

Nonprofit Board Chairs Leadership Certificate Series

Webinar Week 3
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BoardSource®

Your Team



Robin Stacia



Andy Davis

Contact Us

- Technical assistance: 1-877-892-6273
- Content-related questions:
webinarquestions@boardsource.org
- Andy Davis: 202-349-2517
andy.davis@boardsource.org



About BoardSource

VISION

a world where every social sector organization has the leadership it needs to fulfill its mission and advance the public good

MISSION

to inspire and support excellence in nonprofit governance and board and staff leadership

OUR GOALS

Deepen understanding and inspire action on critical sector issues

Educate leaders and support effective board service and governance

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

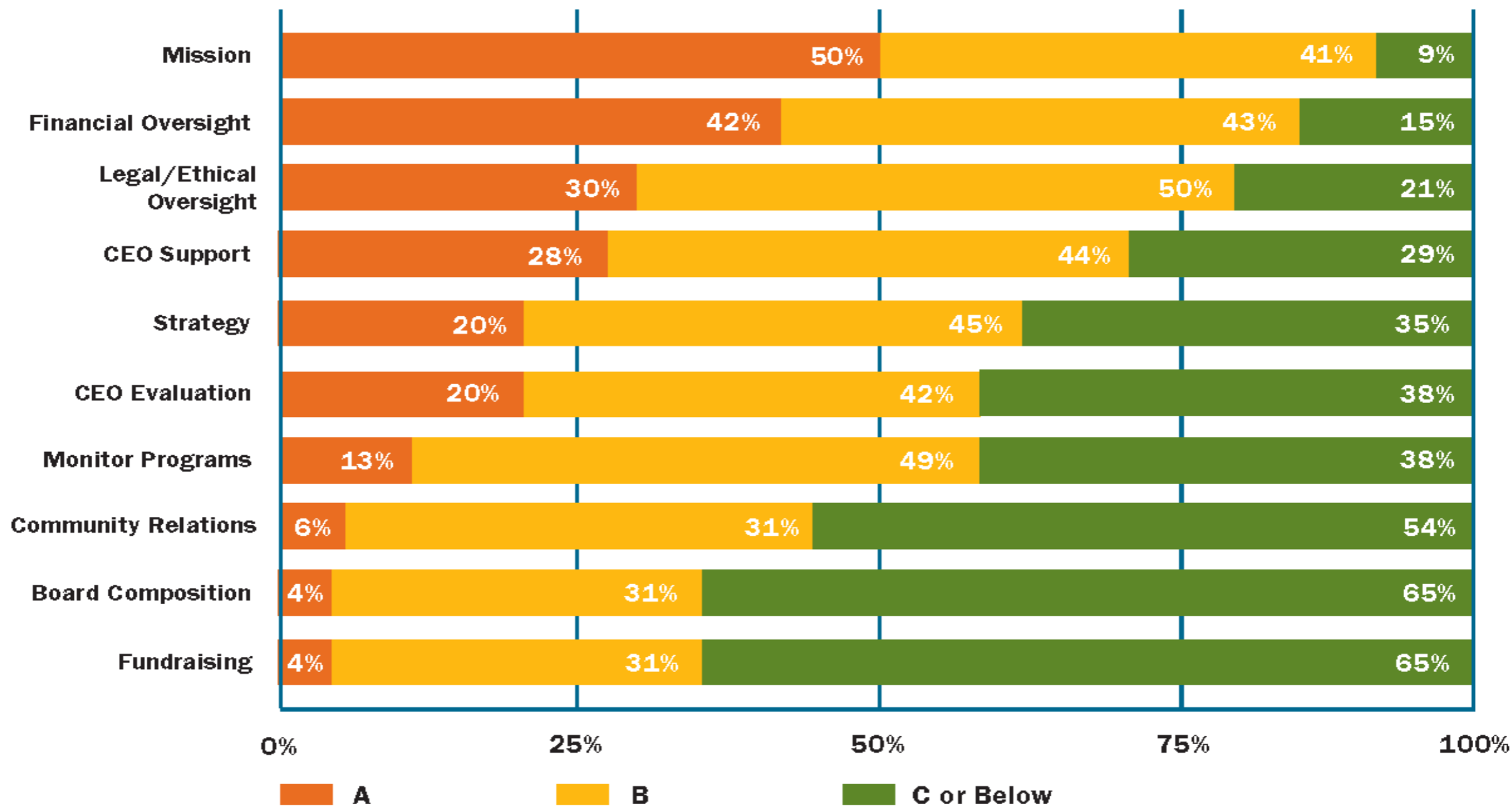


Would you rather...

