

Board Member Bootcamp



1

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 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.

2

Welcome!

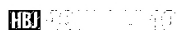
Leadership Greater Hartford

- 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.



3

A Bit About Me...



Windsor
Education
Foundation



JOURNEY HOME

4

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

5

Your Turn!

In the chat....

Your name and organization

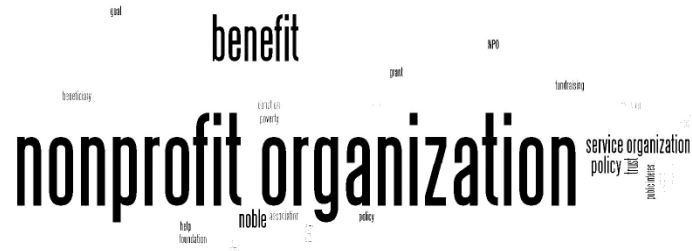
What you hope to learn today

Your favorite quarantine activity



6

What is a nonprofit?



7

What is a Nonprofit?

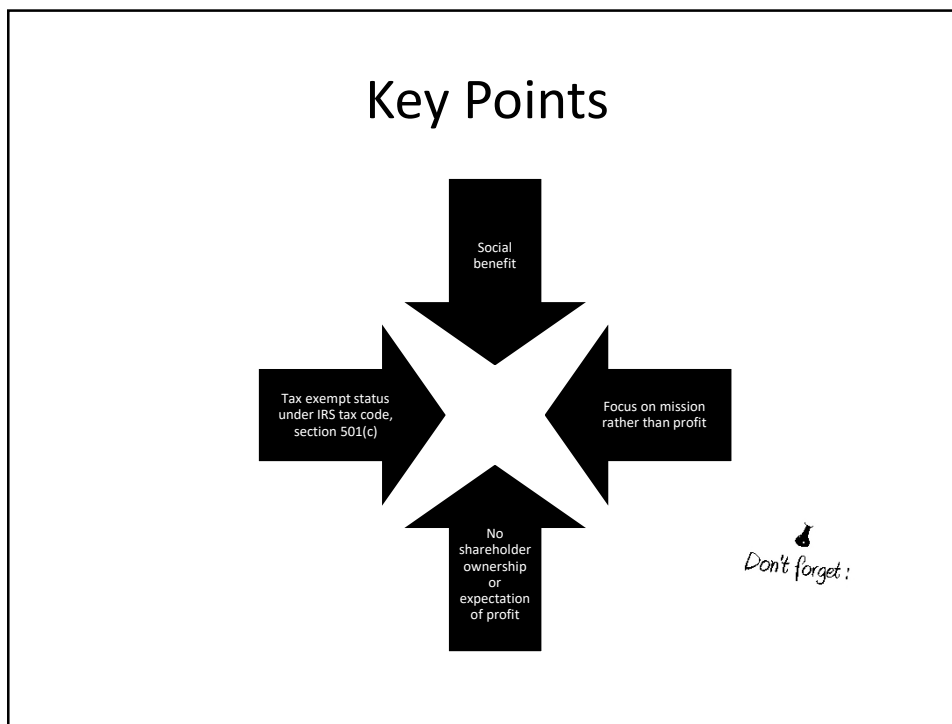
Groups that are tax-exempt under Internal Revenue Code Section 501(c)(3) as "public charities" because they are formed to provide "public benefit."

- The National Council of Nonprofits

A nongovernmental organization established for purposes other than profit making.

