



Good Governance Resources

Some directors join the board with minimal understanding of governance. The word “governance” is vague, leaving volunteers to define it through on-the-job learning at board meetings.

A few start out thinking, “I’m going to fix everything in the organization.” Other don’t say anything for their first six months.

This package provides support for good governance. The contents can be used to orient volunteers, to discuss better governance practices and as articles for publication. (OK to adapt and copy.)

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The Right Messages for the Board

Bob Harris, CAE

What messages do volunteers receive as they consider board service? The responsibilities of volunteer leadership should be clearly communicated.

The worst message is offered by nominating committees, “You won’t have to do anything when you get on the board.”

Other directors are “voluntold.” The technique taps a person who misses a meeting or steps out for a moment only to return to hear, “We decided you would be good for this responsibility.” They seldom decline because of peer pressure.



Voluntold

Accurate messages build a better board.

Honesty

Be candid about the expectations of board service. Be precise about the hours required and the assignments of additional work.

Directors may be asked to take on extra duties like enroll members, solicit sponsors, visit chapters, contribute to the foundation and give to the PAC.

Be frank about money. What is reimbursed and what is not? Before they sign-on, tell them all the financial and in-kind expectations. A director who feels conned is not a good board member.

Build a good board by being honest.

Meeting Practices

The best use of board time is to advance the mission, serve members, protect resources and develop programs.

But what’s the message when the board convenes primarily to listen to reports? The average agenda includes 15 reports and updates. Encourage (or require) advance reading in order to come prepared for meetings and reduce time listening to reports.

Another concern is the handling of “new business.” It is nearly always at the end of an agenda after a litany of reports and just before adjournment. Adopt a process for

submitting new business *before* the meeting.

What's the meeting frequency? Some boards meet monthly whether or not there is a reason. Directors may perceive meetings as a time for sharing information and socializing. Meetings should be held as needed, and postponed when unnecessary.

Better practices at board meetings support better outcomes.

Strategic Messages

Is the board acting strategic? Do directors focus on mission and have a vision of success? Or do they dive into the weeds to discuss administrative details?

The first question directors should ask is, "Where is our strategic plan? It is our roadmap."

Without a plan directors may mistakenly wait for cues from the chief elected officer. But his or her interests may be for the current year only. Beware, serving as board chair is not about leaving a personal legacy.

Be wary of the association that plans an annual retreat. The annual retreat invites directors to plan only for the next 12 months. Encourage them to have a longer-term vision and impact

Keep the plan on the board table. As motions are proposed check the strategic plan to see how they "fit." The plan is the guard rails to keep the board on track.

Be leery of directors who feel compelled to offer "new ideas" at every meeting. Too much time is spent chasing rabbits.

Innocent statements start with, "I just have a question." That opens the door to discussions of how to solve the problem. The board should stay focused on setting direction, in turn allowing staff and committees to advance their vision.

A national executive said, "Boards sometimes venture into areas where they don't belong. For instance committee work and intruding on things that only staff should be doing."

The best boards remain strategic.



Scrutiny as a Message

There is increasing scrutiny on nonprofits.

The media makes inquiries about the purpose for exemption from income tax. Members are asking “Why join” and expecting ROI for their dues paid.

The IRS examines an annual return to examine how resources are generated and spent. Inform volunteers that associations have changed and must adapt.

The scrutiny on associations should guide the board to focus on their roles and responsibilities.

Preferred Messaging

There are some recurring messages to keep the board on track. Explain them at orientation and hope you hear them often.

- **“We’re in the Weeds”** – Let’s get the dialog back to a governance level and leave the details to committees and staff.
- **“Brief is Better”** – Few people will read long reports, so keep them to a page and use plenty of bullets.
- **“Boards Govern, Staff Manage”** – If the board will set the direction and vision, the staff will do the management.
- **“We Don’t Do Committee Work at the Board Table”** – The board should stick to governing. Committees supplement the work of the board. They address the “how” of getting things accomplished.



Be clear about the messages that attract and encourage excellent volunteer experiences.

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Note: Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com. Contact bob@rchcae.com

Association Tough Love

Bob Harris, CAE

I stopped by a long-established association this summer. They told me they used to have 27 on staff but it down to three people now.

Out front of their office building were two signs. The association's name and next to that, "For Sale by Owner."

