

# Governance in a Pandemic

Boards are adapting to remote meetings for governance purposes. Post-pandemic associations will maintain some form of adapted governance.

When asked how to adapt, I offer this advice:

- A. **Technology** – Find your platform and be familiar with benefits such as raising hands, muting, and polling. You want board and staff confidence in technology.
- B. **Cameras On** – Urge all participants to turn on their cameras. Whether in person or on a call, body language is key to gauge understanding and commitment.
- C. **Frequency** – Most boards meet quarterly; during a pandemic, the meetings may be more frequent to address urgent issues.
- D. **Duration** – Attention spans, realizing the distractions during virtual meetings, are usually 45 minutes. Dispense with reports and get to the business at hand.
- E. **Confidentiality** – Know who is listening in on the call. Remind directors of the needs to respect the policy on confidentiality and who speaks for the organization. If unknown numbers or faces join the call, identify them; eject persons entering the meeting by accident or maliciously.
- F. **Roll-Call** – If cameras are not all, be sure to take a roll call before votes to ensure a quorum remains present.
- G. **Protocols** – Continue to rely on a well-crafted agenda, rules of order, and minutes that document the work of the board.

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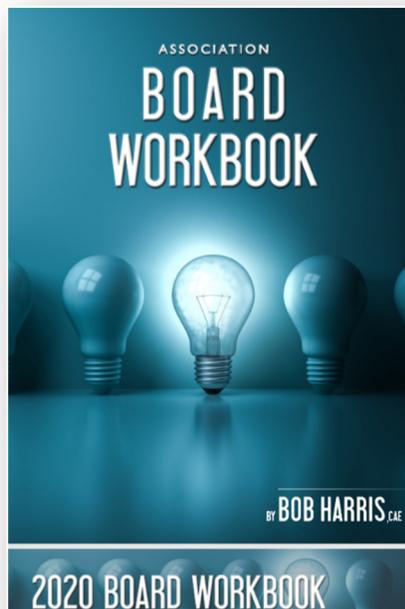
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**Note:** OK to adapt, copy, share and/or publish these articles or the entire package as a resource to support good governance and high performing organizations. Free governance and strategy tips and tools are available at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).

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<https://www.dropbox.com/s/ahg08qpabfry3wf/Board%20Orientation%20Workbook%202020-pgs%20rev%20June%202020.pdf?dl=0>

## **Be Indispensable to Members in any Circumstance**

Dan Tjornehoj, CEO and Bob Harris, CAE

Associations must forge through the pandemic realizing they are needed more than ever to guide and support their members.

Stop to think about it. The essence of association existence is to work as a group to address the needs of members. This is an opportunity for associations to be their best.

We are positioned as a trusted confidante with members. Our value is to “ask,” then “listen,” to members’ challenges during this unprecedented time.

### **Essential Service**

The Minnesota Veterinary Medical Association (MVMA) was founded in 1897. As the pandemic struck this spring, we had to first be sure our members were designated as an “essential service.”

Then we helped members identify the services they could perform. Following that we had a call to action to collect and get personal protective equipment to critical areas.

We created guidance for workplace and client safety. We asked governmental authorities to ease workplace restrictions for medical professional members to return to a more normal workplace while still maintaining worker and client safety.

Without the collective and coordinated role as an association, this might not have been accomplished. When you think about it, our association has been positioned for a coordinated response to crises for nearly 125 years, having survived the Spanish Flu, wars, and recessions.

### **Outline of Success**

Here are the principles that worked to position the association as an indispensable partner and trusted resource:

#### **Leadership and Staff Readiness**

As the book *Good to Great* offers, without the “right people on the bus” it is hard to advance. It is critical to have a team of dedicated association leaders and professional staff in place.

During this challenge, board and staff must innovate and adapt, able to “think outside the box.” Regular meetings, remotely, have allows the team to brainstorm, and respond to urgent issues.

This is no time to have a staff person or board leader to become paralyzed due to the ongoing challenges or claim that “the work required isn’t in their job description”. The spirit of cooperation and determination are the qualities needed in times of crisis.

## **Technology Advantage**

Well ahead of a crisis, the association invested in technology, including workstations easily moved outside the office. The voice over internet phone system allowed for phone systems to function seamlessly whether working in or out of the office setting. We were ready when the state government required staff to work from home.

Staff’s familiarity with web conferencing software was also critical in transforming meetings and education to highly successful online programs.

For several years, our members have been offered the option of live and online continuing education. Moving to primarily online education during the pandemic was no problem because it was already in place. Some members, especially those in rural or distant locations, prefer and are accustomed to the webinar format.

Webinar attendees have a similar experience as the live attendees with the ability to ask questions throughout the session. The same concepts and technology have transformed our board, committee, and task force meetings during the pandemic crisis.

## **Advocacy**

Now more than ever, advocacy and lobbying should be a priority. Most government agencies have focused on the pandemic, diverting from their regular policy issues.

MVMA “repurposed” their lobbyist’s role into other areas. For example, the association scheduled “Advocacy 101” sessions with the lobbyists hosting web conference sessions to make members more effective as constituents and stakeholders.

Since some association members may have some extra time during the crisis, we thought it would be a good idea to educate members about issues affecting the profession. We can help them be better advocates for the profession as well as identify and aggregate their concerns.

In addition, since most of the pandemic has been managed by executive branch office holders (president, governor) we asked our lobbyists to develop messages and shift communications from legislators to our state governor and his administrative team.

This may not be something that lobbyists are accustomed to doing but since they are likely paid or contracted, why not have them serve in a slightly different capacity as you work your way out of this crisis.

## **Financial Strengths**

For more than a decade the association has built savings reserves by moving surplus revenue into savings.

Most associations maintain an amount equal to six to 12 months of operating expenses in reserves. Many boards are cautious about dipping into reserves, proclaiming, “those funds are for a rainy day.” This pandemic is a storm and reserves should serve to meet association needs.

Having the IRS designation of 501(c)6 organizations, trade associations tend to be ineligible for federal PPP stimulus funds. Now is the time to use reserves to keep a full staff and continue meeting member needs.

The finance committee, treasurer and executive committee were called upon to assess the impact of the crisis on the budget, creating a contingency plan. The association should be ready if the crisis continues, impacting conferences, membership, sponsors, and advertisers, for example.

A healthy association should have a reserve fund and a contingency plan in place even if it does not have to be used.

### **Indispensable Partner**

It is easy to think of the association as a line item in a member’s budget that could be eliminated during this economic downturn. With the right leadership team, technology, agility to transform and financial resources, an association can be at its best.

While members focus on survival, they need the association for expertise, resources, advocacy, training, and encouragement. The association’s message should be, “we are your indispensable partner during this crisis.”

# # #

**Note:** Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com). Dan Tjornehoj is the executive director of the Minnesota Veterinary Medical Association.

# Associations are Made for Times Like These

Bob Harris, CAE and Kateryna Glazkova

As the economy was faltering and associations began hurting, Ukrainian executive Kateryna Glazkova circulated a statement, “Associations are made for times like these.”

Kateryna is the executive director of the Union of Ukrainian Entrepreneurs, founded in 2016. Its purpose is to protect the interests of entrepreneurs and create a favorable business environment. UUE uses the acronym SUP in Ukrainian language.

*“...associations have proven to be resilient through wars, politics, recessions, depressions and pandemics.”*

We discussed the impact of her statement. I agree, associations have proven to be resilient through wars, politics, recessions, depressions, and pandemics.

We shared what characteristics make associations strong.

**Collaborative** – Associations build partnerships to solve problems. SUP organized a union of regional and professional business associations, named COVID-19 Business Task Force. The purpose of the initiative is to analyze problems and increase influence.

**Member Care** – In troubled times especially, members need support. We should be positioned as their indispensable partner. Listening to members, we have created new products and services. SUP launched a hotline so entrepreneurs can get advice on government lockdown and legislative changes.

**Strategic** – Association boards and staff are strategic, realizing the need to stay out of the weeds and avoid tactics. Plans have been made during the pandemic that reflect urgent and short-term goals. It is often said, an idea without a plan is simply a dream.

**Advocacy** – An association best knows the issues of their members. SUP knows the pandemic will end, lockdown will stop, and entrepreneurs will face new conditions. We are preparing proposals for the authorities addressing reforms needed to restart the economy.

**Leadership** – Few organizations have assembled the depth of leadership found in an association. From emerging leaders to past presidents, they step up and champion the cause when called upon.

**Convenor** – Many organizations are seeking answers to the same questions. Associations provide trusted platforms where others can share news and projects.

**Adept** – An association has two distinct workforces. Volunteers govern, while the staff manage. The board develops governance finesse through orientation. Continuous training is the cornerstone of performance excellence for staff.

**Transparency** - Clear communications with state authorities, entrepreneurs and the media are a priority. We inform the government of the mood and problems of business, explain to the media the real situation, we tell members the most important news about coronavirus and how we are addressing the problem. SUP issues the *Coronavirus Business Digest* to advise entrepreneurs of progress and victories.

**Empathy** – Associations maintain close relations with members and understand their challenges. It requires flexibility. For members unable to pay dues, be ready to extend the deadline or offer waivers.

**Holistic** – While associations serve their members, they impact the community, economy, and jobs. Associations are positioned to see the big picture and to work for the benefit of all.

**Innovative** – Associations are innovative, using leverage, expertise, and experience to find solutions.

**Resourceful** – Associations are able to develop sustainable streams of income. It requires the work of committees and staff to monetize programs and deliver value. Diversity in income streams is critical.

**Passionate** – People are drawn to an association because they share a passion. It is rare to find such passion in any other type of organization. Volunteers dedicate time and energy; staff are known to work hard.

**Visionary** – Whether a new or seasoned organization, participants develop and communicate a clear vision. This vision is often the fuel for hard work.

Few organizations have this combination of characteristics to survive a crisis and sustain the association.

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com). Kateryna Glazkova is the executive director of the Union of Ukrainian Entrepreneurs (SUP), in Kiev.

# Making Lemonade with Pandemic Lemons

Bob Harris, CAE

“When life gives you lemons, make lemonade,” is a phrase used to promote a positive attitude during adversity. The lemons represent the sourness or difficulties. Making lemonade is turning them into something positive or desirable.

Many executives are making lasting improvements during the pandemic adversity. A discussion among component executives of the American Institute of Architects (AIA), yielded these ideas to make lemonade.

1. **Training** – Stock up on association books you recommend the staff read. Start an impromptu mentoring group for your team. Encourage studying for the CAE or CMP exam next year. There are ample webinars available for continuous learning.
2. **Government Affairs** – Government offices may not be open; don't let that hinder your advocacy efforts. Use the time to research and update position papers, increase understanding of the PAC, or create a webinar on effective grassroots lobbying for members.
3. **Strategic Plan** – Often the strategic plan is a multi-page typed report. Transform it into an eye-catching brochure that communicates value and demonstrates leadership. Share your visually enhanced strategic direction with members and prospects.
4. **Physical Improvements** – Make enhancements at the association office. While staff are working remotely it is an opportunity to paint walls, clean rugs and install hardware and software.
5. **Value Statement** – Members will be asking about return on investment when dues notices are mailed (“What have you done for me lately?”) Inventory every program and service, identify its worth (ROI), and create a value statement to communicate the efforts of the association during the pandemic.
6. **Sponsorships** – Transform sponsorships lost to event cancellations. Identify evolving needs of sponsors. Design a 2021 sponsor opportunity menu that connects suppliers to members.
7. **Budget** – Recast the budget. Identify new revenue line-items. Adjust the expense savings resulting from meeting overhead and travel. Work with a CPA to seek stimulus dollars for the association and foundation.

8. **Foundation** – Expand the purpose of the foundation beyond education to address food and housing insecurity, for instance. Collaborate with other foundations to make the greatest impact in the community.
9. **Manuals** – Association manuals support training and sustainability. Take them off the shelf to make enhancements. Through the pandemic many associations have realized there are policies that need to be tweaked. For the operating procedures manual ask staff to document their best practices. To update the policies, read recent board minutes to identify any motions that are intended to be long-lasting policies.
10. **Member Database** – Use this time to check the database for accuracy. If members are working from home, ask if you have permission to acquire and use their home address during the pandemic.
11. **Insurance Review** – Ask your insurance counselor to review policies. The pandemic and other forces may be a need to adjust coverages. Discuss adding cyber-crime and publisher’s insurance.
12. **Governance Efficiency** – Nobody can deny the importance of governance being more efficient. Appoint a task force to analyze board size and composition, outcomes, frequency of meetings and the governing documents.

Organizations using time during the pandemic to make lasting improvements will be respected by members while improving operations.

# # #

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# Were you Prepared for a Pandemic?

Bob Harris, CAE and Bill Pawlucy, CAE

On March 11<sup>th</sup> I was with the Sacramento Association of REALTORS®. The same day the World Health Organization (WHO) declared COVID-19 a pandemic. I worried the meeting room was too small and breakout groups were a bad idea.

I was glad to get home to Florida. It is almost 150 days since I have been on an airplane to visit with associations.

In the Body of Knowledge for association management, you won't find a chapter on "Preparing for a Pandemic." Nor is it on the CAE exam.

## Being Prepared

Some associations were caught ill-prepared, big-time. They lacked reserves, income streams were not diversified, technology was outdated, communication channels were awkward, and they resisted the transition to on-line platforms.

Benjamin Franklin expressed by sentiment, "By failing to prepare, you are preparing to fail."

Prepared associations found themselves well positioned. Many are succeeding and even thriving.

Associations are generally in a good position with decades of experience and resilience. They have leadership teams in place, they work strategically, they are experienced with social media and technology use, and they are loyal to their membership.

## Nobody Told Me

Here are how some organizations have fared.

1. **Technology** – Associations that had invested in technology found it easier to adapt. Technology supports efficient member communications, governance processes and remote staffing. Equally important was the staff's comfort with tech-usage.
2. **Savings Reserves** – Most associations maintain a minimum in savings equal to half a year's budget. Boards with accessible funds were able to use reserves to retain staff and build a contingency budget.

