

Creating & Maintaining an Effective Board

November 17 & 18, 2015

Workshop Leader: **Kay Sohl**



How Close to Purrfect is Your Board?



Role? People? Energy?

Your Board's Fit for Your Nonprofit



on a scale of 1 to 5

Workshop Topics

- Board strength & effectiveness
- Assessment approaches & tools
- Perspectives, skills, & relationships
- Recruitment & engagement strategies
- Next Steps

www.kaysohlconsulting.net

Reality of Board Effectiveness

- Core principles
- Context dependent


www.kaysohlconsulting.net


Core Board Roles


- Mission & priorities
- Oversight
- Liaison with community
- Ensure availability of resources


www.kaysohlconsulting.net

Organizational Context

Emerging  Established

Informal  Institutional


Volunteer  Staffed

Member  Non-member

www.kaysohlconsulting.net

Funding Context

Donations



Earned Income Government

www.kaysohlconsulting.net

Evaluating Board effectiveness requires clarity about Board goals

www.kaysohlconsulting.net

Board Goals

- **Distinct** from organizational goals
- Set within organizational **context**
- Focus on greatest **opportunities** for the Board to **add value**
- Ensure **accountability & sustainability**
- **Measureable**

www.kaysohlconsulting.net

Board Assessment Goals

- Increase Board effectiveness
- Build Board engagement
- Raise difficult issues
- Clarify support/training needs
- Optimize the use of Board member time & energy

www.kaysohlconsulting.net

Board Assessment Approaches

- Board conversations
- Confidential survey
- External expert

www.kaysohlconsulting.net

Conversation Assessments

- One-on-one
- Committee by committee
- Full Board discussion with skilled facilitator
- Staff role in conversation approach?

www.kaysohlconsulting.net

Board Member Surveys

- On-line or on paper
- Board Source – varied service & pricing packages
- Compass Point – free download
- Create your own

www.kaysohlconsulting.net

Using Survey Info

- Skillful summary of strengths, challenges, & issues
- Starting point for discussion
- Avoid “report card” approach

www.kaysohlconsulting.net

External Expert Role?

- Facilitator
- Consultant
- Trainer
- Monitor/ Evaluator

www.kaysohlconsulting.net

Productive Assessments

- **Raise issues & lead to resolution of barriers to effectiveness:**
 - Clarify Board roles
 - Generate process improvements
 - Facilitate redesigning structures to better fit current needs
- **Increase Board commitment**

www.kaysohlconsulting.net

Assessments Clarify Board Composition Needs

- Strengths of current Board
- Missing pieces – missing skills, relationships, leadership styles, etc.
- Impact of departure of current leaders
- Future Board needs

www.kaysohlconsulting.net

Finding the Right Mix

- Expertise/skills
- Networks/ relationships
- Interests/desires
- Time
- Leadership
- Process skills

www.kaysohlconsulting.net

Key Recruitment Challenge

- Growth/change in organization involves changes in Board roles ... which may require Board members who are different from current members
- Current members tend to know people similar to themselves

www.kaysohlconsulting.net

Moving Beyond the Known



www.kaysohlconsulting.net

Finding the Right New Members

- Clarify your **needs**
- Explore potential **motivations**
- Treat donors, colleagues, former Board members, funders, & other stakeholders as **key informants**
- Ask for introductions to individuals who can provide **leads**

www.kaysohlconsulting.net

Focus on People not Slots

- Shared values
- Diverse experiences & perspectives
- Relationships & credibility
- Leadership & follow-through
- Time & interest
- Communication comfort zone

www.kaysohlconsulting.net

Prepare for New Members

- Identify a **point person** for Board engagement
- **Engage continuing Board members** in supporting new members
- Create **cohort** for new members
- Populate the cohort with individuals who can **support one another**

www.kaysohlconsulting.net

90 Day Reality

- Each new Board member must **“make a difference”** within the first 90 days of their service
- If it doesn't matter whether I was there or not, it will be easier to not be there.

www.kaysohlconsulting.net

Structures for Engagement

- **One-on-one check-ins** with Board leaders and/or Executive Director
- Annual **Board retreat** with reflection on Board accomplishments & challenges
- Individual **commitment forms**
- **Board development leader**

www.kaysohlconsulting.net

Next Steps?