Inside is a boardroom with 26 upholstered leather chairs. In the parking lot is a notice, "Reserved for Chairman of the Board."

The association celebrated its centennial anniversary recently. The website heralded "100 years of service." I read the history but it stopped in 1968 with no further updates. Nothing promoted the association's vision or strategic direction.



I asked a few questions. "How does the association impact the industry and society?" "What percent of the total possible members belong to the association, what's the market share?"

Their impact seems strong but they have increasing for-profit competitors in the same space. As to the market share, they offered, "We have about 40% of the members and it's been steadily declining."

Tough Questions

Tough love usually refers to having a person take responsibility for themselves, their actions and decisions. This is about association tough love.

It can be a difficult conversation with a board. I have the great respect for the organization and its volunteers. The discussion is intended to create awareness and suggest reforms.

Market Share – Is a 40% market share acceptable? Could they see it declining to 35% by the turn of the decade? What is the remedy to increase membership and retention for sustainability? How will membership value be increased?

Benefits – I asked about the primary benefits. They said, "Uh" and then suggested networking, the annual conference, and lobbying. But no one could place a value on

membership. One director said he heard a prospect say, “You’ll lobby for me whether I join or not.” Asked about a significant “golden handcuff benefit” and the boardroom was silent.

Reserves – The association has savings and building equity exceeding three times their annual budget. They stockpiled \$2 million in liquid savings. (Regrettably when the executive director asked for another staff position the board replied, “It’s not in the budget.”)

I asked about the purpose of savings, “We don’t know, it’s a rainy day fund.” They should might realize that their savings could be the strength of the association and an opportunity to increase outreach, marketing and meaningful programs.

Influence – Several directors said lobbying was the main reason for joining. I asked about their political action committee (PAC) and found only 25% of the members contributed and even fewer board members. From the budget I could tell they spent 7% on direct lobbying efforts. In the annual declaration to members they reported only 3% of the dues was used for lobbying, even though directors say it was the main benefit.

Board Meetings – They meet monthly, saying “it is a good way to exchange information and network among friends.” When it came to preparing they ignored the advance reading. Recent agendas showed that the time was spent mostly on listening to and reading committee, staff and officer reports.

Strategic Plan – They said they created a strategic plan two years ago but they don’t use it. They remember the meeting room walls plastered with flipchart pages described as a SWOT – strengths, weaknesses, opportunities and threats. Asked how many goals were in the plan, nobody knew. It never served as a guide for the board and committees.

Committees – The bylaws called for a dozen standing committees. Asked who appointed the committees and charged them with work, nobody knew. Committees seldom met. One committee had created its own bylaws and opened a checking account.

Orientation – What orientation? The board said they have a copy of the bylaws and that’s about it. The last leadership manual is dated 2011.

Chapters – The website lists 14 local chapters. Each had a seat at the board table with the option of sending a proxy. Asked if each chapter had meetings, leaders, bank accounts and insurance and the answers varied. Members in some chapters received

excellent service while others received minimal service.

Employee Relations – The board felt they should evaluate employee performance. Last year when the executive director proposed a new position, the board agreed as long as they got to “review the resumes before hiring.” To evaluate CEO performance the officers interviewed staff members to gather their opinions.

Form 990 – The board said they have never seen IRS Form 990 although it indicated that the governing body saw it before submission. The mission statement was wrong and the form indicated conflicts of interested were not disclosed.

Budget – Revenue was primarily divided between two sources, membership and convention. They were having a problem finding new sources of revenue for sustainability. Directors focused on the smallest line items when receiving the financial report, “What’s this \$75 office expense?”

Bylaws – The bylaws called for a surety bond on the elected treasurer; and an annual audit. Both directives were disregarded by the board. Few directors could say they read the bylaws.

The questions are vital signs for an association. The “tough love” discussion should give directors pause and cause for reform.

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Governance Efficiency Review

Bob Harris, CAE

An association's governance structure, culture and documents tend to become cluttered through time.

Committees and directors like to "leave their mark" by adding people to the board, amending bylaws and suggesting policies ad nauseam. (Associations with more than 50 policies might want to conduct a sunset review of the policy manual.)

For instance, an association added a house of delegates because they felt it would protect against the executive committee hijacking the organization. Another board expanded to more than 30 persons because it seemed right to give every chapter a seat at the table. Yet another added ex-officio and emeritus members to the board to hear their reports and honor their status.