3. **Right-Sized Board** – The pandemic transformed governance to on-line meetings. The smaller the board the easier to convene a quorum. The average size board is 15.
4. **Remote Work** – Not long-ago supervisors (and maybe the board) insisted being at the office was more productive. Now remote work is proving to be efficient. The associations that were prepared had already adapted to the possibility with computers, file access and phone connections.
5. **Value Calculation** – Members will always ask, “What have you done for me lately?” Benefits and services should have increased during the crisis. Having a means to calculate and communicate the worth of the benefits package is important when it comes time for dues renewal.
6. **Social Media** – In a crisis, communication channels are critical. Associations using multiple social media channels maintained two-way communications.
7. **Risk Aware** – Practice risk management. Boards avoid losses through risk identification, avoidance, and mitigation. Protect assets through insurance, smart practices, and the advice of legal and accounting.
8. **Documented Processes** – Similar to a franchise operation, by documenting processes anybody can step into a role and perform effectively. Make the procedures and leadership manuals accessible on-line for easy remote access.
9. **Training** – Volunteers and staff have distinct responsibilities. Some boards wrongly used the crisis as a reason to micromanage. Providing orientation and professional development prepared the board and staff to perform their roles.
10. **Determination** – It would have been easy to think, “We can wait for the pandemic to go away.” Successful associations rallied forces to assess the situation, adapt and be a leader of recovery efforts.
11. **Strategy** – Associations are fortunate to have a strategic roadmap to advance mission and goals. Though the crisis may distract from the plan, it is a roadmap to which to return.
12. **E-Sales and Service** – Successful associations were ready with on-line registration and sales processes in place. Some organizations have increased membership, registrations, and sales --- without face to face contacts.

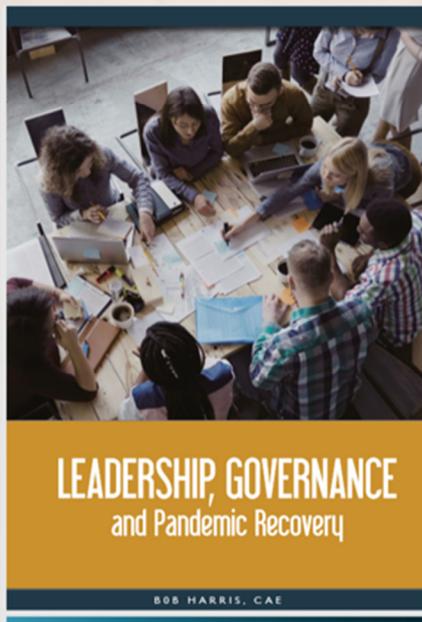
These practices have helped associations survive and prosper.

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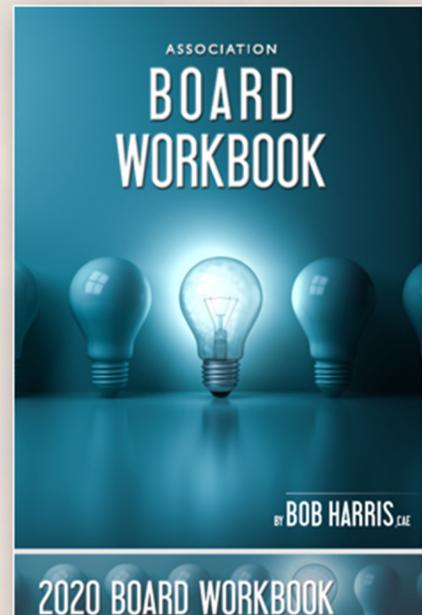
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40-pages



20-Page Board Workbook



# Policy Revisions in a Pandemic

Bob Harris, CAE

Association policies are among the board's governing documents. Policies are the wisdom of a prior board adopted and passed on to successive directors. Policies are your "friend," communicating the best method for handling an issue.

For example, in a discussion about finances you might hear, "Should we have an audit this year? How did the last board handle it? Can it just be a compilation? Can a committee do it?"

If a prior board had adopted a policy, it would remove uncertainty. For instance, "The board will cause an audit or review to be undertaken by an independent financial professional at least every other year."

Policies interpret bylaws. They should *not* be inserted in the bylaws. Bylaws amendments must be voted on by the membership. Policies can be adopted, amended, or repealed by a vote of the board.

## Pandemic Policy Adaptation

Policy manuals were OK before the pandemic. The pandemic has exposed some faults in policies. With the help of Elizabeth Krile, CAE, executive director at AIA Columbus, we have suggested revisions.

**Technology Rainchecks** – Education has been transformed to on-line webinars. When the power goes out, the instructor loses connection, or someone hijacks the slide deck with graffiti, there should be a policy on cancellation and rescheduling. Now all webinars have a "raincheck policy" indicating what will occur if the webinar is shut down unexpectedly.

**Video Cameras** – Directors transitioned to remote, on-line meetings. They adjusted quickly but would not turn on their video cameras. For more effective meetings, the board set a policy that all directors should have and use their video. Without video cameras, the chair must do a roll call before any vote to ensure nobody has dropped off and a quorum exists.

**Virtual Confidentiality** – The association already had a policy on confidentiality of discussions and documents at board meetings. For remote meetings it is uncertain who might be listening to a director's call. The policy was amended to cover remote meetings in unknown background environments.

**Check Signing** - “When the pandemic struck, checks were circulated by mail only to have someone intercept and forge a check,” said Elizabeth Krile at AIA Columbus. “When we met in person the officers could view and sign checks. Meeting virtually, the association is revising the check signing policy by exploring options such as online bill paying, ACH and credit card usage. The new policy will integrate transparency and financial safeguards.”

**Remote Staffing** – Staff have always worked at the office. The employee manual requires the physical office be open 9 to 5. This policy obviously does not work during a pandemic. The new policy will be a hybrid model, combining remote and office environments. For HR issues, be sure to consult with legal counsel.

**Rules of Order** – The bylaws prescribe “Roberts Rules of Order Newly Revised 12th Edition.” With the pandemic board meetings are on-line, shorter, and more frequent. Meeting rules are respected but procedures and quorums have been relaxed.

**Annual Meeting Requirement** – The bylaws state the “annual meeting will be held no later than the last week of the fourth month of the year.” The meeting was cancelled because of the pandemic. A policy was adopted to allow the board to set the date.

**Financial Audit** – A full audit by an independent financial professional annually was prescribed in the bylaws. The board amended that to allow an audit, review of compilation to be conducted at least every 3 years. The policy describes the process for selecting an auditor and appointing an audit committee to interface with the CPA.

**Financial Safeguards** – The association has policies to separate the duties of opening mail and recording checks. With fewer staff at the office, this process will be updated. Other procedures need to be tweaked in the new work environments.

A typical association has between 25 and 50 board policies. More than that and the board may want to conduct a sunset review of the manual to bring it up to date.

Adapting to pandemic conditions may require a fresh look at existing policies. Thank you to Elizabeth Krile, CAE, for collaborating on pandemic driven policies. # # #

Tool Kit	
Policy Management	
Policies serve many purposes in an association. They represent the wisdom of the board of directors in interpreting the governing documents and identifying the best methods to advance and protect the organization.	
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# Who Invited Micromanagement?

Bob Harris, CAE

Do we unwittingly invite the board to micromanage the association? The orientation describes governance roles. But some directors slip into micromanagement.

The board sets vision and direction in a strategic plan. Committees advance initiatives from the plan. Staff implement the vision with a program of work.

What triggers directors to drop from governance to micromanagement?

1. **Policies and Procedures** – We orient the board to their leadership roles. Then we give them a manual titled, “Policies and Procedures.” Policies are the domain of the board. The operating procedures are staff responsibilities. Providing a book of procedures to directors may lead them to believe they are responsible for management. The board should receive a “Leadership Manual.”
2. **Office Keys** – Beware the officer or director who feels they should have the key to the office and passwords. Shun the elected chair who says, “I would feel better if we installed a remote camera in the executive director’s office.”
3. **Drop-Ins** – Inviting directors to drop in the office anytime they are nearby can be problematic. “Hi, I was in the area, so I thought I’d stop by, what are you working on?” Directors questioning staff about their jobs is inappropriate. The board is not the supervisor of staff. “Respecting one another’s time is the key to a successful team. Dropping in does not allow the CEO to prepare for meetings, interrupts schedules and diminishes authority in the eyes of staff,” offered DaVina Lara, CEO at Bridge Association of REALTORS® in California.
4. **Report, Report, Report** – Reports and updates occupying most of a meeting agenda dampens innovation. The board offers time, talent, and treasure to address the association’s goals --- reports should be distributed and read BEFORE the meeting. Move reports to a consent agenda to keep board meetings focused.
5. **Fraternization** – Fraternization is frowned upon. A director who offers to help a staff member, let’s say co-sign a loan or rent them a place to live, establishes an inappropriate relationship. Directors maintain a collegial, professional relationship.
6. **Second Guess the Staff** – The staff have knowledge about how to get things done efficiently and effectively. Having a board member go around the staff, inviting speakers, visiting hotels, belittles the role of staff. There will be times

when a volunteer leader may be asked to doff their governance hat for a specific task, but their primary role is leadership. Lara adds, “The sole staff person under the guidance and control of the board is the CEO. All other staff answer only to the CEO.”

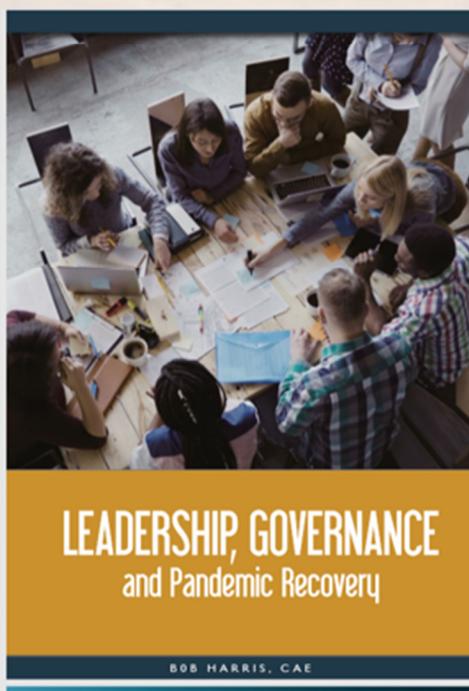
7. **Parking Lot** – Governance is conducted from gavel to gavel, between convening and adjourning the meeting. Debating outcomes after the meeting in the parking lot on through a series of intra-board emails is second-guessing decisions already made.
8. **Performance** – It is anticipated that staff have performance reviews conducted by their supervisors or the CEO. Directors should not ask to see evaluations, nor comment on how they feel about a member of the staff. Encourage continuous board improvement by providing a board self-assessment. “Sometimes the board members need to be reminded that the CEO works for them, and the staff works for the CEO,” said Suzanne M. Gebel, CAE, Executive Director of the Iowa Funeral Directors Association.
9. **CEO Contract** – Most executives have an agreement outlining responsibilities, compensation, and duration of service. Boards who say, “It’s not important, I don’t think we need one,” are disrespecting professional standards. A contract protects all parties.
10. **Palatial Office** – It is rare for the chief ELECTED officer to be assigned an office the association headquarters. If this occurs, looking over the shoulder of the executive director is a concern. The association wants to make best use of all assets, including physical office space and equipment.
11. **Roadmap** – When board members are focused on advancing a strategic plan, they have less interest in micromanaging. The plan keeps the board within their lanes, allowing committees and staff to take care of details. The opposite of strategy is tactics --- not the role of board members.
12. **Committees** – The board should be discouraged from doing committee work at the board table. By assigning tasks from the strategic plan, with clear expectations and performance measures, the board will not need to micromanage committees and task forces.
13. **Free Time** – The pandemic, economic slowdown and other factors may change the work patterns of board members, leaving them with time on their hands. Ray Aduato, executive vice president at the El Paso Association of Builders, says he would discourage the association office from being the place to congregate. Similarly, directors who have rolled off the board should avoid the urge to use the association office as their place to “hang out.”

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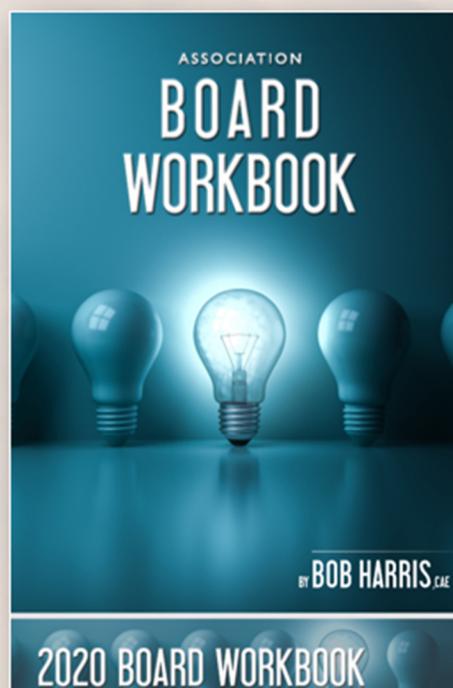
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20-Page Board Workbook



# Power Up the Consent Agenda

Bob Harris, CAE

“We’ve been in this meeting for an hour and done nothing but listen to reports,” said the board member.

A standard board agenda includes a dozen reports and updates. Reading and listening to reports are not good use of board time. Meetings should concentrate on advancing the mission and strategic goals.

Frank Rudd, CAE, president and CEO at the Florida Society of Association Executives said, “It is important for the board to use their time for strategic discussion. Directors’ time is valuable, so we want to use their expertise to focus on the big picture objectives of the association.”

## Agenda Distinctions

This article references two types of agendas for a board meeting.

