

Board Member Bootcamp

Mae Maloney, MSW
Leaders On Board
Leadership Greater Hartford



LEADERSHIP
GREATER
HARTFORD

Virtual Meeting Norms



We want to see you! Turn your camera on, if possible.



We will keep you muted to minimize background noise and distractions.



raise hand

Raise your hand via the Zoom icon or in the camera.



Use the chat feature to ask questions and make comments!



We will have a formal break at about 1PM.

Welcome!

Leadership Greater Hartford

- Leadership Greater Hartford (LGH) develops, connects and inspires diverse leaders to build strong and vibrant communities.
- Leaders On Board (LOB) trains candidates on board service and helps them find organizations looking for new board members.



Mae Maloney, MSW
Senior Program Director
Leadership Greater Hartford
Pronouns: she, her, hers



Session Objectives

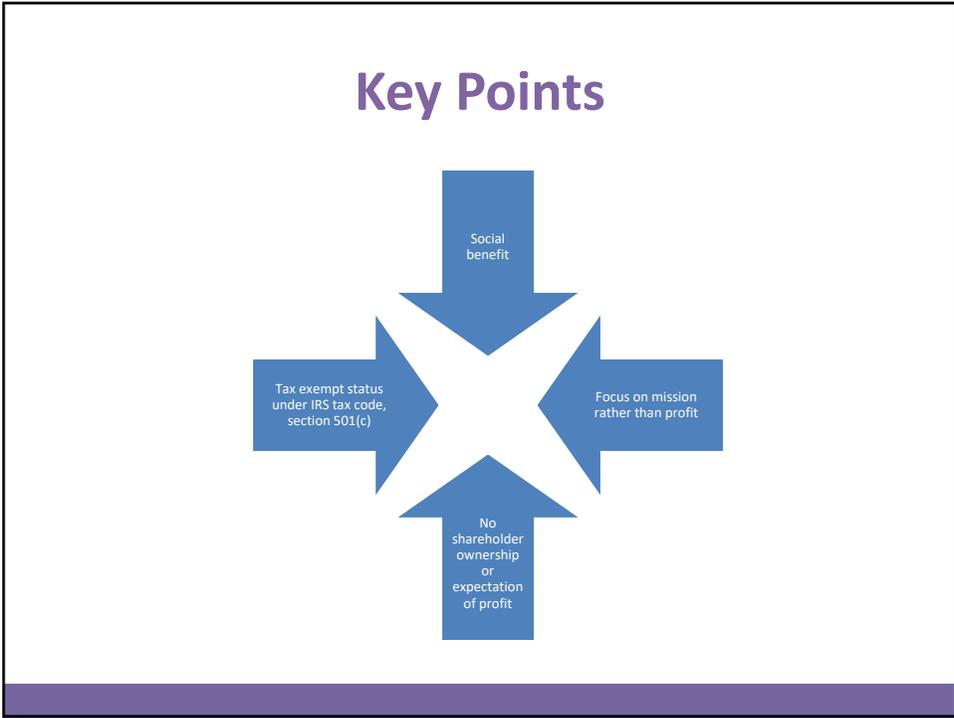
Participants will learn:

- The definition of a 'nonprofit' organization
- Ten basic responsibilities of nonprofit boards
- Individual board member responsibilities
- Differences between the roles of the board, individual board members and staff
- Common issues that face nonprofit boards

Your Turn!

- Share your name and organization
- What is something you hope to learn today?
- If you could have a nonprofit superpower, what would it be?