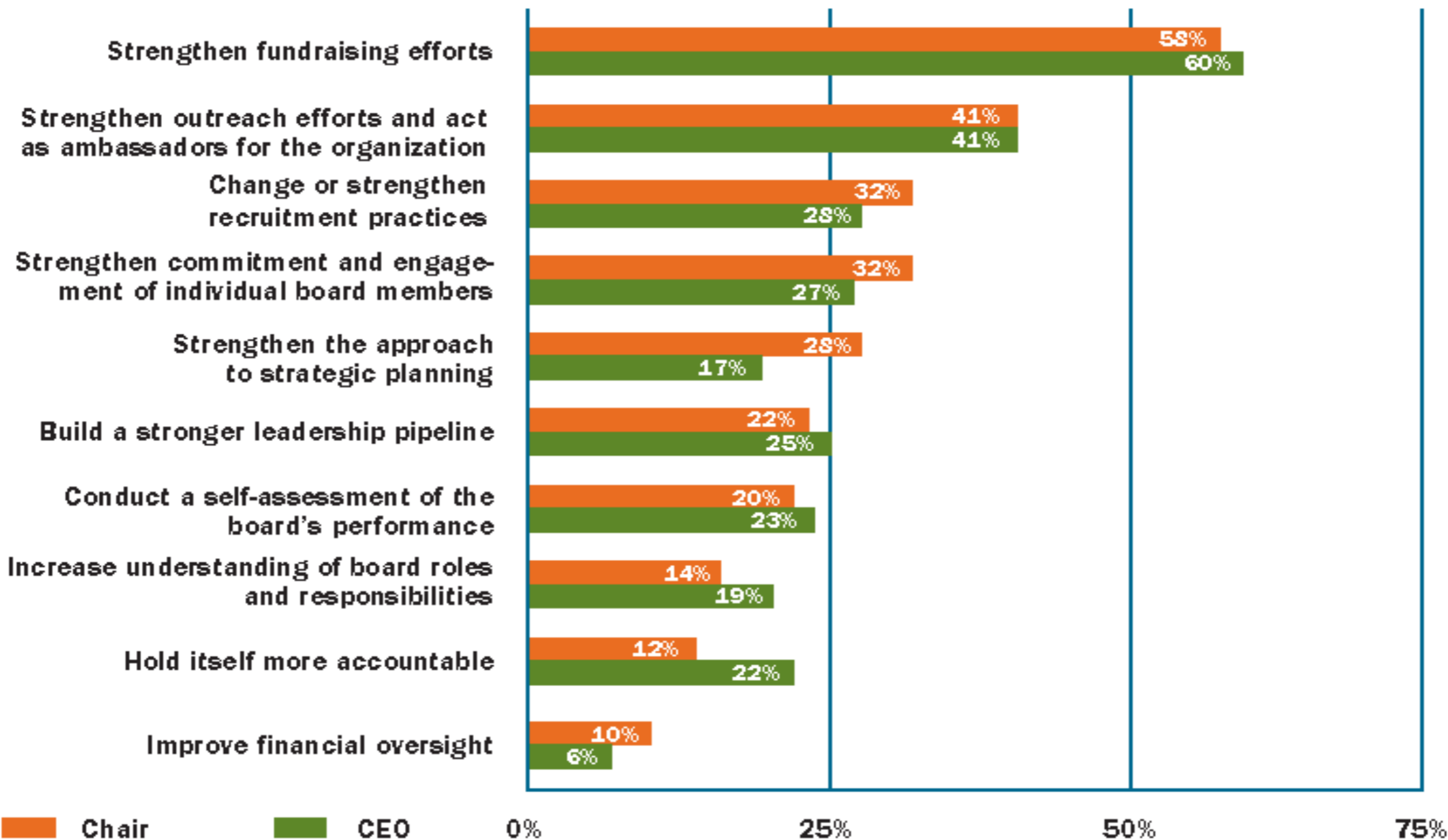
A.
Solicit funds for
your
organization

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 for the strategic plan
- 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 (varies based on org resources)

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 and/or resource development plan with specific goals
- Develop donor cultivation and solicitation plan, including:
 - identification of prospects
 - Prep solicitation team
 - Schedule meetings
- Prepare regular reports
- Maintain stewardship of