The standard meeting agenda is a list of meeting activities in the order in which they are to be taken up, beginning with the call to order and ending with adjournment. It usually includes one or more specific items of business to be acted upon. A carefully crafted agenda facilitates an orderly meeting and decision making.

The consent agenda is a single item on the standard agenda that includes things the board should read but requires no action or discussion. Sometimes it is called a “consent calendar.”

The process is to distribute the reports that are informational and self-explanatory along with the meeting notice and standard agenda. By providing reports 7 to 10 days in advance the directors can read, review, and prepare for the meeting.

To decide what reports to include, review recent minutes and agendas. Staff, officer, and committee reports may simply be updates and not requests for action by the board. If it is an information-only report, it belongs on the consent agenda.

The Charleston Trident Association of REALTORS® distributes their standard board agenda in advance. They list the reports in the consent agenda as hyper-links on the standard agenda, making access easy for directors.

## Resistance

“We tried that once before, the board didn’t like it,” explained an executive director. Another said, “committees couldn’t get their reports completed in time.” Add to that, the board wasn’t reading what was sent to them before the meeting.

Implementation of a consent agenda is a process. Volunteers may resist what feels new or awkward.

## Implementation Steps

You can’t push it on the board if they don’t understand it. Leaders must appreciate the times savings and understand the importance of coming to meetings prepared.

**Familiarization** – Advise the board about the purpose of a consent agenda. Acquaint them with the process, timelines, and a sample consent agenda. Explain how much time it can save in a year.

Corey Mathews, CAE, vice president of members and chapter services for the National Association of Insurance and Financial Advisors, suggests having a board member champion the idea of using the technique. He offers, “This is a powerful tool that allows you to preserve precious time and energy, directing the focus on the strategic matters facing the board.”

**Select** – Choose items that are good for the consent agenda. Reports typically added include committees, staff, officers, and supporting background documents. The board chair or officers should define what reports are expected so directors realize this is a process supported by officers and not pushed by the executive director.

Corey Clayborne, FAIA, executive director at AIA Virginia suggested, “Make sure the reports are easily understood. This may be an example where brief is better in report writing.”

Some groups include the minutes and financial reports, while others prefer those remain on the regular agenda.

**Trial** – Test the first consent agenda by walking through it to ensure the board’s comfort level. Directors may have ideas about earlier distribution or the need to take ten minutes of open discussion at the start of the meeting to highlight a few points.

At AGC of Missouri, Leonard Toenjes, CAE, president, emphasizes that consent is built on trust and transparency. “Directors need to understand that nothing will be added to consent as a way to slip something by.”

**Teach** – Discuss the proper motion to approve the consent items and how to remove items warranting discussion.

The chair should ask, “Does anyone want to remove anything from the consent agenda?” If some reports need clarification, they will be redirected to the regular agenda. Advise that discussion will be limited to 5 to 10 minutes.

Ron Seeber, IOM, president and CEO at the Kansas Grain and Feed Association, offers, “If any member requests that an item be removed, for any reason, it must be removed.”

**Adapt** – If directors struggle with the concept, adapt a hybrid process. For example, allowing reports from the consent agenda to be verbally presented with a limit of 3 minutes each. Initiating the process, relax some rules so the board doesn’t become frustrated.

At the Texas Trial Lawyers Association, Tiffany McGee, CAE, and CEO explains, “We applied the consent agenda differently for our distinct Executive Committee and our Board of Directors.”

“Our board only meets twice a year, and the recommendation seemed too big and too abrupt. We opted for a hybrid that combines some of the old way and some of the new. It is what works best for our unique structure and culture,” she offered.

**Discipline** – Some boards slip into old ways by not submitting reports or wanting to discuss items after they have been approved by consent. Toenjes continues, “It takes rigor by committees and staff to submit reports in advance, there’s no value in late or last-minute reports if you expect the directors to prepare.”

**Prompt** – The board chair or executive director might send a reminder to directors the week prior to the meeting to read the reports, highlighting critical information to prepare for the meeting. One group circulates a video-prelude before the meeting to tell directors how best to prepare.

## **Meeting Protocol**

The chief elected officer calls the meeting to order with “housekeeping” announcements. Soon after the chair asks for a motion and second to “approve the consent agenda.”

The statement on the regular meeting agenda might read, “Consent Agenda Reports for Information Only” followed by a list of reports that were circulated.

The board chair will restate the motion, ask for debate or objections, and take a voice vote. At that point it is assumed that all directors read the reports and no further action is required. Now the meeting can move on to more substantive items such as the mission and goals.

## Policy

It is possible that the idea of a consent agenda loses favor. It is common to hear executives say, “We used to use it, but it went away.” Instill it into culture by adopting a policy for its continuous use.

The Kansas Grain and Feed Association has adopted a policy to make it part of the governing protocols, “A consent agenda may be presented by the president at the beginning of a meeting. Items may be removed from the consent agenda on the request of any one member. Items not removed may be adopted by general consent without debate. Removed items may be taken up either immediately after the consent agenda or placed later the agenda at the discretion of the assembly.”

The leadership that adopts the use of a consent agenda will find their meetings more productive.

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Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com)

## 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.

<div style="border: 1px solid red; padding: 2px; text-align: center; font-weight: bold; color: white; background-color: red;">BOARDS GOVERN STAFF MANAGE</div> <p><b>Governance:</b> Volunteer leaders are responsible for the <i>direction</i> 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:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy &amp; Position Development</li> <li>• Visionary – Future Focus</li> <li>• Fiduciary</li> </ul> <p><b>Management:</b> Staff are responsible for <i>administration</i> of the organization. Staff <i>partner</i> with the board to advance goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.</p> <p style="text-align: center; font-weight: bold; color: red;">Unique Terminology</p> <p><b>Not-for-Profit</b> refers to the legal corporate status of the organization. (It does not imply an exemption from paying or collecting <i>state sales tax</i>.) <b>Nonprofit</b> is the casual reference to Not-for-Profit</p> <p><b>Exempt Organization</b> is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of <b>UBIT - Unrelated Business Income Tax</b>.) The most common exempt designations:</p> <p><b>IRS 501(c)(3)</b> often refers to organizations with a religious, charitable, scientific or</p>	<p style="text-align: center; font-weight: bold; color: red;">Board Responsibilities</p> <ol style="list-style-type: none"> <li>1. Determine and advance the organization's mission and purposes.</li> <li>2. Select the chief paid executive (<i>not staff</i>) as well as CPA and attorney.</li> <li>3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievements, etc.)</li> <li>4. Conduct organizational planning.</li> <li>5. Ensure adequate resources (funds, time, volunteers, staff, etc.)</li> <li>6. Resource and financial oversight.</li> <li>7. Determine, monitor and enhance programs and services.</li> <li>8. Promote the organization.</li> <li>9. Ensure legal and ethical integrity and maintain accountability.</li> <li>10. Develop future leaders.</li> </ol> <p style="font-size: x-small; text-align: center;">(Adapted from <i>Ten Responsibilities of Nonprofit Boards</i> <a href="http://www.BoardSource.org">www.BoardSource.org</a>)</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center; font-weight: bold; color: red;">Good Governance</p> <p>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.</p> <p>Policy questions in IRS Form 990 include:</p> <ul style="list-style-type: none"> <li>• Audit and Audit Committee</li> <li>• Whistleblower</li> <li>• Compensation</li> <li>• Document Destruction</li> <li>• Conflict of Interest</li> <li>• Public Records</li> <li>• Board and Committee Minutes</li> </ul> </div> <p style="text-align: center; font-weight: bold; color: red;">Insurance and Volunteer Immunity</p>	<p><b>Directors and Officers (D&amp;O) Liability</b> may cover legal defense for employment, copyright, and antitrust claims, for instance.</p> <p><b>General Liability</b> insurance covers property damages and injuries relating to the organization.</p> <p><b>Fidelity Bond</b> covers losses resulting from fraudulent or dishonest acts committed by an employee.</p> <p><b>Meeting Cancellation</b> covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc.</p> <p style="font-size: x-small; text-align: center;">(Covers legal and insurance costs for assistance.)</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center; font-weight: bold; color: red;">Legal Principles</p> <p><b>Duty of Care</b> requires leaders to use reasonable care and good judgment in making their decisions on behalf of the interests of the organization.</p> <p><b>Duty of Loyalty</b> requires leaders to be faithful to the organization, avoiding conflicts of interest.</p> <p><b>Duty of Obedience</b> requires leaders to comply with governing documents (i.e. by laws, articles of incorporation, policies, etc.)</p> </div> <p style="text-align: center; font-weight: bold; color: red;">Board Tools</p> <p>Documents available to leaders, often in a <i>Leadership Manual</i> or board portal.</p> <ul style="list-style-type: none"> <li>• Statement of Purpose (Mission)</li> <li>• Articles of Incorporation</li> <li>• Bylaws</li> <li>• Policy Manual</li> <li>• Strategic Plan</li> <li>• Financial Statement - Budget</li> <li>• Meeting Minutes</li> </ul>
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# Saving Sponsorships in a Pandemic

Bob Harris, CAE

Associations have postponed or cancelled many events during these challenging times. The lost sponsorships represent significant income as a percentage of events and the overall budget.

Take steps to save the sponsor relationships and revenue.

- **Re-Purpose** – Find new opportunities for sponsors. As the association adjusts so do the prospects for sponsorships. Offer new opportunities for remote learning, virtual happy hours, industry town-hall meetings, etc.
- **Roll-Over** – Propose to roll-over the sponsorship to the same event next year.
- **Re-Direct** – Offer an alternative such as funding a charitable initiative or giving to the association's foundation. This may allow for an IRS charitable contribution.
- **Refund** – The least preferable option is a refund. Be mindful of business conditions that have impacted sponsors.

## Sponsor Opportunity Menu

A sponsorship menu is an inventory of all potential opportunities. Avoid “nickel and diming” companies for money throughout the year. Encourage a company to include sponsorship in their annual budget.

The menu is created by staff, usually during the summer, so companies can consider their relationship with the association for the *year ahead*. An excellent model is available at [https://www.okrestaurants.com/partnership\\_opportunities.php](https://www.okrestaurants.com/partnership_opportunities.php).

Because of the cancellations and postponements, the menu should be updated now for 2020, and promote 2021 opportunities.

Be sensitive to the changing needs of sponsors. For example, they may no longer have funds for attendance at a conference but would appreciate increased exposure through website banners and digital newsletter advertisements.

# # #

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# Focus More on Value, Less on Virus

Bob Harris, CAE

For months associations have reacted to the pandemic. It is time to transition from the virus to communicating value.

Demands from members for solutions and services have increased two-fold during uncertainty. Staff and volunteers have rallied to serve and protect members.

Dues renewals will be distributed soon. How will the association communicate value? Members should be reminded of the ROI - return on investment compared to dues paid.

Appoint a team to determine value and what may have changed. Some programs have been cancelled or postponed as new services, bulletins, education, and advocacy initiatives have been added.

## Value Calculator

Demonstrate value by adding an interactive calculator on the association website. It automatically tallies savings on tangible and intangible benefits. Develop the calculator with these steps.

**Sort the Services** – Appoint a team to identify every activity, benefit, and service. The list could be over 100 items when they consider access to expertise, digital bulletins, performance reports, research, etc.

The list will include conferences, education, and advocacy among the myriad of benefits. Sort the list by categories such as education, advocacy, solutions, and connections. Alignment with the goals in the strategic plan would be smart.

This may be the time to determine if any benefits and services no longer have value. Activities that do not advance the mission statement might be abandoned or adapted.

**Assign Worth** – Identify the value of services, realizing much of it will be speculative. Every service and solution have a value.

Make your best guess, including costs of operations, overhead, time, etc. Distinguish the costs between members and non-members. Realize that even your most mundane services have value for the people calling for help.

Some of the value may include how the association advice can save a company from fines for non-compliance. If a member calls staff for help and talks for an hour, what

would that value be? If a program has potential to save a member thousands of dollars, try to estimate the value.

Beyond ROI, consider return on relationships (ROR). Associations connect members within their community. They facilitate access to experts, leaders and offer mentoring.

Ben Bolusky, CEO at the Florida Nursery, Growers and Landscape Association, says, "Though it may be challenging to ascribe value, recognize even your most seemingly intangible benefits or services have some real tangible value."

**Integrate Technology** – The exercise can result in a letter or brochure about the value of membership. It is more effective to turn it into a live calculator.

It will communicate the reasons to join or renew along with the savings associated with each benefit. Members and prospects can use the calculator to determine association value and opportunities.

Members will be considering renewal soon. Be prepared by updating or creating a customized value calculator that indicates ROI and ROR.

Examples of value calculators are found at FNGLA and TMA.