Nonprofits In Connecticut

(as of 2018)

All Nonprofits **18,602**

501(c)3 Public Charities **11,860***

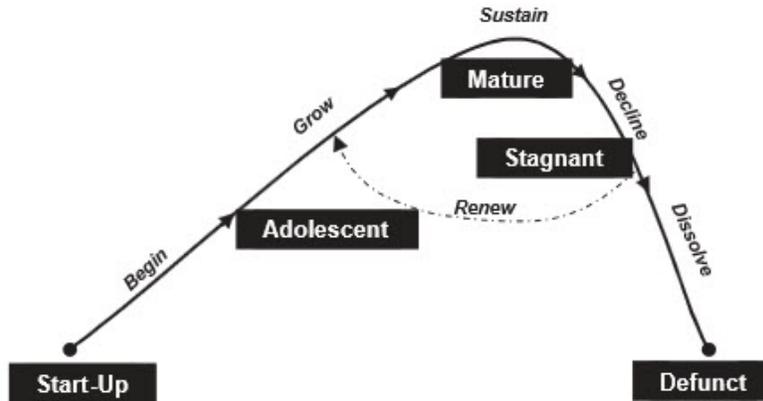
*(up 12.7% since 2013)

Total Revenue **\$ 27,749,714,350**

Total Assets **\$ 73,001,637,801**

Source: National Center for Charitable Statistics at the Urban Institute,
10/2018

Nonprofit Life Cycles

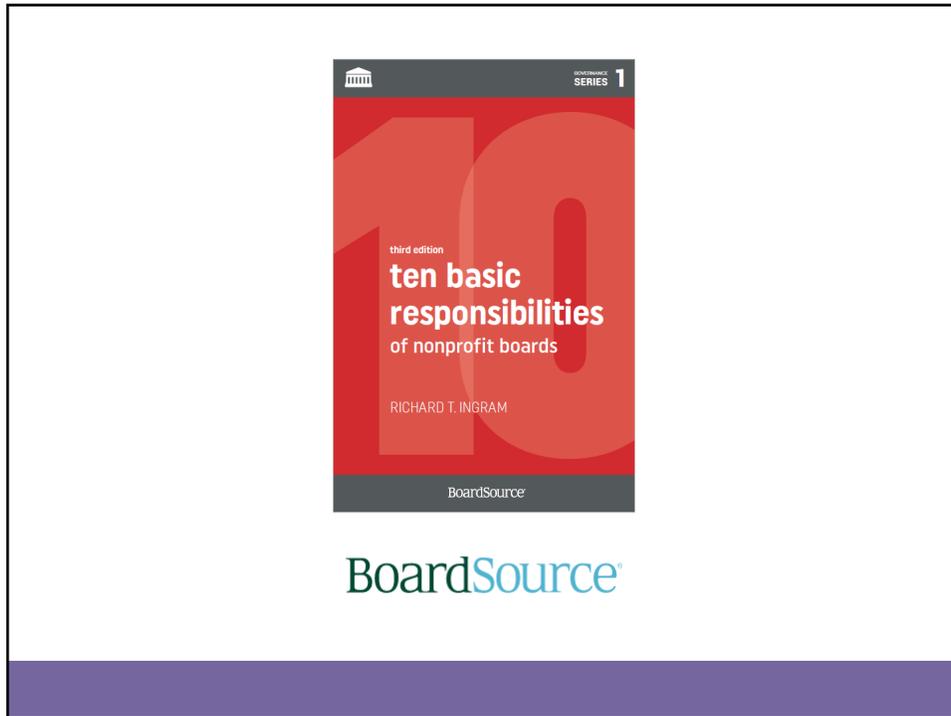


Nonprofit Boards



The Board **IS** the organization, and is accountable to:

- ✓ Public trust
- ✓ Attorney General
- ✓ Internal Revenue Service
- ✓ Members (if you have them)
- ✓ Donors
- ✓ Mission (including beneficiaries)
- ✓ Cooperating Organizations
- ✓ Employees



Ten Basic Responsibilities

1. Determine mission and purposes, and advocate for them.
2. Select the chief executive.
3. Support and evaluate the chief executive.
4. Ensure effective planning.
5. Monitor and strengthen programs and services.
6. Ensure adequate financial resources.
7. Protect assets and provide financial oversight.
8. Build and sustain a competent board.
9. Ensure legal and ethical integrity.
10. Enhance the organization's public standing.

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1. Determine mission and purposes, and advocate for them.



