

MINISTRY BOARDS 101

Presenter

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WHAT'S WRONG WITH BOARDS?

- Poor meeting attendance?
- Committees aren't as effective as can be?
- Not everyone is involved?
- Problems finding "good" board members to join?
- Board meetings are not engaging?
- Not clear what the board does?
- Board doesn't feel connected to the 'work of the organization?
- Board doesn't have current information on trends and changes in their nonprofit's field?
- No real succession planning or leadership development?

URBAN INSTITUTE RESEARCH

- Low board/committee attendance
- Low level of participation
- Poor meeting management
- Poor communication between Exec. Director/Board Chair/Board
- Members feel removed from “What’s going on.”
- Poor communication with stakeholders/funders
- Focus on operational, not strategic

BOARD FOCUS

Most boards focus on:

- Financial oversight
- Setting organizational policy
- Evaluating the Executive Director

Fewer focus on:

- Whether organization is accomplishing mission
- Fundraising
- Monitoring programs and services
- Community relations
- Evaluating own performance

WHAT IS A BOARD OF DIRECTORS?

- A Board of Directors is the governing body of a nonprofit. Directors are responsible for overseeing the organization's activities, but not managing them.
- Governance is high level: strategy, oversight, accountability
- Management is the day-to-day operations of a nonprofit.

WHY ARE BOARDS NEEDED?

- Private companies and governmental entities can't fulfill the services that the general public needs. That is why governments created a structure that provides tax exemptions for nonprofit organizations. The nonprofit structure was designed so that boards are responsible for managing public donations responsibly and don't take advantage of not paying taxes.

THE THREE DUTIES

Board members are responsible for:

- Protecting the organization from legal action.
- Promoting a safe and ethical working environment.
- Safeguarding the organization's integrity.

THE DUTY OF CARE

- The Duty of Care: Board members must use the same level of care that an “ordinary prudent person would exercise in a like position or circumstance”

DUTY OF LOYALTY

- Board members must give undivided allegiance to the organization when making decisions affecting the organization.
- Board members cannot put personal interests above the interests of the organization.
- Real or perceived conflicts of interest should be disclosed.

THE DUTY OF OBEDIENCE

- Board members have a duty to ensure that the organization remains obedient to its central purposes as described in the articles of incorporation, bylaws, and other governing documents, such as a formal mission statement.
- Board members are free to exercise reasonable judgment regarding how the organization should best fulfill its mission.

RESPONSIBILITIES OF A BOARD MEMBER

BOARD MEMBER RESPONSIBILITIES

1. Attend Meetings
2. Prepare for Meetings – review agenda and previous minutes
 - Submit agenda items in advance.
3. Know the Organization – it's mission, goals, policies, programs, services, strengths, needs

BOARD MEMBER RESPONSIBILITIES

4. Serve on Committees and Taskforces
ie. Executive, Board Membership, Finance, Program, Resource Development, etc.
5. Make Financial Contributions
6. Promote the Organization
7. Recruit New Board Members

BOARD MEMBER RESPONSIBILITIES

8. Keep up with trends
 - Relating to the organization's field of interest or needs of target group.
9. Support the Executive Director.
10. Maintain Confidentiality.
11. **Serve the whole** – rather than any special interest group
12. **Avoid Conflicts of Interest**

HUGE IMPACT

A responsible board member can make a huge impact upon the workings of the board and the quality and effectiveness of programs and services being offered in the community.

Be a Responsible Board Member!

PERFORMANCE VS. PURPOSE

- The problem with boards is not just a problem of performance, but rather a problem of purpose.
- Governing work needs to be meaningful to the organization's mission and work

GOVERNANCE DIMENSIONS

- Dimensions to consider:
 - What is the mission?
 - Who is the constituency?
 - What is the developmental stage of the organization?
 - What is the work this board needs to accomplish to meet the needs of the organization?

GOVERNANCE PROBLEMS ARE:

- One size fits all models don't apply
- Disconnection from service community
- Separation between board and staff leading to lack of knowledge, disengagement and distrust
- Inward focus.
- Lost accountability

REVITALIZING BOARD GOVERNANCE

- There is no one right model or approach to use with all boards.
- Governance is a function and process – boards are a structure.
- Governance does NOT need to be solely located in the structure of the board.