- Discuss Board roles & goals
- Consider assessment
- Identify missing persons & perspectives
- Redesign structure for Board engagement
- Other steps ???

www.kaysohlconsulting.net

Resources

- **Board Source Board Self Assessment online tool**
• <http://www.boardsource.org/Assessments/home.asp>
- **Compass Point free Board self assessment**
• <http://www.compasspoint.org/board-cafe/self-assessment-board>

www.kaysohlconsulting.net

Resources

- **Leadership Walla Walla**
<https://www.wbcc.edu/about-wbcc/partnerships/leadership-walla-walla/>
- **Washington Society of CPAs posting of board service opportunities**
<http://www.wscpa.org/Content/Careers/Volunteer.aspx>
- **Volunteer Match**
• <http://www.volunteermatch.org/search/index.jsp?l=Seattle%2C+WA%2C+United+States&k=board+service>

www.kaysohlconsulting.net

Board Composition Worksheet

Enter the number of your present board members
who fit within the following categories

SEX:

Male _____
Female _____

INCOME LEVEL:

Subsistence _____
Low Income _____
Middle Income _____
Upper Income _____
High Income _____

YEARS OF SERVICE ON THE BOARD:

Under 1 year _____
1 - 2 years _____
2 - 3 years _____
3 - 4 years _____
4 or more years _____

EXPERTISE/EXPERIENCE:

Financial/Accounting _____
Financial/Planning _____
Investments _____
Facilities Construction,
Rehab, & Maintenance _____
Personnel _____
Program _____
Organizational Development _____
Planning _____
Fund Raising _____
Parliamentary Procedure _____
Group Facilitation _____

RACE/ETHNIC:

Black _____
Hispanic _____
Native American _____
Asian _____
Caucasian _____
Other _____

AGE:

Under 21 _____
21 - 29 _____
30 - 39 _____
40 - 49 _____
50 - 59 _____
60 & up _____

POSITION:

Officers _____
Committee Chairs _____
Active on a Committee _____
Attend 80% or more
Board meetings _____

EXPERTISE/EXPERIENCE:

Volunteer Coordination _____
Legal Issues _____
Insurance _____
Gvmt Relations _____
Contracts Compliance _____
Neighborhood Contacts _____
Client Contacts _____
Service Club Contacts _____
Church/Religious Contacts _____
Political Contacts _____
Public Relation/
Media Contacts _____



Board Orientation Checklist

Board Orientation Process:

- ◆ Orientation packet
- ◆ Special orientation meeting
- ◆ Personal phone call or meeting with an experienced Board member
- ◆ Follow up personal contact after first three months of Board service

_____ New Board members receive written notice of their election to the Board stating dates the term begins and ends, regular meeting dates, times, places, and information about the Board orientation program. Also the roles and responsibilities of a nonprofit Board member and the organizations' Board member agreement or contract

Board Orientation Packet:

_____ Statement of purpose or mission (if developed and adopted by the Board)

_____ Brief overview of agency programs and services

_____ Agency annual report with financial statement for past fiscal year

_____ Bylaws

_____ Personnel Policies if brief, or brief overview of personnel system for larger organization including: staff organization chart, number of professional and non-professional staff, identification of any unions or employee bargaining associations, date of last major revision of Personnel Policies.

_____ Policy statement and procedures which have been formally adopted by the Board

_____ Alphabet Soup: Glossary of abbreviations and acronyms used to refer to agencies and programs with which this organization is connected

_____ List of all Board members' names, addresses, phone numbers, and terms of office

_____ List of committees with chairperson identified. If committees have regular meeting times and places, these are included. Board organization chart showing committee and sub-committee structure.

- _____ Most recent financial statements and current annual budget
- _____ Minutes for most recent Board meeting
- _____ Listing of facilities owned or rented by organization for its operations, including address, staff member in charge, and general purpose of the facility

Board Orientation Meeting:

- _____ Opportunity for personal introductions among new and experienced Board members
- _____ More formal introductions of new Board members by the nominating committee, highlighting background and credentials for new members
- _____ Brief presentations by experienced Board members explaining Board role and procedures
- _____ Brief presentation by staff about scope of agency's services
- _____ Structured opportunity for small group discussion by interest areas (i.e. financial, personnel, programs, planning, fundraising)
- _____ Clear statement of expectations of Board members, including role in agency fundraising
- _____ Open-ended opportunity for questions from new Board member

Personal Contact with Experienced Board Member:

- _____ Discussion of new Board member preferences for committee assignment
- _____ Brief explanation of upcoming significant Board decisions or events
- _____ Specific commitment to greet the new Board member at the next Board meeting and provide personal introduction to Board members with common interests

