

# **BOARD OF DIRECTORS TRAINING FOR COMMUNITY ACTION AGENCIES**

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Office of Volunteerism and Community Services  
Virginia Department of Social Services  
2015

**Purpose:** To provide an opportunity for CAA board and staff leaders to join together to learn and discuss best practice boardsmanship principles and practices.

**Process:** Content will be provided interspersed with group discussion and group exercises. Idea sharing is encouraged. We'll work for two hours, break for an hour lunch, and work two more hours in the afternoon.

**Payoff:** A comprehensive understanding of the roles and responsibilities of nonprofit boards and board members. Ideas and action plans to take back to your full board.

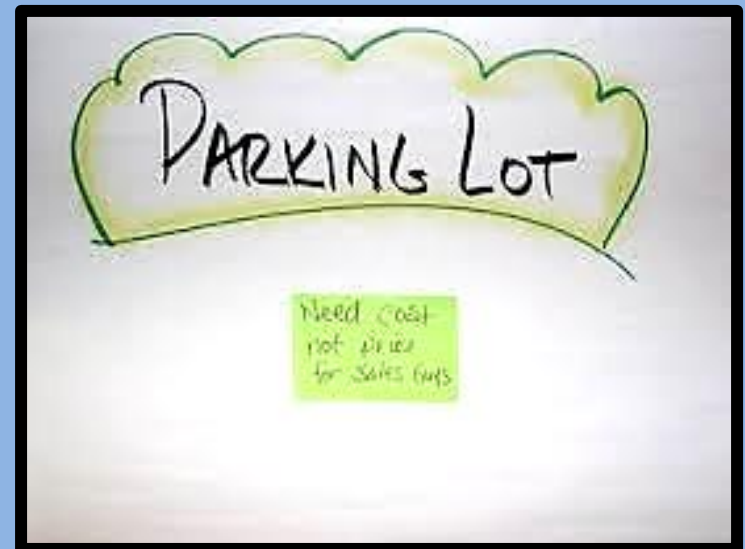
# Agenda

- ❖ The governance role of a board
- ❖ Composition of an effective board
- ❖ Individual board members' roles
- ❖ Board structure
- ❖ Seven main responsibilities of a board
- ❖ How those responsibilities get done
- ❖ How to create and maintain a high functioning board



- **Name, organization, position**
- **How long?**
- **A favorite hobby**

# Ground rules





**“A good board is a victory, not a gift”**  
Cyril O’Houle



## Best Practices

## CSBG Requirements

Code of Virginia: 13.1-853.  
Requirement for and duties of  
board of directors. B. All corporate  
powers shall be exercised by or  
under the authority of, and the  
business and affairs of the  
corporation managed under the  
direction of, its board of directors  
[http://law.lis.virginia.gov/vacode/tit  
le13.1/chapter10/](http://law.lis.virginia.gov/vacode/title13.1/chapter10/)

Section 676B of the Community  
Services Block Grant  
Reauthorization Act of 1998 requires  
that as a condition of designation  
on private nonprofit entities and  
public organizations administer  
their CSBG program through  
tripartite boards that “fully  
participate in the development,  
planning, implementation, and  
evaluation of the program to serve  
low-income communities”;

# Nonprofit 501(c) (3) corporations are special

No corporate income tax

Tax deductible donations

Are eligible for foundation and government grants

Nonprofit bulk mail postage rate

State and county tax benefits in some areas.

Taxes foregone are estimated to be around

\$30 billion each year



You are the **stewards** of the organization,  
its mission and resources  
*(not the owners)*

- **Stewardship**

- ✓ -responsibility for taking good care of resources entrusted to one
- ✓ -the responsible overseeing and protection of something considered worth caring for and preserving
- ✓ -acting as the surrogate of another or others

# The BOARD vs. board members

**Governance** — The board is the ultimate legal and moral authority for the non-profit corporation. The government authorizes the board to be accountable to the public for running the organization. **The Board as a whole, as a body, governs. Governance is *group action*.**



## The BOARD vs. board members

**An *individual* board member has no authority in governance.**

Individual board members actually have very few rights, mainly obligations to bring their independent opinions into the discussion.

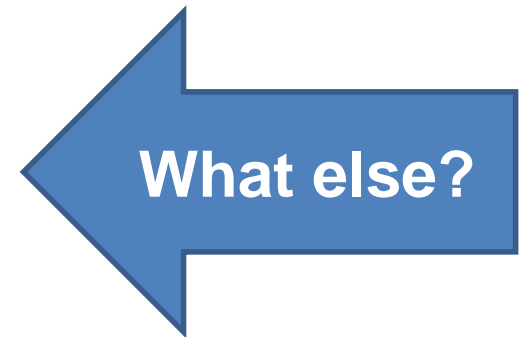
Board members, as individuals, act as supporters of the organization. They speak to the community on the organization's behalf, asking for donations, volunteering time, and support.



*A board is a team where the sum of the parts shapes the entity.*

## **Board Composition**

- **Skills/experiences/expertise**
- **Diversity**
- **Personal commitment**
- **CSBG rules**



# Tripartite Board




Effective tripartite boards reflect and promote the unique anti-poverty leadership, action, and mobilization responsibilities assigned by law to community action agencies.

Boards are responsible for assuring that agencies continue to assess and respond to the causes and conditions of poverty in their community, achieve anticipated family and community outcomes, and remain administratively and fiscally sound.

**CSBG IM #82 Tripartite Boards**

**<http://www.acf.hhs.gov/programs/ocs/resource/im-no-82-tripartite-boards>**



Tripartite boards must "fully participate in the development, planning, implementation, and evaluation of the program to serve low-income communities."

ALL THE TIME!

### **Board Composition**

1. Low-Income Individuals and Families: a minimum of one-third of tripartite board; must be democratically selected
2. Elected Officials or Their Representatives :One-third must be elected officials, holding office at their time of selection, or their representatives.
3. Major Groups and Interests in the Community Served

Stewardship  
BOARD vs. board members  
Composition



Complete  
your follow  
up sheet as  
we go.

|  |  |
|--|--|
| I have concerns about<br>or want to follow up<br>on:   |  |
| My full board needs<br>training on:  |  |
| What specific things<br>can our CSBG team<br>do to help you<br>become a high<br>performing board and<br>agency? (materials,<br>training, technical<br>assistance, etc) |  |

# Obligations of Board Members: the 3 D's

Duty of Care

Duty of Loyalty

Duty of Obedience



## Duty of Care

**Care that an ordinarily prudent person would exercise in a like position and under similar circumstances.**



- ✓ **Attend all board meetings, committee meetings, participate in decision-making and policy setting.**
- ✓ **Read materials and minutes, make sure your vote is recorded.**
- ✓ **Read agency literature. Participate in risk assessment and strategic planning.**

# Duty of Care

- Be familiar with the organization's finances & activities. Review financial accounts, review actual to budget comparison.
- Participate in the process of approval of major obligations, fundraising, compensation arrangements.



# Duty of Care: **Make sure organization has written policies and controls**

## Types of policies (examples)

- ✓ Crisis Management
- ✓ Employee Manual (hiring, firing, compensation, non-discrimination, sexual harassment, leave time, etc.)
- ✓ Investment and Endowment
- ✓ Facilities Management
- ✓ Whistle blower
- ✓ Use of technology and security (email, social media)
- ✓ Conflict of Interest
- ✓ Etc.!

# Duty of Loyalty

The duty of loyalty is a standard of **faithfulness**. A board member must give **undivided allegiance** when making decisions affecting the organization. This means that a board member can **never use information obtained as a member for personal gain**, but must **act in the best interests of the organization**.

# Duty of Loyalty: The IRS says:

“The directors of a charity owe it a duty of loyalty. The duty of loyalty requires a director to act in the interest of the charity rather than in the personal interest of the director or some other person or organization. In particular, the duty of loyalty requires a director to avoid conflicts of interest that are detrimental to the charity. “

# Duty of Loyalty: Conflict of Interest

IRS guidance: A charity's board of directors should adopt and regularly evaluate a written conflict of interest policy that



**requires directors and staff to act solely in the interests of the charity without regard for personal interests**



**includes written procedures for determining whether a relationship, financial interest, or business affiliation results in a conflict of interest**



**prescribes a course of action in the event a conflict of interest is identified.**



**requires annual disclosure of conflicts**

CSBG  
IM# 82

# Use the smell test!





# Duty of Obedience

The duty of obedience requires a director to act in furtherance of the business organization's goals and mission as stated in the **articles of incorporation and bylaws.**

Ensure that the director and the organization **complies with all applicable laws and regulations and with its own internal documents and policies.**

# Duty of Obedience: how?

- ✓ Make sure that resources are dedicated to accomplishing the mission.
- ✓ Comply with all laws and contracts and make sure that appropriate taxes are paid.
- ✓ Provide copies of tax-exempt forms, federal reports and financial reports as necessary to the public when requested.



CSBG

Duties of  
Care  
Loyalty  
Obedience



Group exercise time

I have concerns about or  
want to follow up on:

My full board needs training  
on:

What specific things can our  
CSBG team do to help you  
become a high performing  
board and agency?

