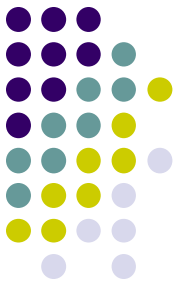


Orientation PowerPoint *(REV 7-11)*



PPT intended to customize and use annually for a discussion amongst the Board of Directors.

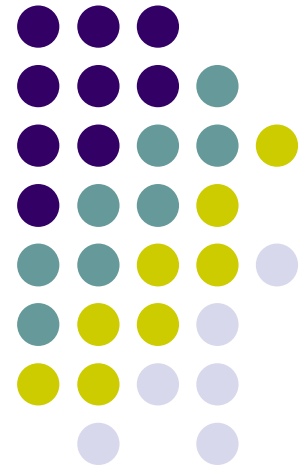
Orientation generally requires 1.5 to 4 hours.

Supplemental documents include Leadership Manual (Board Book), Annual Budget, Conflict of Interest Policy and Strategic Plan.

Be sure to rely on legal, accounting and insurance professionals.

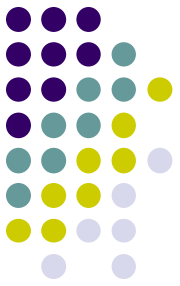
Permission to save and adapt by Bob Harris, CAE (39 +/- slides)

Board Orientation

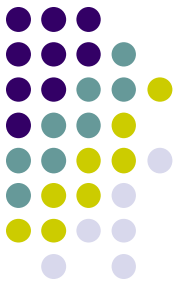


Topics

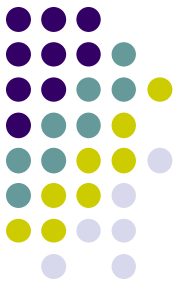
- Purpose
- Mission, Vision & Values
- Tools of Governance
- Board of Directors
- Board Responsibilities
- Board-Staff Relationship



Topics



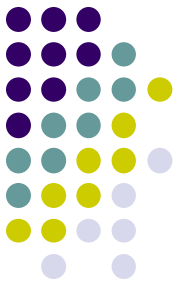
- Expectations of Board Members
- Officers
- Executive Committee
- Committees
- Board Meetings
- Financial Responsibilities
- Strategic Planning



Ground Rules

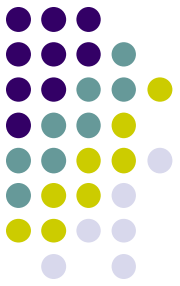
- Relax and be comfortable
- Ask questions as they arise
- Think in terms of your role as a director or officer responsible for the organization (on behalf of members and stakeholders)
- Think long term; the look of the organization and our stakeholders in the next 1 to 5 years
- Enjoy your time as a respect leader

Purpose of Board Orientation

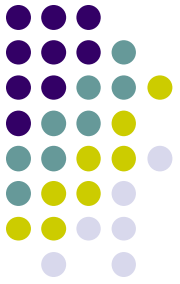


- To **govern** based on documents and key information
- To focus on the **strategic direction**, mission and goals of the organization
- **Fiduciary** duties; the trust of members in the board of director
- To explore **opportunities** while being careful with our **resources**
- To develop **policies** and **procedures**.
- To manage **risks**

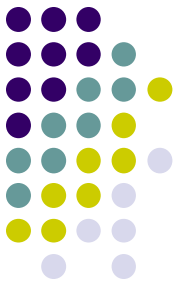
Our Mission Statement



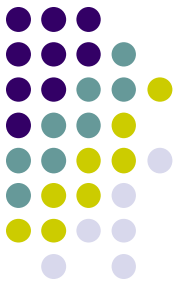
Our Vision Statement



Our Guiding Values



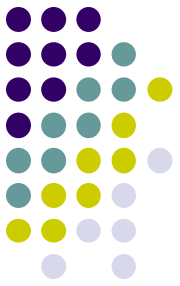
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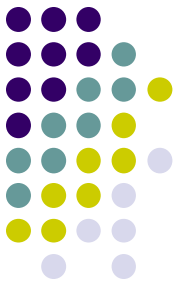
The Tools of Governance