<http://www.fn gla.org/membership/roi>

<https://www.texmed.org/roi/>

# # #

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FNGLA's R-O-I Calculator			
Annual FNGLA benefits		Value	
Ben's Bullets: Weekly Industry Updates		\$100	
Electronic Communications: Greenline, Legislative Updates, Industry News		\$250	
Industry Alerts		\$150	
Access to FNGLA PROS (Policy, Regulation, Operation Standards)		\$100	
<b>Immediate Annual FNGLA Benefits Value</b>		<b>\$ 600.00</b>	
Additional FNGLA Member Discounts		Number	Savings Value
The Landscape Show Booth Discount			
Number of 10X10 booths	<input type="text" value="0"/>	\$370	
TPIE Show Booth Discount			
Number of 10X10 booths	<input type="text" value="0"/>	\$370	
Show Directory Advertising			
Discount Per Placement	<input type="text" value="0"/>	\$250	
Florida Flower Trials			
Discount Per Person	<input type="text" value="0"/>	\$25	
Education on the Go			
Discount Per Person	<input type="text" value="0"/>	\$50	
FNGLA Certifications Testing Fees			
Discount From \$65-\$200 Per Student	<input type="text" value="0"/>	\$65	
FNGLA Certifications Manuals			
Discount From \$15-\$30 Per Manual	<input type="text" value="0"/>	\$15	
Landscape Awards Entry Discount			
Discount Per Entry	<input type="text" value="0"/>	\$55	
PlantANT Listings Discount			
	<input type="text" value="0"/>	\$450	
PlantFinder Participation Discount			
	<input type="text" value="0"/>	\$870	
Employment Law Hotline			
Savings per Hour	<input type="text" value="0"/>	\$180	
Access to Regulatory Compliance			
Expert Savings per Hour	<input type="text" value="0"/>	\$135	
Group Life Insurance Savings			
Average \$120 Per Person Anually	<input type="text" value="0"/>	\$120	
Isuzu New Truck Purchase Discount			
Average over \$800 savings per vehicle	<input type="text" value="0"/>	\$800	
Credit Card Processing Average			
Calculated Savings of \$3,100	<input type="text" value="0"/>	\$3,100	
Fresh from Florida's FAPC Program			
Enrollment Up to \$1,500	<input type="text" value="0"/>	\$1,500	
Printing, Graphics and Marketing			
from Creative. Savings from \$500	<input type="text" value="0"/>	\$500	
Payroll Processing Discount			
Savings from \$850	<input type="text" value="0"/>	\$850	
<b>Additional Annual FNGLA Member Savings</b>		<b>\$ 0.00</b>	

# Taking the COVID Pulse of Leaders and Influencers

Bob Harris, CAE

Environmental factors are encouraging organizations to regroup and consider what the future holds. Many are making positive, long-lasting changes during this time of recovery.

Two distinct groups working as a team to lead an association. Volunteer leaders govern while the professional staff manage.

During the springtime, associations were responding to member urgencies. Soon after, organizations propped up their operations, ensuring sustainability and relevance. Now they are asking influencers, leadership, and staff what the future holds.

## Visioning

Ryan T. Conrad, CAE, CEO at the Northern Virginia Association of REALTORS® created a visioning session for the NVAR staff.

“We wanted to take a moment to step back and think about what we’ve learned as a team during the pandemic and our ability to serve members in a completely remote environment. Talking openly about lessons learned is helping us shape what the future of our association will look like when we get back to so-called ‘normal’.”

Whether visioning or polling, the focus should be how a membership organization will stay relevant and increase value. This is an opportunity to be an indispensable partner to members during uncertain times.

Reach out to the leadership, loyal members, big contributors, visionaries, and past leaders.

## Questions of the Leadership

Find a time and method to poll the leadership and organization influencers. What has changed for them and their relationship with the organization? Their candid input should be invaluable to decision making.

- Has the pandemic changed how you want to engage with our organization? How long do you expect these changes will last?
- How do you want to receive communications? Frequency, digital, printed publications, technology, etc.

- Has the pandemic changed your own organization's culture and relationship with membership organizations?
- How would you describe our responsiveness to members and community since the start of the pandemic? Are we on the right track?
- Have your education and learning needs changed; how should we adjust delivery?
- How can we deliver even more value to the membership and your own organization?

### **Questions of the Staff Team**

The staff should be polled, too. Ask them to share in creating a vision.

Beware of staff focusing on things like working from home more often and flexible work schedules – leaders should keep them focused on the membership and how the association will meet member needs in new and innovative ways post COVID-19.

- What does a world-class member-focused and engagement experience look like post COVID-19?
- How is our staff team delivering simpler, quicker, and customized access to resources members need, based on the ('new') way members do business?
- What have we learned about what (and how) members need most from their Association?
- What are members doing differently in the field and for their business?
- What have we done for members differently that has been successful, or not successful?
- What is the staff vision for the future in 2020 and beyond?

Use the input to create a shared vision for the future. Organizational buy-in and support of what the association looks like post COVID-19 will be critical to ensure long-term success.

# # #

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# Extending Board Terms

Bob Harris, CAE

An association relies on its board to govern. It sets the vision and advances the mission to best position the organization and serve its members.

Through the pandemic, some directors may have reasons they can no longer volunteer. Concerns about jobs, business survival, health and family come first.

It is logical if board members request an absence from leadership duties. Bylaws often allow for some excused absences, which may solve the problem.

There are other solutions to prop-up the board. Some of the remedies are intended for dire situations; they are not to appease a director who simply wants to stay on the board.

## Extending Terms

Terms limits are described in the bylaws. Consider relaxing the term limits during an emergency to allow willing directors to extend their service.

The process for nominations and elections have been interrupted by cancelled conferences. Without a slate of nominees, ask directors scheduled to roll-off the board if they would serve another year, or until an election and replacement can be found. You don't want to lose a quorum.

During the pandemic and uncertainties, the extended terms could apply to their entire board, or just to the few vacant seats.

“For continuity during this situation, it would be OK to maintain the existing leadership team, depending on their effectiveness. Extending terms could be an option if the board has missing directors,” said Bill Pawlucy, CAE, founder at Association Resources.

## Enlist Past Presidents

If directors are missing, call on past leaders who have been effective, especially past presidents. You want experienced and competent volunteers making governance decisions.

They can be asked to listen in and advise the board (sometimes called a “rusty trustee”.) Leaders with experience may be willing to accept an appointment to fill a vacant seat.

This may be the time to tap desired future leaders. Most organizations know who their influencers are that would be beneficial to add to the board. Turn to the association's emerging leaders and young professionals. Be sure to enlist a board reflective of its membership.

### **Galvanize the Team**

The current board of directors will be remembered for how they responded during the crisis. It requires the board be innovative and strategic.

At the California Association of REALTORS®, chief elected officer, Jeanne Radsick of Century 21 Jordan-Link in Bakersfield, said people have asked if her leadership year was marred by the pandemic.

She said this is an opportunity of a lifetime. Her team quickly mobilized to help members get through the challenges. This is a chance to make lasting association improvements and be indispensable to the membership.

### **Streamline Governance**

Board meetings have transitioned to remote platforms. By now directors are familiar with video platforms and know the importance of using their cameras and other features.

For efficiency, reduce the agenda, foregoing the usual reports and updates, to focus on urgent issues. A 30-minute on-line meeting may have better results than a 2-hour call where members are distracted or drop off.

Be sure the board has empowered the executive committee to act as needed and in accordance with bylaws. Authorize the association's CEO to make decisions within their purview without micromanagement and second-guessing by the board.

Check with legal counsel before waiving bylaws. Be certain to document the rationale for such actions to maintain transparency with the membership.

# # #

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# How to Waste a Good Board Meeting

Bob Harris, CAE

Board meetings are a time to receive information and make decisions. Directors who do not take their roles seriously can waste a good meeting.

**Ill Prepared** – An agenda and reports will be distributed in advance; don't take time to read them. The information provides insights into what will be discussed. Study it and address questions to staff or officers *before* the meeting. By not preparing, you're more likely to make inquiries off the top of your mind, frequently starting sentences with, "I just have a question." A skilled board chair will urge that everybody come prepared as a fiduciary duty. Address repeat offenders outside the meeting room.

**Disregard Bylaws** – All discussions should be framed by the governing documents, including bylaws, policies, budget, and strategic plan. Directors who don't read the bylaws have no guardrails to frame their discussions. Provide an orientation and access to the governing documents in a board notebook or portal.

**Role Reversal** – Directors are charged with governing. Some board members slip into the executive director's role of management. Respect the work of staff, refraining from second guessing their actions at meetings. An orientation should explain the distinctions in board and staff responsibilities. Avoid taking off your "governance hat" to become a micromanager. "There are executives who invite board members to assist with management decisions. This causes leaders to assume almost a full-time role," said Suzanne M. Gebel, CAE, executive director of the Iowa Funeral Directors Association. "These associations have difficulty recruiting strategic leaders due to the incredible time commitment for helping staff."

**The Clock** – Time matters. The chair has allowed sufficient time to achieve the results. Arriving late delays the start. Continuous distractions and interruptions derail efforts. Keep an eye on the time to limit discussions and advance the agenda to completion.

**Rules** – Ignore the rules that are intended to facilitate an orderly process. Interrupt frequently, speaking as ideas come to mind rather than "asking for the floor." If everyone talks, ignoring the agenda and rules of order, little will be completed. A favorite guide is 16-pages in cartoon format, *ABCs of Parliamentary Procedure*.

**Interim Inactivity** – A lot happens in between board meetings. Use the interim months to help advance strategic projects and assignments. It would be naïve to think nothing has occurred since the last board meeting.

**Ad Nauseum** – The board sets direction. There should be little reason to delve into details ad nauseum, for instance, "who will sit at the head table," "what software will you

use for surveying?” Nitpicking is frustrating for everyone. Keep the discussions at the altitude of governance, staying out of the weeds.

**Argue** – Meetings are a platform for reaching consensus. Don’t approach the board meeting as a forum for making personal points, attacking personalities, or begrudging the fact you are there.

**Herd Mentality** – When a farmer calls in the cows, the herd follows. Avoid group think -- being swayed by the enthusiasm of others. Decisions should be based on knowledge.

**Naysayers** - Board members who cross their arms and plant their feet, saying “NO” to an issue can dampen enthusiasm and stop the flow of discussion. Skilled leaders develop a way to restore the momentum. One method is to ask the person a provocative question, such as “What would make this work for you,” offers Willa Fuller, executive director of the Florida Nurses Association.

**Storytellers** - Storytellers can really waste time at a meeting. One strategy to prevent this is to establish time limits on topics and assign a timekeeper to help move issues along. Often a visual tool can be developed to move along the conversation, such as a clock with a smiley face, or a stuffed squirrel to remind them they have led the group on a chase, suggests Fuller at FNA.

**Committee Dives** – Destroy committee confidence by disparaging their recommendations. Avoid disrespecting their efforts, outguessing their rationale, and promoting ways you could do it better. Remember the adage, “boards don’t do committee work at the board table.” Listen carefully to proposals. If you disagree, tactfully ask, “How do you think we could improve the recommendation?”

**Rump Sessions** – Decisions should be made *inside* the boardroom, based upon hearing facts and discussion. Avoid seeking board buddies to manipulate the outcomes. Don’t create voting blocs or gather proxy votes.

**Early Departure** – The first person who says, “I have to leave early,” causes an exodus. A hasty departure puts the load on the remaining directors. They too may have reasons to leave early. The loss of a quorum leaves unfinished work on the agenda.

**Parking Lot** – Avoid holding the board meeting a second time in the parking lot. Directors have authority from gavel to gavel inside the boardroom. Second guessing decisions after the meeting with cellphone conversations or parking lot discussions is counter-productive, explains Gebel at IFDA.

Make board meetings worth the time of directors, officers, and staff. Arrive prepared and committed to achieving the intended outcomes.

# **Prelude to a Board Meeting**

Bob Harris, CAE

“We are volunteers, we have real jobs. How do we know where to focus our energy and what to expect at board meetings,” are questions from busy directors.

Board meetings are infrequent. When the meetings do occur, it is an occasion that benefits by preparation.

To build excitement and understanding for a meeting, use a video prelude and a consent agenda. A prelude is an action to introduce something important.

## **Consent Agenda**

Volunteer leaders are expected to arrive ready to conduct business. A consent agenda can save board time by not having to read or hear the reports throughout the meeting’s agenda.

Listening to reports is not the best use of volunteers’ time and talents. The average number of reports on a board agenda is 17.

Use a consent agenda to save time and to focus on important issues. Circulate support materials and reports in advance to give leaders a chance to read them on their own time.

Problems can occur with the consent process. Possibly the reports were not prepared in time to circulate before the meeting.

Board members did not read the reports. Or directors approve the consent agenda and then rehash the reports later in the meeting. The concept requires discipline.

## **Prelude to the Board Meeting**

You hope board members will be enthusiastic about the approaching board meeting. How can you help them prepare? It is their fiduciary duty.

Circulate a brief video about director expectations at the upcoming meeting. Produced by the chief elected officer or executive director, it is shared with directors a few days before the meeting.

The prelude video will elevate awareness of the business and intended results of the next board meeting.

The script may follow this outline:

- **Reminder:** We are excited about the scheduled meeting and want to remind you of the location, access, and logistics.
- **Reading:** You will recall receiving reports with the meeting announcement and agenda. The reports should be read in advance so we can discuss with knowledge and be ready to adopt a motion to accept the reports. Of course, anything that needs to be removed from consent to regular agenda can be noted at the board meeting.
- **Focus:** We are especially excited about some projects we will discuss. Be sure to read the briefings the committee and staff have prepared. If you have questions, please direct them to the executive director or designated person.
- **Gratitude:** We thank you for serving as a volunteer leader and want to make the best use of your valuable time.
- **Questions:** If you did not receive the agenda or reports, please let me know.

The video highlights the purpose and value of the meeting. It builds enthusiasm among the team. It facilitates better outcomes.

# # #

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## BOARD RESPONSIBILITIES<sup>®</sup>

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.