# Agenda

- ✓ The governance role of a board
- ✓ Composition of an effective board
- ✓ Individual board members' roles
- ❖ Board structure
- ❖ Seven primary governance responsibilities
- ❖ How do those responsibilities get done
- ❖ How to create and maintain a high functioning board



# Board structure

1. Officers
2. Active committees:  
where the  
work gets  
done!



What Board committees do  
you have?

# Executive Committee



- If the executive committee is given the power to act on behalf of the board, the bylaws need to define the limits of this authority; otherwise, it has the authority to make major organizational decisions that normally belong to the full board.
- To ensure that the *full board remains in control and informed, decisions* made by the executive committee should be confirmed by the full board at the following board meeting.

# Governance

*steering, controlling, exercising authority*

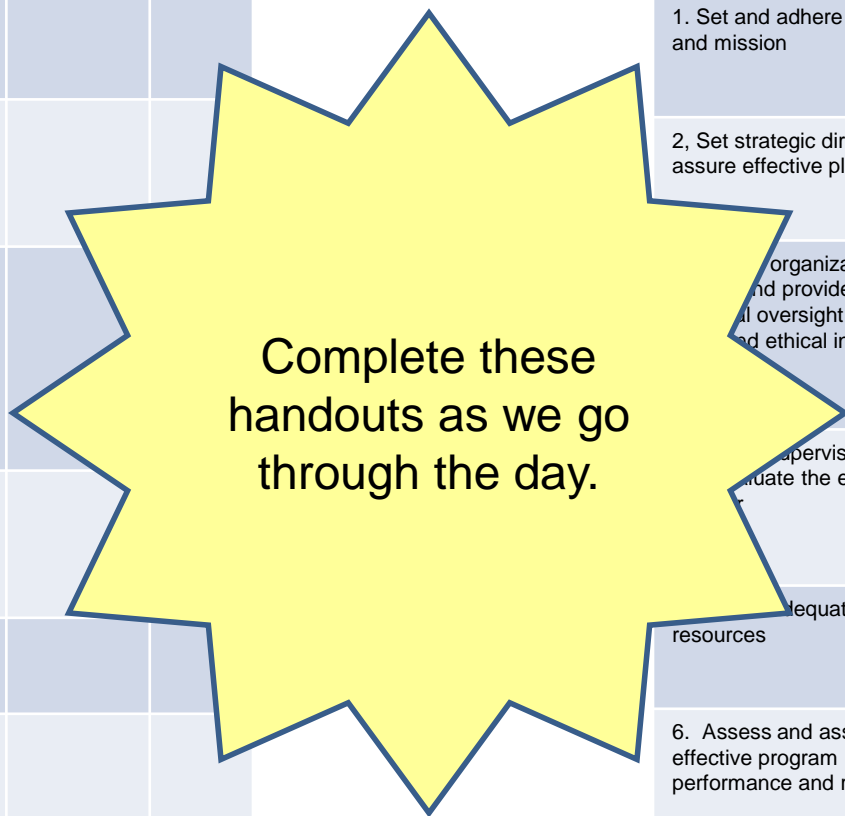
**constitutes the core of  
responsible  
stewardship.**

# Basic Governance Responsibilities of a Board of Directors

1. Set and adhere to vision and mission
2. Set strategic direction and assure effective planning
3. Protect organizational assets and provide effective financial oversight. Ensure legal and ethical integrity
4. Select, supervise, support and evaluate the executive director
5. Ensure adequate financial resources
6. Assess and assure effective program performance and results
7. Enhance public standing, external relations and community involvement



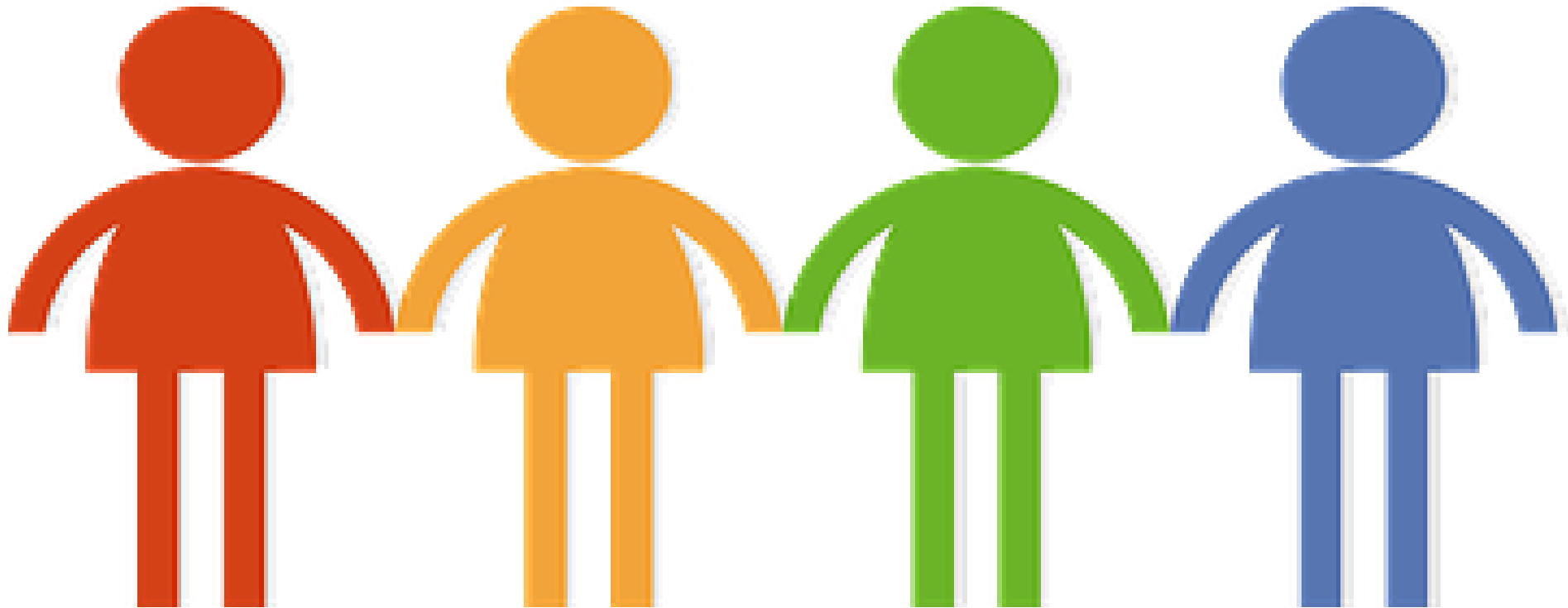
| SELF-ASSESSMENT of your board in fully meeting these core board responsibilities                               | WEAK | OK but needs some attention | STRONG |
|--|------|-----------------------------|--------|
| 1. Set and adhere to vision and mission  |      |                             |        |
| 2. Set strategic direction and assure effective planning   |      |                             |        |
| 3. Protect organizational assets and provide effective financial oversight. Ensure legal and ethical integrity |      |                             |        |
| 4. Select, supervise, support and evaluate the executive director  |      |                             |        |
| 5. Ensure adequate financial resources   |      |                             |        |
| 6. Assess and assure effective program performance and results   |      |                             |        |
| 7. Enhance public standing, external relations and community involvement                                       |      |                             |        |



| SELF-ASSESSMENT of your board in fully meeting these core board responsibilities                               | WEAK | OK but needs some attention | STRONG | Your notes. |
|--|------|-----------------------------|--------|-------------|
| 1. Set and adhere to vision and mission  |      |                             |        |             |
| 2. Set strategic direction and assure effective planning   |      |                             |        |             |
| 3. Protect organizational assets and provide effective financial oversight. Ensure legal and ethical integrity |      |                             |        |             |
| 4. Select, supervise, support and evaluate the executive director  |      |                             |        |             |
| 5. Ensure adequate financial resources   |      |                             |        |             |
| 6. Assess and assure effective program performance and results   |      |                             |        |             |
| 7. Enhance public standing, external relations and community involvement                                       |      |                             |        |             |

Board Responsibility #1.

Set and adhere to vision and mission





## VISION

- \*Aspirational
- \*Inspiring
- \*Desired outcome
- \*One sentence

- **Feeding America:** A hunger-free America
- **Habitat for Humanity:** A world where everyone has a decent place to live.
- **Community Action Agency of Somerville: CAAS**  
envisioning a Somerville community where all residents are able to achieve economic independence, mobility, and success.



## MISSION

- \*Brings alignment
- \*A filter for actions
- \*A communication tool

- **Make-A-Wish:** We grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength and joy.
- **AARP:** To enhance quality of life for all as we age. We lead positive social change and deliver value to members through information, advocacy and service.
- The mission of the **Community Action Agency of Somerville** is to reduce poverty among local families and individuals while working to counteract, and whenever possible eliminate, the societal conditions that cause and perpetuate poverty.