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

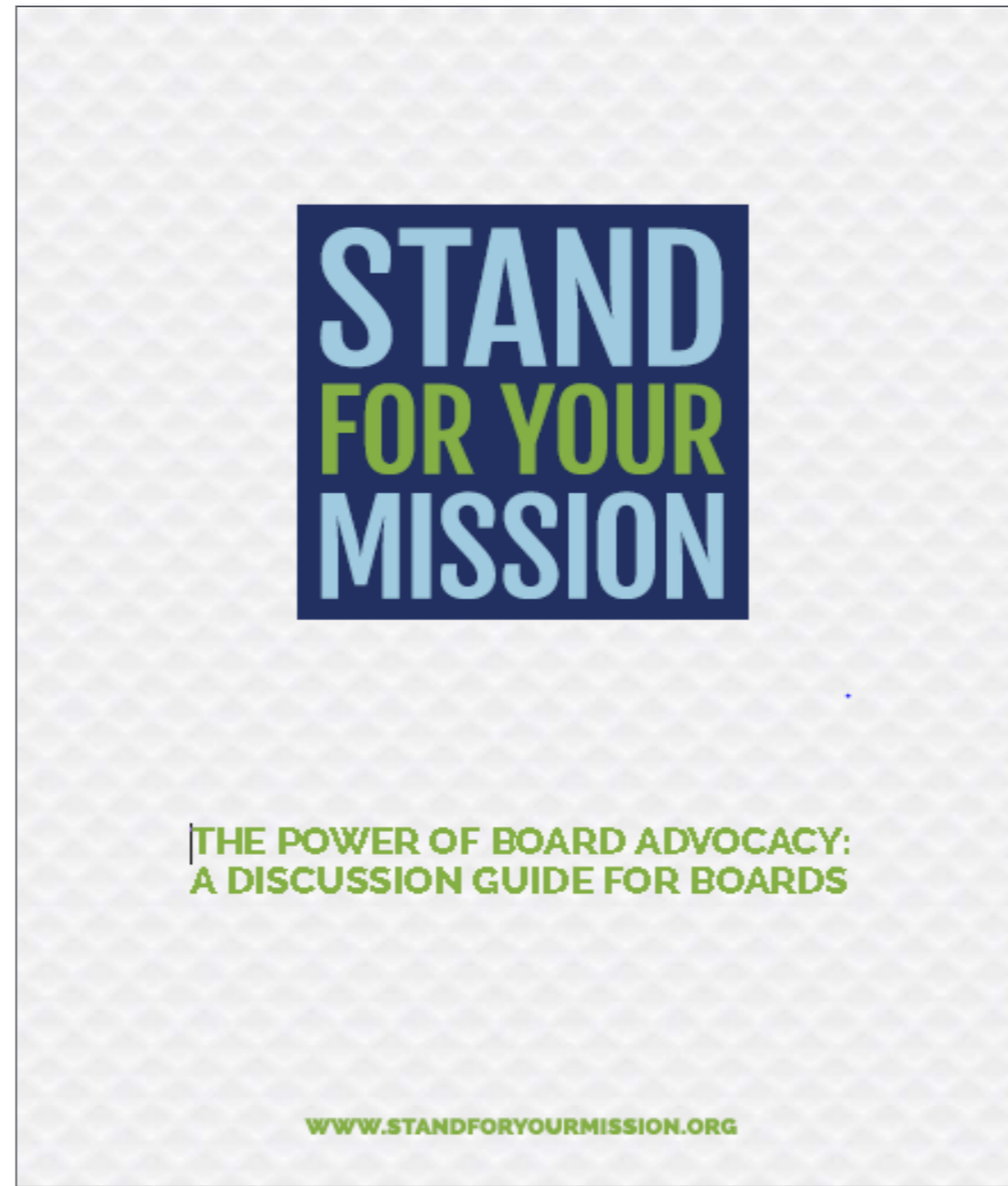
Ambassadors for the Mission

Board members are essential to successful community outreach, advocacy, and fundraising, and they have more work to do.