Be Sure

Make certain mission is clearly stated and enthusiastically supported



Review

Periodically review mission statement to ensure usefulness, currency



Ensure

Ensure mission guides planning, board and staff decision-making, fundraising, etc.



2. Select the Chief Executive

- One of the board's most important actions
- Clearly define what is needed/expected from the ED/CEO before beginning search
- Plan for succession



3. Support and Evaluate the Chief Executive



Effective board chair-CEO relationship is key to effectively sharing responsibilities



Performance goals tied to strategic plan



Provide ongoing feedback, keep process healthy and constructive



4. Ensure effective planning

CEO often establishes planning process with Board leadership

Board ensures comprehensive planning occurs

Participates in strategic planning process

Formally approves agreed-upon outcomes

Uses goals to guide budgeting/other priorities

5. Monitor and strengthen programs and services.

Ensure current and proposed programs align with mission

Ask key questions, such as:

What data will help us assess effectiveness, financial condition and programmatic activity?

What difference are we trying to make?

How do we know we are making a difference or succeeding at our mission?

Clarify board and staff roles in evaluating program effectiveness



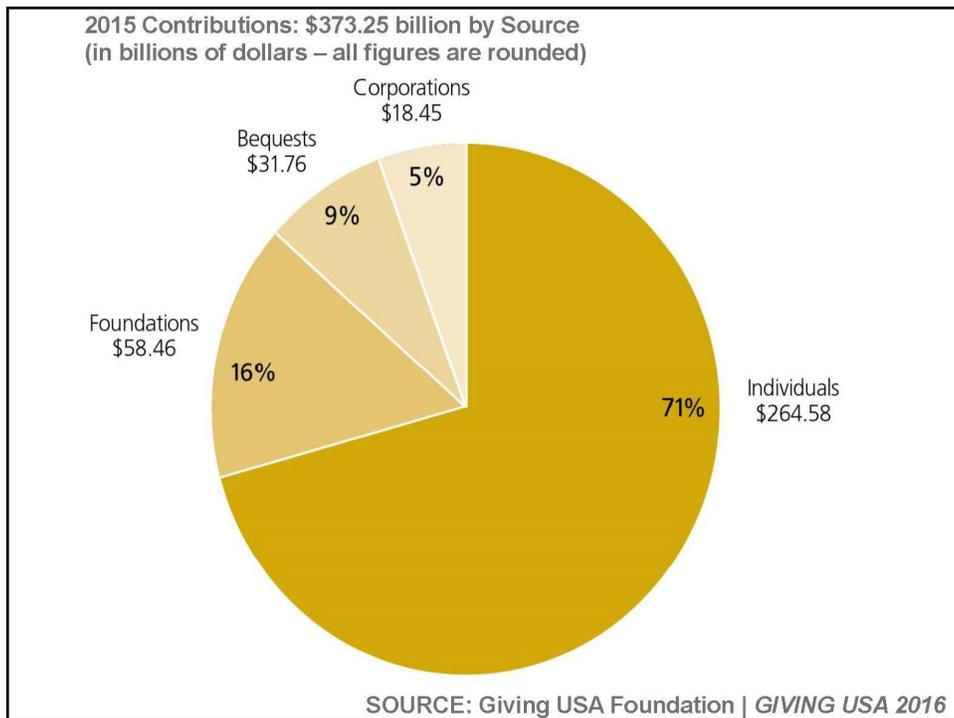
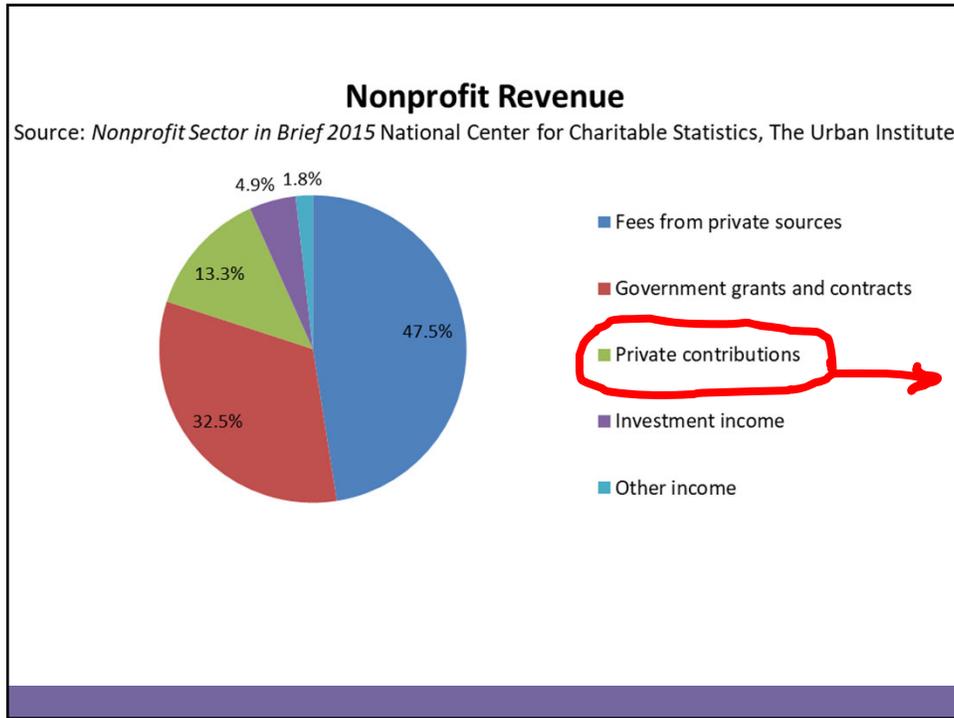
Library of Sample Dashboard Indicators

