



Nonprofit Boards & Effective Governance

Sam Frank
Synthesis Partnership

December 9, 2015

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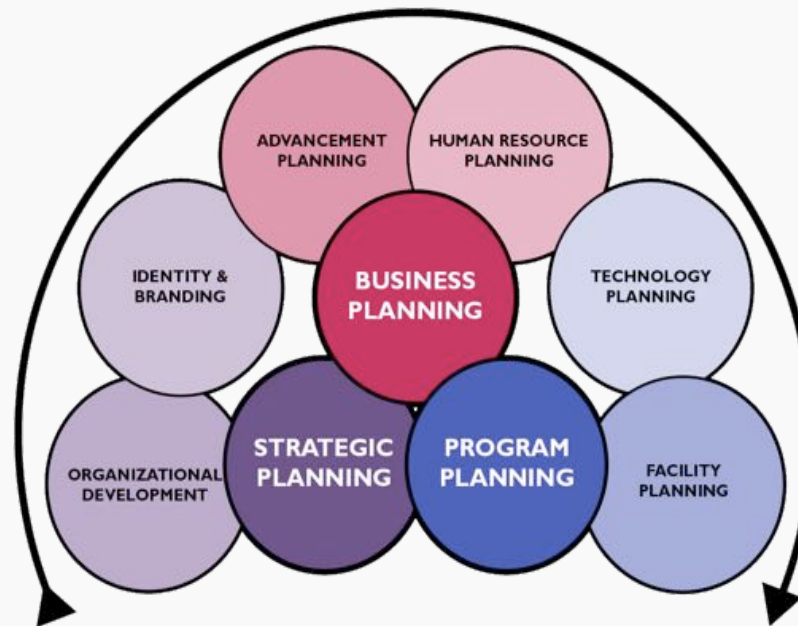
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4Good Webinars

Founding Principal,
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- **Strategy**
- **Planning**
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Today's Speaker:



Sam Frank

Synthesis Partnership

Founding Director and Host of 4Good Webinars



Joe Ridgway
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Nonprofit Boards

& effective governance

Sam Frank
Synthesis Partnership

Overview

How to assemble and maintain a capable board.

How to structure & operate a board productively.

How to engage trustees & increase mutual satisfaction.

Specific tools & resources to enhance board effectiveness.



Areas of Interest

Is there some aspect of nonprofit governance you would especially like to have addressed today?

Please use the question box to respond
(now or at any time during the webinar)

Overview

FINANCIAL OVERSIGHT

Fiduciary responsibilities

FUNDRAISING

STRATEGY / PLANNING

HIRING / ASSESSING CEO

SELF-PERPETUATION

Common issues /
essential tools

Variations

Governance Overview

FINANCIAL OVERSIGHT

ADVANCEMENT (FUNDRAISING & PROMOTION)

STRATEGY / PLANNING

HIRING / ASSESSING CEO

SELF-PERPETUATION

Nomination

Cultivation

Orientation

MEMBERSHIP

Reappointment

Service Plan

Self Assessment

Policies / Procedures

STRUCTURE & PROCESS

Committees

Retreats

Meetings

Board Development

CAPACITY

Leadership

Fundraising

Board Size

EXECUTIVE COMMITTEE

ADVISORY BOARD

CONSORTIA

Fiduciary responsibilities

Common issues /
essential tools

Variations

Fiduciary responsibilities

*One definition
of a nonprofit board—
an ineffective group
of effective people*



*"It's an amazing coincidence, isn't it, that we all
served on the same board of directors?"*

Fiduciary responsibilities

Financial oversight

Fundraising & Outreach

Strategy / Planning

Hiring & assessing the CEO

Self-perpetuation

Fiduciary responsibilities

Form **990** **Return of Organization Exempt From Income Tax** OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (benefit trust or private foundation)

Department of the Treasury Internal Revenue Service

© The organization may have to use a copy of this return to satisfy a requirement.

A For the 2009 calendar year, or tax year beginning , 2009, and

Form 990 (2009)

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

Form 990 (2009)

Part VI Governance, Management, and Disclosure for a "No" response to line 8a, 8b, or Schedule O. See instructions.