Task Force

To start the clean-up process, appoint a governance efficiency task force. The activity examines structure, documents and aspects of governance efficiency and results.

At the Indiana Veterinary Medical Association the president appointed a Governance Review and Efficiency Task Force with a specific charge: "To review and modernize the IVMA structure and strengthen the districts in order to engage as many members as possible in the organization."

IVMA executive director Lisa Perius reports, "The task force recommended doing away with a board comprised of geographic representation. We cut the board size from 22 to 11 and now have at-large elections. We also got rid of standing committees and only operate with task forces."

Focus on Efficiency

When volunteers think of a governance review they start with the bylaws. Seldom do amendments to the bylaws make a significant impact. One executive told his board it is time to, "blow up association and start over."

"We needed a wholesale overhaul of our bylaws, and frankly our management structure," said Kenyon Gleason, president of the National Association of Sporting Goods Wholesalers.

"We reviewed the bylaws from top to bottom and created three separate tiers of changes from most important to least. We also addressed them from easiest to implement to those which took a bit more time to work through. In the end, our bylaws got a complete redo. And as a result, our organization experienced an overhaul from governance all the way down to how we interface with our association management company on day-to-day operations."

"Our many business partners are happy, our organization is thriving as our brand awareness grows, and most importantly, the Board of Directors is happy. Sometimes, just tweaking the edges isn't enough, you need a full-on frontal assault."

Volunteers often start by reviewing documents, because more dramatic changes in governance could hurt people's feelings. Eliminating committees, downsizing the board or reducing the number of meetings might seem insensitive.

If bylaws are the first stop, look for items such as indemnification, committee appointments, references to rules of order, etc. Be sure to strip from the bylaws statements that belong in a policy manual. Watch out for documents that hinder the chief staff executive.

Emphasize that the review is about improving efficiency. Nobody can argue with a task force focused on efficiency and effectiveness.

Comprehensive Approach

Make the process comprehensive. Include broad aspects of governance: structure, documents, processes and culture.

- **Structure** – How many layers of bureaucracy does an idea have to travel to be considered and implemented? Are there open channels of communication or blockades?
- **Documents** – Bylaws and policies become cluttered. Review them for accuracy and practicality. Few volunteers have time to read lengthy bylaws and hundreds of policies.
- **Processes** – How are new directors on-boarded? How does new business get introduced? What can be streamlined, especially with technology applications?
- **Culture** – Watch out for distrust, disrespect, conflicts of interest and directors coming ill-prepared for meetings.

At the Eastern Association of Colleges and Employers immediate past president Stacy McClelland of Enterprise Holdings, appointed a task force to examine three areas: committee structure, calendar and timelines, and signature programs.

She said her intent was to eliminate redundancies and streamline processes in an association that has its roots back to 1926.

Sacred Cows

Sacred cows may exist in associations with a long history and strong culture. The founders or first-generation leaders may still be driving the organization though they have left the board.

A sacred cow is an idea, custom, or entity considered to be above criticism. Some sacred cows will be slaughtered in the final recommendations. This is common and the board will have to be decisive and willing to adapt to change.

Another executive said, "The board has had more than 25 years of sacred cows that I can only chip away at slowly, one by one. It can be frustrating."

Though it can feel uncertain to conduct a review the rewards are significant and long-lasting. Envision an association with more effective governance, cleaner guiding documents, improved committees, and a more strategic board --- yielding improved outcomes.

At IVMA Lisa Perius continued, "We are excited for the changes which are ongoing now. While change can be uncomfortable, we are pleased with our goal to make IVMA a 21st century association."

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Associations Adapt to Remain Relevant

Bob Harris, CAE

One of the most compelling books for association change is, *“Race for Relevance: 5 Radical Changes for Associations.”* Though everyday adaptations are not always “radical,” boards might focus less on their past and more on the future.

Association vital signs may be membership market share and retention rate. More important indicators are impact and outcomes.

In a meeting of association executives they shared how they are adapting.

Neighboring Associations – Providing services to neighboring associations to broaden the footprint and increase streams of income.

Membership Journey – Characterizing the relationship with members as a “journey” rather than the annual dues bill.

For Profit Subsidiary – Developing a for-profit subsidiary to create innovative programs. Establishing the for-profit to have enough value to eventually sell it.