This library of sample indicators is illustrative of the types of indicators organizations have used. They do not represent best practices nor are they necessarily recommended. The appropriateness of indicators will vary greatly based on the type of organization, its strategic direction and the specific management and leadership questions it is currently addressing.

Category	Indicator	Target	Range Key		
			Celebrate	Monitor	Act Now
Fund Development					
	New major donors	5 or more	5 or more	3	2
	Major donors introduced by a board member	5 or more	5 or more	3	2
	Donors who gave \$100+ last yr.; renewed this yr.	56% or more	> 56%	40-55%	< 30%
	Fundraising event revenue - net	> \$20,000	> \$20,000	\$18K- 20K	<= \$15,000
	Surplus / deficit compared to budget	within 3%	w/in 3%	3-10%	>10%
	Unrestricted liquidity	> 1.0	> 1.0	1	< 1.0
	Unrestricted contributions (funding diversity)	20% or more	>= 20%	10-20%	< 10%
	On track to meet individual goal	\$550K	>500	500-550	<500
	Board Giving	100%	100%	90-100%	<90%
	Advisory Board Giving	75%	80-100%	60-80%	<60%
	Board involvement	100%	100%	90-100%	<90%
	# of new foundations	10	10 to 12	7 to 9	<6

6. Ensure adequate financial resources.

Work	Support	Identify	Lead
<ul style="list-style-type: none"> • Work with staff leadership to ensure effective balance of revenue streams (earned income, gifts and grants) to support the mission 	<ul style="list-style-type: none"> • Support a culture of philanthropy with the organization 	<ul style="list-style-type: none"> • Identify sources of private support, engage with and thank donors in concert with the development staff and plan 	<ul style="list-style-type: none"> • Lead by example – personal philanthropy



7. Protect assets and provide financial oversight.



Review and approve how the agency budgets, spends and generates income



Establish and follow financial and investment policies that balance short/long-term needs



Verify that the organization's financial systems and practices meet accepted standards



Safeguard the organization's reputation by ensuring transparency and avoiding even the appearance of conflict of interest