Follow Up Contact After Three Months of Service:

- _____ Opportunity for general comments about Board service so far
- _____ Inquiry into involvement with committees - if no involvement yet, discussion of barriers and problem solving
- _____ Request for feedback in orientation process

Checklist for Effective Meetings

Before the Meeting:

- _____ 1. Be clear about the purpose of the meeting.
- _____ 2. Construct the agenda with input from the group including items from previous meetings.
- _____ 3. Each participant receives adequate notice of the **date, time, place**, and **purpose** of each meeting, or the meeting is adequately publicized.
- _____ 4. Participants receive reference material prior to the meeting.
- _____ 5. Participants get a reminder call prior to the meeting. Those who have items on the agenda are checked in with to ensure they are prepared.

During the Meeting:

- _____ 6. The space is set up to maximize the type of interaction appropriate for the meeting and a decision made about whether to have refreshments.
- _____ 7. Begin meetings on time and agree upon the closing time for the meeting at the beginning. Change this time only with consent from the group.
- _____ 8. The agenda for the meeting is announced/reviewed at the beginning and changed only with the consent of the group.
- _____ 9. A timed agenda (which sets limits on the time spent on each item) is used if there is difficulty in covering all the topics within the overall meeting time limit.
- _____ 10. The group is warmed up with check-ins or some social sharing to help get folks more present.
- _____ 11. If needed, ground rules are established, agreed upon, and posted so that group members know expectations and can be held accountable to the group standards for participation.
- _____ 12. Information items and decision items are clearly defined.
 - _____ · Information items are brief and relevant
 - _____ · Decision items are discussed at a time when most group members are present
- _____ 13. The limits of the group's decision-making authority are known by all. Decision items are considered in light of the presence or absence of final authority within the group.

- _____ 14. Committee reports recommend action with clearly stated proposals.
- _____ 15. Financial information is presented with written copies for everyone.
- _____ 16. The chairperson or facilitator:
 - _____ · Keeps the discussion on one topic at a time
 - _____ · Helps all participants to be heard
 - _____ · Recaps points of the discussion
 - _____ · Restates proposals clearly
 - _____ · Announces the decisions made on proposals
 - _____ · Refers issues to committees for more detailed work when necessary
- _____ 17. Minutes or notes are maintained which include the date, time, and place of the meeting.
 - _____ · Persons attending and their capacity
 - _____ · Summary of information items
 - _____ · Record of all decisions made
 - _____ · Brief summary of discussions other than decisions
 - _____ · Notes on plans made, tasks assigned, etc.
- _____ 18. All items which are referred to committees and deferred to future meetings are clearly stated in the notes and plans are made for communicating relevant information for those not at the meeting. Dates for future meetings are confirmed.
- _____ 19. A brief oral evaluation of the meeting takes place to provide input for the meeting planners. In ongoing groups, group members can also be asked to evaluate their own participation in an effort to improve group effectiveness.

After the Meeting:

- _____ 20. Meeting summary is provided to participants (when appropriate) in a timely manner.
- _____ 21. Check in and support is provided for participants who have taken on tasks to ensure follow through. Problem solving is provided where participants are encountering challenges in completing assigned tasks
- _____ 22. Go back to number one. You may need a meeting to plan the meeting.



Before You Say Yes Questions to Ask Before Joining Boards

Questions to Ask	Evaluating the Answers
Why do you want me to join your Board?	Do the Board's desires for your involvement match your skills, interests, and time availability?
What is the role of the Board?	Is the role clear? Does the role make sense given the size and stage of development of the organization?
What are your expectations of Board members?	Are Board members expected to make financial contributions? How is the issue of differing abilities to give handled? Are all Board members expected to help with fund raising? Can they describe a way that Board members help with fund raising which fits your style, ability, and willingness?
Has the Board adopted a Conflict of Interest policy? Do they follow it?	Lack of awareness of the need for a Conflict of Interest policy may indicate that the Board is not keeping up with current pressures for charity reform. Having a Conflict of Interest policy and failing to follow it exposes the organization to increased risks.
Does the organization have Directors and Officers liability insurance coverage?	While the risk of being held personally responsible for damages arising from your service as a Board member is extremely low, you may have to defend yourself in the event a lawsuit names Board members as well as the corporation itself. Directors and Officers insurance will cover the cost of your legal defense.
	If the organization does not currently carry Directors and Officers insurance, are they open to discussing obtaining it? Do you think that you will be able to pay enough attention to risk management issues as a Board member to feel comfortable serving without Directors and Officers coverage?