Section A. Governing Body and Management

1a Enter the number of voting members of the governing body:

1b Enter the number of voting members that are independent:

2 Did any officer, director, trustee, or key employee (a) receive compensation for services rendered to the organization, or (b) receive compensation for any other officer, director, trustee, or key employee? ☐ Yes ☐ No

3 Did the organization delegate control over management to any individual, officer, director, trustee, or key employee? ☐ Yes ☐ No

4 Did the organization make any significant changes to its bylaws during the year? ☐ Yes ☐ No

5 Did the organization become aware during the year of any conflict of interest involving any officer, director, trustee, or key employee? ☐ Yes ☐ No

6 Does the organization have members or stockholders? ☐ Yes ☐ No

7a Does the organization have members, stockholders, or other persons who have the right to vote on the organization's affairs? ☐ Yes ☐ No

7b Are any decisions of the governing body subject to a vote of the members, stockholders, or other persons who have the right to vote on the organization's affairs? ☐ Yes ☐ No

8 Did the organization contemporaneously document the following: ☐ Yes ☐ No

a The governing body? ☐ Yes ☐ No

b Each committee with authority to act on behalf of the governing body? ☐ Yes ☐ No

9 Is there any officer, director, trustee, or key employee who has a conflict of interest? If "Yes," provide the organization's mailing address:

Section B. Policies (This Section B requests information about the organization's policies.)

10a Does the organization have local chapters, branches, affiliates, and branches to ensure their operations? ☐ Yes ☐ No

11 Has the organization provided a copy of this Form 990 to its officers, directors, trustees, and key employees? ☐ Yes ☐ No

11a Describe in Schedule O the process, if any, used to select officers, directors, trustees, and key employees.

12a Does the organization have a written conflict of interest policy? ☐ Yes ☐ No

b Are officers, directors or trustees, and key employees required to file a statement of financial interest? ☐ Yes ☐ No

c Does the organization regularly and consistently monitor and evaluate its policies? ☐ Yes ☐ No

Governance Check Sheet

This check sheet is to be used by EO Revenue Agents in the examination of L.R.C. 501(c)(3) public charities. Please complete all parts of this check sheet.

Part 1 - Revenue Agent and Exempt Organization Information

1. Agent Name Group Number

2. Organization Name

3. EIN

4. Tax Period(s) Examined

5. Form Being Examined

6. Foundation Code

Part 2 - Governing Body and Management

7. Does the organization have a written mission statement? Select one of the options.

8. Do the organization's bylaws set forth the following: Select one of the options from each of the following:

Composition Duties

9. Have copies of the most recent versions of the following documents been provided to the Revenue Agent? ☐ All Board Members ☐ Only Voting Board Members

10. At the beginning of the primary year under examination, did the organization have a written policy regarding the following? Enter a whole number.

11a. How often did a quorum of voting board members meet? Enter a whole number.

11b. How often did the full board meet during the year? Enter a whole number.

12. Did the number of meetings referred to in 11a or 11b meet the requirements of the organization's bylaws? Select one of the options.

Part 3 - Compensation

13. Are compensation arrangements for all officers, directors, trustees, and key employees approved by an authorized body of the organization composed of members, stockholders, or other persons who have the right to vote on the compensation arrangement? Select one of the options.

14a. Does the authorized body rely upon compensation studies or surveys? Select one of the options.

14b. If "Always" or "Sometimes" for 14a, select one of the options.

14c. If the "Other" box is checked for 14b, provide the details of the compensation arrangement.

15. Is the basis for all compensation determinations the same for all officers, directors, trustees, and key employees?

Part 4 - Organizational Control

16a. Did any of the organization's voting board members have a conflict of interest?

Part 5 - Conflict of Interest

18a. Does the organization have a written conflict of interest policy? Select one of the options.

18b. If YES to 18a, does the policy address recusals? Select one of the options.

18c. If YES to 18a, does the policy require annual written disclosures of conflicts of interest? Select one of the options.

18d. If YES to 18a, during the primary year under examination, if any actual or potential conflicts of interest were disclosed, was the organization's conflict of interest policy adhered to? Select one of the options.

Part 6 - Financial Oversight

19. Are there systems or procedures in place intended to make sure assets are properly used, consistent with the organization's mission? Select one of the options.

20a. How often did the organization provide board members with written reports of the organization's financial activities? Select one of the options.

20b. How often did the board discuss/consider reports of the organization's financial activities? Select one of the options.

21. Prior to filing, was the Form 990 reviewed by the full board and/or a designated committee? Select one of the options.

22a. During the primary year under examination, was an independent accountant's report prepared? Select one of the options.

22b. If YES to 22a, was the accountant's report discussed/considered by the full board and/or a designated committee? Select one of the options.

23a. Was a management letter prepared by the independent accountant? Select one of the options.

23b. If YES to 23a, was the management letter reviewed by the full board and/or a designated committee? Select one of the options.

23c. If YES to 23a, did the organization adopt any of the recommendations contained in the management letter? Select one of the options.

Part 7 - Document Retention

24a. Does the organization have a written policy for document retention and destruction? Select one of the options.

