

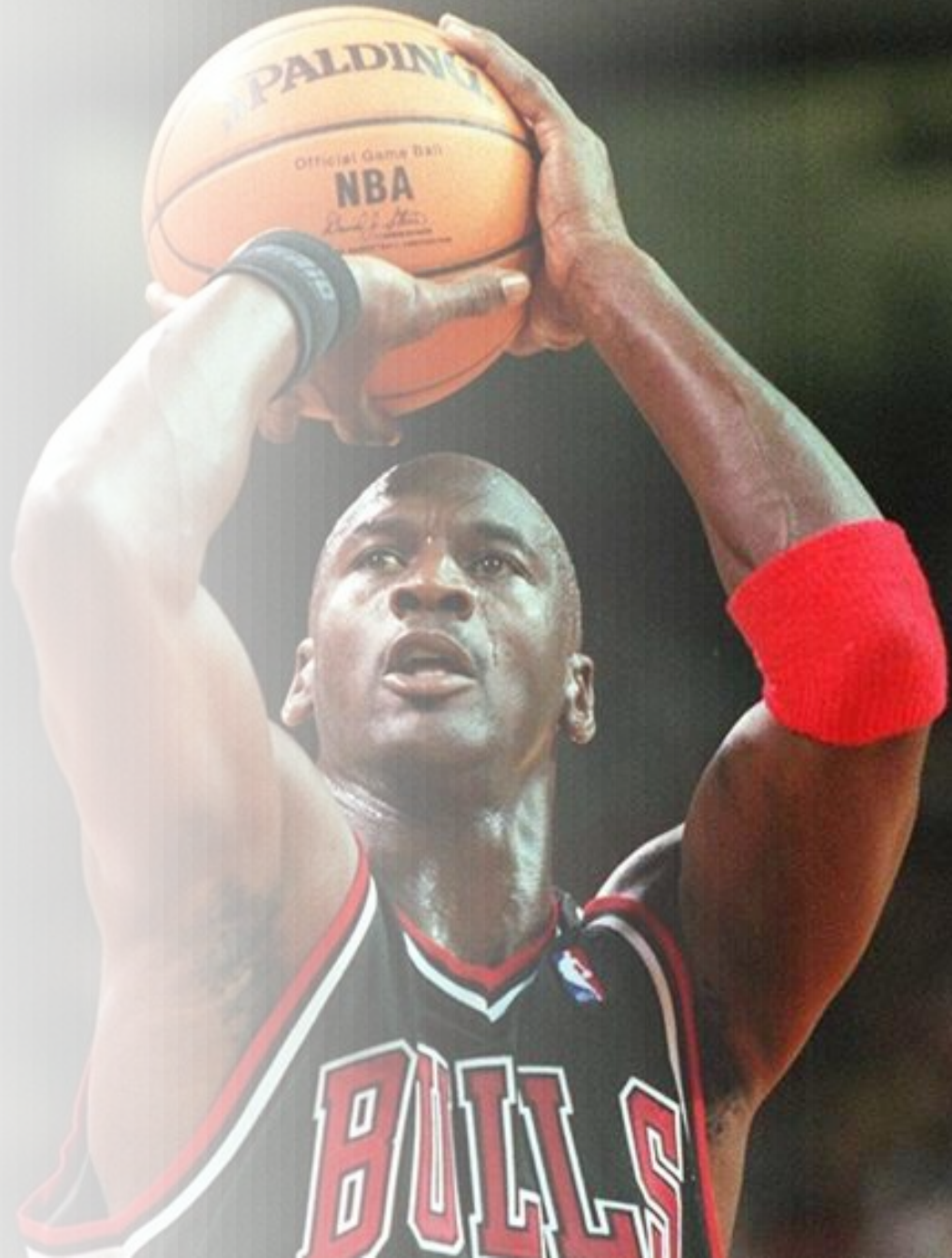


Karen La Forge

Best Practices for High Functioning Boards

**"Talent wins games,
but teamwork and
intelligence win
championships."**

NIENSON
Consulting





Agenda

- Introduction
- Review of last session
 - Characteristics of High Functioning Boards
 - Board Responsibilities and Composition
- Sticky note Activity: Identify challenges/opportunities
- BREAK
- Culture: Leadership & Board Dynamics
- Impact: Perceptions & Organizational Performance
- Sticky Note Activity: Identify challenges/opportunities

Community Services Boards and Authority

All Community Service Boards (27), Administrative Policy CSB's (10) and Policy-Advisory CSB's (2) and the Authority (1)

- Appointed by and accountable to the governing body of city/county that established it.
- Created to provide or advise local government on mental health, development and substance use disorder services directly or through contracts with other organizations.
- Include the organization that provides such services through its own staff or through contracts with other organizations - *except* for Policy-Advisory CSB's.

