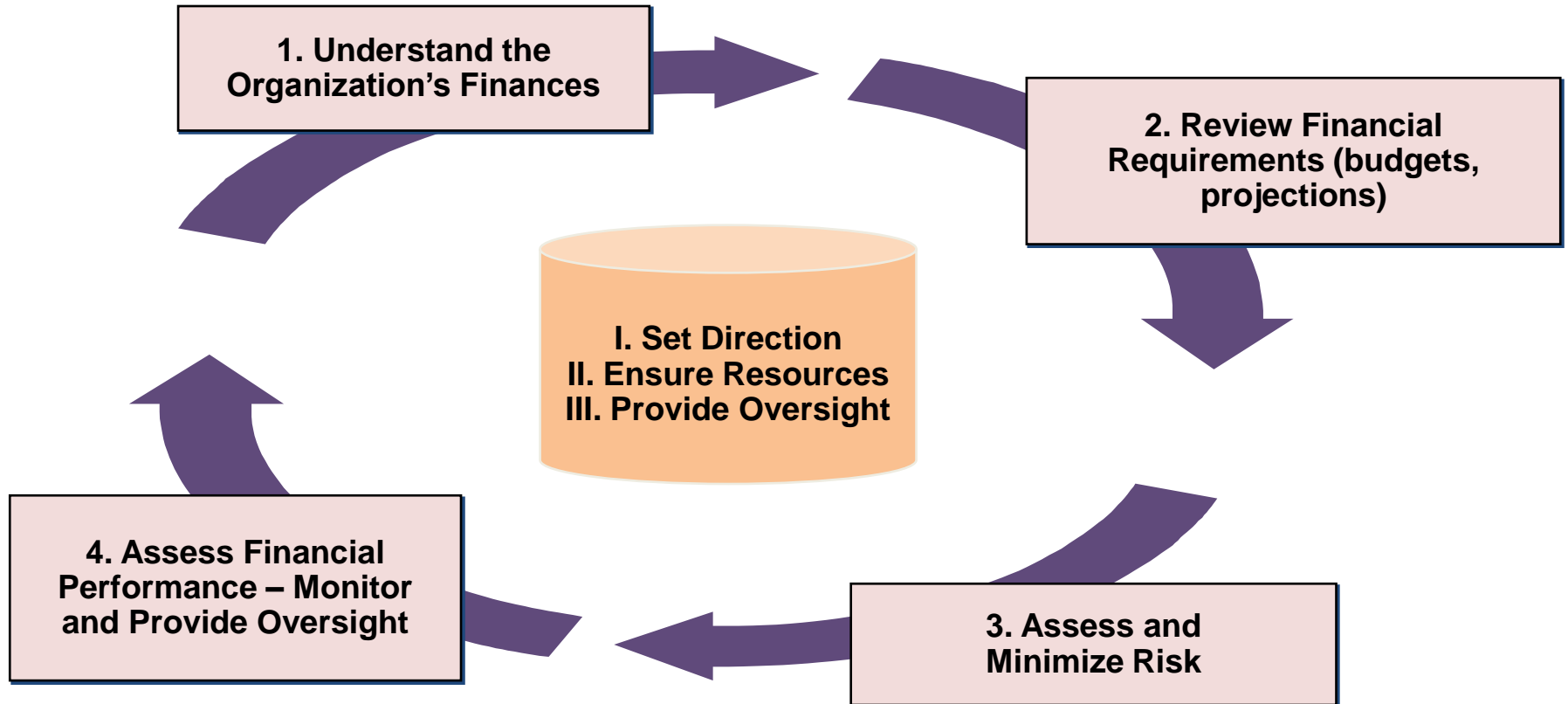
# Fiduciary Oversight

- Ensure financial integrity and solvency;
- Ensure safeguards and procedures are in place to protect the organization;
- Ensure signs of financial trouble are acted on;
- Ensure financial practices follow state and federal laws;
- Ensure an annual audit is conducted, when appropriate.