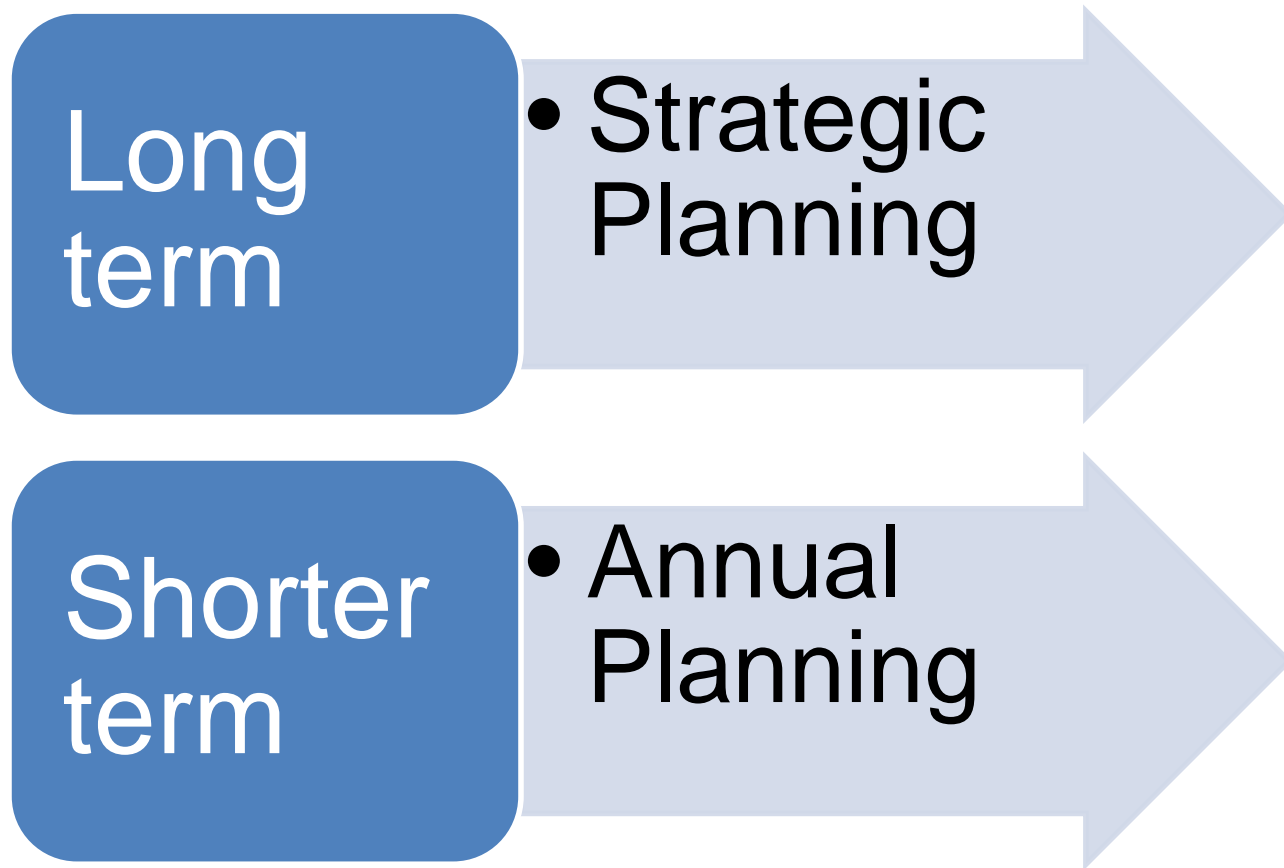
I have concerns about or  
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My full board needs training  
on:

What specific things can our  
CSBG team do to help you  
become a high performing  
board and agency?

## Board Responsibility #2.

### Set strategic direction and assure effective planning



# The Results Oriented Management and Accountability Cycle

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CSBG

## **Assessment**

Needs and Resources



## **Evaluation**

Analyze data,  
compare with  
benchmarks

## **Planning**

Use assessment data and  
agency mission statement  
to identify results, and  
strategies



## **Achievement of Results**

Observe and report  
progress

## **Implementation**

Strategies and  
services





## How do they fit together?

| Community Needs Assessment | Strategic Plan                      | Community Action Plan  |
|----------------------------|-------------------------------------|--|
| Every 3 years              | Every 5 years                       | Annual   |
| Identifies community needs | Sets agency priorities and outcomes | Identifies the plan to implement programs and approaches to meet strategic goals and address community needs |

# Strategic Planning: a fresh look to the future



CSBG

- Based on findings from needs assessments
  - Usually includes a SWOT analysis
  - Includes external perspectives
- What do our constituents need us to do?
  - Where are we headed?
  - Are we in a rut?
  - Where are we getting results?
  - Are we a community leader or just a service provider?



# Strategic Planning

## Steps to Implementation

#1 Translate Goals

#2 Create a Blueprint

#3 Mobilize the Team

#4 Align Finances

#5 Monitor Progress

#6 Revisit and Repeat



CSBG

*Living Into Your Strategic Plan: Steps Overview*; Bridgespan;

<http://www.bridgespan.org/getdoc/13d86d83-00c9-468f-836a-1312bfe1aad1/Steps-Overview.aspx>

## 2. Set strategic direction and **assure effective planning**

What other annual goal planning and monitoring reports should the board receive?



# Monitoring annual plans

- How do board committee and staff work plans intersect?
- What metrics are set and how do you monitor progress?
- Do you get updates at Board meetings?
- 
- Do you get a year end report?

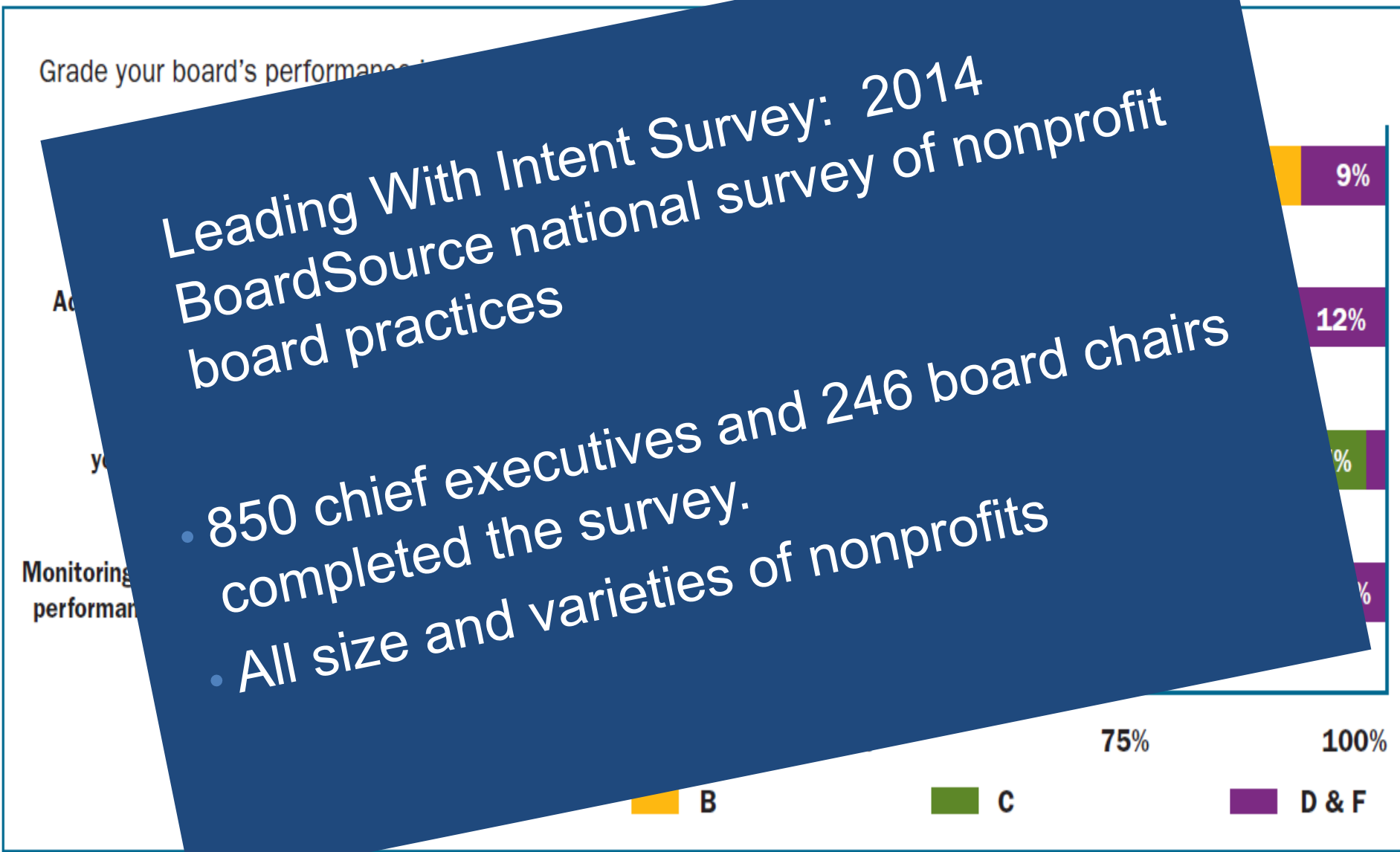
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Figure 18. Board Report Card: Strategic Planning and Program Oversight (0418)