Community Services Boards and Authority

- Behavioral Health Authority includes the organization that provides such services through its own staff or through contracts with other organizations. Resembles an operating CSB but has duties not given to CSB's.
- Administrative Policy CSB's (10) established it to set policy for and administer the provision of mental health, developmental, and substance use disorder services.
- Policy-Advisory CSB's (2) have no operational duties; it is an advisory board to a local government department.



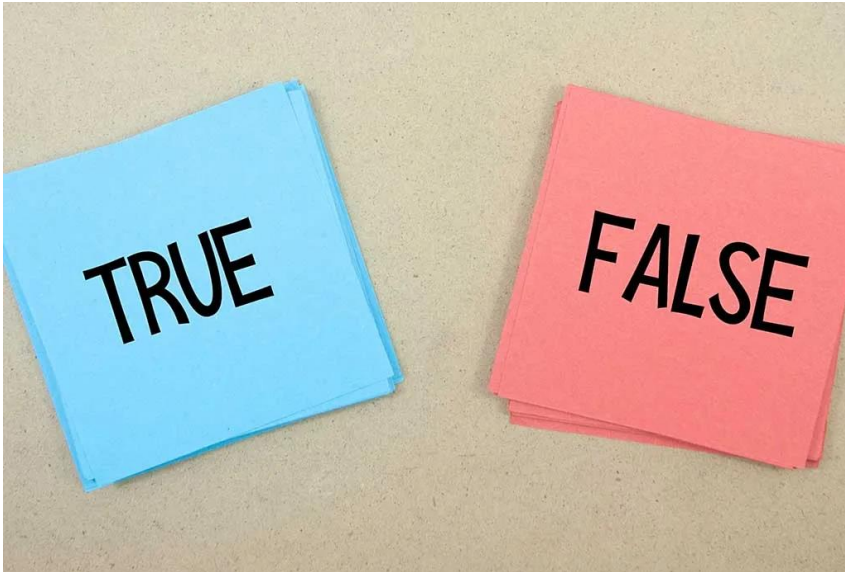
What are the characteristics of high-performing boards?

- A shared **understanding of roles and responsibilities**
- A **strong strategic orientation** – focusing on the decisions that need to be made to secure your organization's future
- A **culture of self-assessment, accountability, and open and honest communication**, no matter how brutal the facts
- **Strategic board member recruitment and development**
- An **effective structure** for efficiency, development, and innovation
- Commitment both to **preserving core values and making progress**

Roles and Responsibilities of the Board

- 1. Set the organization's direction** – mission, vision, strategic and long-term planning
- 2. Ensure necessary resources** – Identify the resources needed, establish policies for how to the needed resources and determine how board members will participate in resource development
 - Human Resources – Executive Director, CEO, or President
 - Financial Resources – contribute, fundraising, manage resources
 - Positive Public image – reputation and external relationships
- 3. Provide oversight**
 - Program
 - Financial
 - Risk Management
 - Legal and moral
 - Evaluation of the Chief Executive