- Articles of Incorporation
 - established in _____
 - Not for Profit corporation
 - exempt under IRS sec. 501(c)_, organization
- Bylaws
 - membership classes
 - governance duties
 - specifics

The Tools of Governance

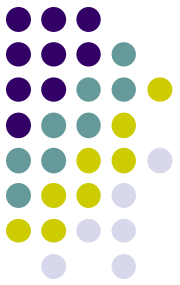


- Policies
 - Wisdom of the board, interprets bylaws and articles
 - Best course of action for now and the future
- Strategic Plan
 - Roadmap for 3 to 5 years
 - Guide for officers, board, committees and staff
- Annual Budget



Board of Directors

- ___ voting members
- **Officers:** President, Vice Pres., Secretary, Treasurer, Past Pres
- **Directors:**
- Executive Director is a non-voting position



Board Responsibilities

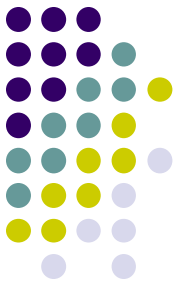
- Establish strategic plan and annual goals and objectives
- Determine association policy
- Allocate resources through the budget
- Monitor progress
- Promote the organization
- Oversee the executive director, attorney and CPA

The Board - Staff Relationship



Two Partners, One Team

- Board focuses on governance, direction and vision
- Staff manages day-to-day operations within the context of the board's direction
- This **partnership** between board and staff allows the organization to achieve its goals, avoids micro-management of the staff and over-taxing of the volunteer leaders. Leaders govern; staff manages.



Expectations of Board Members

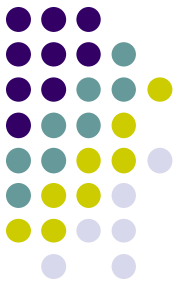


- Attend all board meetings
- Start and end meetings on time
- Study and understand the mission statement, bylaws, and strategic plan
- Prepare for meetings by reviewing the agenda and supporting documents
- Stick to established agendas during board meetings
- Treat information and discussions as “confidential”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

Expectations of Board Members



- Promote our organization to others (*though you cannot speak for organization without authority*)
- Recruit future leaders to help govern the organization
- Stay current on issues and trends impacting the organization and the membership
- Volunteer for committees
- Readily communicate with staff for needed information and assistance



Legal Considerations

- **Duty of Care**

- Good business judgment at all times
- Due diligence in decision making

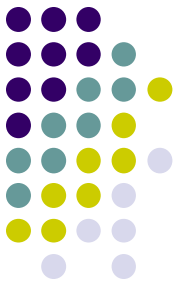
- **Duty of Loyalty**

- Act in the best interest of the organization and membership
- Avoid conflicts of interest

- **Duty of Obedience**

- Faithful to the mission and goals
- Follow the governing documents

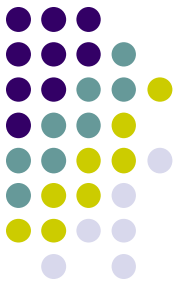
Risk Management



- There is some risk associated with board service
- Insurance coverages; types.
- Bylaws may included indemnification*
- Written policies exist to guide board and staff
- Antitrust avoidance issues
- Annual financial audit

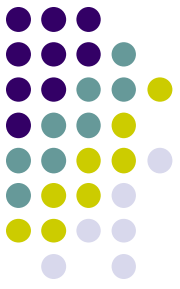
* *Indemnification* - an agreement between two parties not to hold one of them liable for future legal action or fines.