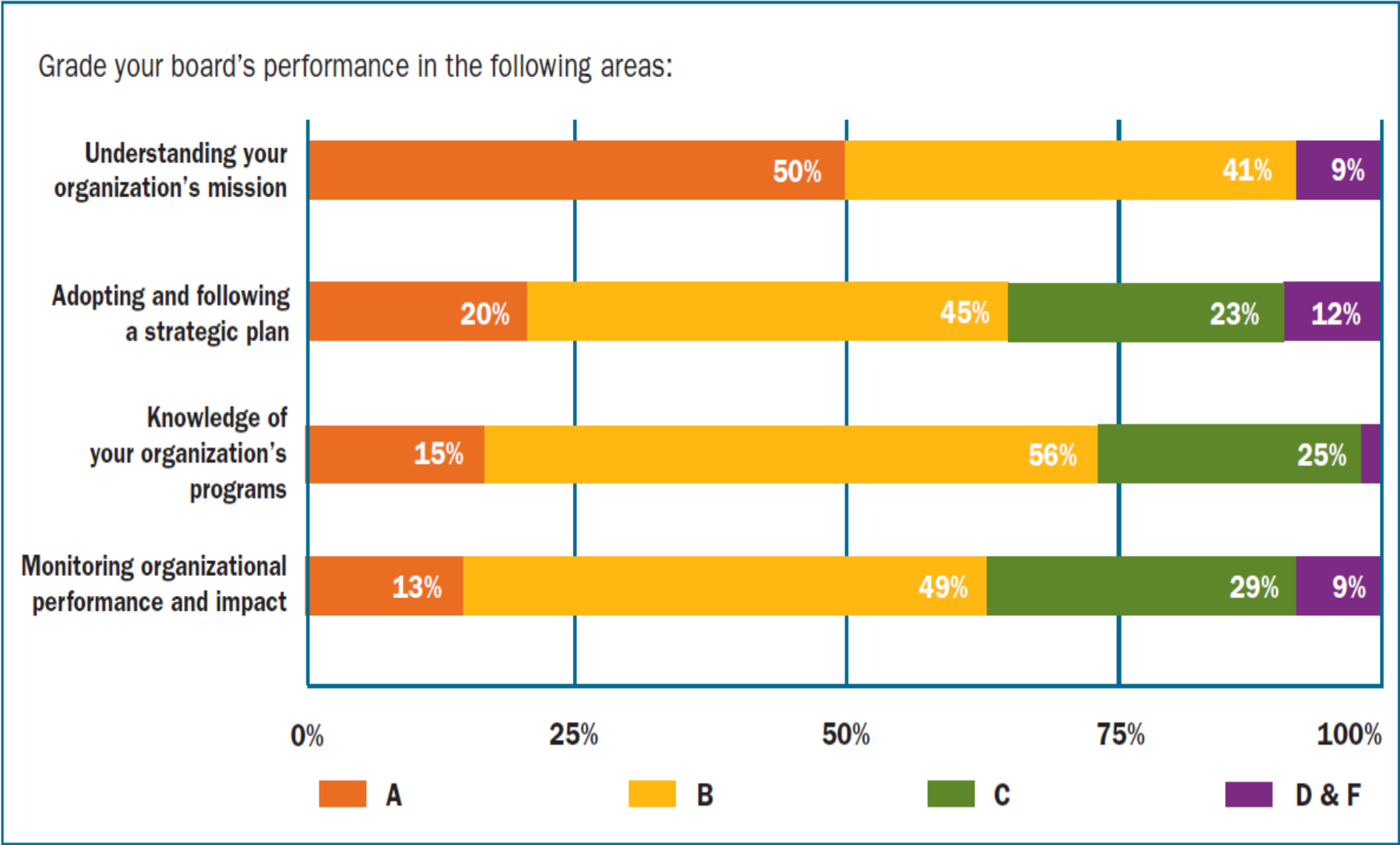


Leading With Intent Survey: 2014  
BoardSource national survey of nonprofit board practices

- 850 chief executives and 246 board chairs completed the survey.
- All size and varieties of nonprofits



Figure 18. Board Report Card: Strategic Planning and Program Oversight (Q10.2 CEO)



Board Responsibility #3.

**Protect organizational assets and  
provide effective financial oversight.  
Ensure legal and ethical integrity**

3.a. Protect organizational assets

3.b. Ensure legal and ethical integrity

3.c. Provide effective financial oversight.





### 3a. Protect organizational assets

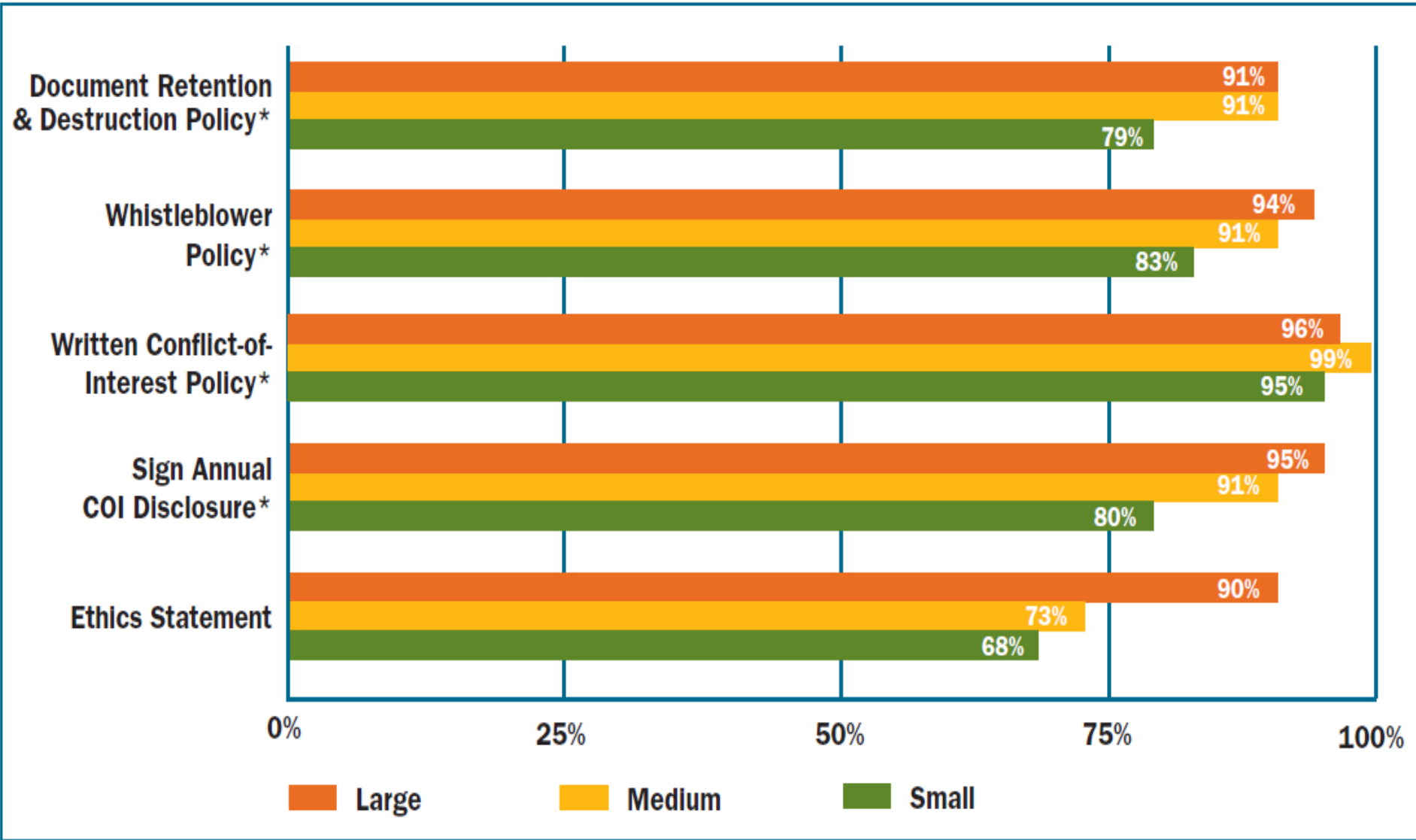
The board should ensure that the organization has adequate policies, procedures and processes in place to protect its assets against damage or loss.

## What are your agency's assets?

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Financial resources, investments</li><li>• Human resources and HR records</li><li>• Programmatic content and material</li></ul> | <ul style="list-style-type: none"><li>• Donor information</li><li>• Grants and contracts</li><li>• Client data</li><li>• Documents and data</li><li>• Physical property</li><li>• More...</li></ul> |
|---|---|

Include date  
of board  
approval

Figure 26. Compliance Policies (Q7.1, 7.2 CEO)



\* The IRS Form 990 asks questions related to this policy or practice.