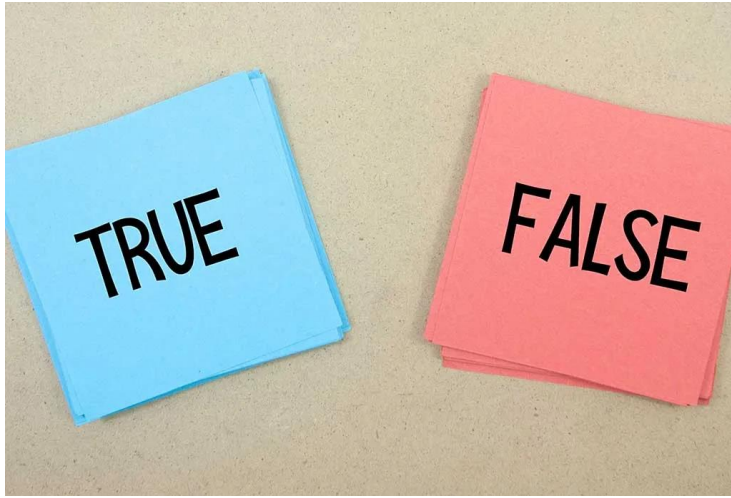




Roles and Responsibilities of the Board

Which of the following are Roles and Responsibilities of the Board?

- Managing staff
- Speaking on behalf of the organization
- Signing contracts
- Participating in staff meetings



Roles and Responsibilities of the Board

Which of the following are Roles and Responsibilities of the Board:
NONE

- Managing staff – chief executive officer
- Speaking on behalf of the organization – only if you are the designated spokes person. The board speaks with one voice.
- Signing contracts – chief executive officer/staff
- Participating in staff meetings – only if invited



Individual Board Member Responsibilities

- Actively Participate
- Be informed
- Promote the Organization
- Safeguard Ethics and Values

Hats Board Members Wear

Legal Hat



- **Duty of Care** - Take care of the nonprofit by ensuring prudent use of all assets, including facility, people, and good will.
- **Duty of Loyalty** - Place the interests of the organization ahead of their own interests at all times. Disclose conflicts of interest.
- **Duty of Obedience** - Nonprofit abides by all laws and regulations.

Ambassador Hat



It goes on when representing the organization in the community to raise awareness, for outreach, working with partners and promoting the organization image.

Volunteer Hat



It goes on when attending a board or committee meeting. It is worn when advising the CEO. It is worn when fundraising and when helping staff, often under the supervision of the staff.

Fiduciary Responsibilities – Duty of Care, Duty of Obedience or Duty of Loyalty?

A.

A nonprofit board learned their executive director had become ill with a long-term illness. The executive director would not be able to return to work. Fortunately, the board had planned well for such a situation. They had a backup plan for an interim director and a pipeline of qualified candidates to interview for the position.

B.

When it came time to vote to renew the director's and officer's insurance policy, a particular board member abstained from the discussion and voting. The board member made this decision because they worked for the insurance company offering the policy and needed to avoid a conflict of interest.

C.

A donor offered a significant monetary contribution to a nonprofit if they agreed to use it for a purpose disconnected from the board's mission. The board voted not to accept the donation as it would require them to engage in activities that did not align with the nonprofit's purpose and goals.

Fiduciary Responsibilities – Duty of Care, Duty of Obedience or Duty of Loyalty?

Duty of Care

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Duty of Loyalty

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Duty of Obedience

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Sticky Note Activity

What are the challenges/questions/opportunities for your organization with:

Work: Board Responsibilities

- Board roles and responsibilities (set direction, ensure resources, provide oversight/accountability)
- Individual Board Member responsibilities (participate, be informed, promote the organization, safeguard values and ethics)
- Strategy and Planning
- Ensuring resources



The Board Building Cycle



Board Building Cycle



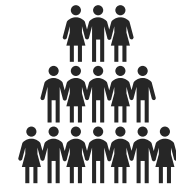
Identify Board Needs

Skills, knowledge, perspectives, connections often driven by board needs assessment or matrix which aligns with strategic plans.



Cultivate Potential Leaders

Invite candidates to connect, get them interested and keep them informed.



Recruit Prospects

Why a prospective board member is wanted, explain expectations and responsibilities – don't minimize! Elicit their interest and if they are prepared to serve.

Board Building Cycle



Orient New Members

History, programs, finances, structure, pressing issues.



Involve

Committees, assign a "board buddy", hold everyone accountable, express gratitude.



Educate

Mission moments, issues facing organization, hold retreats and encourage PD. Don't hide difficulties.

Board Building Cycle



Evaluate

Whole board and individual board members.



Rotate Board Members

Term limits, address nonactive board members, develop leadership.



Celebrate

Recognize progress, accomplishments, individual contributions.

Board Diversity. Why?