24b. If YES to 24a, does the organization adhere to its written policy for document retention and destruction? Select one of the options.

24c. Does the organization have a written policy for document retention and destruction? Select one of the options.

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SYNTHESIS

PARTNERSHIP

Common Issues

Membership

Cultivation

Nomination

Orientation

Individual Service Plan

Self Assessment

Reappointment

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Nominee:

Nominated by:		Expertise					Geography			Interest Area			
Nominee profile compared to profile of current members		Law	Accounting	Governance	Communications	Fundraising	Planning						
For each person, check as many boxes as applicable													
Current board term	name												
2011-14	Trustee A	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2011-14	Trustee B		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2011-14	Trustee C			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2011-14	Trustee D				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2012-15	Trustee E				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2012-15	Trustee F				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2012-15	Trustee G		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2012-15	Trustee H				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2013-16	Trustee I				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2013-16	Trustee J			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2013-16	Trustee K			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2013-16	Trustee L			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nominee													

Who is the nominee? (brief description of the nominee in relation to the profile categories above; include any knowledge you have of the nominee's participation on other boards)

--

What important qualities will the nominee bring to the board?

--

Do you have direct experience with the nominee in a situation of group deliberation?

If so, please describe

--

What is this nominee's capability to contribute financially and to provide access to major contributors?

--

What other information do you feel would be valuable for us to know about this nominee?

--

Common Issues

Membership

Cultivation

Nomination

Orientation

Individual Service Plan

Self Assessment

Reappointment

Nonprofit Boards & Effective Governance

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Board of Trustees Manual

Trustee Manual

Board

- Board statement of responsibilities
 - Board officer job descriptions
 - Committee and task force job descriptions, protocols, policies
 - Oversight of CEO
- Board members
 - Trustee job description
 - Individual service plan form
 - Listing with term and bios
- Board policies
- Board meetings
 - Pre-meeting preparation
 - Meeting protocol
 - Meeting calendar
- Board development
 - Nomination process
 - Orientation process
 - Board education and training
 - Leadership development
- Board self-assessment
- Listing of past board members
- Minutes from board meetings

Strategy

- Mission and values statements
- Strategic plan

Institutional context

- Brief written history and fact sheet
- Annual calendar
- Legal documents
 - Articles of Incorporation
 - Bylaws
 - IRS determination letter
 - Insurance and risk management information
 - Conflict of interest policy
- Operations
 - Advancement
 - Highlights of policies and procedures
 - Finance
 - Directory of staff
 - Highlights of policies and procedures
 - Human resources
 - Programs

Fundraising and finance

- Prior-year annual report
- Current annual budget
- Current fundraising plan
- Most recent audit report

Common Issues

Membership

Cultivation

Nomination

Orientation

Individual Service Plan

Self Assessment

Reappointment

The Individual Service Plan is a confidential agreement between the Chairperson and each board member regarding his/her personal plan of support. The ISP is used to keep track of each member's commitment and goals, and is reviewed on a quarterly basis.

Expectations of trustees

- Commit annually to an Individual Service Plan in consultation with the board chair
- Attend regularly scheduled board meetings.
- Participate in committee work.
- Become informed about and advocate for the policies and programs of XXX.
- Contribute financially according to ability.
- Participate in fundraising activities and special events sponsored by XXX.
 - Identify and cultivate 5 to 10 individual donors (year end and mid-year appeals);
 - Sponsor or help to coordinate donor reception(s) or events with potential donors;
 - Make and/or coordinate referrals to revenue sources – foundation and corporate contacts
 - Help cultivate revenue or other opportunities to enhance the fiscal strength of XXX.
- Participate in board orientation activities.
- Participate in board self-evaluation activities

Personal Financial Commitment to XXX

Over the coming year I will commit to donating \$_____ towards unrestricted operating support.
and/or

I will support a specific program/or a board recognized project in the amount of \$_____.

I will pledge one/or both of these amounts with:

A one time gift of \$ _____ Payable to XXX by _____
installments with the following schedule: Monthly \$ _____ Quarterly \$ _____

New Resources

Number of people who meet all the requirements established by XXX that you will introduce: ____

Number of new individual gifts you will solicit for the organization each quarter: ____

Minimum Goal amount for each gift: ____

Number of new gifts from businesses you will solicit for the organization each quarter: ____

Minimum Goal amount for each gift: ____

Time Commitment:

Board Meetings:

I will participate in all board meetings, in person or by phone

Committees:

I will participate actively on the following committees (select two):

____ Executive ____ Finance ____ Fundraising ____ Governance ____ Planning

For outside expertise, I will recruit ad hoc/non-board volunteer members:

of members _____ for the following committees: _____

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Board Member

Date

Board Chairperson

Date

Common Issues

Membership

Cultivation

Nomination

Orientation

Individual Service Plan

Self Assessment

Reappointment

Small Arts Center Board Self-Assessment

Section 1: Mission

Mission is the reference point for all actions of the organization.

