Non-Profit Board Governance and Development

Hosted By Mike Gallagher
March 23, 2017
Today’s Agenda-Governance

• Legal Responsibilities
• Board Structure & Committees
• Board Meetings
• Your Executive Director
• Financial Controls and Reporting
• Strategic Planning
• Other “Stuff”
Today’s Agenda-Development

• Identifying, Recruiting and Retaining Directors
• Education and Awareness
• Fundraising and Philanthropy
Legal Responsibilities

• Duty of Care and Loyalty
• By-laws
• Statutory Immunity
• Federal Volunteer Protection Act
• Sarbanes-Oxley Act
• Code of Ethics
• Conflicts of Interest
• Whistleblower Act
Who should be on the Board?

• What characteristics make a strong Director?
  – Responsive to the mission
  – Commitments
  – Skills and experience
  – Perspective

• What qualities make directors valuable?
Board Structure and Committees

- Provide an orientation
- Consider an Advisory board
- Assign director terms
- Electing Board Officers
- What Size is the Right Size?
Committees

- Chairperson
- Minutes and communicating with the Board
- Authorization levels (Board, Committee, Staff)
- Frequency of meetings
- Developing Committee Charters
- Reporting to the Full Board
Committees

- Executive Committee
- Finance or Audit Committee
- Nominating Committee
- Fundraising Committee
- Programming Committee
- Compensation Committee
- Other Committees in By-Laws
Board Meetings

- Quorums
- Agenda
- Getting information prior to meeting
- Executive sessions
- Decisions vs communications
- Frequency of meetings
- Participation
Board Meetings

- Robert’s Rules of Order
- Minutes
- Timing
- Attendance
- Where to hold Board Meetings
Choose an ED carefully
Executive Compensation
Setting Clear Goals
Annual Performance Reviews
Founding Father Syndrome

“Frankly, I don’t remember why I called this meeting.”
Financial Controls & Reporting

Accounting Controls

• Maintain an appropriate accounting system
• Maintain bank accounts
  – Who should be authorized to sign checks?
• Have controls over “cash” receipts
• Minimize the use of “petty” cash
• Reconcile accounts regularly
• Get authorization on “large” expenditures
• Restrict use of credit card
Financial Controls & Reporting

- Accounting for funds from grants
- Borrowing money
- Deductibility of contributions received
- Leases
- Contracts
- Related party transactions
- Human Resources
Annual Reporting Requirements:

- Tax Returns
- Financial Statements
- Changes in Directors
- Other Reporting Requirements
Strategic Planning

- Define what you want to achieve
- Review Vision and Mission Statements
- Choose the right facilitator
- Who should be involved?
- Set the right environment
- Ask others (public survey)
- Follow-up
• Rotation of Directors (Terms)
• Nominating New Directors
• Insurance
• Information Security
• Participate and Ask Questions
• Conduct Self-Assessments
Identifying The Right Directors

• Is your board recruitment policy: “warm blood and a pulse”?

• “Most boards take more care in hiring the guy who clears the trash out of the parking lot than they take care in hiring their board”
Who should be on the Board?

• Assess your needs
  – Diversification: professionals, technical, fundraisers, do-ers and passive members

• Identify a strong chairman

• Look for those who are willing to serve and are not overcommitted
Identifying the Right Directors

- Where to look?
  - Other boards
  - People you have worked with before.
  - Centers of Influence
  - Industry groups
  - Post an opening
  - Social Media

- Perform Due Diligence
- Know your Fellow Directors
Retaining Directors

• Review the Roles and Responsibilities of your Directors
• Engage directors
• Make them feel important
• Make meetings fun and interesting
• Ask them what they want.
• Don’t guilt them into staying
Education and Awareness

• Corporate Governance
• Teach them about your organization
  – Invite staff
  – Review policies and procedures
• Finances
• Industry Standards
Fundraising and Philanthropy

- Understand what is expected of you.
  - Time expectations
  - Financial Contributions
  - Raising Funds
  - Selling
  - Representing the Organization
SOMETHING IS MISSING and I didn't know what it is
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