- BoardSource

8



9

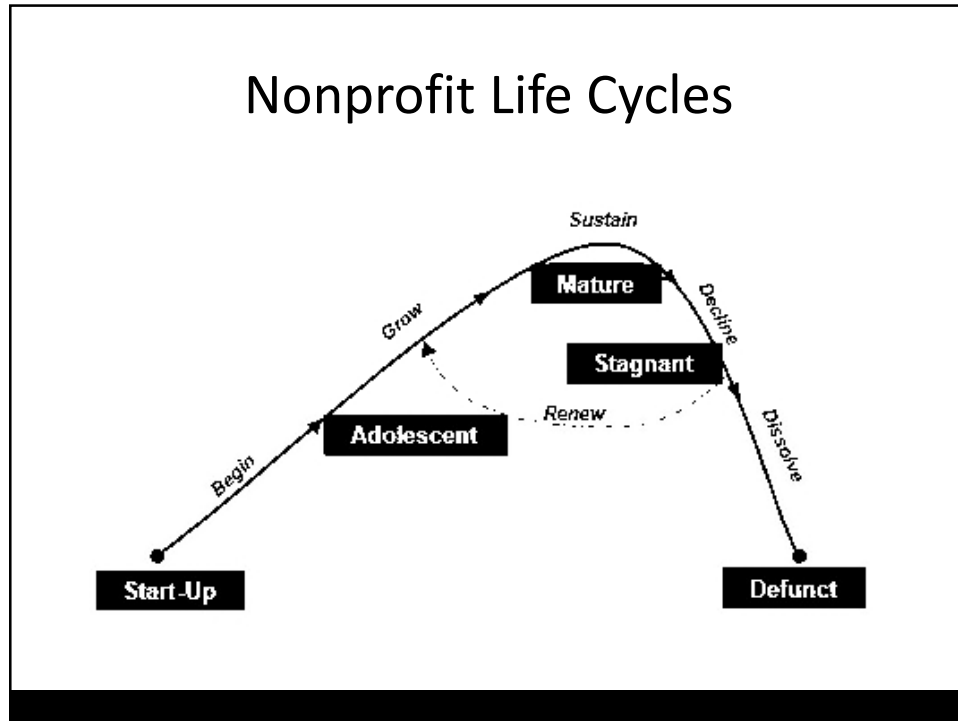
Nonprofits In Connecticut

(as of 2018)

All Nonprofits	18,602
501(c)3 Public Charities	11,860*
	*(up 12.7% since 20013)
Total Revenue \$ 27,749,714,350	
Total Assets \$ 73,001,637,801	

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

10




11

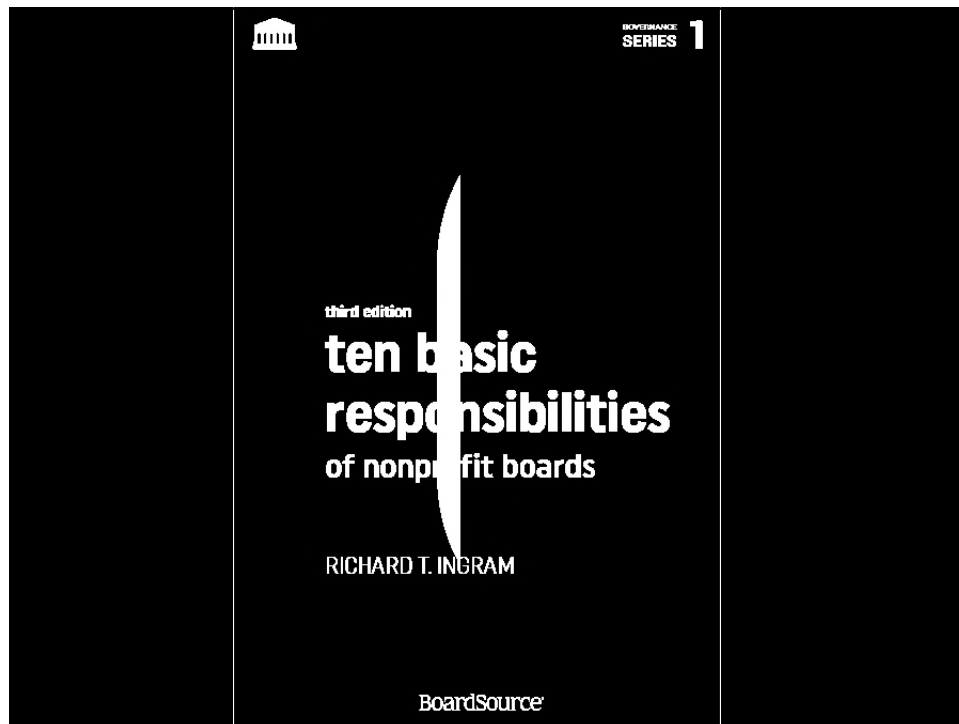
Nonprofit Boards

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



12



13

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.

