

# **LEARNING CENTER FOR NONPROFITS: BOARD EXCELLENCE**

**Sponsored by Walla Walla Community College and the Sherwood Trust**

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## ASSUMPTIONS YOU CAN MAKE...

- Board and board member responsibilities are fundamentally the same for all organizations
- How boards and board members actually fulfill their responsibilities will vary greatly
- There is no one generic model of board size, composition, etc., that is viable in all circumstances
- All organizations change over time, calling for periodic review, fine-tuning, and sometimes a complete “face lift” of policies, governance structures, etc.
- Board and board members perform their best when they ask good and timely questions as opposed to “running” programs or implementing their own policies

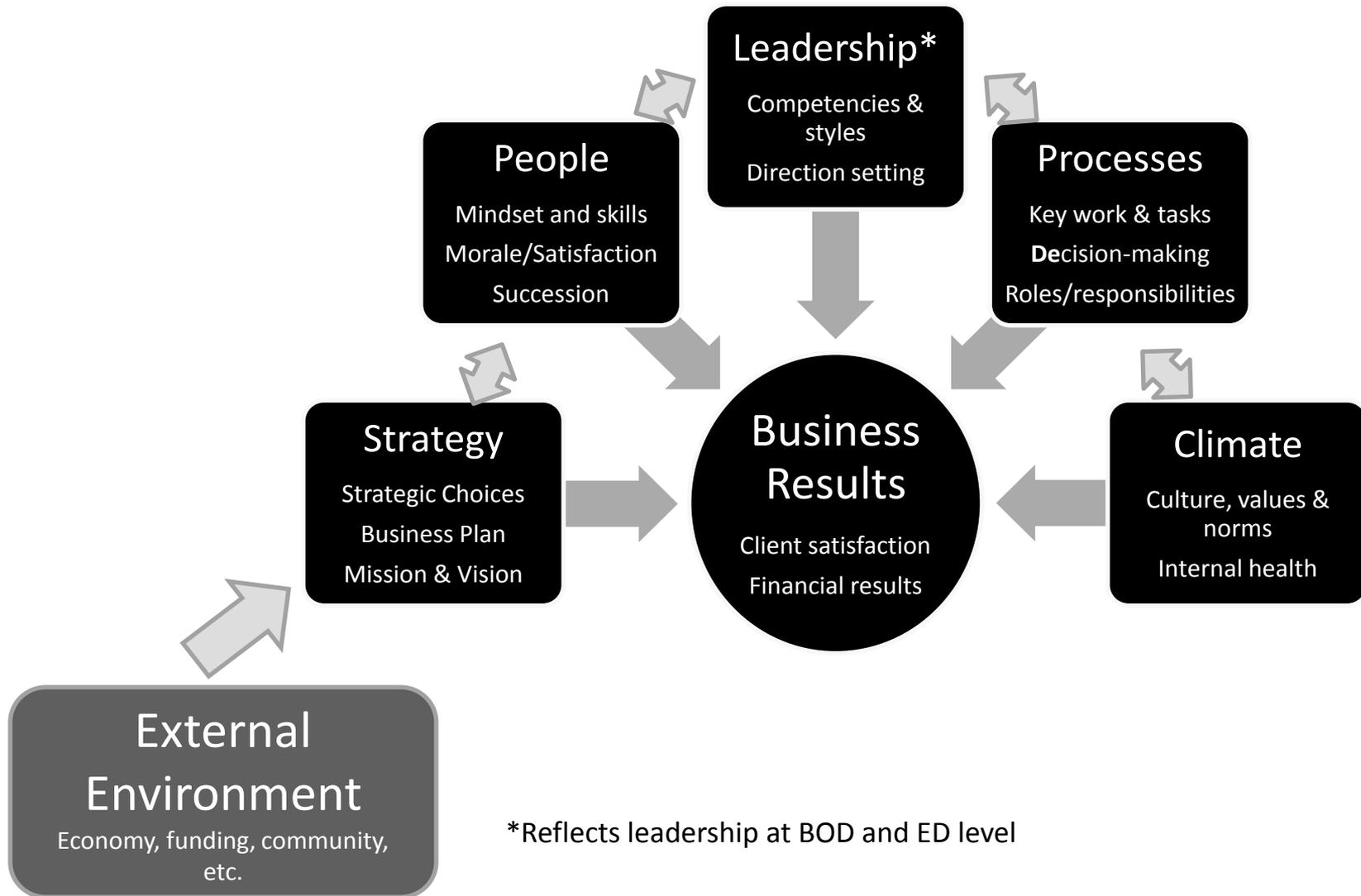
# SOURCES OF ROLE CONFUSION

- *Boards become over involved in managerial matters because...*
  - Administrative matters are more tangible and easier to define than policy matters.
  - The wisdom of a good policy may take a while to become evident, but a decision on the color the new carpet can be enjoyed immediately.
  - The Chair does not rein in the board's impulse to wander.
  - The board lacks confidence or loses trust in the judgment and ability of the staff.
- *Staff invite interference when...*
  - Administrative matters are raised at board meetings.
  - Indecisiveness and an unwillingness to take responsibility create a managerial vacuum.
  - Too little information is shared with the board to satisfy its questions.

# DOCUMENTS THAT HELP CLARIFY RELATIONSHIPS

- A strategic plan
- Bylaws that are reviewed and updated as needed
- A clear statement of the board's principal responsibilities and the responsibilities of individual board members
- A current job description for the chief executive
- Committee descriptions
- A set of policies that define staff authority for a range of personnel and financial transactions
- Other \_\_\_\_\_?

# A SYSTEMS “VIEW” OF GOVERNANCE



# A WAY TO THINK ABOUT GOVERNANCE

A Board's responsibility is to govern the primary activities of the business, such as...

Strategy setting, execution & performance monitoring

Portfolio & financial management decisions

Potential partnership/merger decisions

Internal & external relationship management

Policy setting & operations oversight

- What activities for your organization require governance?
- What does the role of that governing body need to be, e.g., advisory, information sharing, decision-making, relationship management, reporting, etc.?

## CHOOSING A GOVERNANCE MODEL

- Which decisions does the board want to make and which do they want to delegate?
- How much involvement does the board want to have in the operations of the organization?
- How will the reporting relationship between the board and the staff be defined?