Diversity and Inclusion – Providing platforms to embrace diversity and the spectrum of member interests. The alternative is subgroups breaking away from the association because they don’t feel included.

Reviews and Recommendations – Fill a niche similar to YELP by providing credible reviews and recommendations of member products and services.

Extreme Networking – Increasing opportunities for connections unique to the association through improved networking and technology platforms.

Mergers and Acquisitions – Company mergers are impacting associations. Position the association to consider its own mergers and acquisitions with other entities or build more collaborative, lasting partnerships.

Entrepreneurial Spirit – Developing products and services with an entrepreneurial outlook. Is it uniquely valuable and potentially licensed to other associations?



Golden Handcuffs – Exploring the creation of a benefit accessible to members-only that has high value and retains them.

Technology Investment – Increasing the investment in digital platforms, technology and internet presence to maintain relevance and attract new stakeholders. Identify the appropriate ratio of budget to tech costs.

Copyright – Protecting the association’s original works with copyrights and other means.

Paperless – Making the association a paperless environment.

Publishing – Trying a new model. Pay to publish instead of pay to read or advertise; “open access publishing.”

Mentoring – Connecting association experts with members hungry for information. Use technology to facilitate new methods of mentoring.

New Partners – Finding new partners with which to collaborate, for example a program between the association and a prison to develop or deliver new services.

Return on Investment – Demonstrating ROI to members by using a value-statement or an online ROI calculator.

Savings Reserve – Savings are a strength of the association. Leaving large amounts in reserve may not be the best use of funds. Be leery of the statement, “Those are rainy funds so we cannot spend them.”

Innovative Dues Models – Changing from standard dues to tiers, investors, upgrades and entry levels as new models for membership. A few organizations have eliminated dues, evolving to a reliance on income from programs accessible to 100 percent of their community --- not just members-only.

Leadership Development – Providing training and a platform to engage and position emerging leaders essential to the sustainability of the association.

Global Expansion – Expanding the association globally for new partners and opportunities.

Social Cause – Has golfing run its course? Offer activities that engage more people. Trying skeet, virtual golf, and fishing tournaments to broaden participation. Use causes to unite the membership, such as stuffing school backpacks or a Habitat for Humanity

build.

Visionary Leadership – Longer range thinking by the board of directors --- beyond their terms of office. Transforming directors from focusing on current year to being visionaries for the next decade.

Umbrella Organization – Uniting organizations with similar visions under one umbrella to increase efficiencies and impact; trying to avoid dues and convention fatigue” from too many associations.

Governance – Right sizing the board. Has the board become so large that meaningful conversations and outcomes are impossible? Conducting a governance and efficiency review.

Rethink Committees – Standing committees are identified in the bylaws to serve a year-long term. Use shorter volunteer assignments with task forces, quick action teams and assigned micro-tasks.

Association Image – Does the word “association” conjure up an image of “good old boys” and a lifelong commitment to paying dues? Would the word partnership, alliance or council help change the image?

Stay relevant by analyzing the current position of the association and adapting to change.

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Between the Rails

Bob Harris, CAE

The elected chair of a chamber of commerce suggested, “A strategic plan keeps the board members between the rails.” Her comment made sense to support good governance and a high performing board.

The rails are like train tracks or highway guard rails. The intent is to stay within the rails while conducting business.

The board should avoid derailments and detours. Distractions are frequent. They may come in the form of committees propose ideas that are beyond available resources. Or from directors unsure about governance so they delve into management.

Detours might come from an elected officer who wants to leave a personal legacy. Or diversions from members asking for new services, so the board tries to be “all things to all people.”

Here are the RAILS within which the board should be guided.

Mission Driven – The board advances the mission statement. It is the purpose for existence and justification for tax exempt status. Going too far outside the mission can cause jeopardy. The mission statement should frame nearly every discussion and decision of the board.



Governance vs. Management – The board’s role is governance. Directors are authorized to make governing decisions by state corporate law and the governing documents. Seldom should they focus on management decisions. Outside the rails is when a board begins to micromanage or gets into administrative work.

Strategic Plan – The board creates and advances a strategic plan. Most plans act as a 3-year roadmap for the organization. It’s easy to set the plan aside as the crisis of the month arises or new ideas are proposed. Keep the plan on the board table to check that committee work and board motions fit within the goals of the plan.