14

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

Ensure mission is clearly stated and enthusiastically supported

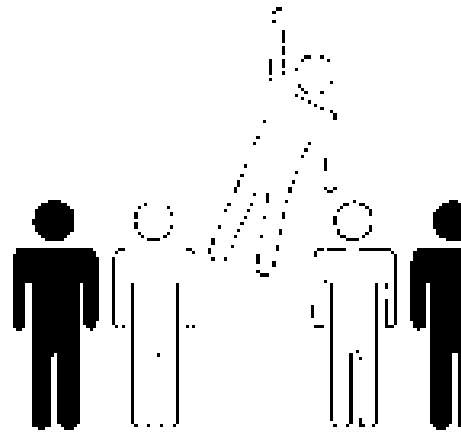
Periodically review mission statement to ensure usefulness, currency

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

15

2. Select the chief executive.

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



16

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

17

4. Ensure effective planning

18

5. Monitor and strengthen programs and services.

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?

19

Compass

NON-PROFIT SERVICES

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		
Fund Development			Celebrate	Monitor	Act Now
	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	>550	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

20

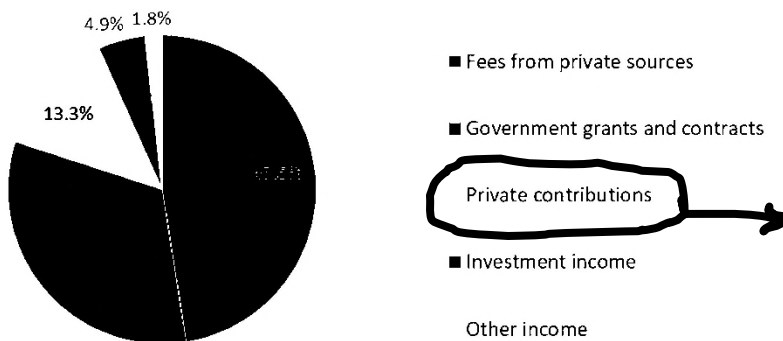
6. Ensure adequate financial resources.

Work	Support	Identify	Lead
Work with staff leadership to ensure effective balance of revenue streams (earned income, gifts and grants) to support the mission	Support a culture of philanthropy with the organization	Identify sources of private support, engage with and thank donors in concert with the development staff and plan	Lead by example – personal philanthropy

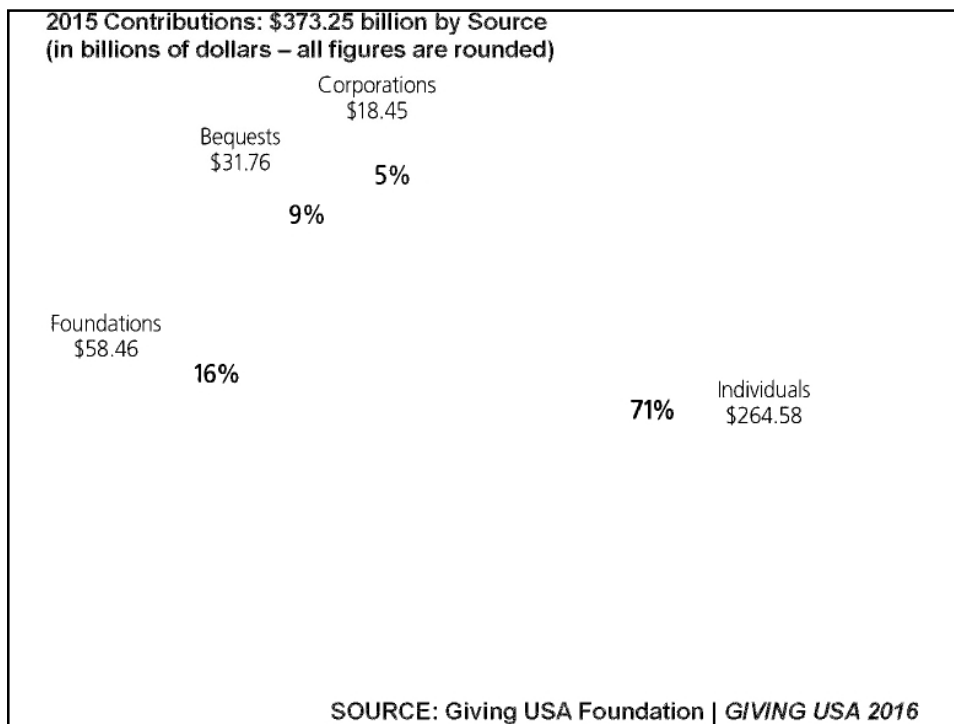
21

Nonprofit Revenue

Source: *Nonprofit Sector in Brief 2015* National Center for Charitable Statistics, The Urban Institute



