

How to Build a More Effective Board ©

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Workshop Objectives

- To gain added understanding of board roles, responsibilities, and effective operations
- To review the relationship between the board and the staff, especially the executive director
- To consider steps in the board building cycle
- To identify ways in which participants' own boards may be strengthened

Characteristics of Effective Boards

- Know their roles and responsibilities
- Focus on issues that make a difference
- Have knowledgeable and committed members
- Agree on how to operate
- Work as a team
- Evaluate their performance

Board Roles and Responsibilities

The Board is the Organization's Legal Guardian

- Boards have been granted **AUTHORITY** to make decisions on behalf of their organizations
 - by organizational supporters and by the government
- Boards must be **ACCOUNTABLE** for organizational performance
 - to organizational supporters, to the government, and to the community

Key Board Roles

- **Establish direction**
- **Ensure Resources**
- **Provide accountability**

Board Role: SET DIRECTION

- **MISSION:** Why does the organization exist?
- **VISION:** Where are we going?
- **GOALS:** What must we accomplish to get there?
- **VALUES:** What are the principles that will guide us as we move forward?

Board Responsibility for the Mission

- **The mission statement should be a guide to everything the organization does**
- Needs to be reviewed from time to time and changed when necessary

Board Role: ENSURE RESOURCES

- Identify resources needed
 - Funds
 - Leadership (executive director and board)
 - A good reputation
- Establish policies for how these resources will be acquired
- Determine how board members will participate in resource development

Board Role: PROVIDE OVERSIGHT

- Program
- Financial policies and practices
- Laws and ethical standards

Board Responsibility for Program Oversight

- **Monitoring:** Are we doing what we set out to do? Are we accomplishing what we planned to accomplish?
- **Evaluating:** Are we doing the right things? Are the programs effectively meeting the needs we are here to address?

Board Responsibility for Financial Oversight

- Establish budget guidelines
- Oversee financial management
 - Ensure that necessary financial policies are in place
 - On a regular basis, review financial statements, understand what they say, and ask questions when things are not clear
 - Arrange for audit and review audit report

Risk Management

- Purpose: to safeguard organization's assets
 - People, finances, property, reputation
- Identify risks
- Avoid or minimize risks
- Share risks (insurance)

Board Responsibility for Legal and Ethical Operations

- Ensure compliance with legal requirements
- Articulate and safeguard organizational values
- Avoid conflict of interest
- Hold everyone associated with the organization accountable
 - Paid and volunteer staff
 - The board and its members

Effective Board Structures and Operations

Boards are Dynamic Organisms

- Responsibilities change as the organization changes
 - Size of budget, staff, volunteer force
 - Program visibility and reputation
- The organization changes as the environment changes
 - Economy, political situation (domestic and international)
- A board must be responsive to changing needs

Effective Board Meetings

- Agendas focus on strategic issues rather than on administrative detail or listening to reports
- Board members are prepared
- Board members have opportunities for asking questions and discussing issues
- Information is presented clearly
- Decisions are made and understood

Committees

- **Need a clear charter:** What is each committee responsible for achieving? By what time?
- **Understand basic role:** Advisory to the board or carrying out an organizational task?
- **Report appropriately to the board:** in writing, stating purpose of the report

Board / Staff Relations

Board Responsibility for Staff

- **The board has only one staff member: the executive director.**
 - The executive hires and manages all other staff
- The board hires, supports and evaluates the executive
- If necessary, dismisses the executive

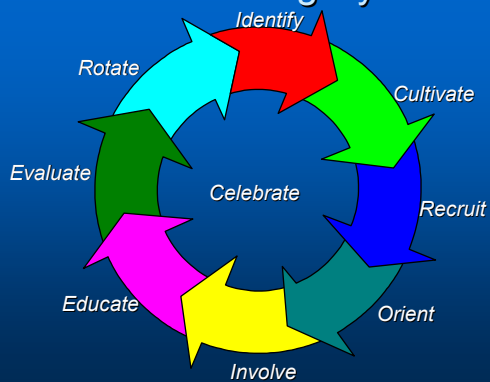
The Board/Executive Partnership

- **The board governs** the life of the organization
 - has ultimate responsibility
 - is accountable to the public trust
- **The executive coordinates and directs** the affairs of the organization
 - has immediate responsibility
 - is accountable to the board

The Board Executive Partnership

- Organizational health depends on an effective and flexible partnership which
 - requires everyone to clarify assumptions
 - benefits from regular and systematic feedback and assessment
 - may need redefinition as the organization develops in size and complexity

The Board Building Cycle



Identify Board Needs

- In order for a board to do the job needed by its organization over the next few years,
 - what knowledge and skills are needed?
 - what perspectives must be present around the table?
 - what connections and other resources will be needed in order for the organization to reach its goals?

Cultivate New Board Members

- Identify possible sources of board members who would help fill the board's needs
- Identify individuals who might be good candidates
- Develop relationships with them – get them interested in the organization's programs
- Invite them to serve on a committee or task force

Recruit New Board Members

- When inviting individuals to stand for election to the board,
 - **Let them know what is expected of them** in terms of attendance, participation in the work of the organization, financial contributions, and participation in fund-raising
 - Let each person know why he or she would be a valuable possible addition to the board
 - Invite questions and elicit their interest in serving

Orient New Board Members

- **Using a variety of methods**
 - written materials, orientation sessions, mentors
- **Orient new members to**
 - the organization
 - its history, programs, finances, and issues
 - the board
 - recent minutes, board list, committee list and descriptions, meeting schedule, board responsibilities and ways of operating

Legal Duties of Nonprofit Board Members

- **Obedience:** obedience to the mission must guide all decisions
- **Care:** paying attention, asking questions, financial oversight
- **Loyalty:** avoiding conflict of interest and perceived conflict of interest

Involve New Board Members

- Discover areas of interest and abilities
- Assign them specific responsibilities
- Provide a mentor/board “buddy”
- Seek feedback on their experience
- Hold them accountable
- Express appreciation of work well done

Educate Board Members on a Continuing Basis

- Provide information and encourage exploration of important issues related to the organization’s mission
- Develop shared understandings of board roles and responsibilities
- Involve board members in figuring out how to deal with difficulties facing the organization

Evaluate the Board’s Performance

- Identify areas of strengths and areas where improvement would be desirable
- Encourage board member self evaluation
- Develop and follow through on improvement strategies
- Create a culture of continuous improvement
- Use evaluation to create a team approach

Rotate Board Membership

- To avoid a “hardening of the arteries” of the board, establish and respect term limits
- Do not automatically re-elect; consider the board’s needs and board members’ record
- Invite board members who are not active or productive to step aside and leave room for people who can do what is needed

Celebrate Achievements

- Energy for further efforts is generated by celebration of achievements, big and small
- Build the board team by celebrating board member "good news" whether or not it has anything to do with the board or the organization.
- Make room for humor and a good laugh!

Action Planning

Based on ideas shared during this workshop, what will you propose to your own board for how to become more effective?

Evaluation

Assess the effectiveness of your board

Efficient

Effective

Enjoyable experience

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