Risk Management - Insurance



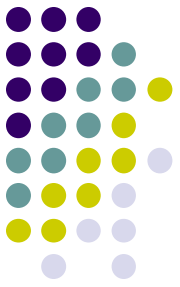
- Organization maintains the following insurance policies:
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Risk Management – Antitrust



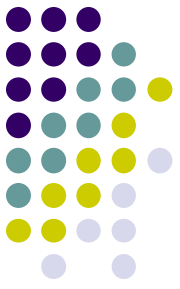
- Antitrust Avoidance
 - Antitrust statement on file and annual acknowledgements from each board member
 - Every staff, board and committee member should be aware of the policy and take immediate action in any setting where a violation is occurring. Most common threat is discussions of price-setting among competitors that could be interpreted as an effort to restrict trade
 - Staff monitors on-line discussions and meetings for potential violations
 - Up to \$10 million fine + damages

Risk Management – Who Speaks?

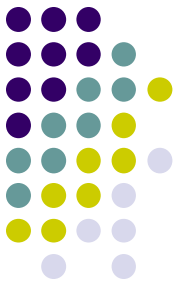


- **Apparent Authority** – Care should be taken that committee chairs or other volunteers not usurp the authority of the chief elected officer or take on authority not specifically delegated
- *"I can't speak for the board but I can offer my personal opinion."*

Risk Management – IRS Issues

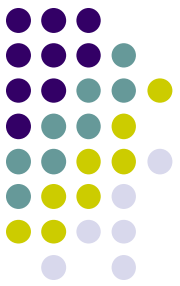


- IRS Issues
 - Increasing scrutiny of boards and staff
 - Unrelated Business Income Tax (UBIT)
 - 990s is public information
 - Policy considerations
 - Whistle Blower
 - Audit
 - Conflicts
 - Record Retention
 - Compensation



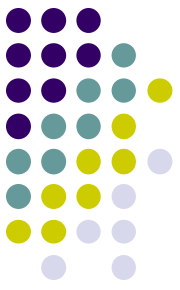
Recruiting Leaders

- A responsibility of board members is to identify future leaders
- Don't forget to "ASK" prospective leaders to join our efforts.
- The leadership development committee (nominating) plays a key role, but so does every board member
- Committees may be a source of future leaders



Executive Officers

- The officers have special duties described in the bylaws
- The officers make up the “Executive Committee”
- The Exec Comm. does not usurp the authority of the board but may meet in between meetings of the board as *needed*.

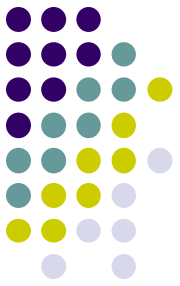


Role of the President*

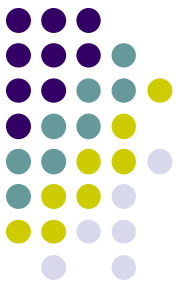
- Presides over all meetings of the board or membership
- Interfaces with the Executive Director and senior staff
- Appoints committees in accordance with bylaws and policy
- Orchestrates and leads board meetings

* *Sometimes called Chair of the Board*

Role of the Vice President

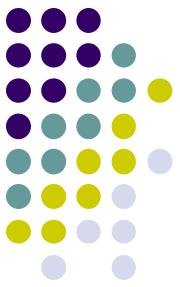


- Serves in the absence of the President
- Performs such duties as identified in the bylaws or assigned by the President
- Automatically succeeds to the Presidency
- May monitor progress of the Strategic Plan



Role of the Secretary

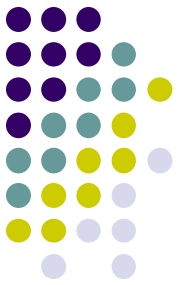
- Oversees the custody of all corporate records, except financial records
- Monitors the accuracy and timely distribution of meeting minutes
- Performs such duties as identified in the bylaws or assigned by the President
- Chairs Bylaws Committee



Role of the Treasurer

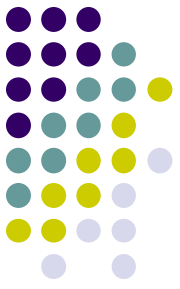
- Oversees all funds, financial records and resources
- Oversees preparation of annual budget; and approval by the board
- Reports on the financial status at board meetings
- Oversees tax filings
- Performs such duties as identified in the bylaws or assigned by the President