# Basic Questions

- Is our financial plan consistent with our strategic plan?
- Have we run a gain or a loss?
- Is our projected cash flow adequate?
- Do we have sufficient reserves?
- Are any specific expense areas rising faster than their sources of income?
- Are our key expenses, especially salaries and benefits, under control?
- Are we meeting guidelines and requirements set by our funders?

# Board Role in Financial Oversight



If you are experiencing technical issues with audio, please contact WebEx at this toll-free number: 1 866 229 3239

# Financial Committees

## Finance Committee

- Fiscal policies
- Budgets
- Anticipates financial problems
- Educates the board
- Ensures reporting requirements

## Investment Committee

- Oversees organizational investments
- Selects and oversees external investment advisors
- Comprises individuals knowledgeable about investments

## Audit Committee

- Reviews and approves audit reports
- Manages the scope of the audit
- Selects external firm to provide the audit
- Ensures compliance and reporting
- Often responsible for review of 990

## Full Board

- Legally responsible for the financial success of the organization
- Prepare for meetings, including review of financial statements (Care)
- Disclose conflicts of interest (Loyalty)
- Mission fidelity (Obedience)

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# Ethics and Accountability Policies

## Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Service)

- 10a Did the organization have local chapters, branches, or affiliates? . . . . .
- b If "Yes," did the organization have written policies and procedures governing the activities of affiliates, and branches to ensure their operations are consistent with the organization's external relations? . . . . .
- 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body? . . . . .
- b Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .
- 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .
- b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .
- c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .
- 13 Did the organization have a written whistleblower policy? . . . . .
- 14 Did the organization have a written document retention and destruction policy? . . . . .
- 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberations? . . . . .
- a The organization's CEO, Executive Director, or top management official . . . . .
- b Other officers or key employees of the organization . . . . .
- If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)

1. Code of Ethics
2. Confidentiality
3. Conflict of Interest
4. Mission
5. Record Retention and Destruction
6. Values
7. Whistleblower Protection

**Stand For Your Mission**



# Ambassadors for the Mission

- *Board members are essential to successful community outreach, advocacy, and fundraising, and they have more work to do.*
- *41% of chief executives identified ambassadorship as an area most in need of improvement.*
- *Less than one-half of boards are apprised of or participate in their organization's advocacy activities.*



# Getting Started

## STAND FOR YOUR MISSION

**THE POWER OF BOARD ADVOCACY:  
A DISCUSSION GUIDE FOR BOARDS**

[WWW.STANDFORYOURMISSION.ORG](http://WWW.STANDFORYOURMISSION.ORG)

The most effective charitable organizations have recognized that successful advocacy does not require stepping into the quagmire of partisan politics. It simply means using our voices as committed and informed champions for our missions. Speaking the truth in a calm but unwavering voice. Reminding decision-makers of our shared values and beliefs. Sharing tested solutions to community problems. Helping community leaders understand the impact of their decisions.

But more than anything else, it requires standing for what we know to be true. It requires using our voices.

### YOU ARE THE VOICE YOUR MISSION NEEDS.

Each of us is deeply committed to our missions. Each of us has what it takes to be an advocate for our missions. As stewards of our organizations, we must find our voice.

The most useful — and under-utilized — asset our organizations have to advance our missions are the business

leaders, community volunteers, philanthropists, and opinion leaders who are so passionate about what our missions seek to achieve that they have already put their time, resources, and reputations on the line.

Our board members. Us.

Board members are the citizen leaders from whom decision-makers need to hear. Board members serve as powerful champions for our missions. We are the ambassadors who can bridge differences in opinion, turn ideas into solutions, and make good things happen.

Strong board leadership is not just about checks and balances; it is about creating the circumstances that will allow our missions to be achieved. That ensures progress can be made. That enables each of us to translate our shared beliefs into action.