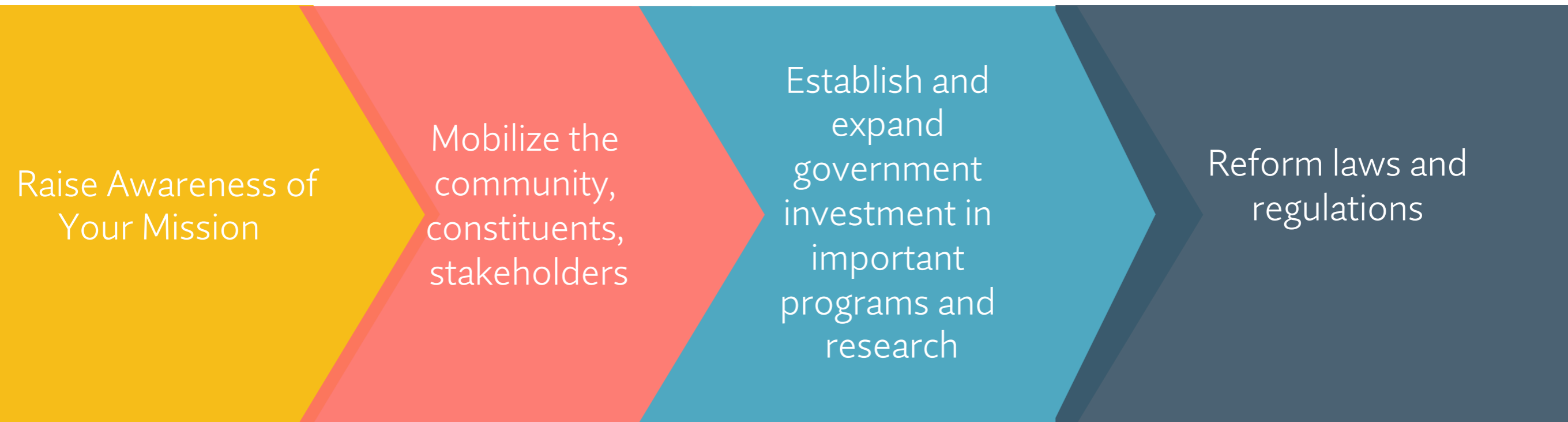
41% of chief executives identified ambassadorship as an area most in need of improvement.

Less than one-half of boards are apprised of or participate in their organization's advocacy activities.

Getting Started - Advocacy



Benefits of Advocacy



Source: Center for Lobbying in the Public Interest

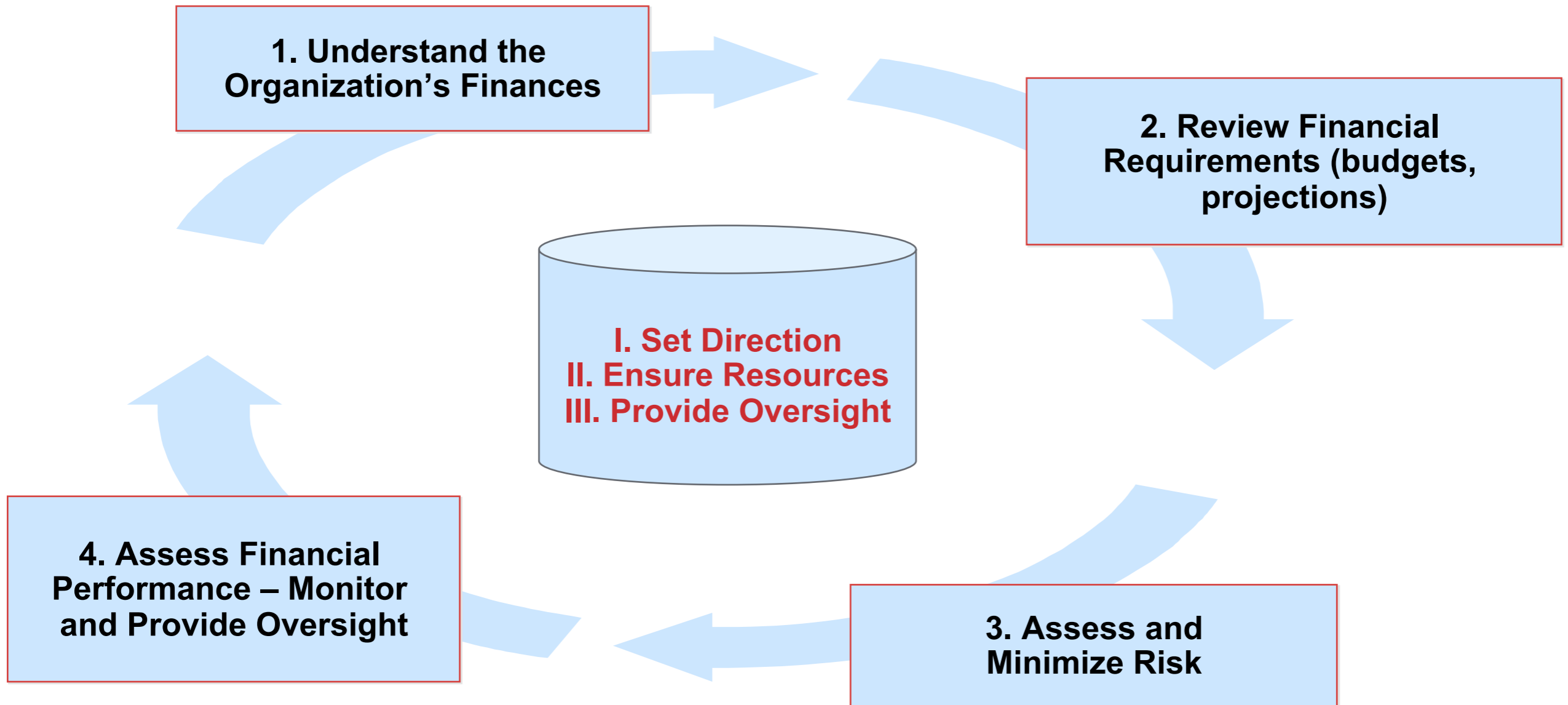
Fiscal Oversight

The board's role is to ensure:

- financial integrity and solvency
- safeguards and procedures are in place to protect the organization

- signs of financial trouble are acted on
- financial practices follow state and federal laws
- an annual audit is conducted, when appropriate

Board Role in Financial Oversight



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?

Adequate Financial Management

The **full board** participates in various ways;

- Ensures adequate resources
- Ensures budget execution
- Participates in the strategic discussion and approves the Annual Budget

Ensure Budget oversight

- Has a functioning Finance Committee, Audits and Investments Committees.
- Provides regular updates and financial reports to the full board.

Ensure Internal Controls

II. Strategic and Program Planning



More and more boards are...

Involving the entire board in discussing the future, not just a committee or task force

Holding an annual board retreat, which usually includes reviewing the mission

Creating and incorporating organizational values

Developing a “framework” instead of “plan” or in addition to – a framework is more open, 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?

Use of Dashboards

Why and How?

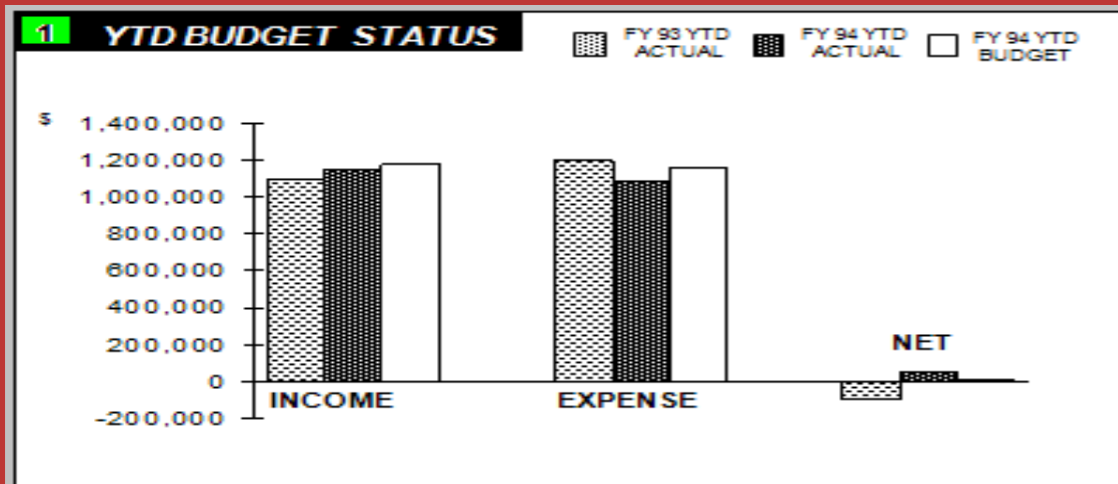
What is the value of using a dashboard?