## 3b. Ensure legal and ethical integrity

Obey all laws: A charitable organization must **comply with all applicable federal, state and local laws** and regulations.

**Comply with all contracts** and funding agreements.

Do you know these? **List them**

## 3b. Ensure legal and ethical integrity

Formally adopt a written **code of ethics** to which all of its directors, staff, and volunteers adhere. **Do you have one?**

Adopt and implement policies and procedures to ensure that all **conflicts of interest**, or the appearance thereof, within the organization and the governing board are appropriately managed through disclosure, recusal, or other means. **Is it reviewed and signed each year? Used?**



## 3b. Ensure legal and ethical integrity

Establish a “**whistleblower**” **policy** that specifies that the organization will not retaliate against, and will seek to protect the confidentiality of, individuals who make good-faith reports.

**Do you know your policy?**

**Make information** about its operations, including its governance, finances, programs, activities, outcomes and results widely **available** to the public. **How transparent is your agency?**

### 3b. Ensure legal and ethical integrity

*Transparency* is an obligation or willingness by a charity to publish and make available critical data about the organization.

Check out **Charity Navigator** and **GuideStar** ratings. How transparent is your agency?

[http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1093#.Ve3NNnbD\\_IU](http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=1093#.Ve3NNnbD_IU)  
[www.guidestar.org](http://www.guidestar.org)

Welcome Gail Harris! [Sign Out](#)

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## Capital Area Partnership Uplifting People, Inc.


AKA CAPUP  
Richmond, VA

[Summary](#)[Financials](#)[Forms 990 &  
Docs](#)[People &  
Governance](#)[Programs](#)[Impact](#)[External  
Perspectives](#)

### GuideStar Summary



Updated Profile

Committed to transparency 



Registered with IRS

[Legitimacy information is available](#)



Financial Data

[Annual Revenue and Expense data reported](#)



Forms 990

[2013, 2012, and 2011 Forms 990 filed with the IRS](#)



[What is this?](#)

- <http://www.guidestar.org/organizations/54-0788796/capital-area-partnership-uplifting-people.aspx>

## 3c. Provide effective financial oversight.

Must comply with all financial regulations, such as **withholding and payment of federal, state and Social Security taxes**, and manage donated funds according to their restrictions.

Must complete **IRS Form 990** annually. The board should be provided with a copy before it is submitted

Must keep complete, current, and accurate financial records and ensure strong financial controls are in place.

Must **receive and review timely reports** of the financial activities





## 3c. provide effective financial oversight.

Should review and approve the organization's **annual budget** and should monitor **actual performance** against the budget.

Should have a qualified independent financial expert **audit** or review these statements annually

Must institute policies and procedures to ensure that the organization **manages and invests its funds** responsibly, in accordance with all legal requirements.

### 3c. Provide effective financial oversight.

Should establish clear, written policies for paying or **reimbursing expenses incurred by anyone conducting business or traveling** on behalf of the organization. Such policies should require that travel is to be undertaken cost-effectively.

Should neither pay for nor reimburse travel expenditures for spouses, dependents or others who are accompanying someone conducting business for the organization

Should **spend a significant amount of its annual budget on programs** that pursue its mission while ensuring that the organization has sufficient administrative and fundraising capacity to deliver those programs responsibly and effectively.

Board  
Responsibility  
#3.

**Protect  
organizational  
assets and  
provide  
effective  
financial  
oversight.  
Ensure legal  
and ethical  
integrity**

## Community Action of Minneapolis closes down after state raid

Officials seized files and computers, and the nonprofit closed down Friday

By Alejandra Matos Star Tribune

SEPTEMBER 27, 2014 — 7:36AM



LEILA NAVIDI

State officials brought boxes into the offices of Community Action of Minneapolis during a raid on Friday.

More

MINNEAPOLIS

## **FBI, IRS investigating misspending at Minneapolis nonprofit Community Action of Minneapolis**

Documents allege more misspending by Community Action.

The new documents, first obtained by Minnesota Public Radio, revealed new allegations of misspending that go beyond what was uncovered in the initial state audit. The latest allegations include senior management using the organization's money for medical bills and to pay personal expenses of their friends.

The Star Tribune first reported Sunday that a state audit found that leaders of the organization misspent more than \$800,000 in taxpayer money on travel, a celebrity cruise, spa visits and even a personal car loan for its chief executive. The audit, covering 2011 to 2013, concluded that the organization spent too much on administrative costs and not enough on its mission, providing winterization, heating assistance and career guidance for low-income Minneapolis residents.

Minneapolis City Council members Blong Yang and Abdi Warsame, who were recently appointed to the board, abruptly resigned Friday, hours after auditors arrived.

“We cannot in good conscience continue to have our names associated with Community Action of Minneapolis,” they said in a statement. “We hope and have every confidence that, if the allegations are confirmed, appropriate action will be taken by the responsible federal and state governments.”

A Community Action board member named Manuel Rubio acknowledged to the press, *“There is so much that we did not know about.”*

<http://www.startribune.com/community-action-of-minneapolis-owes-nearly-700-000-to-creditors/298551151/>



*“Board management does not provide independent and objective oversight of senior management or program operations.”*

(Minneapolis Department of Commerce report)

We believe **poor oversight by the board contributed to a culture of excessive spending** on administrative costs, including unallowable personal benefits to board members, senior management and Community Action of Minneapolis staff for two weekend retreats at Arrowwood Resort Hotel and Conference Center in Alexandria...In addition, **program budgets and actual expenses were not sufficiently scrutinized by the board**, and projected **outcomes were not monitored** and compared frequently to actual reports of the diminished number of clients served”



“We found no evidence the board has ever been fully staffed at the minimum level of 15 board members. Currently, the board has four positions that are vacant, and has had at least two vacant positions every year since 2000. In addition, the board chair and three other board members have all served consecutive terms ranging from 11-13 years on the board, thereby violating the by-laws which limit each position to a maximum of two consecutive three year terms. The consecutive terms served by the board chair and three other board members also exceed the ten-year limit as allowed in statute.”

“Without full board membership and proper review of financial activities, it is difficult for the board to achieve its mission of providing oversight and strategic direction on operations. The lack of proper oversight by the board allowed senior management to create a culture tolerant of administrative costs that are excessively high in comparison to program costs... In addition, the lack of proper oversight of senior management by the current board also contributed to inaccurate allocations... unallowable costs...and a direct reduction of community services to needy recipients”

## 4. Select, supervise, support and evaluate the CEO

Who is the boss of the executive director?

- A. the board president
- B. the full board ☒
- C. the executive committee

Who is the main face of the agency and spokesperson; makes a livelihood from the agency; has formal training for their position; works toward mission every day; has the agency as the central focus of their life ?

- A. the board president
- B. the full board
- C. the executive director/CEO ☒



# Supervision of the executive director

- The board hires and evaluates the executive director. He/she reports to the full board as a body.
- The board president does not have the same authority as a supervisor has over a subordinate.

Instead, the board president acts as a convener and facilitator for the board, which as a group provides feedback and direction to the executive director.

# The Ideal Relationship



**Trust:** the board and CEO have confidence and trust in each other. They both expect follow-through on every commitment, and receive it.



**Responsibility:** the board and CEO have allocated and follow agreed-upon duties.



**Communication:** communication is open and direct, sometimes formal but with room for informal, ensuring informational exchange and results.



**Interaction:** board and CEO are positive, supportive, and focused on growth and outcomes.

Figure 32. CEO Performance Evaluation and Compensation Practices (Q9.4, 9.5, 9.6, 9.7, 9.8, 9.9 CEO)

| Performance Evaluation Processes  | Small | Medium | Large | All |
|---|-------|--------|-------|-----|
| CEO performance evaluation within the past 2 years  | 69%   | 84%    | 95%   | 80% |
| Formal, written evaluation (Yes)  | 80%   | 84%    | 82%   | 83% |
| My evaluation is based on performance goals mutually agreed on by the board and CEO. (Agree + Strongly Agree) | 75%   | 76%    | 82%   | 77% |
| Feedback from full board  | 50%   | 51%    | 49%   | 50% |
| Feedback from senior staff  | 14%   | 24%    | 26%   | 21% |
| Results shared with full board (Yes)  | 76%   | 72%    | 81%   | 75% |
| I am satisfied with the process used to evaluate my performance. (Agree + Strongly Agree)                     | 74%   | 72%    | 80%   | 73% |

# Succession Planning



Only 34% of boards have a written CEO succession plan. Yet, 50% of boards will be confronted with replacing a CEO within the next 5 years.

25% of CEOs intend to leave their post within the next 2 years, and another 25% intend to leave within 3 to 5 years.

***Executive succession planning should be a priority, especially if the organization has a long-standing CEO.***

***A first step is to develop an emergency or contingency plan to provide guidance and continuity in the event of an unexpected absence.***

***A more complete executive succession plan includes a policy and process for managing an executive transition. It should allow for***

- evaluating the organization's leadership needs
- establishing search and transition committees
- delegating interim management responsibilities
- communicating with stakeholders.