Our missions will be fully realized when our community leaders hear our voices, understand our arguments, and see our causes as worthy of their best efforts. When we stand for what we believe in and insist on the best for our missions and those we serve.

**STAND FOR YOUR MISSION.  
YOUR MISSION. YOUR VOICE.**

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# Benefits of Advocacy

- Raise awareness of your mission
- Mobilize the community, constituents, stakeholders
- Establish and expand government investment in important programs and research
- Reform laws and regulations

*Source: Center for Lobbying in the Public Interest*

# II. Strategic and Program Planning



# Mission Driven



“Exceptional boards shape and uphold the mission, articulate a compelling vision, and ensure the congruence between decisions and core values.”

(Mission Driven: Principle 2, The Source)

# Strategic Thinking



“Exceptional boards allocate time to what matters most and continuously engage in strategic thinking to hone the organization’s direction.”

(Strategic Thinking: Principle 3,  
The Source)

# Best Practice recommends boards ...

- Involve the entire board in discussing the future, not just a committee or task force
- Hold an annual board retreat, which usually includes reviewing the mission and values
- Develop a “framework” in addition to a “plan” – a framework is more open, implies ongoing need to evaluate and adjust.

# 20 Questions

1. Do we need to exist?
2. If so, why?
3. What is our image?
4. What would we like our image to be?
5. What impact have we had?
6. What impact would we like to have?
7. Whom do we serve?
8. What are the needs of our constituents?
9. What do we do?
10. What programs are going to be obsolete?
11. What programs are we going to need to add?
12. How well do we discontinue programs?
13. What are our strengths?
14. What are our weaknesses?
15. What are the threats facing us?
16. What are our opportunities?
17. What trends are taking place that will affect us?
18. Who is our competition?
19. What is our strategic advantage?
20. What is the vision for the group?

# Program Monitoring and Evaluation



- Monitoring – Are we doing what we said we would do?
- Evaluation – Are we doing the right thing?



# Basic Questions

- Is this program or service making enough of a difference for the people served?
- Is it cost-effective?
- To what extent is it still needed or wanted?
- Is there a more effective and efficient way to meet the need?
- What is another way to frame the issue we are trying to respond to?

# Use of Dashboards: Why and How?

## What is the value of using a dashboard?

- Saves time
- Tracks progress
- Sheds light on system dynamics
- Points up potential problems
- Reveals patterns
- Expands board members' comfort zones
- Develops a shared knowledge base
- Focuses information from a governance perspective
- Reinforces board oversight

## What approaches can be used to define dashboard metrics?

- Outcomes
- Services and resources
- Mission as spine
- Strategic initiatives or drivers of success

Source: Lawrence M. Butler, author of *The Nonprofit Dashboard: Using Metrics to Drive Mission Success*, Second Edition (BoardSource, 2012).

# III. Performance Evaluation



- The Board
- The Chief Executive

# Board Self-Assessment

- The board must model accountability.
- Refresh board understanding of roles and responsibilities.
- Measure progress toward existing plans.
- Define criteria for a successful board.
- Build trust and cohesiveness.

## Performance of the Board

All board members plus the CEO will be asked to assess the board's performance by answering a series of questions based on recognized roles and responsibilities of nonprofit boards. These questions are organized into the 9 sections listed below. This demonstration includes the complete set of questions from Section One and sample questions from 3 other sections.