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

Sample Dashboard

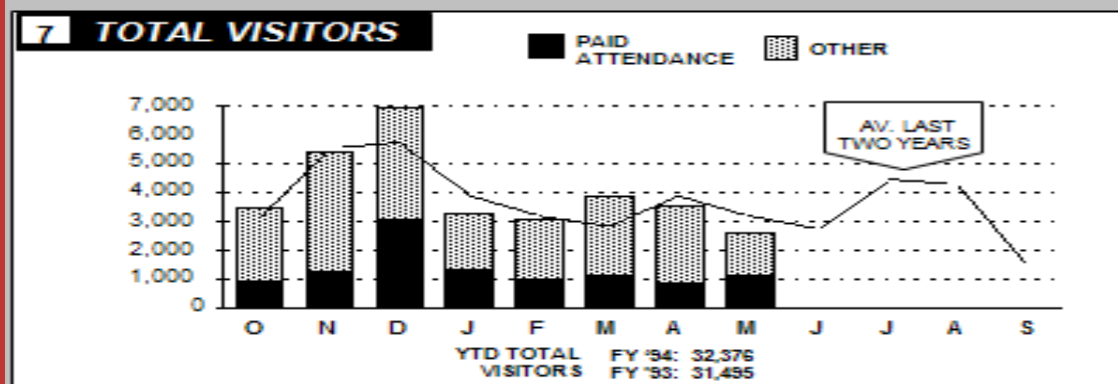
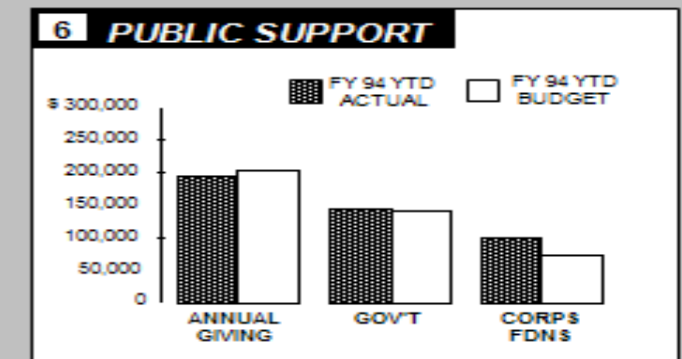
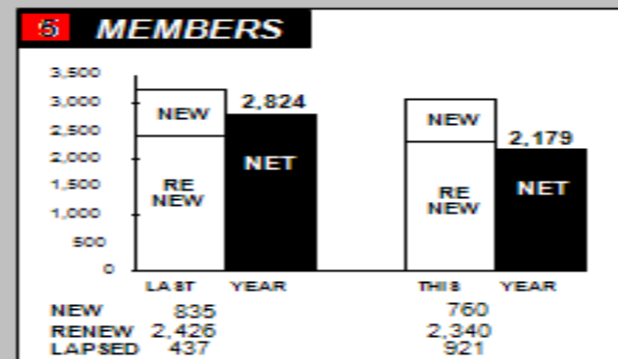
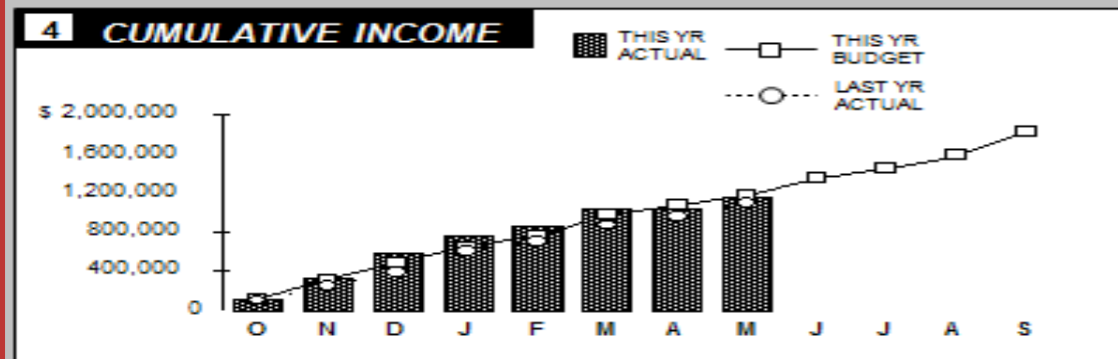
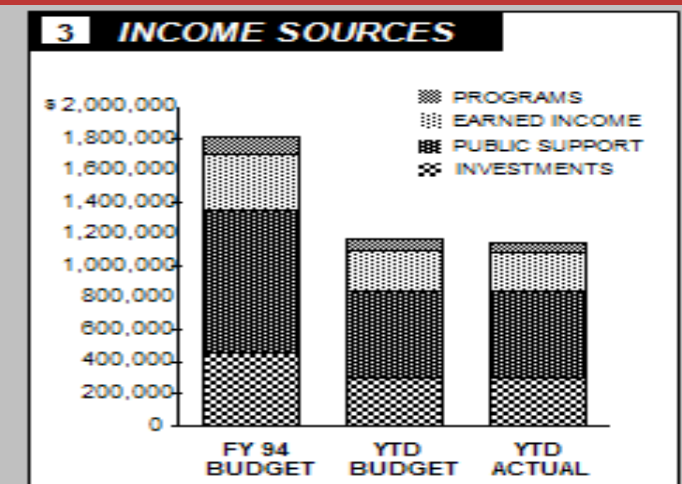


2 SUPPORTING DATA

YTD \$	'93 ACT	'94 ACT	'94 BUD
INC	1,099,550	1,146,569	1,174,845
EXP	1,193,264	1,090,188	1,162,444
NET	(93,714)	56,380	12,401

INCOME SOURCES

	'93 ACT	'94 BUD
PROGRAMS	66,343	76,730
EARNED INCOME	234,157	250,450
PUBLIC SUPPORT	542,129	543,725
INVESTMENTS	303,940	303,940



HIGHLIGHTS

5 MEMBERSHIP: Total membership declined by 645 since last year -- or 22.8%. More troubling is that over twice as many members lapsed during this period -- 921 compared to 437. Had the lapses remained constant, our membership would have declined by only 5.7%.