<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; font-weight: bold; margin: 0;">BOARDS GOVERN STAFF MANAGE</p> <p style="font-size: x-small; margin: 0;">© 2004 BoardSource</p> </div> <p><b>Governance:</b> Volunteer leaders are responsible for the <u>direction</u> 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:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy &amp; Position Development</li> <li>• Visionary – Future Focus</li> <li>• Fiduciary</li> </ul> <p><b>Management:</b> Staff are responsible for <u>administration</u> of the organization. Staff <i>partner</i> with the board to advance goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.</p>	<p style="text-align: center; font-weight: bold; font-size: small; margin: 0;">Board Responsibilities</p> <ol style="list-style-type: none"> <li>1. Determine and advance the organization's mission and purposes.</li> <li>2. Select the chief paid executive (<i>not staff</i>) as well as CPA and attorney.</li> <li>3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievements, etc.)</li> <li>4. Conduct organizational planning.</li> <li>5. Ensure adequate resources (funds, time, volunteers, staff, etc.)</li> <li>6. Resource and financial oversight.</li> <li>7. Determine, monitor and enhance programs and services.</li> <li>8. Promote the organization.</li> <li>9. Ensure legal and ethical integrity and maintain accountability.</li> <li>10. Develop future leaders.</li> </ol> <p style="font-size: x-small; margin: 0;"><i>(Adapted from Ten Responsibilities of Nonprofit Boards</i> <a href="http://www.BoardSource.org">www.BoardSource.org</a>)</p>	<p><b>Directors and Officers (D&amp;O) Liability</b> may cover legal defense for employment, copyright, and antitrust claims, for instance.</p> <p><b>General Liability</b> insurance covers property damages and injuries relating to the organization.</p> <p><b>Fidelity Bond</b> covers losses resulting from fraudulent or dishonest acts committed by an employee.</p> <p><b>Meeting Cancellation</b> covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc.</p> <p style="font-size: x-small; margin: 0;"><i>(Contact legal and insurance counselors for assistance.)</i></p>
<p style="text-align: center; font-weight: bold; font-size: small; margin: 0;">Unique Terminology</p> <p><b>Not-for-Profit</b> refers to the legal corporate status of the organization. (It does not imply an exemption from paying or collecting <i>state sales tax</i>.) <b>Nonprofit</b> is the casual reference to Not-for-Profit</p> <p><b>Exempt Organization</b> is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of <b>UBIT - Unrelated Business Income Tax</b>.) The most common exempt designations:</p> <p><b>IRS 501(c)(3)</b> often refers to organizations with a religious, charitable, scientific or</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; font-weight: bold; font-size: small; margin: 0;">Good Governance</p> <p style="font-size: x-small; margin: 0;">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.</p> <p style="font-size: x-small; margin: 0;">Policy questions in IRS Form 990 include:</p> <ul style="list-style-type: none"> <li>• Audit and Audit Committee</li> <li>• Whistleblower</li> <li>• Compensation</li> <li>• Document Destruction</li> <li>• Conflict of Interest</li> <li>• Public Records</li> <li>• Board and Committee Minutes</li> </ul> </div> <p style="text-align: center; font-weight: bold; font-size: small; margin: 0;">Insurance and Volunteer Immunity</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; font-weight: bold; font-size: small; margin: 0;">Legal Principles</p> <p style="font-size: x-small; margin: 0;"><b>Duty of Care</b> requires leaders to use reasonable care and good judgement in making their decisions on behalf of the interests of the organization.</p> <p style="font-size: x-small; margin: 0;"><b>Duty of Loyalty</b> requires leaders to be faithful to the organization, avoiding conflicts of interest.</p> <p style="font-size: x-small; margin: 0;"><b>Duty of Obedience</b> requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)</p> </div> <p style="text-align: center; font-weight: bold; font-size: small; margin: 0;">Board Tools</p> <p style="font-size: x-small; margin: 0;">Documents available to leaders, often in a <b>Leadership Manual</b> or board portal.</p> <ul style="list-style-type: none"> <li>• Statement of Purpose (Mission)</li> <li>• Articles of Incorporation</li> <li>• Bylaws</li> <li>• Policy Manual</li> <li>• Strategic Plan</li> <li>• Financial Statement - Budget</li> <li>• Meeting Minutes</li> </ul>

# Professional Development during a Pandemic

Bob Harris, CAE

Professional development is the cornerstone of great associations and chambers. Summertime is when most executives boost knowledge, exchange information, and explore certification.

The summer of 2020 will be different. Many educational opportunities are being postponed or cancelled during pandemic and economic recovery.

For instance, the US Chamber's Institute for Organization Management (IOM) made a tough choice about its three summer campuses, a program founded 99 years ago.

They stated, "After much consideration and continuous monitoring of the coronavirus (COVID-19), the Institute team has made the decision to cancel 2020 summer sites....the inherent risk is too great at this stage of the pandemic."

"IOM quickly pivoted to create a series of webinars, led by Institute faculty members, to provide value to our students and members, that will run through the summer months," said Raymond P. Towle, IOM, CAE, Vice President, Federation Relations and Institute for Organization Management U.S. Chamber of Commerce.

## Pursuit of Excellence

Don't let pandemic and economic recovery curtail professional development. This may be the best time to focus on personal and organizational improvement.

I've heard varied reasons against professional development. "I'm too busy to get my certification." "Who's got time to read?" "Award applications require that I organize and submit documents."

There are many avenues to pursue excellence.

To become certified, it is a process requiring application, study, and testing. The CAE is offered by the American Society of Association Executives. CCE is available from the American Chamber of Commerce Executives. Check their websites for requirements.

Organizational accreditation is another way to affirm quality. The purpose is to elevate the profession and set benchmarks for excellence.

For state and local chambers it is offered by the US Chamber of Commerce. State accreditation programs are managed by some of the chamber networks.

Recognitions and awards are a sign of excellence. Most are offered by the state ASAE allied societies or the associations of chambers executives.

Similar recognitions may be offered by parent organizations in a federated structure. If you find you have missed a deadline, check if it has been extended during these trying times. Most organizations offer scholarships in addition to awards.



I visited the state office of the American Institute of Architects (AIA) in Harrisburg. They display awards received from the Pennsylvania Society of Association Excellence. PSAE promotes awards for communications, meetings, membership, and individual recognitions.

Most states have quasi-governmental quality programs aligned with the US Baldrige Award. They apply to nonprofit organizations, too. Areas of criteria include leadership, strategy, member service, analysis, workforce, processes, and results. For more information visit <https://www.nist.gov/>.

## **Publishing**

Sharing thoughts and experiences can be cathartic. With fewer interruptions, now may be a good time to write articles, contribute to a blog or start a book.

Every executive has ideas to share, as well as horror stories. Writing may support certification or recertification requirements.

To document your time and thoughts during recovery, keep a journal. The 120-page blank notebook available from Amazon titled, *“Being an Executive Director is Easy, it’s like Riding a Bike, Except the Bike is on Fire....”* seems ideal.

“This is a chance to work on an article I promised to write with Bob Harris about his passion on embracing and integrating the strategic plan. I’m going to get it done since I save time not commuting to the office,” said Josh McFall, CAE, RCE, Chief Executive Officer, Huntsville Area Association of REALTORS®.

## **Good Reads**

This may be the time to read or reread books with ideas to improve organizations. Here are a few of my favorites, new and old.

***Platform Revolution by Geoffrey G Parker*** - A review of how technology and disruptors may impact associations and how we do things. Imagine the member who says, “I don’t need your association because I found a platform to keep me informed and with plenty of resources accessible on my smart phone.”

***Pivot Point by Sheri Jacobs*** - Examples abound of once-dominant organizations that succumbed to competitors and start-ups because they failed to adjust their business model when such a shift amid rapid change could have made all the difference.

**Pivot Point** provides a guide for creating an organization that is more responsive, nimble, and open to the dynamic nature of its operating environments.

***Associations for 21<sup>st</sup> Century*** – A free 112-page publication from the Center for International Private Enterprise. It provides associations with best practices and practical tools to help executives. Available on-line at: <https://www.cipe.org/wp-content/uploads/2019/01/BA-for-the-21st-Century-2016.pdf>

***E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It by Michael Gerber*** - Published 25 years ago, it still offers insights into organizing a business, applicable also to associations. Identify the recurring activities and events, document them, create best practices, and organize them so staff can provide customer service excellence. Associations usually organize their operating procedures in manuals for governance, management, communications, and crisis management.

***Good to Great: Why Some Companies Make the Leap by Jim Collins*** - Describes how companies (applicable to associations and chambers) transition from being good to great. I often remind board members, “good is the enemy of great.”

***Race for Relevance: 5 Radical Changes for Associations by Harrison Coerver and Mary Byers*** – A realistic look at realities and how associations can remain relevant. The authors examine five areas for change: Overhaul the governance; empower staff, know the membership market; assess programs and services; and focus where you can have an effect.

## **Webinars**

Educational organizations are adapting to social distancing with new formats such as webinars, town halls and webchats. Many of the sessions are free or have nominal registration fees.

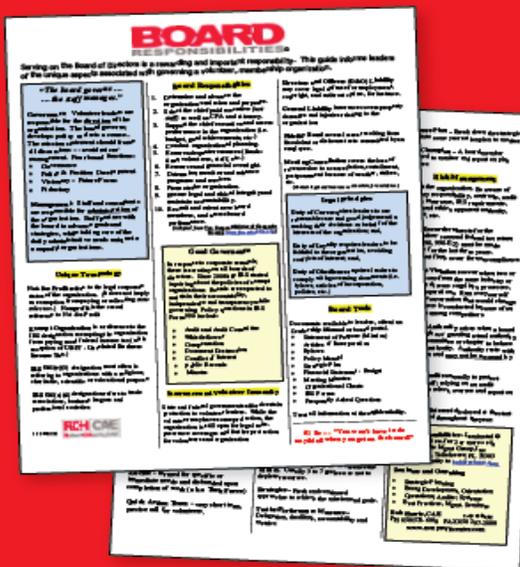
These organizations have a cadre of instructors eager to teach. Research allied organizations and your interests to find webinars you can join.

Adapt during the pandemic and economic recovery to pursue personal and organizational excellence. When organizations return to offering conferences and seminars, add them to your calendar and keep them in your budget.

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).

## BOARD RESPONSIBILITIES GUIDE



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- Board Responsibilities
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# The Gold Standard in Policies

Bob Harris, CAE

Policies are the wisdom of prior boards, adopted as motions and recorded in the minutes, to guide actions and decisions of the current and future boards.

They frequently interpret broad sections of the bylaws, which purposely lack detail. For example, the bylaws may require a periodic financial audit. A policy will specify frequency, type of audit, and the hiring of a CPA.

It is easier to adopt, amend or repeal a policy than it is the bylaws which usually require an approval process by the membership. Associations rely on 25 to 50 policies.

Most commonly they address investments, confidentiality, antitrust avoidance, and authority to speak for the association. Other policies result from questions on IRS Form 990, including public records, record retention, conflicts of interest, financial audits, and whistle blower.

## Gold Standard

There are two policies I have seen that add significant value for associations and chambers. Both clarify roles and responsibilities.

**Management and Governance Model** – The purpose of this policy is to ensure the board governs without efforts to manage staff.

The association has adopted a model of management and governance to ensure the volunteer leadership and CEO/executive directors effectively advance association efforts. The board of directors will focus on governance in accordance with the governing documents. The elected officers and board will focus efforts on advancing the mission and goals, serving the membership, protecting, and building resources, while being visionary and strategic.

The CEO is responsible for management, including staffing, office, protection of assets and other responsibilities associated with a corporate CEO. While the board governs, the CEO manages, working together to serve members. With exception of the chief elected officer, volunteer leaders do not direct staff, evaluate performance now expand their duties.

**Distinctions in Policies and Procedures** – The purpose of this policy is to ensure the board understands the difference between policies and procedures.

The association distinguishes between board policies and management procedures. Policies are established to guide board decision making. Procedures guide the staff's administration of the association.

While personnel policies may be referenced, they too are distinct. The board does not have direct involvement with personnel matters. Those policies are overseen by the executive director and association attorney.

## Policy and Procedures Manuals

Confusion continues to exist between the terms and purpose of policies and procedures. Some associations distribute a manual mistakenly titled "Policies and Procedures."

"Making a clear distinction between policy and procedures manuals indicates an effective organization with an understanding that boards govern, and staff team manage," offers Bill Pawlucy, CAE and President of Association Options.

A strategic board has little interest in staff procedures, preferring to focus on policies, positions, and outcomes.

Policies often result in administrative procedures. When a policy is adopted at a board meeting, in turn staff will determine implementation steps.

For example, the board might state a savings reserve should be maintained equaling 50 percent of the annual budget. The staff will work to reach and maintain the threshold.

Policies are transcribed from the meeting minutes into a compendium of all policies. They are distributed in the board's leadership notebook or accessible on-line.

If no policy manual exists, review the last few years of minutes to identify motions that translate into policies. Review IRS Form 990 to determine if the policy questions are answered affirmatively. And rely on a CPA and attorney to recommend policies. A free policy toolkit is available.

(<https://www.dropbox.com/s/6nhz1an8qomjujm/Toolkit%20Policy%20Management%202019.pdf?dl=0>)

Tool Kit	
Policy Management	
Policies serve many purposes in an association. They represent the wisdom of the board of directors in interpreting the governing documents and identifying the best methods to advance and protect the organization.	
Contents	
The Purpose of Policies .....	3
Definitions .....	3
Policies are NOT Procedures.....	4
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IRS Policies.....	6
Errors in Policy Adoption.....	7
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# # #

# Tap into Board Talent with a Survey

Julie Taylor, CAE and Bob Harris, CAE

There are many ways to build a great board of directors. The process starts with a nominating committee interviewing and researching the backgrounds of volunteers. The committee may be limited by access to information about the candidates.

If the committee deserts their task, you might hear them advise, “You won’t have to do anything when you get on the board.” And “Once you’ve served as a committee leader your nomination is a shoo-in.”

## Gap Analysis

The BOMA Oakland/East Bay in California does a gap analysis of association needs. For example, if our small staff needs marketing, technology, or creative help, we can call on board members with the expertise.

To acquire the interests and talents of the board, we use a short survey. It is collected annually using a platform such as SurveyMonkey.

“We knew we had talented individuals on the board, but until we surveyed their education and special interests, we weren’t taking advantage of their skills,” Julie Taylor explained about BOMA. “We want to make best use of our board’s talents as we possibly can.”

The survey matches association needs with volunteer expertise. “I found they had skills that filled the gaps to which our association professional staff could tap into.”

For example, a director responsible for technology within their company, can share that expertise to benefit the association. A director who heads a marketing department in their firm can lend their knowledge to the association.

It is often said that volunteer leaders bring with them Time, Talent and Treasure – the three Ts. The survey identifies and engages their talents.

## Volunteer Survey

The survey takes less than ten minutes, directed at members of the board and candidates.