Board vs. Committees – Committees are appointed and assigned initiatives from the strategic plan. They supplement the work of the board. They receive authority from the

bylaws and/or their appointment by the board. Directors should avoid doing committee work at the board table.

“When a board undermines the work of a committee to which it has entrusted an assignment, the processes lose integrity and support is weakened,” explains Patricia A. Montgomery, IOM, and CAE at the American Society of Civil Engineers.

Budget – A budget has been adopted by the board. Directors should be familiar with it and recognize that every new project exhausts resources. Stay within the rails by being knowledgeable about the budget and resources.

Strategy or Tactics – Directors have a responsibility to be strategic. It is easy to drop to the level of tactics, usually described as minutiae or administrative details. When the board dives into tactics someone should remind them to “stay out of the weeds.”

There are several tools to keep the board “between the rails.”

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The Benefits of Annual Board Orientation

Bill Pawlucy, CAE and Bob Harris, CAE

Imagine starting a new job with a gamut of responsibilities and there is no orientation or manual. Volunteers accept a role but may not understand their duties as trustees and a fiduciaries on behalf of the membership.

The best relationship with new directors starts with the statement: "Welcome to the board, here is the leadership manual which includes everything you'll need to govern."

Yet some organizations don't have a manual for the leadership and many don't provide board orientation.



The Case for Annual Orientation

Orientation is important – annual orientation is more important. Don't be fooled by the board that says, "We had our orientation last year."

With the transition of directors, some exit while others join the board, training is key. Add to that the external and internal influences that arise and the need for orientation is critical.

The process brings together the entire board as a team to freely exchange information and ask questions, without minutes being recorded. New directors should be welcomed and made to feel comfortable.

Another reason for annual orientation is the need to satisfy some regulatory requirements.

The IRS is expecting an annual disclosure of conflicts of interest. The FTC urges trade associations to have measures to avoid antitrust violations. State and federal governments prescribe volunteer immunity so long as the board is working within the governing documents they receive.

Orientation is not only for teaching but supporting compliance and documentation. Record in the next board meeting minutes that the issues were addressed and the governing documents made available.

Delivery

An annual orientation should be a smooth process based on repetition and experience, making improvements with each delivery. The content would be similar from year to year and applicable to most associations.

BOARD RESPONSIBILITIES

Serving on the Board of Directors is a rewarding and important responsibility. This guide informs leaders of the unique aspects associated with governing a volunteer, membership organization.

BOARDS GOVERN STAFF MANAGE

Governance: Volunteer leaders are responsible for the *direction* of the organization. The board governs, develops policy and sets a course. The mission statement should frame all discussions. Purposes of a board of directors:

- Governance
- Policy & Position Development
- Visionary – Future Focus
- Fiduciary

Management: Staff are responsible for *administration* of the organization. Staff *partner* with the board to advance goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.

Unique Terminology

Not-for-Profit refers to the legal corporate status of the organization. (It does not imply an exemption from paying or collecting state sales tax.) **Nonprofit** is the casual reference to Not-for-Profit.

Exempt Organization is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of **UBIT - Unrelated Business Income Tax**). The most common exempt designations:

IRS 501(c)(3) often refers to organizations with a religious, charitable, scientific, or

Board Responsibilities

1. Determine and advance the organization's mission and purposes.
2. Select the chief paid executive (*not staff*) as well as CPA and attorney.
3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievements, etc.)
4. Conduct organizational planning.
5. Ensure adequate resources (funds, time, volunteers, staff, etc.)
6. Resource and financial oversight.
7. Determine, monitor and enhance programs and services.
8. Promote the organization.
9. Ensure legal and ethical integrity and maintain accountability.
10. Develop future leaders.

(Adapted from *Ten Responsibilities of Nonprofit Boards* www.BoardSource.org)

Good Governance

Scrutiny has increased on nonprofits from media, government and members. More recently the IRS has focused on organization governance and policies. Boards are expected to be accountable, independent and transparent.

Policy questions in IRS Form 990 include:

- Audit and Audit Committee
- Whistleblower
- Compensation
- Document Destruction
- Conflict of Interest
- Public Records
- Board and Committee Minutes

Insurance and Volunteer Immunity

Directors and Officers (D&O) Liability may cover legal defense for employment, copyright, and antitrust claims, for instance.

General Liability insurance covers property damages and injuries relating to the organization.

Fidelity Bond covers losses resulting from fraudulent or dishonest acts committed by an employee.