1 BUDGET STATUS: Income is ahead of last year but below budget. By controlling expenses, YTD net is significantly greater than last year and almost 5x this year's budget.

III. Performance Evaluation



Board Assessments

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

The board and CEO will assess the board's performance regarding the roles and responsibilities of nonprofit boards. These questions are organized into the 9 sections listed below. This slide includes some of the questions included in the Board Self-Assessment.



Mission



Strategy



Funding and Public Image



Board Composition



Program Oversight



Financial Oversight



CEO Oversight



Board Structure



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-Assessment



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

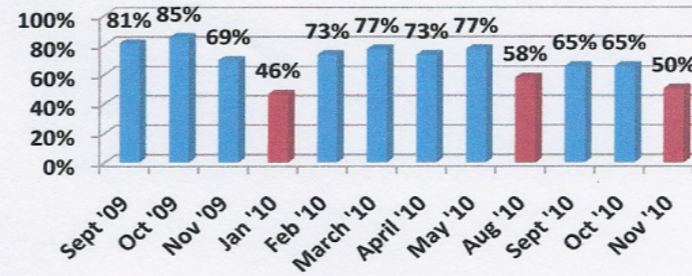
Secured special event new donor
Identified new annual giving donor
Personally joined Presidents Society
Other

TOOL: Governance Dashboard

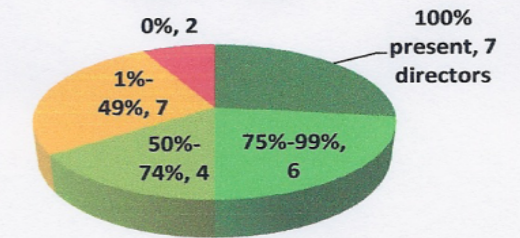
What You Measure will More
Likely Become Reality

ACME Nonprofit for Everything Good Board of Directors Dashboard as of January 2011

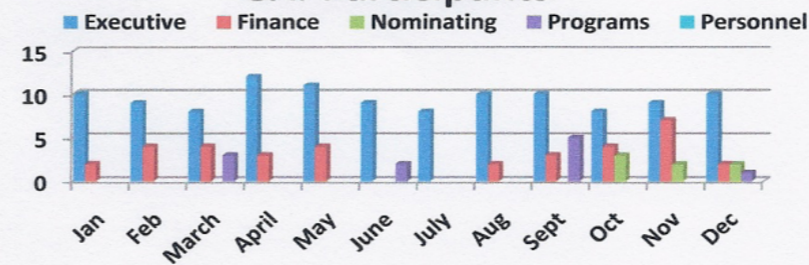
**% Board Meeting Attendance
(26 Members; 9 Meetings Annually)**