A. Which of the following areas do you have expertise in? (Check all that apply.)

Finance

Marketing

- |   |  |
|---|--|
| <input type="checkbox"/> Legal                | <input type="checkbox"/> Strategic Planning    |
| <input type="checkbox"/> Construction         | <input type="checkbox"/> Project Management    |
| <input type="checkbox"/> Management           | <input type="checkbox"/> Fundraising           |
| <input type="checkbox"/> Leadership           | <input type="checkbox"/> Government Affairs    |
| <input type="checkbox"/> Communication Skills | <input type="checkbox"/> Investment Management |
| <input type="checkbox"/> Interviewing skills  | <input type="checkbox"/> Administration        |
| <input type="checkbox"/> Social Media         | <input type="checkbox"/> Leasing               |
| <input type="checkbox"/> Technology           | <input type="checkbox"/> Sales                 |
| <input type="checkbox"/> HR                   | Other (please specify)                         |
| <input type="checkbox"/> Training             | <input type="text"/>                           |

The survey also asks about community connections that could benefit the association.

B. What community connections do you have?

- |   |   |
|---|---|
| <input type="checkbox"/> Corporate                | <input type="checkbox"/> Small businesses       |
| <input type="checkbox"/> Educational institutions | <input type="checkbox"/> Social Media Firms     |
| <input type="checkbox"/> Media outlets            | <input type="checkbox"/> None                   |
| <input type="checkbox"/> Political organizations  | <input type="checkbox"/> Other (please specify) |
| <input type="checkbox"/> Philanthropy             | <input type="text"/>                            |

By identifying volunteer interests, we strive to fill the positions with members who add diverse experience, thoughts, and ideas to our governance and association.

The information from board candidates has made the nomination review process robust and engaging at BOMA Oakland/East Bay. Without the survey, our insights into directors might be limited to reading resumes and LinkedIn profiles.

# # #

Julie Taylor, CAE, is the executive director at BOMA Oakland/East Bay. Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).

# Appoint a Committee to Review Committees

Bob Harris, CAE

“We need a task force to review our committee structure,” board members quipped.

The issue in this association is the existence of 75 committees. They built up over decades without a review of purpose and effectiveness.

Committees have important roles; engaging members, developing leaders, and producing results to support board and staff.

Board members explained, “Committee chairs have held their positions for years and will not secede.” “We tried to reduce the number of committees, but nobody wanted to give up their turf.” “It’s too political to touch.”

“Committees that are not aligned with an association’s goals can drain time and energy from the important work of staff and volunteers. Conversely, committees that have a clear purpose can play a vital role in helping an association fulfill its mission,” explain Tom Agnew, Ed.D., Associate Executive Director, Global Development, Society of Exploration Geophysicists (SEG).

## **Sunset Process**

Governments use a “sunset process” to regularly review agencies and laws. The private sector does similar when a product or service is no longer sufficiently profitable or when a company changes its focus.

Associations should review the committee structure on a periodic basis, say every 5 years. The task is to analyze committees to identify those that add value from those that are unneeded, ineffective or a liability.

Check alignment by creating a chart with the main goals listed at the top of each column. Under each goal, list the committees that fit. A goal without any committees is problematic. Maintain a balance of committees across the strategic goals.

## **Committees Principles**

These principles apply to nearly every association and chamber.

- Committees are a great way to engage members. Conversely, they can repel volunteers who find the meetings a waste of their time.
- Committees get their authority from the board, bylaws, and policies. They do not have authority to speak for the organization or contract on its behalf.

- Committees are meant to supplement the work of the board and staff. A committee should not be a drain on resources.
- Committees advance the mission and goals. Seldom should a committee sit down to ask, “What do you want to do this year.” They are charged with strategies from the strategic plan.

## **Review Process**

In reviewing the committees, be sure to remove personalities. It is not about a person, it’s about the rationale and return on investment.

Ironically, it may require a task force to review and sunset committees. The task is to analyze structure, efficiency, outcomes, costs, information flow, etc. to make recommendations to retain, revamp, merge, or eliminate.

**Alignment** – Committees should align with goals in the strategic plan. Their initiatives advance elements of the plan.

**Asset or Liability** – A committee should produce results, or is it a liability, using up time, resources and causing risk for the organization.

**Composition** – The committee represents diverse opinions of the membership. Too many committees are made up of only one or two persons.

**Innovation** – A committee should identify issues and offer solutions. It must be innovative and strategic rather than identifying a problem and admitting defeat.

**Meetings** – Meetings should be efficient and produce results. Minutes should reflect significant progress. The chair must communicate a vision of what a successful year looks like. Rules of order and protocols are respected.

**Performance** – Does the committee use performance metrics to gauge its work? KPIs should be a part of every project, including accountability and timelines.

**Pet Project** – Was the committee formed for a pet project that should have been sunset at the end of its useful life?

**Purpose Statement** – Each committee has a clear and understandable purpose statement to frame its work.

**Reporting** – Committees make recommendations to the board when new ideas and resources are necessary. Their reporting mechanisms should be efficient for the board to understand, including how success will be measured.

**Results** – Does the committee generate revenue? Has it created content or programs that add value?

**Structure** – Committees must fit within the structure and work under the guidelines of bylaws and policies.

**Sustainability** – Chairs usually serve for a year. How long has the chair had the seat? If he or she departed would a successor be able to advance its purpose and projects?

**Staffing** – Staff support a committee with resources, reports, agenda development and minutes. Some committees manage themselves without a reliance on staff.

No matter the number of committees, a review of their structure and effectiveness is prudent. If there is a recommendation to eliminate some committees, be ready to grieve.

###

Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).

Free guide to Committee Responsibilities at A free 2-page guide for Committee Responsibilities.

<https://www.dropbox.com/s/c28s6fz0t4gw19x/Committee%20Responsibilities%20%20pg%20Guide%202019-20%20%282%29.pdf?dl=0>

<b>COMMITTEE RESPONSIBILITIES</b>		
Committees are an integral part of successful organizations. Their purposes include: supplementing the work of the board and staff; engaging members; and developing leaders. The <i>Committee Responsibilities</i> guide clarifies responsibilities, authority, recommendations, smart practices, trends and risk avoidance.		
<p><b>Types of Committees</b></p> <p><b>Standing Committees</b> are identified in the bylaws and serve the duration of the year.</p> <p><b>Subcommittees</b> divide work amongst subgroups.</p> <p><b>Task Forces and Ad Hoc Committees</b> are appointed for a specific purpose. The committee disbands after completing the assignment. Because volunteers have limited time, consider using task forces or <b>Quick Action Teams</b> (similar to task forces but even shorter duration.)</p> <p><b>Councils, Think Tanks, Brain-Trusts, Strike-Forces and Special Interest Groups</b> are other committee names, often created to engage persons with similar interests, such as practice specialty, geography or ethnicity.</p>	<p>Use a <b>vice-chair or co-chair</b> for sustainability. The position supports the chair and may become next year's leader.</p> <p><b>Committee liaisons</b> serve as an advocate and champion. A <b>board liaison</b> is the communication channel between the committee and board. The <b>staff liaison</b> is a link to management and resources.</p> <p><b>Alignment in the Organization</b></p> <p>Committees have a "fit" within the organization. Each has an explicit purpose often identified in the <b>governing documents</b> (bylaws, policies or committee purpose statements.)</p> <p>Efforts of the committee should align with the organization's structure, strategic goals and resources. An org-chart will depict hierarchy and the relationship to the board and staff.</p>	<p><b>Outcomes and Recommendations</b></p> <p>Committees should produce <i>results</i>. For example, instances, creating new educational content, programs, publications, fund raising, a robust special interest section or enhancements in the organization.</p> <p>Most efforts by a committee will require approval by the board. <i>Recommendations</i> should be in the form of a motion or resolution. A request to the board should be explicitly clear so that directors understand and approve.</p> <p>When setting committee goals, be realistic about what can be achieved. Break projects into monthly or quarterly steps.</p>
<p><b>Chairs and Liaisons</b></p> <p>Every committee needs <b>leadership</b>.</p> <p>The <b>chair</b> should have the best understanding of the purpose of the committee and the immediate tasks. He or she sets the tone for achieving results and engaging volunteers. The chair should be able to communicate a clear vision and desired outcomes.</p>	<p><b>Trends in Committees</b></p> <ul style="list-style-type: none"> <li>• There are no "sacred cows." Is the committee necessary?</li> <li>• Elimination of standing committees in favor of task forces.</li> <li>• Committees are all aligned with the organization's strategic goals.</li> <li>• Technology use, on-line meetings and committee web portals.</li> <li>• No silos. Committees should interface with other committees to collaborate.</li> </ul>	<p><b>Committee Resources</b></p> <p>Resources take the form of time and money:</p> <p><b>Finances</b> – The annual budget may have allocations for committees.</p> <p><b>Time</b> – Consider the value of a committee meeting by multiplying the # of persons involved x the length of the meeting x \$50 hour wage/vale (minimum).</p> <p><b>Information</b> – "Read to Lead." Know the mission, bylaws, policies, strategic plan, budget and organizational chart.</p>
<p><i>"Some committees keep minutes and waste hours."</i></p>		

# The Strategic Board Agenda

Bob Harris, CAE

“We’ve always done it this way.” It’s a reply to, “How did you design the board agenda?”

An agenda’s purpose is to an efficient board meeting. It is created in partnership by the executive director and chief elected officer.

Essentially it is a list of items that need to be addressed. A frequent problem is getting bogged down, running out of time to complete the work.

## Problem Agenda

Many agendas are a composite of a dozen or more reports. They start with reports by officers and senior staff, followed by committee reports, task forces and consultants.

Most the reports are information-only; not requiring action or appropriation by the board. Reports and updates can take the bulk of the meeting time.

Another snag is the approval of minutes or acceptance of the financial report. Both can take conversations into the weeds. You’ll often hear, “I don’t think that’s what I said, can you correct the minutes?” and “Will someone explain to me the \$29.15 line item I see in the financial report?”

## Smart Agenda

The smart agenda is a break from how it’s “always been done” in favor of a format that improves governance and outcomes. Discuss a few tweaks to the agenda with the chief elected officer. If they are acceptable, add a few more improvements to eventually make it a smart agenda.

**Welcome, Conflicts and Antitrust** – The chair welcomes and introduces guests. The footnotes remind him or her to ask if there are any conflicts of interest (IRS question, “how do you regularly and consistently monitor conflicts of interest”) and reminds everyone to avoid antitrust violations (FTC recommends that all trade associations have a measure in place to avoid antitrust violations.)

**Approval of the Minutes** – Only one official copy of the prior meeting minutes should exist. The approval indicates directors have read and agree the minutes are accurate. Destroy old recordings and notes.

**Acceptance of the Financial Report** – A brief financial statement is provided. It reflects only the financial condition as of a given date. Because directors don't have the background information, having delegated responsibility to the treasurer and staff, the preferred motion is to "accept the report as presented," or "accepted for submission pending a final audit." The board does not need to "approve" nor dive into details if they know there are safeguards, oversight and policies exist.

**Consent Agenda** – By a motion of the board to accept the consent agenda, it indicates that the perfunctory reports distributed with the meeting notice were read by directors and need no further action. The challenge is submitting reports in a timely manner for distribution to the board and requiring directors to read them before arriving. A consent agenda can save an hour, redirecting discussions to more substantive issues. Before approval of the consent agenda be sure to ask if anything needs to be pulled off for further clarification or discussion.

**Strategic Goals** – Directors have a responsibility to advance the strategic plan, the roadmap for board, committees, and staff. Add the strategic goals to the agenda to maintain focus on the core competencies of the organization. As motions are offered it is appropriate to ask which goal the speaker is addressing. By having the goals and mission on the agenda, elements of the strategic plan are integrated into the board meeting.

**Unfinished Business** – Anything that remains from prior meetings or needs completion before adjournment.

**New Business** – The worst time to ask for new business is a few minutes before adjournment. Remove the practice from the agenda by asking that new business be submitted *before* the meeting. When distributing the meeting notice and agenda ask directors to share ideas for new business with the chair or executive director at least a week *before* the meeting.

**What's Next?** – Before directors depart, take a minute to recap what can be expected. For instance, information will be distributed, reports are due, and committee meetings are scheduled. Focusing on what's next helps keep the board engaged between meetings.

**Adjournment** – A motion is made to adjourn if the work is completed or a specific agreed upon time has been reached. Many agendas include time limits next to items so that directors realize if the discussion should be brief or the topic has been allocated significant time to discuss and decide.

**Mission Statement** – Keep the mission in front of the board by printing it at the top or bottom of the agenda. It should frame all discussions and decisions.

**Footnotes** – Include reminders for the board chair’s opening comments in the footnotes, especially policy statements expected by the IRS and FTC, and maintaining confidentiality.

With more than 1.5 million nonprofit boards in the USA, a smart agenda will save time and improve results. # # #

Advocacy	Learning	Membership	Community	Structure
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## Board of Directors’ Meeting Agenda

Date/Time/Location

Welcome, Conflicts of Interest, Antitrust<sup>1</sup>

Approval of Minutes

Acceptance of Financial Report

Consent Agenda<sup>2</sup>

<p><u>Strategic Plan Goals</u><sup>3</sup></p> <p>A. Advocacy and Government Affairs</p> <p>B. Education and Conferences</p> <p>C. Membership Value and Engagement</p> <p>D. Community and Public Awareness</p> <p>E. Organization Structure and Leadership</p> <p>Unfinished Business</p> <p><del>New Business</del><sup>4</sup></p> <p>What’s Next?<sup>5</sup></p> <p>Adjournment</p>	<p><u>Committee Reports and Actions</u></p> <p>➤ Government Relations</p> <p>➤ PAC Campaign</p> <p>➤ Conference Committee</p> <p>➤ Scholarship Proposal</p> <p>➤ Benefits Task Force</p> <p>➤ Social Media Proposal</p> <p>➤ Public Initiative Campaign</p> <p>➤ Nominations Committee</p> <p>➤ Audit Report with CPA</p>
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**MISSION STATEMENT** (example)

“.....to advance and protect the profession and consumers through education, advocacy and public awareness...”