Section 2: Advocacy

Essentially the board is [] There is no []

Section 3: Fundraising

Fundraising is the responsibility of all board members.

Section 4: Board Operations

The board is responsible for oversight in assets for future generations.

How effectively is the board [] Very devoted

The board has an effective process for nominating and selecting new members.

The board provides new []

Section 5: Planning

A habit of sound planning is the []

Section 6: Operations

The board should be []

Section 7: Finance

The board is responsible for []

Section 8: []

We have []

Wh []

1. []

2. []

3. []

4. []

Common Issues

Structure & Process

Recruitment

Policies and procedures

Committees

Meetings

Retreats

Work process

Board Policies and Procedures

Role of the Board

Structure of the Board

- Members
- Officers
- Committees
- Committee Membership

Nomination Process

Expectations for Trustees

Deliberations and Decisions

Conflict of Interest Policy

Financial Policies and Procedures

Human Resource Policies & Procedures

Board Development

Meetings

Evaluations

Common Issues

Structure & Process

Recruitment

Policies and procedures

Committees

Meetings

Retreats

Work process

Executive Committee Job Description

The executive committee typically consists of the officers of the board and the chair of the committee. The committee is responsible for the overall management of the organization and for the performance of the board's duties.

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Respo
Policy

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Committee on Trustees or Governance Committee Job Description

The committee on trustees is responsible for assessing the board's composition and for recommending changes to the board's composition.

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Board

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Development Committee Job Description

The development committee works with the board chair to develop and implement the organization's fundraising strategy.

Respo

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- I
- L
- H
- F
- H

Finance Committee Job Description

The finance committee is responsible for reviewing and recommending the organization's financial policies and procedures, and for monitoring the organization's financial performance.

Respo

- P
- A
- A
- A
- A

Membership & Volunteer Committee Job Description

The objective of the membership and volunteer committee is to recruit, develop, and retain a diverse and committed membership and volunteer base for the organization.

Responsibilities

- Review and evaluate the organization's membership and volunteer policies and procedures.

Common Issues

Structure & Process: Meetings

Recruitment

Policies and procedures

Committees

Meetings

Retreats

Work process

Agenda

January 25, 2014

<u>Connection exercise</u>	10 minutes
<u>Consent agenda</u>	10 minutes
Item	Action
Minutes of previous meeting	Approval
Finance Committee report	Approve budget changes
Development Committee report	Approve position descriptions
Committee on Trustees	Approve board development program Approve changes to trustee manual
<u>Discussion agenda</u>	15 minutes
Executive Director's report	Discuss flagged issues
<u>Meeting topic</u>	30 minutes
Governance as leadership	
<u>Other Business</u>	15 minutes
- Old	
- New	
- Announcements	
Roundtable evaluation of meeting	
Review of actions from meeting	
Adjourn	
<u>Contents of pre-meeting packet</u>	
Meeting agenda	
Minutes of previous meeting	
Executive Director's report	
Finance committee report	
Development committee report	
Board development program	
Proposed changes to trustee manual	

Common Issues

Capacity

Leadership

Board development

Board size

Fundraising

Variations

Multi-tier Boards

Executive committee

Advisory board

Consortia

Stages & Models

Founding board

Maturing board

Sustaining the board

Energizing the board

Critical Issues Articles

# 4 On Boards	http://bit.ly/SyPci04	#12 Managing Change	http://bit.ly/SyPci12
# 7 On Mission	http://bit.ly/SyPci07	#15 Strategic Action	http://bit.ly/SyPci15
# 8 The Measure of Success	http://bit.ly/SyPci08	#17 Fear & Loathing of Planning	http://bit.ly/SyPci17

Related Webinars in the 4Good Archive

What's a Mission Statement Worth?	https://4good.org/p/102912
Strategic Planning Part 1: Cultivation & Organizational Development	https://4good.org/p/100750
Strategic Planning Part 2: Plan Development & Implementation	https://4good.org/p/101401
Strategic Planning Part 3: Metrics & Monitoring	https://4good.org/p/101408

Further consultation, guidance & training:

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Advising nonprofits in
strategy, planning, & organizational development

with full consulting & training services
or just the limited guidance you may need
by phone or video conference, document sharing & email
to use our experience to assure your success.