A diverse board:

- Will be more effective in decision-making and guidance.
- Includes a variety of skills, ages, genders, cultures, ethnicity, and other characteristics which broaden perspective and experiences.
- Helps organizations increase reach and increases their chance of success.



Board Engagement



What is engagement?

- Sense of purpose and work as a team.
- Understands its roles and responsibilities and cares for the organization.
- Individual members feel their time is well spend and their talents are valued.
- Staff feels they can count on the board to attend meetings, events and follow up.

An engaged board is

- Forward thinking.
- Collaborative with the CEO.
- Working between board meetings and attending meetings well prepared.
- Willing to engage in sensitive and sometimes “messy” discussions.
- **Trusting of one another and value mutual respect.**



Improve and change engagement

Hold board members **accountable** for expectations

Increase **connections** between meetings

Include active **discussions** in meetings not just reports

Leverage **board member talents**

Share the **strategic plan** and involve board members in implementation

Continue to **educate** – mission moments, critical issues, retreats

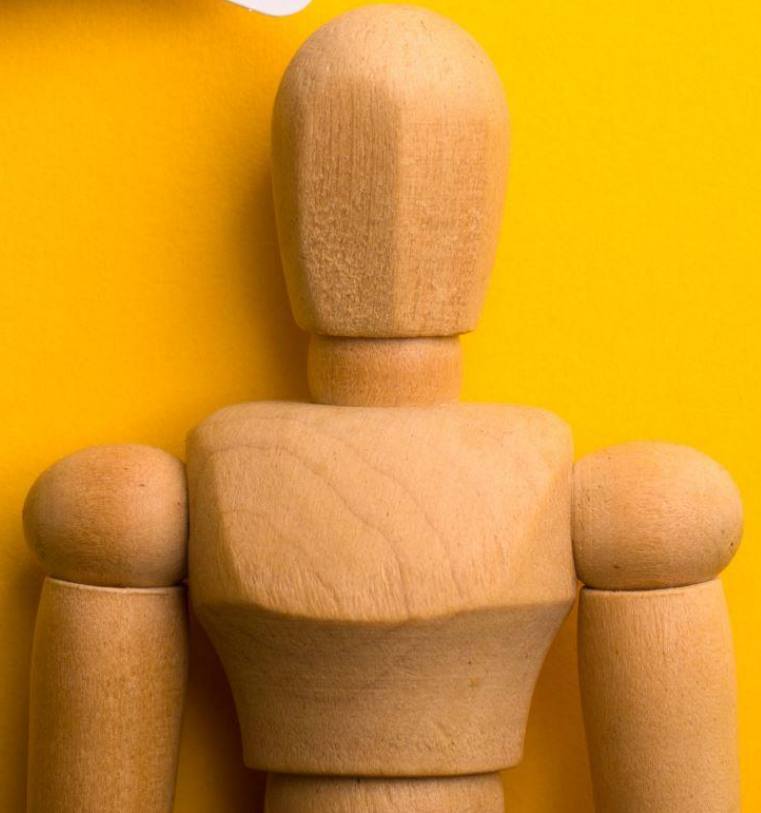
When things go wrong.....

"I was recruited for a board position with the understanding that I would contribute professional (legal) expertise. At my first board meeting, the board was begged to volunteer to spend a Saturday picking up trash at the organization's camp.

From talking with more senior board members, it became clear that this form of routine volunteering (and fundraising) were the primary modes of service expected of the board – use of professional expertise would be infrequent and ancillary, if even that. I resigned shortly after that meeting." (Blue Avacado)

What went wrong?

- Recruitment
- Engagement



Managing Meetings

- Thoughtfully prepared agendas with time for discussion
- Consent Agendas
- Use of Dashboards
- Executive Sessions