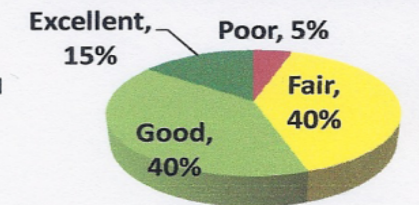
Individual Member Attendance



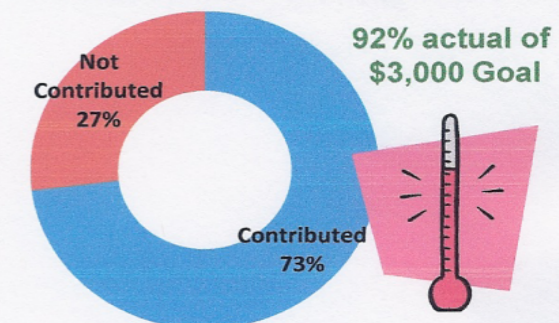
**Committee Meetings
& # Participants**



Overall Rating of Last Board Meeting



Director Contributions



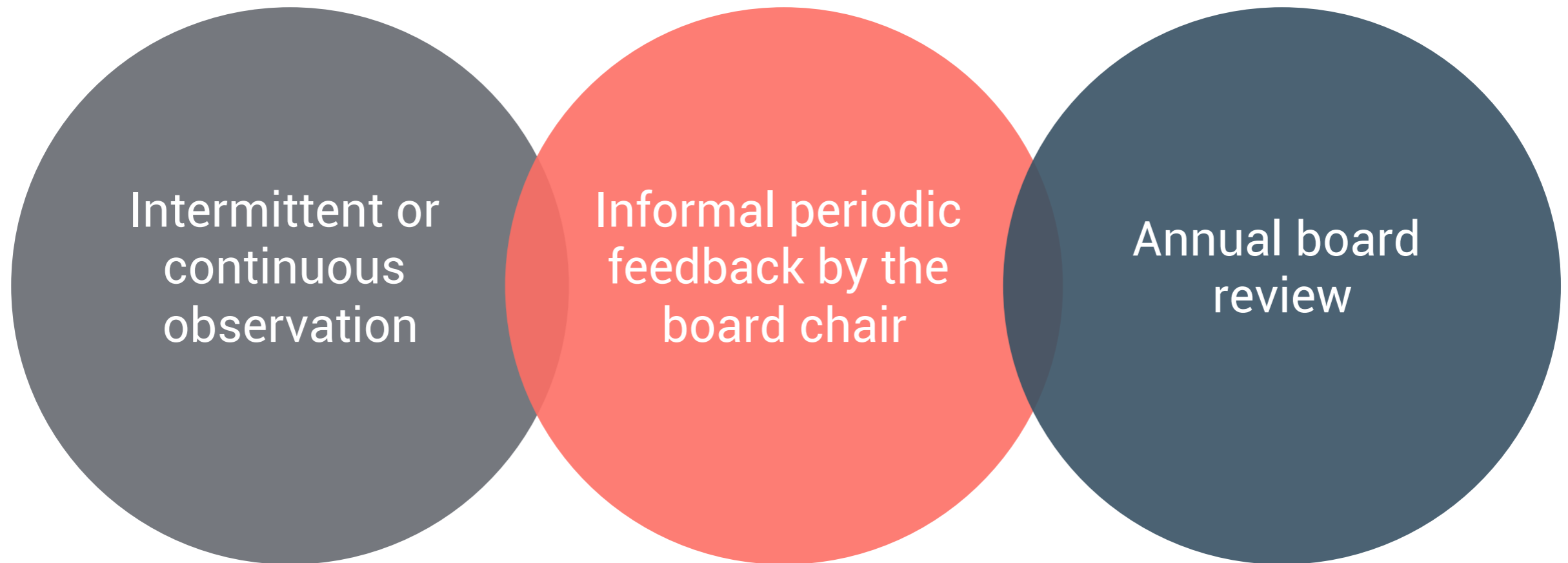
Other Board Actions:

- 100% completed required signed COI Annual Disclosure
- 49% sent advocacy letters in 2010
- 35% attended most recent Community Info Event
- 15% made thank you calls to sponsors
- 3 board positions still open
- Carryover project from '09 & '10— CEO Succession Plan

Priority	Organization Goal/Objective	Status
A	ACME is growing its programs & services	
5	Innovate new and improved activities	
2	Recruit/retain necessary volunteers	
1	Reach an increasing number of participants	
9	Maintain funding commensurate with service delivery	
10	Validate workplan initiatives against expected results	
B	ACME's policy voice is sought out and influential on "Everything Good"	
3	Be the primary source for data, policy examples, & best practices information	
8	Educate key decision-makers	
C	ACME is the premier network/partner for like-minded orgs	
4	Engage state/local groups as active participants in forums	
6	Develop "inter/intra-state" solutions/standards	
7	Share best practices among groups	

\$Finance Tweet: Income -17% (contributions & investments), but expenses cut (2 staff positions) for slight year-end surplus 2 stabilize "6-month" net assets\$

Types of Chief Executive Assessments



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

Core Competencies

- Articulate a clear vision
- Engage the board in meaningful strategic thinking
- Develop 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

Engaging the Board

- Maintain effective working relationship with the board, characterized by open communication, respect, and trust
- Provide board members with appropriate information needed to support informed decision making and effective governance
- Engage board members collectively and individually

Cultivating a Healthy Organization

Minimize risk – ensure appropriate, up-to-date policies and procedures are in place

Ensure compliance with legal and regulatory requirements

Present annual budget and financial statements in a timely and accurate manner for review

Achieving Impact

1. What are the key priorities for the next year and the related expectations?
2. What are relevant benchmarks- internal and external? Do you know the baseline?
3. What will the CEO, the board, and the staff need to do to advance the organization?

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 (CEO, 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 partners
- New donors
- A strong board
- A CEO transition
- A new strategic plan or new direction

Questions?



Thank You

BoardSource
750 9th Street, NW
Suite 650
Washington, DC 20001

Phone (202) 349-2500
Web site: www.boardsource.org