Starting a Nonprofit SAMPLE Organizational Operating Budget

20XX 20XX 20XX

SUPPORT & REVENUE			
Contributions (Individual and Corporate)			
Foundation Grants			
Government			
Fees			
TOTAL REVENUE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENSES*			
Wages & Related Costs			
Programs [insert specific]			
Programs [insert specific]			
Programs [insert specific]			
Facilities			
General Administration			
Other			
Fundraising			
TOTAL EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Surplus/(Deficit)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

8. Build and sustain a competent board.

- Often led by the Governance Committee
- Key responsibilities:
 - Clarify expectations for all board members
 - Assess board member performance and that of the board itself



9. Ensure legal and ethical integrity.

- **Compliance** – ensure organization adheres to appropriate federal and state laws, and its own by-laws and articles of incorporation
- **Transparency** – establish policies and ensure documentation of finances and compensation, publish annual reports and respond to reasonable requests for information
- **Accountability** – ensure organization adopts ethical standards for board and staff, has procedures for disclosure, records retention, audits and reports



Check Out the Organizations...

Articles of Incorporation: an official statement of creation of an organization, filed with the Secretary of State's office.

Bylaws: the legal operating guidelines for a board.

Code of Conduct: the formal or informal ethical standards expected of every member.

Conflict of Interest Policy: (a) requires those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and (b) prohibit interested board members from voting on any matter in which there is a conflict.

10. Enhance the organization's public standing.

- **Advocating for your mission** – understand how public policy impacts your organization, help connect with policymakers to advance mission
- **Communicating with the public** – be prepared to explain what you do and how it benefits the public, how funds are used (elevator speech)



STRETCH BREAK

5 minutes



**Nonprofit
boards have
legal authority
to exercise their
responsibilities,
individual board
members do
not.**



Legal Duties of a Nonprofit Board Member

Care	Pay attention to the organization's activities and operations
Loyalty	Put the interests of the organization before personal and professional interests
Obedience	Comply with applicable federal, state and local laws; adhere to the organization's bylaws; and remain the guardians of the mission

Avoiding Conflicts

Serve	Serve the organization as a whole rather than any special interest
Avoid	Avoid even the appearance of conflict of interest that might embarrass the organization
Disclose	Disclose any possible conflicts
Maintain	Maintain independence and objectivity
Accept/offer	Never accept/offer favors or gifts from/to anyone who does business with the organization

Meetings

- Be prepared for, and participate conscientiously in meetings
 - Ask timely and substantive questions
 - Maintain confidentiality of executive sessions
- Never speak for the organization unless authorized to do so
 - Suggest meeting agenda items



General Expectations

- Know the organization's mission, purpose, goals, policies, programs, services, and needs
- Serve in leadership positions and take on special assignments willingly and enthusiastically
- Avoid prejudiced judgement on the basis of information from individuals or staff members
- Follow trends in the field
- Bring goodwill/sense of humor to deliberations
- Suggest appropriate nominees

Relationship with Staff

- Counsel the ED/CEO as appropriate, and provide support in difficult situations
- Avoid asking staff for favors or special requests unless in consultation with ED/CEO or board chair
- Remember that the ED/CEO is responsible for assessing staff performance, not the board



Fundraising

- Give an annual gift in line with your means
- As a board member, the organization should be one of your top charities
- Remember that giving one's time and expertise are not substitutes for giving financial support
- Assist the development committee and staff by identifying donors and implementing fundraising strategies

Discussion Scenario

Common Issue #1: Decreased Funding

Your board is concerned about a significant decrease in the amount of funding that the state will be providing for your organization's services. The board expects revenues to decrease by about 30% in the coming fiscal year and is considering what actions to take.

- **What actions might a board take in an organization with a paid executive director and staff?**
- **How would this be different for an all-volunteer organization?**

Discussion Scenario

Common Issue #2: Staff Performance

Your organization has begun to initiate a number of new programs. The board is impressed but concerned about "mission creep" as some programs do not relate directly to the organization's mission. Others are concerned that the staff is being stretched too thin. The board is considering what actions to take.

- **What actions might a board take in an organization with a paid executive director and staff?**
- **How would this be different for an all-volunteer organization?**

Report Outs