22



23

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

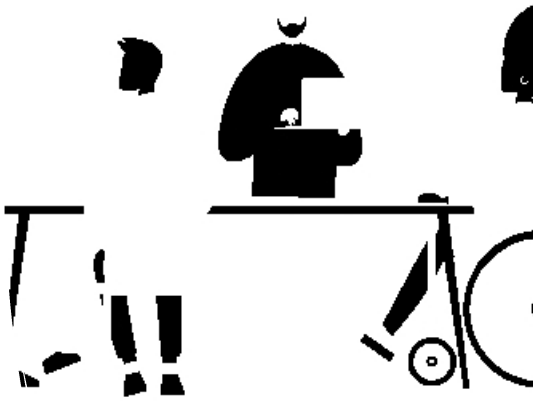
24

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>


25

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



26



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

27

Check Out the Organizations...

28

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)



29

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



30

Legal Duties of a Nonprofit Board Member

Pay attention to the organization's activities and operations

Put the interests of the organization before personal and professional interests

Comply with applicable federal, state and local laws; adhere to the organization's bylaws; and remain the guardians of the mission

31

Avoiding Conflicts

Serve

Serve the organization as a whole rather than any special interest

Avoid even the appearance of conflict of interest that might embarrass the organization

Disclose any possible conflicts

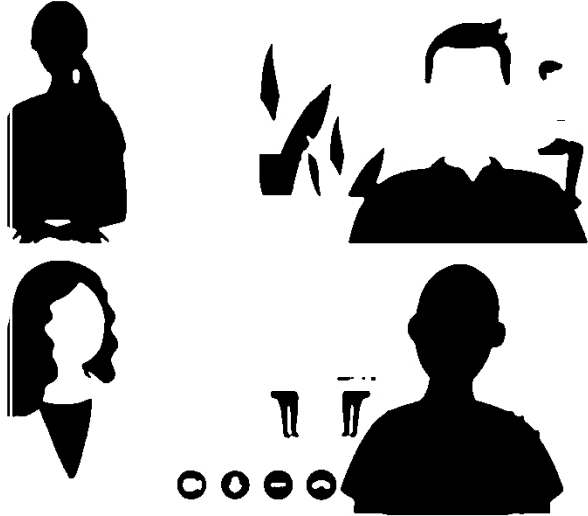
Maintain independence and objectivity

Never accept/offer favors or gifts from/to anyone who does business with the organization

32

Meetings

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



33

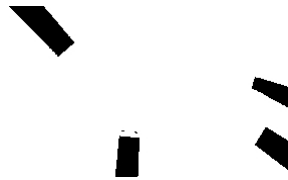
General Expectations

- 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

34

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



35

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

36

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?**

37

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?**

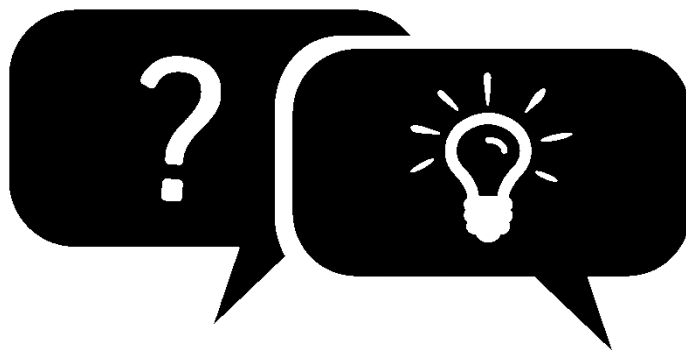
38

Report Outs



39

Questions / Discussion



40