1. Mission
2. Strategy
3. Funding and Public Image
4. Board Composition
5. Program Oversight
6. Financial Oversight
7. CEO Oversight
8. Board Structure
9. Meetings

	Average	DoC
9.1 Fostering an environment that builds trust and respect among board members.	3.76	79%
9.2 Establishing and enforcing policies related to board member attendance.	3.00	64%
9.3 Preparing for board meetings, e.g., reading materials in advance, following up on assignments.	3.19	71%
9.4 Using effective meeting practices, such as setting clear agendas, having good facilitation, and managing time well.	3.67	76%
9.5 Allowing adequate time for board members to ask questions and explore issues.	3.38	67%
9.6 Efficiently making decisions and taking action when needed.	3.67	76%
9.7 Engaging all board members in the work of the board.	2.86	64%

# Board Member Annual Self- Evaluation

## Board Activities

- Attended 80% of board meetings
- Recruited 2 or more new volunteers during the year
- Chaired a committee or actively participated on two
- Made an annual gift
- Developed or identified a new corporate sponsor
- Provided or secured in-kind services
- Attended annual retreat
- Attended annual meeting
- Other

## Fundraising

- Secured special event new donor
- Identified new annual giving donor
- Personally joined Presidents Society
- Other

# Types of Chief Executive Assessments

- Intermittent or continuous observation
- Informal periodic feedback by the board chair
- Annual Performance Review

**Based on clear, achievable objectives**

# Guidelines for Evaluating Chief Executive

- At least annually
- Include the chief executive in all aspects of the process
- Request a self-evaluation by the chief executive
- Assess the quality of the chief executive's relationship with all stakeholders
- Measure against the set objectives
- Create a development plan with next steps
- Establish an environment that invites dialogue



# Examples of Executive Core Competencies

- ❑ Articulates a clear vision and engages the staff, board and stakeholders in supporting the organization
- ❑ In partnership with the board, develops appropriate goals and objectives to advance the mission
- ❑ **Communications** - Serve as effective spokesperson
- ❑ **Leadership** - Ability to motivate and engage others in advancing the mission
- ❑ **Interpersonal** - Effective problem solving; ability to accept constructive criticism
- ❑ **Administrative** – ensures compliance with legal regulations and policies.

# CONSTRUCTIVE PARTNERSHIP

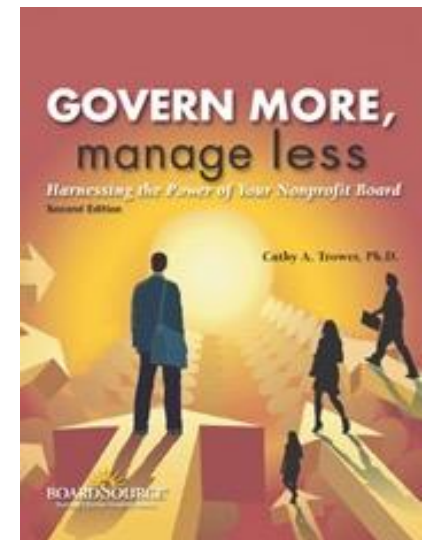


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# What should the chief executive expect from the board?

## To govern more and manage less:

- Timely and clear decisions
- Directors who are informed and prepared
- Mutual accountability
- No micromanaging
- A board that speaks with one voice



# What should the board expect from the chief executive?

## Expectations

- Liaison between board and staff
- Positive attitude about the partnership
- Identification of issues for board attention
- Strategic information that assists the board in governing
- Recommendations for action before the meeting
- No surprises! Accept accountability

# IV. Leaving a Legacy



# Leave the organization better than you found it!

## Are there loose ends?

- Challenging issues that emerged during your tenure
- Unfinished board business
- Key relationships (chief executive, board members, community, donors, others)
- Big picture issues
- Governance

# Closure

## Bring Tasks to Closure

- Committee & task force summaries
- Strategic planning report
- Big picture overview

## Bring Relationships to Closure

- Chief executive
- Board
- Staff
- Others

# Legacy: Reflect on the board's accomplishments and your own, which may include:

- New program initiatives or expansion of programs
- New processes (program evaluation, board assessment, etc.)
- New community partnerships, stakeholders
- New donors and funders
- A stronger board – more diverse, engaged and driven by governance
- A stronger Executive- Board Constructive Partnership
- A new strategic plan or new direction





# Contact Us

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