The Executive Committee

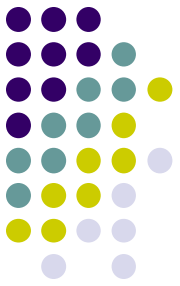


- May meet to conduct business between board meetings
- Exercises powers of the board between board meetings, with some exceptions
- Actions are reported to the board at next meeting
- Keeps record of action and recommendations in writing

Committees



- Opportunities to engage members
- They identify potential leaders
- Committees help the board get work done
- They serve as a way to serve the interests of subgroups of members
- Committees can produce work products and member benefits
- Committees must be aware of risk avoidance; keep minutes.
- Aligned with strategic goals and strategies



Committees

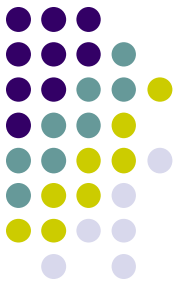
- Standing – Identified in the bylaws
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- Task Forces – Appointed for short term assignments
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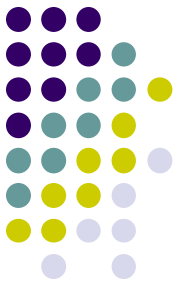
Board Meetings

- Usually four meetings per year
- All directors are requested/expected to attend
- Read to lead; directors prepare for meetings in advance
- Purpose is to conduct board business, not to perform committee or staff level work
- Input to the meeting agenda is welcomed in advance

Board Meetings

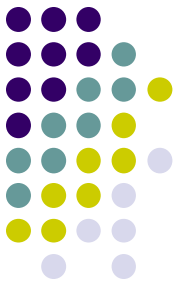


- The Agenda
 - Prepared with the input of President and staff, with consideration of current issues, member needs and pending business
 - If you have items you would like to see added to the agenda, provide to President or Executive Director at least one month in advance
 - Agendas mailed two weeks before meeting



Board Meetings

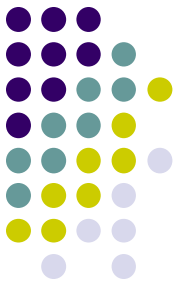
- Minutes
 - Minutes are a legal record of the meetings and must be approved at the subsequent meeting
 - They are not a record of conversations, but rather of formal actions taken
 - Audio recordings should not be retained



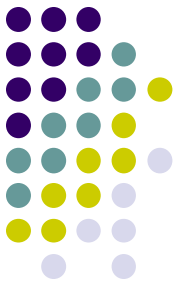
Board Meetings

- Rules of Order
 - Procedural rules are used to maintain order
 - All persons must be recognized by the chair before speaking
 - Time limits may be set on certain topics
 - Know the basic rules of order to be sure motions and procedures are understood

Financial Responsibilities

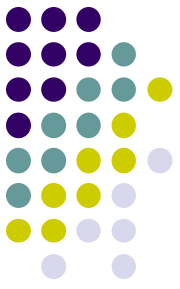


- Board reviews and “accepts” financial reports
- Board approves budget
- Board reviews audit report and year-end financial statements prepared by outside auditor
- Board views Form 990 IRS submission annually



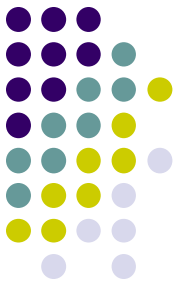
The Strategic Plan

- Mission, vision and values position and distinguish the organization
- Goals (usually 3 to 7) are core competencies of organization
- Strategies should be fresh approaches to advance the goals
- Tactics and action steps are the realm of committees and staff
- Plan is realistic, based on capacity
- Spans a period of 3 to 5 years



Final Thoughts

- The board experience should be a positive one
- The board is the caretaker of the organization
- The board speaks as a whole, no board member should have more input or authority than others
- Use business sense; be respectful at all times
- Realize you “represent” the organization
- Always ask questions as they arise (due diligence)
- **Thank you for serving on the board!**



Bob Harris, CAE

- Board Development
- Strategic Planning
- Organization Performance Excellence

- **Free resources at**
www.nonprofitcenter.com

- bob@rchcae.com