**Tell your funders and key donors**

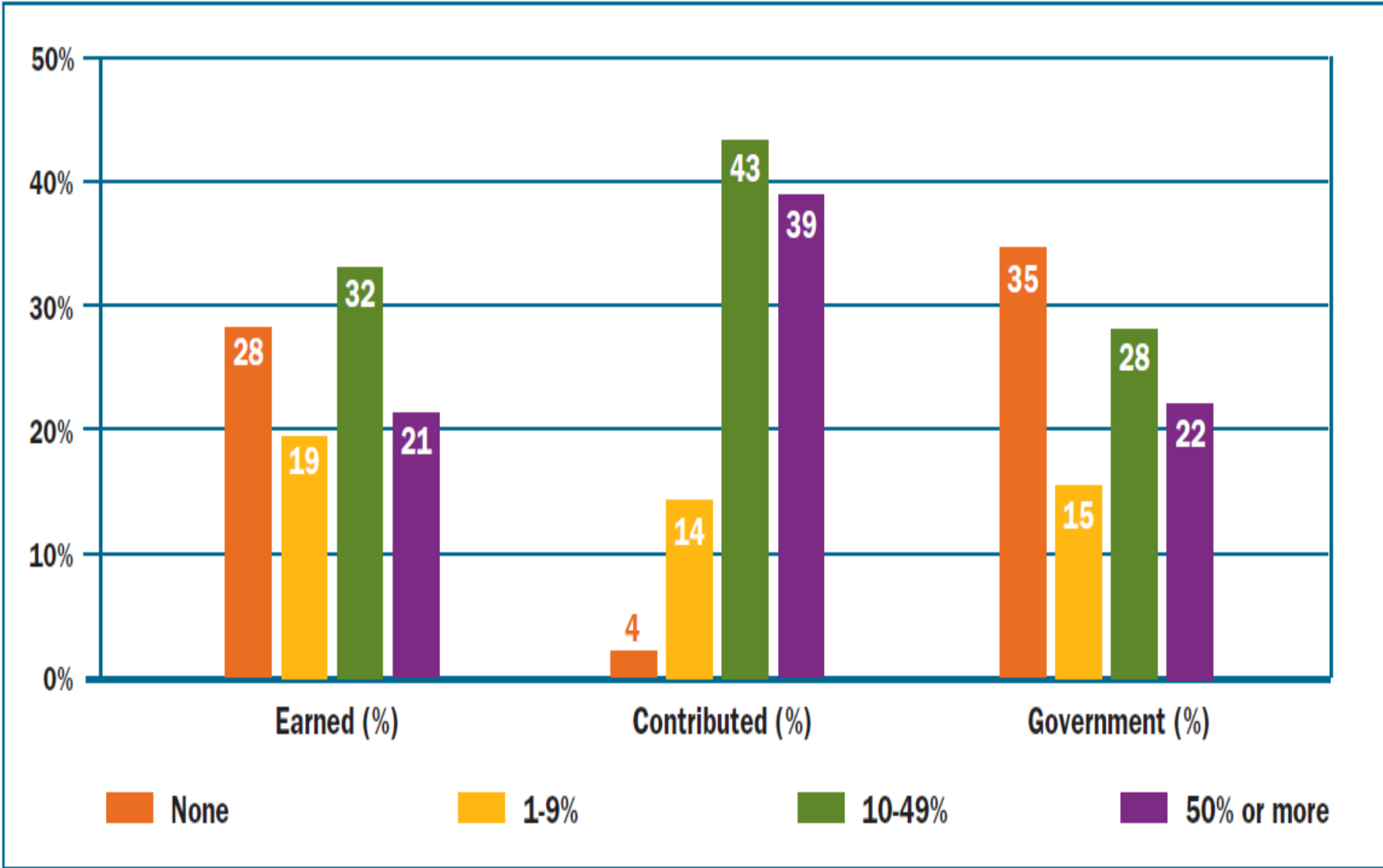
Board Source

I have concerns about or want to follow up on:  
My full board needs training on:  
What specific things can our CSBG team do to help you become a high performing board and agency?



**5. Ensure adequate financial resources**

Figure 24. Sources of Revenue: Charities (Excluding Associations and Foundations) (Q1.9 CEO)



## 5. Ensure adequate financial resources

- The board works to diversify and maximize sustainable revenue sources beyond CSBG funding to ensure the health of the agency
- The board supports efforts to seek public and private funding to implement new programs and services to address the identified needs of the community
- A clearly written fund development plan is in place with specific implementation strategies and goals. The Plan is effectively implemented by staff. Board members assist in fund raising efforts.



# Ensure adequate financial resources

## Are your policies strong and current?

- Solicitation materials must be accurate and truthful.
- Always honor donor's intent
- Provide donors acknowledgments of contributions per IRS gift acceptance policies
- Don't compensate internal or external fundraisers based on a commission or a percentage of the amount raised.
- Respect donor privacy

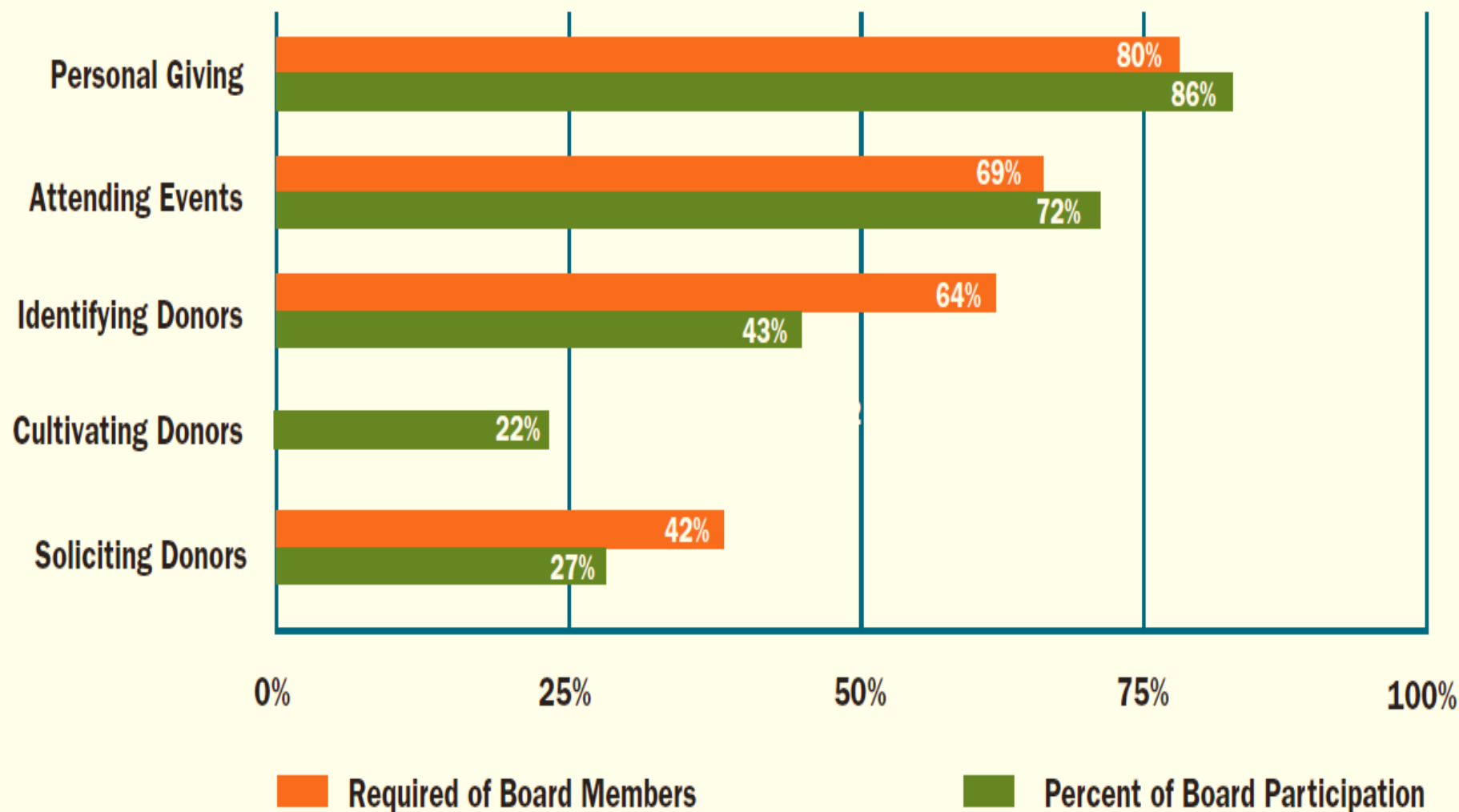


# Personal Giving

- Every board member should make a meaningful personal contribution according to his or her means; the board should attain 100-percent board giving.
- By making a personally meaningful gift, each board member demonstrates his or her commitment and trust in the organization, which also enables him or her to function as a more credible fundraiser and inspire other donors.