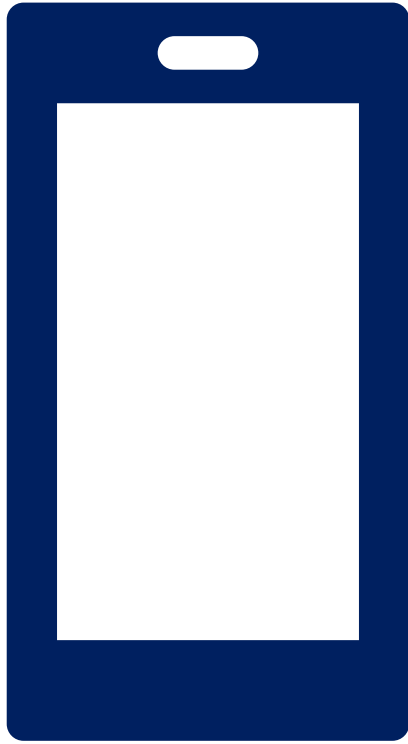
Sticky Note Activity

What are the challenges/questions for your organization's with:

People: Board Composition and Structure

- Board Composition & Recruitment
- Orientation & Education
- Structure, Committees, & Meetings





BREAK

A decorative graphic on the left side of the slide features several thick, colorful ribbons (yellow, pink, blue, green, red, and black) that are intertwined and knotted together, creating a complex, abstract shape.

The Board-Staff Partnership

The partnership between the board and the executive leader is critically important to the success of an organization.

- A strong and healthy board-staff partnership = ***flexible and resilient leadership that contributes positively to the organization's overall impact.***
- A weak or dysfunctional partnership = *less effectiveness of the board and the executive and puts the organization at risk- lack of strategic alignment or direction, executive turnover, a toxic organizational culture; the list could go on and on.*