<sup>1</sup> Chief elected officer reminds Directors about **antitrust avoidance** (FTC concern), asks if anybody has a **conflict of interest** with today’s agenda (IRS concern), and reminds everybody about **confidentiality**.

<sup>2</sup> **Consent:** information-only reports distributed in advance with agenda for Directors’ to review with a motion to accept as distributed.

<sup>3</sup> **Goals** from the strategic plan integrated in the meeting agenda and across the header.

<sup>4</sup> **New Business** removed in favor of asking any new business, ideas, motions be presented to the chair and/or executive director well in advance of the meeting.

<sup>5</sup> **What’s Next**, a recap of expectations, dates, and accountability before adjournment.

**Notes:** **Mission Statement** included to frame all discussions and decisions. **Goals** included in header to align with the board’s strategic plan.

Smart Agenda®  
 Kati Harris, Esq. 2020  
 11401e Agenda v071 Board, 1/1/2020, 1/20/2020

# Stay in your Lane

Bob Harris, CAE

Volunteers accept positions on boards and committees. Without much thought, the lines blur between the roles of board, committee, and staff.

## Stay in Your Lane

Roles in an association are distinct. Every effort complements another. When individuals disregard or disrespect their responsibilities, confusion occurs.

Evidence of uncertainty is heard in, “Why is a board member telling staff how to do their jobs?” And “The committee thinks they have authority to speak for the board.”

Clarity comes from knowing in which lane to work. Lanes are defined as narrow passageways. They are meant to guide forward motion.

Lanes don't work if someone is in reverse, weaving, standing idle or broken down. The same applies in an association. While the lane is static, individuals inside the lane advance ideas, issues, and projects.

The lanes should be clear:

- **BOARD OF DIRECTORS** - The board is responsible for governance (not management.) Its discussions should be strategic and innovative. Conversations that delve into the weeds impede forward motion.
- **COMMITTEES** - The committees are charged with projects to advance the strategic plan. The board should avoid doing committee work at the board table.
- **MANAGEMENT** - The professional staff are charged with management and administration. They implement the ideas of the board and committees.

## Bumper Cars

An image of lane confusion is bumper car ride at the fair. Purposely, there are no lanes so ramming others is expected. That does not work in a volunteer organization.

In a swimming pool, imagine the chaos if racers leave their lanes, blindly bumping into others.

On the highway, when we see the car in front of us swerve into other lanes we murmur, “he must be drunk” and “where did he get his driver's license?”

Weaving in and out of designated lanes does not work in an association or chamber.

## Lane Indicators

There are markers to help persons maintain their roles.

**Guardrails** – The guardrails are the governing documents. Volunteers cannot be effective without understanding the bylaws, policies, and budget.

**GPS** – The strategic plan is your GPS, in this case standing for “goals, priorities and strategies.” The first thing to ask when joining a board is, “where is the strategic plan, my job is to advance the plan.”

**Lanes** – Know your assigned lane. Weaving in and out of the lane causes role confusion.

**Blinkers** - Use your blinker if you intend to change lanes. Be clear about which “hat” you are wearing in the varied volunteer roles.

Speaking of lanes and races, it is worth reminding that volunteer service is not a sprint to finish. It is more like a marathon working diligently to advance a mission and goals.

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).



# Wasting Hours on Minutes

Bob Harris, CAE

The directors griped, “We start the meeting with the first order of business being approval of the previous minutes. An hour is wasted talking about what we did at the last meeting and whether the information is accurate.”

Losing the first hour of a board meeting is deflating. The directors arrive enthusiastic about achieving results. Instead, their eyes roll when they hear, “I don’t think that’s what I said in the minutes.”

“Time is a resource that in some cases has more value than gold. Time stolen is not given back and should be managed with care. I am a believer of crafting of minutes closely aligned with the meeting agenda,” explains Michael Jackson, BPharm, EVP and CEO, Florida Pharmacy Association.

Steps to prevent this time waster at board meetings.

**Agenda Design** – Jackson at FPA suggests a close connection to agenda design and the minutes that will be generated. The form of the agenda will be reflected in the format of the minutes. There will be less confusion as directors can relate agenda items to the resulting minutes.

**Time is Money** – Assign a value to each person’s time of at least \$100 per hour. A board of 15 people spending the first hour talking about minutes will have spent \$1,500. Far worse is the cost of opportunities lost because the board ran out of time.

**Distribution** – Minutes from the prior meeting should be distributed quickly. They serve as a reminder of what was accomplished, and commitments made. Seldom is there benefit to waiting until the next meeting to present the previous minutes. Adopt a policy that minutes will be distributed so many days after adjournment.

**Consent** – Use a consent agenda to distribute information-only reports, for example, the president’s report, membership update, and minutes. Distribute a week or more before the board meeting to give directors time to review, question and correct reports in advance.

**Control** – Leaders arrive knowing there is much to be accomplished. It is frustrating if the chair allows the start of the meeting to be bogged down by minutiae. The negativity may set the tone for the rest of the meeting.

**Time Markers** – Indicate time markers next to agenda items. If directors know 3-minutes are allocated for approval of the minutes, when the time extends to 10 or 20 minutes, anybody can ask that we move ahead.

**Mission Driven** – Governance is about advancing the organization’s purpose. All directors are empowered to ask, “How does this discussion advance our mission and priorities?”

**Brief is Better** - Avoid recording statements about who said what or capturing side-bar conversations. Minutes are NOT a set of notes or reminders for volunteers.

**Director Orientation** – Familiarize directors to their responsibilities. By understanding governance expectations there should be little interest in focusing on prior minutes that could have been corrected when they were distributed. “Being fully prepared for meetings is part of the job description for board members, and the annual board orientation provides the opportunity for setting these expectations,” says Jennifer Martin, MBA, CAE, Executive Director, New York School Nutrition Association.

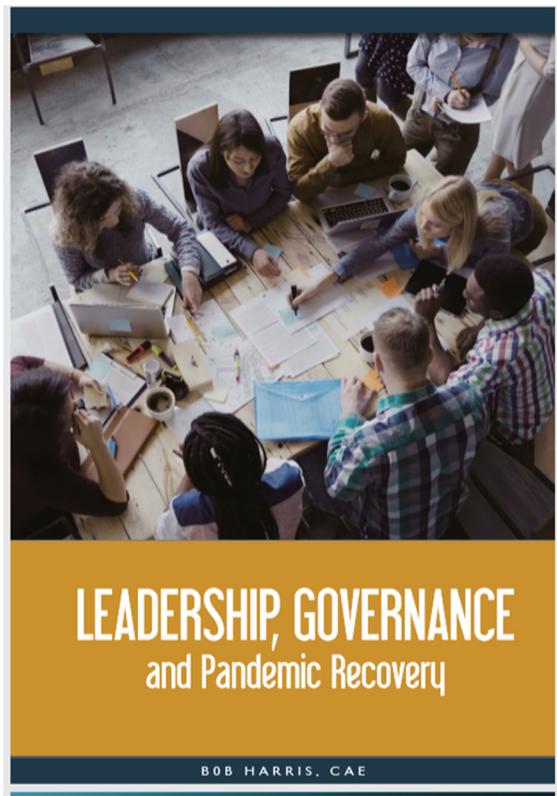
**Preparing** – Advance reading is a responsibility of directors. Use the time between meetings to ask questions of staff and committees. Arriving at a board meeting ill-prepared will slow board progress.

**Accuracy** – Who should take the minutes, a volunteer, or staff member? It should be the person who most accurately records a set of minutes that protect the organization and communicate the board fulfilled its fiduciary roles. If the recording secretary does a poor job, ask somebody else. (Avoid tape recording minutes for liability issues.)

Discourage the board from wasting hours correcting minutes.

# # #

**Note:** Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).



# Props at the Board Meeting

Bob Harris, CAE

The chief elected officer is given a gavel. Its purpose is to convene the meeting and maintain order. What else could be on the board table to enhance the meeting?

Consider props. Props are used to augment an experience. For example, a magician has a wand to improve the effect.

**Stuffed Squirrel** – Board conversations can be exciting. An idea is proposed and without considering how it fits into the budget and strategic plan, it is chased up a tree and down a rabbit hole. The toy squirrel reminds directors to avoid the chase.

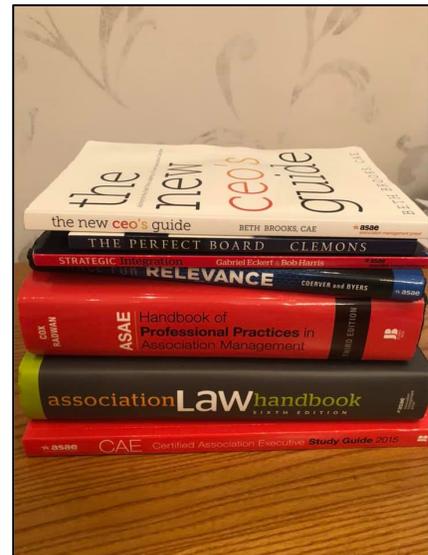
**Tent Cards** – The most valued real estate on the board table is the reverse side of the name tent card. Facing directors should be the mission and vision statements, to frame all discussions and decisions.

**Toy Helicopter** – When conversations go low, the helicopter reminds directors to gain altitude. Having it on the board table is a reminder that the board sets direction rather than doing tasks of committees and staff.

**Weed Wacker** – Conversations can drop into the weeds. A discussion about the annual convention might end with, “which dance band should we hire?” Without a Weed Wacker, rely on a sign that reads, “We’re in the Weeds.”

**Rubik’s Cube** – For every good idea, recommendation, and motion there is an impact on other programs, budgeting, and staffing. The Rubik’s Cube reminds directors that a change in one program will impact others. And they should look at every side of an issue.

**Books** – Place a book on the board table for a subliminal message, such as “Good to Great” or “The Speed of Trust.” Books can remind volunteers, “We can’t afford to be just good enough, we have to be a great board of directors.”



**Ballcap** – When directors enter the boardroom, they should wear their governance hat. They might forget to take off their local chapter hat or to leave personal business and conflicts outside the room. Don't be surprised to hear another director ask, "What hat are you wearing when you make that suggestion?"



**Strategic Plan** – Format the multiyear strategic plan to be laminated and always on the board table. Directors should check it often to be sure they are working within the roadmap. If not on the board table, print it on a pop-up banner or display it as a poster in the boardroom.

Props might seem dramatic. Yet if they keep conversations on track and add some levity to the meeting, what can it hurt?

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).

## 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.

<p><b>BOARDS GOVERN STAFF MANAGE</b></p> <p><b>Governance:</b> Volunteer leaders are responsible for the <u>direction</u> 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:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Policy &amp; Position Development</li> <li>• Visionary – Future Focus</li> <li>• Fiduciary</li> </ul> <p><b>Management:</b> Staff are responsible for <u>administration</u> of the organization. Staff <i>partner</i> with the board to advance goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.</p> <p><b>Unique Terminology</b></p> <p><b>Not-for-Profit</b> refers to the legal corporate status of the organization. (It does not imply an exemption from paying or collecting <i>state sales tax</i>.) <b>Nonprofit</b> is the casual reference to Not-for-Profit.</p> <p><b>Exempt Organization</b> is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of <b>UBIT - Unrelated Business Income Tax</b>). The most common exempt designations:</p> <p><b>IRS 501(c)(3)</b> often refers to organizations with a religious, charitable, scientific or</p>	<p><b>Board Responsibilities</b></p> <ol style="list-style-type: none"> <li>1. Determine and advance the organization's mission and purposes.</li> <li>2. Select the chief paid executive (<i>not staff</i>) as well as CPA and attorney.</li> <li>3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievements, etc.)</li> <li>4. Conduct organizational planning.</li> <li>5. Ensure adequate resources (funds, time, volunteers, staff, etc.)</li> <li>6. Resource and financial oversight.</li> <li>7. Determine, monitor and enhance programs and services.</li> <li>8. Promote the organization.</li> <li>9. Ensure legal and ethical integrity and maintain accountability.</li> <li>10. Develop future leaders.</li> </ol> <p><small>(Adapted from <a href="http://TenResponsibilitiesofNonprofitBoards.com">Ten Responsibilities of Nonprofit Boards</a> <a href="http://www.BoardSource.org">www.BoardSource.org</a>)</small></p> <p><b>Good Governance</b></p> <p>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.</p> <p>Policy questions in IRS Form 990 include:</p> <ul style="list-style-type: none"> <li>• Audit and Audit Committee</li> <li>• Whistleblower</li> <li>• Compensation</li> <li>• Document Destruction</li> <li>• Conflict of Interest</li> <li>• Public Records</li> <li>• Board and Committee Minutes</li> </ul> <p><b>Insurance and Volunteer Immunity</b></p>	<p><b>Directors and Officers (D&amp;O) Liability</b> may cover legal defense for employment, copyright, and antitrust claims, for instance.</p> <p><b>General Liability</b> insurance covers property damages and injuries relating to the organization.</p> <p><b>Fidelity Bond</b> covers losses resulting from fraudulent or dishonest acts committed by an employee.</p> <p><b>Meeting Cancellation</b> covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc. <small>(Contact legal and insurance counselors for assistance.)</small></p> <p><b>Legal Principles</b></p> <p><b>Duty of Care</b> requires leaders to use reasonable care and good judgement in making their decisions on behalf of the interests of the organization.</p> <p><b>Duty of Loyalty</b> requires leaders to be faithful to the organization, avoiding conflicts of interest.</p> <p><b>Duty of Obedience</b> requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)</p> <p><b>Board Tools</b></p> <p>Documents available to leaders, often in a <b>Leadership Manual</b> or board portal.</p> <ul style="list-style-type: none"> <li>• Statement of Purpose (Mission)</li> <li>• Articles of Incorporation</li> <li>• Bylaws</li> <li>• Policy Manual</li> <li>• Strategic Plan</li> <li>• Financial Statement - Budget</li> <li>• Meeting Minutes</li> </ul>
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## **Signed Commitment to Serve**

David Aaker, IOM and Bob Harris, CAE

It is not unusual to hear a volunteer leader say, “I was told you won’t have to do anything when you get on the board.”