Figure 21. Boards and Fundraising: Requirements and Participation (Q7.8, 7.9 CEO)



## 6. Assess and assure effective program performance and results

Exceptional boards are results-oriented.

### ANNUALLY

- measure progress towards mission
- evaluate the performance of programs & services
- gauge efficiency, effectiveness, and impact
- assess the quality of service delivery
- calculate return on investment

Do  
you?

Ask:

**“so what?”**

**Are you focusing on outcomes?**

**Are your programs using current approaches that lead to long term change?**

**Are you focusing on community-level change?**  
**Collaboration? How are your services viewed in the region?**

I have concerns about or  
want to follow up on:  
My full board needs training  
on:  
What specific things can our  
CSBG team do to help you  
become a high performing  
board and agency?



# 7. Enhance public standing, external relations and community involvement

What is the governance role in this area?

What policies are needed?

Spokespersons for the Agency

Advocacy and lobbying rules

Strategic alliances, partnerships and agreements

# Governance = full board

## Supporters = individual board members

### Examples

- Helping with fund raising events
- Advising staff in areas of expertise
- Lending names and personal credibility to the organization
- As a supporter board members often act with direction from staff.



Group exercise time



| SELF-ASSESSMENT of your board in fully meeting these core board responsibilities                               | WEAK | OK but needs some attention | STRONG | Your notes. |
|--|------|-----------------------------|--------|-------------|
| 1. Set and adhere to vision and mission  |      |                             |        |             |
| 2, Set strategic direction and assure effective planning   |      |                             |        |             |
| 3, Protect organizational assets and provide effective financial oversight. Ensure legal and ethical integrity |      |                             |        |             |
| 4, Select, supervise, support and evaluate the executive director  |      |                             |        |             |
| 5, Ensure adequate financial resources   |      |                             |        |             |
| 6. Assess and assure effective program performance and results   |      |                             |        |             |
| 7, Enhance public standing, external relations and community involvement                                       |      |                             |        |             |

# Build a high performing, highly competent board

How?

- ✓ Get the right people on the board
- ✓ Set high expectations
- ✓ Expect the 3 Duties... always
- ✓ Evaluate and improve



# Governance Committee

The health & functioning  
of the board

Recruitment  
Orientation  
Training  
Performance  
Evaluation

## Board Composition Matrix (see handout)

### Appendix E: Sample Board Composition Matrix

[illegible]



### Board Composition/Selection Best Practices Checklist

|                          |  |
|--------------------------|--|
| <input type="checkbox"/> | Are 1/3 of the Board members elected public officials or their representatives? (Or if not enough elected public officials are available, appointed officials or their representatives.) |
| <input type="checkbox"/> | If not designated in the by-laws, has the Board or a Board committee reviewed which public officials should receive invitations to serve on the Board?                                   |
| <input type="checkbox"/> | Are the low-income sector board members selected by a democratic process that ensures participation by low-income residents of the CAA's service area?                                   |
| <input type="checkbox"/> | Are low-income board members who are selected to represent a particular geographic area required to live in that area?   |
| <input type="checkbox"/> | Does board elect (vote to seat) board member candidates after they have been chosen through the appropriate selection process for their sector?  |

# Set high expectations



- **Job descriptions**
- **Commitment form**
  - **Attendance**
  - **Financial contribution**
- **Conflict of interest**
- **Ethics policy**
- **Term limits**

**Every day  
83 million  
people attend  
11.5 million  
meetings**

©2000 Ted Goff tedgoff@tedgoff.com <http://www.tedgoff.com>



"Congratulations! You've just  
been promoted to full-time  
meeting attendee."



# Tips for great Board meetings

## Do:

- 1
- 2
- 3
- 4
- 5
- 6

## Don't:

- 1
- 2
- 3
- 4
- 5
- 6





## LEADERSHIP

Board chairs spend an average of 14.5 hours per month on board work. *(Leading With Intent)*

## Effective leadership is essential.

The board chair is responsible for developing the board as a cohesive and effective team.

He/she is a role model for other board members.

Discussion: Think of a great board or committee chair? Why? What were the characteristics?



**Come prepared to meetings!**  
**How do you make “homework” easier?**

# Board Assessment: Why? When? Who?

## COMMUNITY ACTION AGENCY BOARD SELF-ASSESSMENT

This publication was created by the Indiana Community Action Association in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Grant Number 90EQ229. Any opinion, findings, and conclusions expressed in this material are those of the author(s) and do not necessarily reflect the views of the Department of Health and Human Services, Administration for Children and Families.

### INTRODUCTION

Volunteer board members desire to have engaging and rewarding leadership and support of a board that brings their very best to the board self-assessment process is a way to see whether the board is meeting its goals.

The self-study process will provide a framework that assesses the board's performance and stimulates conversation of how to strengthen the board's practice and stimulates conversation of how to strengthen the board's practice.

## SECTION 2: STRATEGIC PLANNING AND POLICY DECISIONS

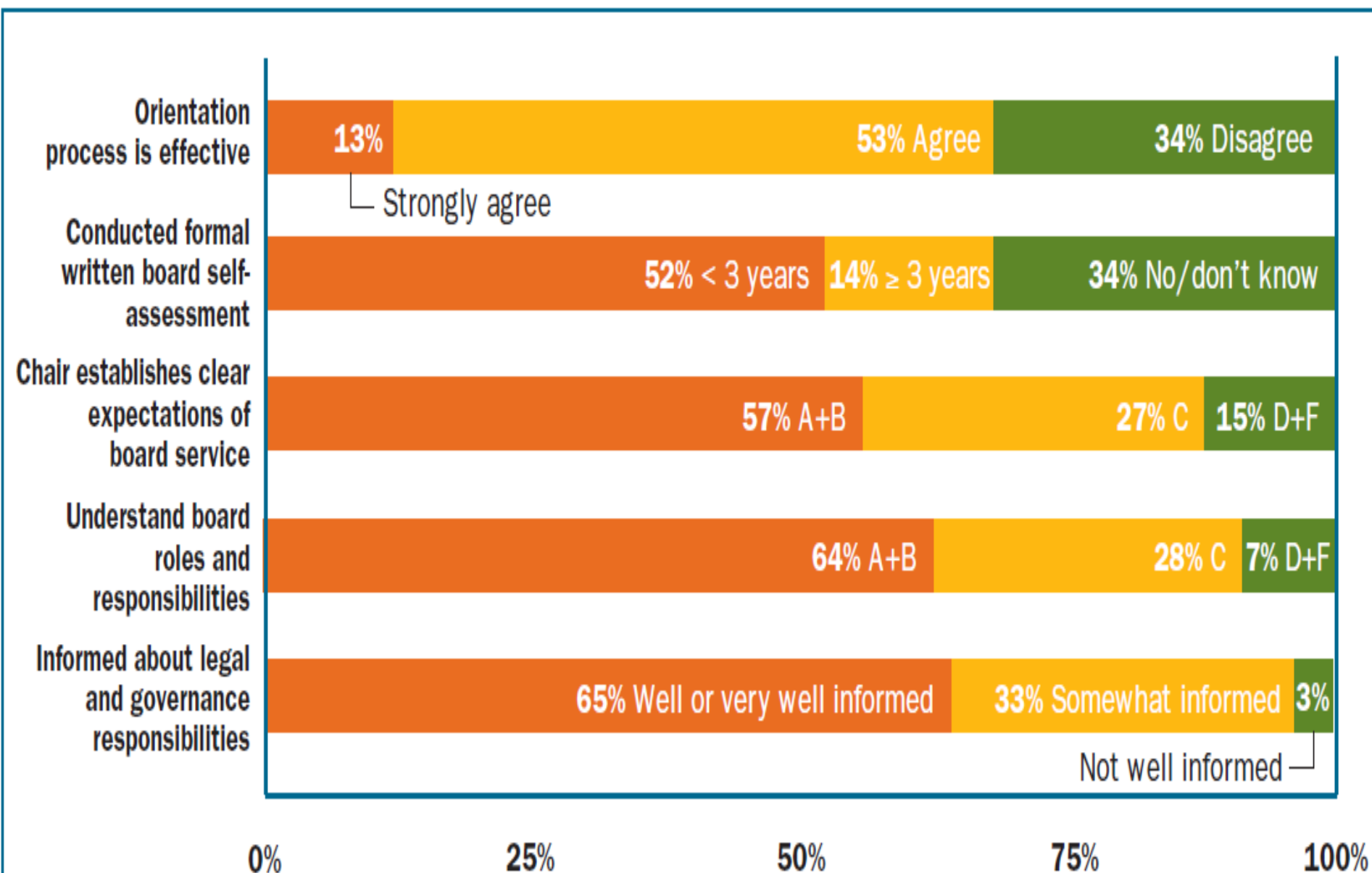
| RESPONSE RATING               |                      |                         |                                  |            |
|-------------------------------|----------------------|-------------------------|----------------------------------|------------|
| 1                             | 2                    | 3                       | 4                                | 5          |
| Strongly Agree with Statement | Agree with Statement | Disagree with Statement | Strongly Disagree with Statement | Don't Know |