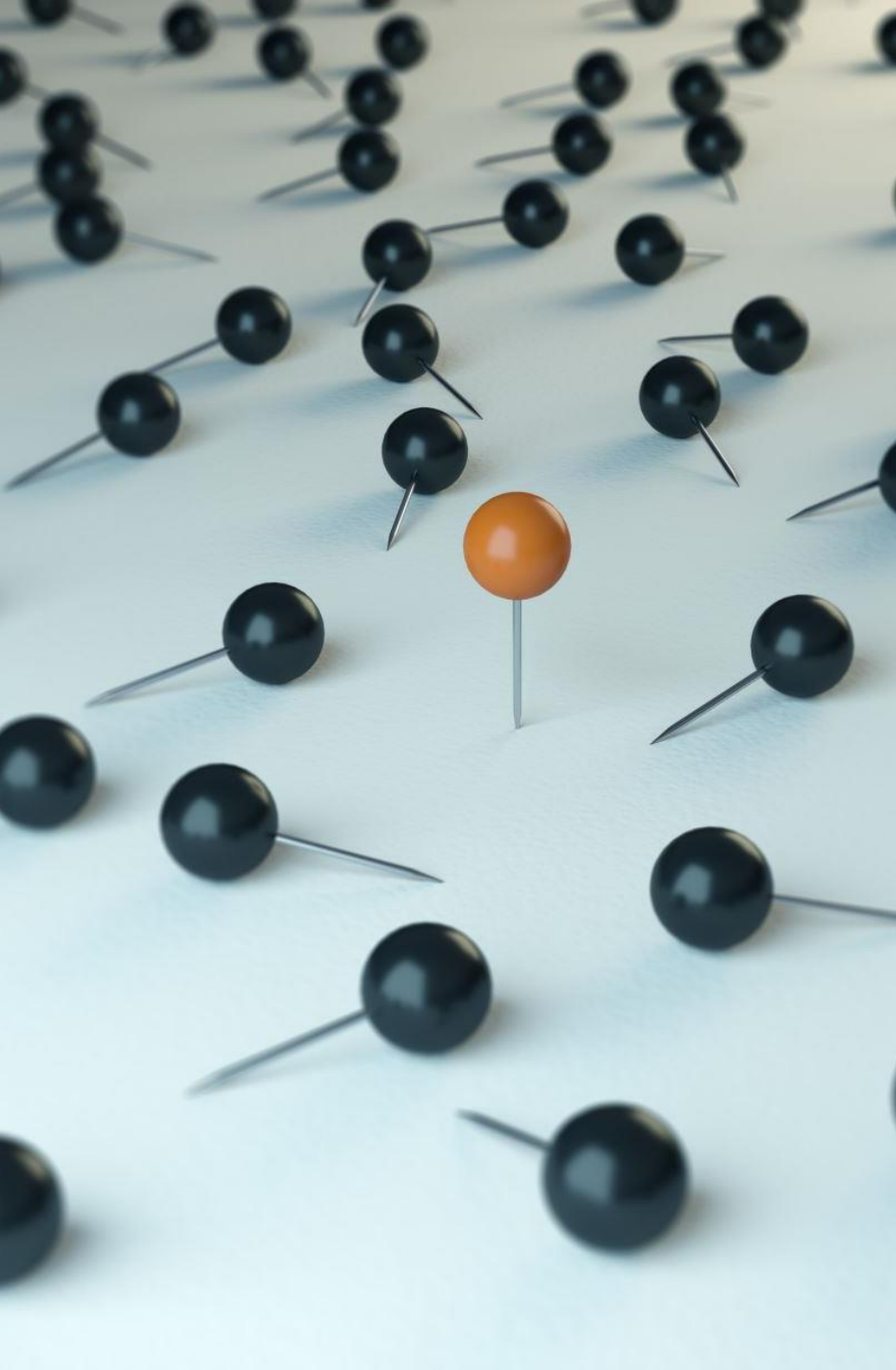
Board-Chief Executive Partnership

Key relationship with inherent tension, even when it's a positive relationship, since:

Both parties do governance.

Intersection of governance and management.

Board oversees chief executive's work, and the executive "manages" the Board.

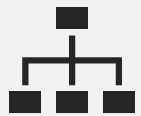


Board Culture - Yes, you have one!

Board culture has a significant influence on the way your board carries out its work and shapes your board's performance.

- Establish a “culture of inquiry”
- Healthy and respectful partnership between the board and executive
- Trust and candor between board members
- Thoughtful and productive resolution of issues or disagreements
- A willingness to address poor board behavior that negatively impacts the board

Executive Transition, Succession Planning



Hiring and supporting the chief executive is among the most crucial responsibilities of a nonprofit board.



Changes in leadership require strong board leadership and direction as they plan what the organization needs from its next leader.



Succession planning - only 27% of all organizations report that they have a written executive succession plan.



Executive Evaluation and Compensation

Leading a nonprofit organization is a tremendous responsibility, both for boards and executives.

Boards that don't pay attention to executive evaluation and compensation are opening the organization up to serious risk.

Extra, Extra, Read all about it!

Florida nonprofits pushing back after state report says executives are overpaid

Big Bend Community Based Care is one of nine nonprofits providing important child protection and mental health services **whose executives were paid \$3 million more than Florida law allows**, according to a preliminary Florida Inspector General's report looking into misuse of state and federal dollars.

The report is part of a sweeping review of non-profits doing business by the state ordered by Gov. Ron DeSantis last year after The Miami Herald reported that Tiffany Carr, head of the nonprofit Florida Coalition Against Domestic Violence, was **earning \$761,500 a year as of 2017 – more than 2% of the board's budget** at the time.

Big Bend Community Based Care, based in Tallahassee, pays its top three executives **\$429,552 more than statutes allow** for contractors getting over half their revenues from public sources.....



Sticky Note Activity

What are the challenges, questions, and opportunities for your organization's with:

Culture: Leadership & Board Dynamics

- Board-Staff Partnership
- Orientation & Education
- Culture & Dynamics
- Executive Transition
- Executive Evaluation & Compensation



Impact: What matters most

The most important measure of board performance is the impact the board has on organizational performance.

Impact on Organizational Performance – Board Source study

- **Board Composition** – the right people at the table
- **Education** – understanding roles and responsibilities is related to stronger performance in all areas of board performance
- **Self Assessment** – boards that assess themselves also rate higher in all areas of board performance
- **Programs** – knowledge of the organization's work
- **Relationship with Chief Executive** – partnership and support



Sticky Note Activity

What are the challenges, questions and opportunities for your organization's with:

Impact: Perceptions & Organizational Performance

- Board-Staff Partnership
- Culture & Dynamics
- Strategy & Planning
- Assessing Board Performance



What are the characteristics of high-performing boards?

- A shared **understanding of roles and responsibilities**
- A **strong strategic orientation** – focusing on the decisions that need to be made to secure your organization's future
- A **culture of self-assessment, accountability, and open and honest communication**, no matter how brutal the facts
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Questions and Final Thoughts

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