Meeting Cancellation covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc.

(Consult legal and insurance counselors for assistance.)

Legal Principles

Duty of Care requires leaders to use reasonable care and good judgment in making their decisions on behalf of the interests of the organization.

Duty of Loyalty requires leaders to be faithful to the organization, avoiding conflicts of interest.

Duty of Obedience requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)

Board Tools

Documents available to leaders, often in a **Leadership Manual** or board portal.

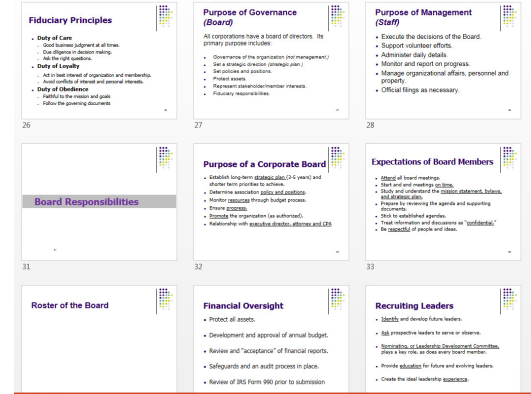
- Statement of Purpose (Mission)
- Articles of Incorporation
- Bylaws
- Policy Manual
- Strategic Plan
- Financial Statement - Budget
- Meeting Minutes

Develop an outline for a thorough orientation. Allocate about 2 hours for the process, realizing that the learning curve declines after two hours of listening.

Decide who will deliver the orientation. An association executive is qualified but it is like telling a group of bosses what they must do. Another respected executive can do it. The chief elected officer might think he or she should do it but be careful unless they are a professional in exempt, nonprofit governance and management.

Other persons who can supplement orientation include the attorney, accountant, insurance agent and parliamentarian. There are professionals available to do it for a fee.

To streamline the process, a board orientation PowerPoint is available. It should be customized with the association's mission and logo, list of committees, etc. For directors who miss the meeting send it to them as a PDF for their own review. It can be downloaded at www.nonprofitcenter.com.



Content

There is a lot to cover in board orientation. Focus on these areas at a minimum and add your own ice breaker or introductions.

- Purpose of a Board
- Fiduciary Duties
- The Board and Staff Distinction
- Governing Documents
- Strategic Direction and a Plan
- Culture of Trust
- Understanding Finances
- Risk Awareness and Avoidance

One of the most misunderstand concepts is fiduciary duties. Directors have been known to say they understand it as a duty to raise funds or safeguard finances.

Directors are fiduciaries. Members have a right to believe that the directors are prepared for meetings and representing the interests of membership.

There are three legal principles applicable to fiduciaries:

Duty of Obedience – Obedient to the association's governing documents and applicable corporate laws.

Duty of Loyalty – Directors act in good faith on behalf of the organization. Conflicts will be disclosed.

Duty of Care – Directors must be prudent in their governance and oversight of the organization's affairs.

In summary, an annual orientation improves functions and protects the board of directors and the association. It's not a meeting that should be done only out of convenience. The PPT will help organizations conduct an effective training.

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Fiduciary Principles

- **Duty of Care**
 - Good business judgment at all times.
 - Due diligence in decision making.
 - Ask the right questions.
- **Duty of Loyalty**
 - Act in best interest of organization and membership.
 - Avoid conflicts of interest and personal interests.
- **Duty of Obedience**
 - Faithful to the mission and goals
 - Follow the governing documents

Purpose of Governance (Board)

All corporations have a board of directors. Its primary purpose includes:

- Governance of the organization (*not management*.)
- Set a strategic direction (*strategic plan*.)
- Set policies and positions.
- Protect assets.
- Represent stakeholder/member interests.
- Fiduciary responsibilities.

Purpose of Management (Staff)

- Execute the decisions of the Board.
- Support volunteer efforts.
- Administer daily details.
- Monitor and report on progress.
- Manage organizational affairs, personnel and property.
- Official filings as necessary.

Board Responsibilities

Purpose of a Corporate Board

- Establish long-term strategic plan (3-5 years) and shorter term priorities to achieve.
- Determine association policy and positions.
- Monitor resources through budget process.
- Ensure progress.
- Promote the organization (as authorized).
- Relationship with executive director, attorney and CPA

Expectations of Board Members

- Attend all board meetings.
- Start and end meetings on time.
- Study and understand the mission statement, bylaws, and strategic plan.
- Prepare by reviewing the agenda and supporting documents.
- Stick to established agendas.
- Treat information and discussions as "confidential."
- Be respectful of people and ideas.