## ANSWER THESE QUESTIONS BASED ON YOUR PRECEPTION OF BOARD'S PERFORMANCE

|   | RATING |
|---|--------|
| 9. The board engages in a strategic planning process that lays out the organization's goals over the next two to three years.   |        |
| 10. The board demonstrates a strong ability to promote improvement and manage change in the organization.                       |        |
| 11. The board takes primary responsibility for establishing and regularly reviewing the organization's policies and procedures. |        |
| 12. The board ensures that all policies and procedures are up-to-date and reflect the organization's mission and vision.        |        |



Figure 27. Board Development: Role Clarity, Education, and Assessment (Q9.1, 8.3, 9.3, 10.2, 8.1 CEO)



# Summary

- ✓ Board vs. Individual Board Member: different but essential roles of each
- ✓ Board composition
- ✓ Duties of Care, Loyalty and Obedience
- ✓ Basic responsibilities of a board
- ✓ How to develop and maintain a high performing board



Prepared by the  
Office on Volunteerism and Community Service  
Virginia Department of Social Services

For further information please contact:

Matt Fitzgerald; [matt.fitzgerald@dss.virginia.gov](mailto:matt.fitzgerald@dss.virginia.gov)

Abby Hanks; [abigail.hanks@dss.virginia.gov](mailto:abigail.hanks@dss.virginia.gov)

Kia Holder; [kia.holder@dss.virginia.gov](mailto:kia.holder@dss.virginia.gov)

Dottie Avalon; [dottie.avalon@dss.virginia.gov](mailto:dottie.avalon@dss.virginia.gov)

Gail Harris; [gail.harris@dss.virginia.gov](mailto:gail.harris@dss.virginia.gov)

Copying, dissemination, or any other use of this training curriculum is encouraged with acknowledgement to the source: Office on Volunteerism and Community Service, Virginia Department of Social Services.

## RESOURCES

A checklist of information relating to nonprofit finances

[http://www.nonprofitfinancefund.org/sites/default/files/docs/2010/Self-Assessment\\_Landscape.pdf](http://www.nonprofitfinancefund.org/sites/default/files/docs/2010/Self-Assessment_Landscape.pdf)

Board Composition/Selection Best Practices Checklist

[http://www.capl原因.org/resources/SelfAssessmentDocuments/CAPLAW\\_BoardSelectionChecklist\\_2012.pdf](http://www.capl原因.org/resources/SelfAssessmentDocuments/CAPLAW_BoardSelectionChecklist_2012.pdf)

Tools and Resources for Building and Maintaining an Effective Board of Directors

<http://managementhelp.org/freenonprofittraining/boards.htm>

Tools and resources for an Executive Director Evaluation

<https://www.compasspoint.org/board-cafe/annual-evaluation-executive-director>

A very extensive list of nonprofit and board resources; lots of great examples and templates

[http://niqca.org/planning\\_toolkit/index.html](http://niqca.org/planning_toolkit/index.html)

| How to minimize nonprofit board member liabilities                          | <a href="http://managementhelp.org/misc/Minimize-Liabilities-Board.pdf">http://managementhelp.org/misc/Minimize-Liabilities-Board.pdf</a>   |
|---|---|
| Nonprofit Organizational Assessment   | <a href="https://www.surveymonkey.com/r/?sm=nqYAfltd5pCME8J7VJjBQpxt%2b7TXVQBxdZt6z7liPZg%3d">https://www.surveymonkey.com/r/?sm=nqYAfltd5pCME8J7VJjBQpxt%2b7TXVQBxdZt6z7liPZg%3d</a>   |
| A tool designed to help with succession planning                            | <a href="http://www.nonprofitsteward.org/wp-content/uploads/2015/09/Emergency-Succession-Planning-10MBE-SEP15.pdf">http://www.nonprofitsteward.org/wp-content/uploads/2015/09/Emergency-Succession-Planning-10MBE-SEP15.pdf</a> |
| A tool designed to help with recordkeeping of legal records                 | <a href="http://www.nonprofitsteward.org/wp-content/uploads/2014/01/Recordkeeping-10MBE.pdf">http://www.nonprofitsteward.org/wp-content/uploads/2014/01/Recordkeeping-10MBE.pdf</a>   |
| A tool designed to determine if a finance committee is right for your board | <a href="http://www.nonprofitsteward.org/wp-content/uploads/2014/09/Finance-Committee-10MBE.pdf">http://www.nonprofitsteward.org/wp-content/uploads/2014/09/Finance-Committee-10MBE.pdf</a>                                     |



| A resource regarding running effective meetings  | <a href="https://www.councilofnonprofits.org/tools-resources/effective-meetings">https://www.councilofnonprofits.org/tools-resources/effective-meetings</a>   |
|--|---|
| Sample policies and guidance   | <a href="https://www.councilofnonprofits.org/sites/default/files/Sample%20WhistleblowerPolicy%202.2010.pdf">https://www.councilofnonprofits.org/sites/default/files/Sample%20WhistleblowerPolicy%202.2010.pdf</a> |
| Recommended Governance Practices   | <a href="http://leadingwithintent.org/wp-content/uploads/2015/01/Recommended-Gov-Practices.pdf">http://leadingwithintent.org/wp-content/uploads/2015/01/Recommended-Gov-Practices.pdf</a>                         |
| A tool designed to help with strategic planning and Community Action Organizational Excellence | <a href="http://www.greatlakesautism.org/files/190_improving_performance_toolkit.pdf">http://www.greatlakesautism.org/files/190_improving_performance_toolkit.pdf</a>   |
| Trends in nonprofit board leadership practices and composition                                 | <a href="http://leadingwithintent.org/wp-content/uploads/2015/01/LWI-Report-2.pdf">http://leadingwithintent.org/wp-content/uploads/2015/01/LWI-Report-2.pdf</a>   |

| Guidance on good governance and ethical practices        | <a href="http://www.independentsector.org/principles">http://www.independentsector.org/principles</a>   |
|--|---|
| Legal Responsibilities of Nonprofit boards               | <a href="http://www.lbnp.org/Websites/lbnp/images/3Ds-Duties-of-care-loyalty-obedience.pdf">http://www.lbnp.org/Websites/lbnp/images/3Ds-Duties-of-care-loyalty-obedience.pdf</a>   |
| Resources on Board Characteristics and Qualifications    | <a href="http://www.minnesotanonprofits.org/nonprofit-resources/principles-and-practices/principles-and-practices-for-nonprofit-excellence-2014/governance">http://www.minnesotanonprofits.org/nonprofit-resources/principles-and-practices/principles-and-practices-for-nonprofit-excellence-2014/governance</a> |
| Virginia Dept. of Social Services web site; CSBG section | <a href="https://www.dss.virginia.gov/community/csbg.cgi">https://www.dss.virginia.gov/community/csbg.cgi</a>   |

# Peter Drucker's The Five Most Important Questions You Will Ever Ask About Your Organization

- **What is our mission?** The mission must reflect opportunities, competence, and commitment. Drucker cautions, "Never subordinate the mission in order to get money. If there are opportunities that threaten the integrity of the organization, you must say no."
- **Who is our customer?** "The primary customer is the person whose life is changed through your work... Primary customers may be infants, or endangered species, or members of a future generation." Drucker notes that customer needs evolve. "And there are customers you should stop serving because the organization has filled a need, because people can be better served elsewhere, or because you are not producing results." Philip Kotler adds, "Our business is not to casually please everyone, but to deeply please our target customers."
- **What does the customer value?** "Leadership should not even try to guess the answers but should always go to the customers in a systematic quest for those answers... People are so convinced they are doing the right things and so committed to their cause that they come to see the institution as an end in itself. But that's a bureaucracy."
- **What are our results?** "Look at short-term accomplishments and long-term change... One of the most important questions for leadership is, Do we produce results that are sufficiently outstanding for us to justify putting our resources in this area?"
- **What is our plan?** "The plan begins with a mission. It ends with action steps and a budget ... If you have more than five goals, you have none... Goals make it absolutely clear where you will concentrate resources for results... Goals flow from mission, aim the organization where it must go, build on strength, address opportunity, and taken together, outline your desired future." The board should set the direction, but not micromanage: "The board must not act at the level of tactical planning, or it interferes with management's vital ability to be flexible in how goals are achieved."

| SELF-ASSESSMENT of your board in fully meeting these core board responsibilities                               | WEAK | OK but needs some attention | STRONG | Your notes. |
|--|------|-----------------------------|--------|-------------|
| 1. Set and adhere to vision and mission  |      |                             |        |             |
| 2, Set strategic direction and assure effective planning   |      |                             |        |             |
| 3, Protect organizational assets and provide effective financial oversight. Ensure legal and ethical integrity |      |                             |        |             |
| 4, Select, supervise, support and evaluate the executive director  |      |                             |        |             |
| 5, Ensure adequate financial resources   |      |                             |        |             |
| 6. Assess and assure effective program performance and results   |      |                             |        |             |
| 7, Enhance public standing, external relations and community involvement                                       |      |                             |        |             |