It’s a hoax. Board service is an honor and opportunity. With it comes fiduciary duties to represent member interests, protect and build resources, and advance the mission.

Should board orientation be mandatory? Do board members sign a commitment form?

### **Familiarization Tour**

New directors must understand their roles and governing responsibilities. It starts with organizational familiarization, followed by board orientation and then a commitment to serve.

It is common to brief new directors in a one to one setting about the history, culture, staffing, structure, finances, milestones, and priorities of the organization.

Beyond familiarization with the organization, the entire board should be oriented as a team. It only takes 2 to 3 hours but is critical for all to attend a “refresh and blend” session covering:

- Job Descriptions of Directors and Officers
- Bylaws and Policies
- Performance
- Financial Acumen
- Strategic Direction
- Risk Awareness and Avoidance

Governing documents should be distributed in a leadership notebook, memory-stick, or accessible on-line.

Travis Toliver, IOM, executive director at the Waverly Chamber of Commerce/Main Street said, “Board orientation for new members of our chamber’s leadership team provides an opportunity for them to learn more about their role as a director and to better understand how our organization works and leads the way for businesses in our community.”

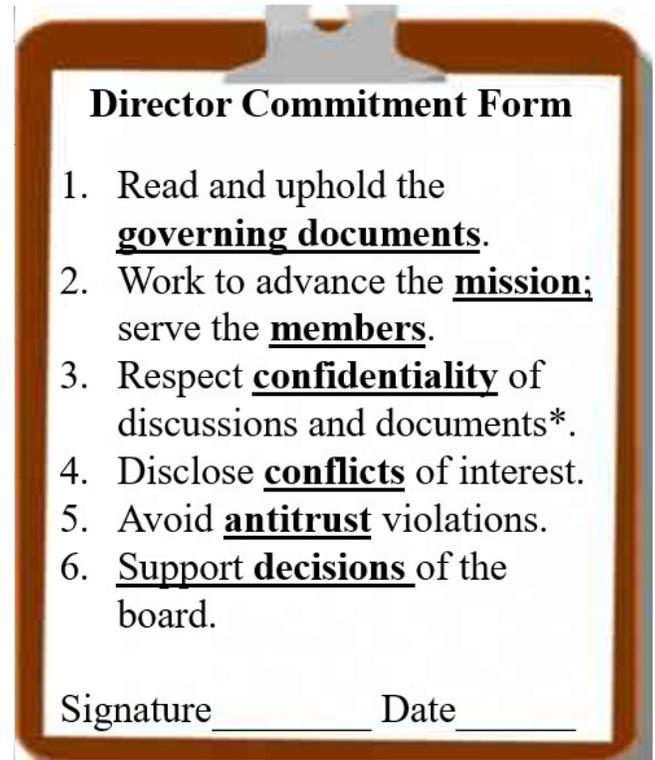
### **Signed Commitment**

Following orientation, directors are asked to sign a commitment form.

The form reinforces the duties and is archived in case there was a legal case with a judge asking, “is there any proof you received the documents” or “were you advised to avoid antitrust violations?”

“Our board has an annual retreat to discuss roles and responsibilities. At the end of the meeting directors sign for receipt of the governing documents and their understanding of items like disclosing conflicts and avoiding antitrust violations,” said Steven Beazley, CEO, Wyoming REALTORS®. Keep the form simple for ease of understanding, avoiding legalese. This example covers six areas.

- **Governing Documents** – Acknowledges documents were received and will be read.
- **Mission Statement** – Understanding the role of directors is to advance the mission.
- **Confidentiality** – Directors recognize they don’t speak for the board or organization. There are lines of communication to respect.
- **Conflicts of Interest** – Conflicts will be disclosed at least annually and at any meeting in which a potential conflict appears on the agenda.
- **Antitrust** – The FTC urges that associations have a measure in place to avoid antitrust violations.
- **Unanimity** – Decisions made at the board meeting will be supported by all directors, no matter the dissent or positions expressed during the meeting.



**Director Commitment Form**

1. Read and uphold the **governing documents**.
2. Work to advance the **mission**; serve the **members**.
3. Respect **confidentiality** of discussions and documents\*.
4. Disclose **conflicts** of interest.
5. Avoid **antitrust** violations.
6. **Support decisions** of the board.

Signature \_\_\_\_\_ Date \_\_\_\_\_

In summary, volunteer leaders benefit from familiarization, orientation, receiving the governing documents and signing a commitment form.

At the close of orientation, the final thought might be, “Don’t plan to just sit on the board, plan to serve on the board.”

# # #

**Note:** David Aaker, IOM, is on the faculty for the US Chamber Foundation’s Institute for Organization Management, teaching courses on management, leadership, customer service and ethics. His website: [www.davidkaaker.com](http://www.davidkaaker.com). Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).

# What about our House of Delegates?

Bob Harris, CAE

“What about our house of delegates?” It can be a sensitive question, especially in the presence of the speaker of the house and delegates.

Some leaders support the house as being essential to representing member interests. Others characterize the body as outdated, unnecessary, and costly.

This summer a board member rose to tell colleagues, “I attended the house several times and found it to be a waste of time. I don’t recommend participation to any emerging professional.”

An association executive described the house as a “continuous tug-of-war. Our HOD includes delegates representing affiliated organizations. Not all those organizations include our dues paying members. Thus, the house is crafting policies and causing expenditures that impact our association’s budget.”

This article offers pros and cons for a house of delegates (HOD) and describes strategic alternatives.

## Body of the House

Defined in government, a house is the lower body of two chambers. Virginia and Maryland both refer to their larger legislative body as a House of Delegates.

The American Bar Association (ABA) describes its house as the policy making body of the association. The more than 500 delegates meet twice a year.

The large size is intended to represent all member interests. The house is usually larger than the board of directors, some ranging from 100 to 600 delegates.

Composition might come from a formula, such as 2 delegates per state and territory, or based on the number of members in a chapter.

Members of the body are called delegates. A delegate is as a person authorized to act as a representative for another. Some HODs allow for alternate delegates. Delegates are expected to caucus with constituents, attend HOD meetings, represent their interests, and report back.

The American Medical Association (AMA) house includes more than 600 delegates and corresponding number of alternate delegates. They meet twice per year to establish policy on health, medical, professional and governance matters, as well as the principles within which the AMA’s business activities are conducted.

The powers of a house are prescribed in bylaws. Usually a house has authority to develop policies and positions, and sometimes purview over nominations, strategy, and budget.

### Vested Authority

IRS Form 990 does not reference a house of delegates in the information return for exempt organizations. It is believed less than 5 percent of US associations have a HOD.

The image shows the top portion of IRS Form 990 for the year 2019. Key sections visible include:
 

- Form 990** (Rev. January 2020)
- Return of Organization Exempt From Income Tax**
- Department of the Treasury, Internal Revenue Service
- OMB No. 1545-0047
- 2019** (with 'Open to Public Inspection' label)
- A** For the 2019 calendar year, or tax year beginning [blank], 2019, and ending [blank], 20
- B** Check if applicable:
  - Address change
  - Name change
  - Initial return
  - Final return/terminated
  - Amended return
  - Application pending
- C** Name of organization: [blank]
- Doing business as: [blank]
- Number and street (or P.O. box if mail is not delivered to street address): [blank] Room/suite: [blank]
- City or town, state or province, country, and ZIP or foreign postal code: [blank]
- D** Employer identification number: [blank]
- E** Telephone number: [blank]
- F** Name and address of principal officer: [blank]
- G** Gross receipts \$: [blank]
- H(a)** Is this a group return for subsidiaries?  Yes  No
- H(b)** Are all subsidiaries included?  Yes  No
- If "No," attach a list. (see instructions)
- I** Tax-exempt status:  501(c)(3)  501(c) ( ) (insert no.)  4947(a)(1) or  527
- J** Website: [blank]
- H(c)** Group exemption number: [blank]
- K** Form of organization:  Corporation  Trust  Association  Other [blank]
- L** Year of formation: [blank]
- M** State of legal domicile: [blank]
- Part I Summary**

The IRS defines the governing body as, “The group of one or more persons authorized under state law to make governance decisions on behalf of the organization and its shareholders or members, if applicable.”

Through state law, associations are designated as not-for-profit corporations. Board members serve as trustees with fiduciary duties.

The average size board is 15 directors. The smaller size allows for meaningful conversations and consensus. Most boards are covered by directors and officers’ liability insurance and may have indemnification described in the bylaws.

### Strategic Alternatives

At a recent board meeting the chairman urged, “We need a governance structure and process that best serves our membership.”

Associations are checking the layers of governance, filters, and blockages to information flow, return on investment, and timeliness of decision making. The process is a “governance efficiency review.”

The American Institute of Architects (AIA) has transformed its house to be a “Strategic Council.” Persons who would have been delegates to the house are tapped to serve on the strategic councils.

Strategic councils are convened as needed for specific purposes. The councils have an advisory role to the board.

AIA Florida describes its strategic councils as advancing the profession by informing the board of directors on issues and opportunities. Responsibilities may include identification of matters for consideration, review, and developing recommendations.

Vicki L. Long, CAE, executive vice president at AIA Florida explains, "Unencumbered by fiscal or operational concerns, the strategic council is free to examine mid to long term, expected and unexpected disruptions to both the association and the profession. It allows for ongoing visioning to help guide proactive policy development."

Another executive director offered, “Our HOD would be a great body to brainstorm ideas and situations in order to provide strategic feedback to the board and staff.”

The National Association of REALTORS® (NAR) created STAC, the Strategic Thinking Advisory Committee. They are a diverse group of members representing a wide range of disciplines to study articles, trends, and data to assess and report on a changing industry landscape.

## **Pros and Cons**

Passions may rise when discussing a house of delegates. The discussion should be based upon rationale and reason.

## **ADVANTAGES**

There are advantages to having a house of delegates.

**Broad Input** – Input to the HOD should be diverse. The larger body can be made up of varied perspectives and interests. A small board may not benefit from such diversity. Members must feel the HOD genuinely represents and acts on their interests.

**Engagement** – The house affords increased engagement. Many of the delegates are past presidents willing to continue their leadership and some emerging leaders will be identified.

**Wisdom** – The house captures the wisdom of seasoned leaders. As an alternative, some associations appoint a “rusty trustee” to their board to provide wisdom.

**Processes** – Mechanisms to receive, process and report information to members are critical. Delegates should have channels of communication to invite member input prior to meetings.

**Future Leaders** – The house can identify and develop future leaders to fulfill board and committee positions.

## **DISADVANTAGES**

There may be some disadvantages to maintaining a house, a body often implemented more than 100 years ago.

**Speed of Communication** – “Instant communications has lessened the need for our HOD,” a board member said. Technology allows for member input 24/7. The demand for consensus can’t wait months or a year.

**Expense** – HOD meetings require space, food and beverage, notices and handouts, staffing, travel, and audio-visual. The cost is reported to members in financial reports and on IRS Form 990 as governance overhead.

**Worth** – The time contributed by delegates has an estimated worth. For example, 100 delegates valued at \$100 an hour, for a four-hour meeting translates to \$40,000. Combine direct expenses and worth to consider return on investment.

**Creep** - The board is the governing body with legal authority. Sometimes a house wrongly believes they have oversight of the board and organization.

**Continuity** – Is their continuity if the house meets only once or twice a year. In an HOD with “alternates” in attendance, do they have the information essential for effective representation and recommendations.

**Training** – Delegates must be trained in procedures and get “up to speed” on issues. They should receive leadership manuals, be briefed on history and culture, understand structure. It takes time to get the body aware and engaged.

**Layers** – The house adds a layer to governance processes. In an age where answers are sometimes needed immediately, a board cannot wait until the house convenes.

**Role Confusion** – Does the “buck stop” with the board or the house? Not-for-profit corporate law vests authority with the board. A HOD may think it has final authority for the organization, although most accountability and liability rests with the board of directors.

**Quorum**– A quorum is usually defined as a majority (51%), required to conduct official business. Some organizations have reduced their minimum quorum to 30 or 40 percent because it is hard to convene the large body of delegates.

**Rubber Stamp** – Policy decisions require speed and intensity. Delegates may feel they are convening once a year only to rubber stamp board and committee recommendations.

**Blockade** – A house can squash a program or idea by refusing to hear it, running out of time, or focusing on its own priorities.

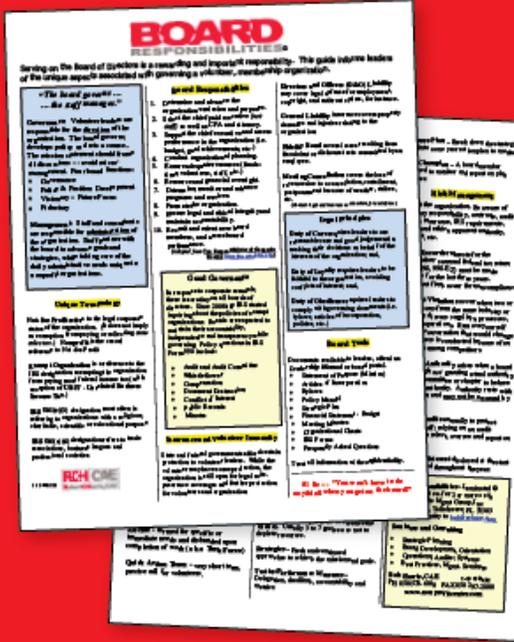
Discussing the HOD can feel political and sensitive. Weigh the purpose, efficiency, resource allocation, results and consider the future models of governance.

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).



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