Roster of the Board

Financial Oversight

- Protect all assets.
- Development and approval of annual budget.
- Review and "acceptance" of financial reports.
- Safeguards and an audit process in place.
- Review of IRS Form 990 prior to submission

Recruiting Leaders

- Identify and develop future leaders.
- Ask prospective leaders to serve or observe.
- Nominating, or Leadership Development Committee, plays a key role, as does every board member.
- Provide education for future and evolving leaders.
- Create the ideal leadership experience.

Free PowerPoint can be adapted for orientation; available at www.nonprofitcenter.com

Essence of an Association


Bob Harris, CAE

Does an association have an essence? Every nonprofit has a statement of purpose, programs, members and a board of directors --- but what about essence.

Essence means a core nature or indispensable quality, especially something abstract that determines its character.

There is reason to know the essence. It can help predict outcomes. It may differentiate the association from organizations with similar purposes. A person might join or renew because they respect the essence.

es·sence

/ˈesəns/ 

noun

the intrinsic nature or indispensable quality of something, especially something abstract, that determines its character.

"conflict is the essence of drama"

synonyms: quintessence, soul, spirit, nature; More

In a discussion with a life coach he said all people and organizations have an essence. He used terms such as their energy or aura that one can sense.

He described it this way, "Knowing the essence of an association is to know their authenticity."

Associations

I feel that associations have an essence; a core nature and indispensable quality that helps to characterize them for good or bad.

"I can't imagine what it is like to be a member of an association that doesn't portray an essence. Without a favorable essence it is difficult to recruit members and volunteers. I urge everyone to take a moment to identify the essence of their organization (positive or negative) and understand how it defines the association's character," explains Adrienne Bryant, CAE and an executive at IntrinXec Management, Inc.

JE NE SAIS QUOI –
French - Meaning an indefinable quality that makes something distinctive or attractive.

She refers to it as "je ne sais quoi," meaning an indefinable quality that makes something distinctive or attractive.

Finding Essence

To identify essence start with the mission. Is it focused inward – caring only about members, or does it include external impact such as improving access to patient care, enhancing safety, community relations and a positive economic impact.

Continue by listening to the discussions of volunteer leaders, or observe a meeting of the board. Discussions fraught with group-think, disrespect or conflict would diminish the essence. A secretive board may disdain transparency and shun member involvement.

Do directors primarily talk about problems? A board with a positive essence is likely to focus on solutions and less on problems.

Essence is identified through a combination of elements.

Mission – Is the mission statement compelling? It should communicate a keen sense of purpose in a clear, crisp statement. Does it intend to benefit members as well as the community or customers they serve? For example, the essence of a medical society may be to serve doctors so they can improve society through better health.

Values – The board is guided by values that frame their efforts. Do the values have meaning to the leadership? Do they communicate to stakeholders the dedication and determination of the board?

The most respected values seem to be transparency, accountability, innovation and diversity. Are volunteers aware of the cultural guiding principles and how they impact the association?

Actions - Actions speak louder than words. Do efforts of the board of directors demonstrate the best use of resources to achieve results for the members and their constituents?

The actions of the leaders and professional staff should feel compelling and dedicated to the mission and members. Read a set of recent meeting minutes to consider if the board meets because it is perfunctory or its work has authentic benefit.

Outcomes – At the close of a quarter or the end of a year there should be significant outcomes. Why does the organization exist if not for outcomes that benefit members and community?

Reflection – Essence may come partly from how members interact with the association. Members will reflect the essence. They may attribute a good or bad characterization of the organization.

An association wants to maintain a favorable essence. When the essence is positive the board wants to preserve it. If it is negative (good old boys, secretive, lack of diversity, minimal impact) efforts should be made to improve.

Adrienne offers another example, "I've experienced an essence in my previous association. The association is made up of members who are passionate. Their attitude and passion flows through everything they do. They live and breathe their mission and values as they relate to educational boards, students, employees and the citizens of Florida."

To find the essence, spend time with the board and listen to their discussions and concerns.

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Note: Bob Harris, CAE, provides free governance tips and tools at www.nonprofitcenter.com. Contact bob@rchcae.com

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