REVITALIZING BOARD GOVERNANCE

- Governance that is “community-centric vs. organization-centric.
- Governance should be built upon principles of participatory democracy.
- Shared governance – Re-distributing power and decision-making.

PEOPLING THE BOARD

- Recruiting the right people.
- Getting people who have pre-determined and needed skills.
- Providing proper orientation and training.
- Having a consistent and systematic recruitment process based on the organization's changing needs.

HOW? DEFINE WHAT YOU NEED

What skills or qualities does your board need overall?

Conduct a skill and quality assessment of current members.

Where are your gaps.

This serves as a starting point for recruitment.

THE INTERVIEW PROCESS

- After determining the needed skills, write a board member job description.
- Seek several applicants for the position.
- Give applicants board information packet to make an informed decision.
- Have applicants fill out a skills inventory.
- Governance Committee reviews skills and needs and arranges for interviews.

WINNING BOARDS SEEK DIVERSITY IN:

- Age
- Gender
- Ethnicity
- Resources
- Community Connections
- Personal Qualities
- Areas of Expertise
- Personal Style
- Experience
- Interests

SELECT BOARD MEMBERS

- Base selection on skills, rotation of terms, interests, commitment to support the job description and role of the board, time commitment
- Have each member complete a Board Member Agreement.
- Identify the values each member would like to receive as a result of their service.

ORIENTATION AND INVOLVEMENT

- Have orientation for new members within one month of recruitment.
- Ask new member for input and feedback after orientation and after first two meetings.
- Immediately involve new members in appropriate committees and task forces.

NONPROFIT BOARDS SHOULDER ENORMOUS RESPONSIBILITY

- Overseeing the fiscal health of the organization
- Insuring programs are worthwhile, effectively accomplishing the mission
- Planning for the future of the organization

To manage this work, most boards utilize:

- Board Standing Committees that deal with on-going issues
- Taskforces – to accomplish a specific objective
- Advisory Councils – to advise and support the organization

DIFFERENCES BETWEEN BOARD STANDING COMMITTEES & TASKFORCES

	Standing Committees	Taskforce
Make-up	Board Members	Staff & Others
Focus	Broad On-going Issues	Specific Objective
Scope	Policy/Strategic	Program Implementation
Report To	Board	Staff

TIP: Limit Standing Committees. Use taskforces whenever possible.

BENEFITS OF TASKFORCES (TEAMS)

- Specific objective
- Short-term time commitment
- Board have more flexibility & efficiency
- Allows boards to determine its substructure by the work that needs to be done, not vice versa.

SURVEY RESPONDENTS

- Participants:
 - Executive Directors 6
 - Board Members 21
 - Volunteers 10
 - Pastors 5
 - Conference Directors 4
 - Other 10

SURVEY RESPONSES

- Does your ministry currently have a board?
 - Yes 27; No 26

On a scale of 1-5, how satisfied are you with your board?

- Level 1 - 29; Level 2 – 3: Level 3 – 11;
- Level 4 – 9; Level 5 – 4.

TOP THREE FRUSTRATIONS

- Board Meetings:
- Too long, no or infrequent meetings, no participation, repetitive comments, difficult to get consensus, no agenda sent out prior to the meeting, previous minutes not reviewed, low attendance, continuing discussion about an issue after it has been decided.

TOP THREE FRUSTRATIONS

- Board leadership and Climate
 - Too much secrecy, things done according to personal desires rather than priorities, taking sides, propagating falsehood, Board leadership railroads others, discussions derailed by on dissenting voice, much talk no action, power struggles, no unity, resisting change, lack of collaboration/teamwork, decisions made w/o thorough discussion, major decision made w/o all stakeholders, no time to get to know other board members.

TOP THREE FRUSTRATIONS

- Strategic concerns
 - No discussions about doing things to impact the community, no focus on the purpose/mission and strategic needs, no participation in development, no financial support, no board members with experience under the age of 65, lack of communication, resistance to modern methods of comm., no vision, no outreach goals, spending too much time on minor things, lack of clarity on the role of the board.

QUESTIONS AND COMMENTS