Questions to Ask	Evaluating the Answers
What are the most important choices and challenges which this organization confronts?	Do Board members seem to have a clear picture of the environment in which the organization is operating? Do Board members have clear understanding of the strengths and weaknesses of the organization? Are you interested in the challenges and choices they have identified?
What do Board members consider to be the organization's greatest accomplishments?	Do you consider these accomplishments personally meaningful? Do you feel a deep values connection with what the organization is doing?
What has the Board spent the most time on in Board meetings over the past year?	Do you believe you could make a meaningful contribution to discussion of issues like these? Do the meetings sound interesting to you? Does the use of Board time seem to correspond to the stated role of the Board?
How often does the Board evaluate the Executive Director? How does the Board handle setting the Executive Director's compensation?	Does the level of Board involvement in the evaluation seem appropriate for the size and stage of development of the organization? Does the approach for setting Executive Director compensation seem reasonable for an organization of this size?
What is the long term funding strategy for this organization?	Does the strategy seem consistent with what you have been told about the role of the Board? The current composition of the Board? The choices and challenges identified above? If there is no agreed upon long term funding strategy, are you comfortable joining this Board?
Is the organization audited or reviewed by an independent CPA? Why or why not?	If the organization has annual operating expenses above \$1 million, the lack of an audit or review may indicate under-investment in financial oversight.
Does the Board consider the organization to be in good financial health? Do the Board and management have clear strategies to sustain/improve the financial health?	Do the Board's perceptions about financial health seem reasonable in relationship to the financial statements (see list of info you should request)? Do the strategies to sustain/improve financial health seem consistent with the strategic plan, the role and composition of the Board, and the assessment of the external environment?
Has the organization experienced any allegations of financial mismanagement?	Do you sense an open attitude and Board commitment to financial oversight? Has the organization changed its practices or increased its investment in financial oversight since the allegations arose?

Background written info you'll need:	What to look for:
Website address	<ul style="list-style-type: none"> Review the website for consistency with the description you've been given and for connection with your values and priorities.
Strategic plan/annual report	<ul style="list-style-type: none"> Review the strategic plan/annual report for consistency with the description of Board role and funding strategy you were given above.
Annual audit or review or a copy of the 990 if the organization is not audited/reviewed	<ul style="list-style-type: none"> Review the audit/review or 990 to learn about net worth, including the portion that is restricted either permanently or temporarily.
Current financial statements	<ul style="list-style-type: none"> Review the current financial statements to be sure Board members see the Balance Sheet as well as the Statement of Activities (Revenues and Expenses) with a comparison to budget. Determine whether the organization is operating at a deficit or profit position during the current year. Determine whether the budget appears to have been realistic. Look for notes to financial statements which would help Board members understand what strategies management is recommending to improve the financial condition of the organization.

Background written info you'll need:	What to look for:
Copies of the Board minutes for the past few months	<ul style="list-style-type: none"> Review the Board minutes to see if the reflect the use of Board time which was described to you above. Also, notice whether the minutes provide a clear record of Board action and document that the Board is following its conflict of interest policy.
Conflict of Interest Policy	<ul style="list-style-type: none"> Are By-laws understandable? Do they match what you have been told about the way the Board works?
By-laws	<ul style="list-style-type: none"> Are By-laws understandable? Do they match what you have been told about the way the Board works?
Proof of tax exempt status	<ul style="list-style-type: none"> Find out whether the organization is exempt under Section 501 (c) (3) and whether it has an Advance Ruling or a Definitive Ruling on its status as a Public Charity. If it has an Advance Ruling, ask who is monitoring compliance to be sure that the organization will qualify as a Public Charity at the end of its Advance Ruling period.
Board organization chart which shows committees	<ul style="list-style-type: none"> Review the Board organization chart to see if it is clear and corresponds to the info you've been given. Think about whether any of the committees interest you.
List of Board members and officers	<ul style="list-style-type: none"> Review the Board and officer list to see if you think the composition of the Board is appropriate for the organization's size, type of services, and funding strategy.
Staff organization chart	<ul style="list-style-type: none"> Review the staff organization chart to be sure you understand where the organization is putting its resources. Use this chart as part of your assessment of whether the organization is at high risk.