

# BoardFUNDAMENTALS

“A Workshop on Nonprofit Board Governance”



Tuesday, May 10

4:00-6:00pm



COMMUNITY  
FOUNDATION  
*of Northeast Iowa*  
Established in Waterloo/Cedar Falls in 1956

*Hosted by the Community Foundation of Northeast Iowa*

Presented by Dr. Gary Kelsey, Ed.D.  
Gary Kelsey and Associates



# The Nonprofit Board of Directors

## PURPOSE AND RESPONSIBILITIES

### Board PURPOSE

The purpose of a governing board of Directors is to accept and act on the legal authority given them to govern and carry out the mission of the organization.

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### Board RESPONSIBILITIES

#### Fiscal Responsibility

Each member of the board has fiscal responsibility for the organization. It is the duty of each board member to know the budget and take an active part in budget planning and oversight.

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#### Legal Responsibility

Each member of the board is legally responsible for the organization. It is the duty of each board member to understand their legal responsibilities, oversee and evaluate organizational policies and procedures.

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#### Moral Responsibility

Each member of the board is morally responsible for the organization. It is the duty of each board member to know, understand and be committed to the mission of the organization. Each board member is expected to govern, plan and take action based on that mission in its entirety.

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# Board of Director

## ROLES AND FUNCTIONS

### 1. Administration

- Determines the organizations' mission and purpose
- Ensures effective organizational planning
- Determines and monitors the organization's progress
- Ensures operational policies and procedures are in place
- Ensures operations are in compliance with law
- Assesses its own performance as a board

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### 2. Finance

- Ensures adequate resources
- Manages resources effectively
- Approves the budget
- Formulates policies related to grants, contracts, etc.
- Reviews revenues and expenses
- Provides for check and balances related to accounting
- Provides support and assistance with fundraising efforts

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### 3. Personnel

- Hires the Executive Director
- Provides for conditions of employment
- Establishes for a fair and systematic review of the Executive Director's performance based on job description and work plan
- Assists with the recruitment and selection of staff to meet the mission and organizational objectives

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### 4. Program

- Assesses the need for its services
- Accepts full responsibility for all conditions, strategies and policies that govern new programs
- Conducts evaluations to determine if, and to what degree, service goals are being met

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### 5. Public and Community Relations

- Provides channels for communication and assists with effective outreach related to programs, services and organizational mission.

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# Executive Committee

## ROLES AND DECISION-MAKING

### Roles

The Executive Committee is Board appointed and reports to the Board. The Executive Committee:

1. Acts on behalf of the board between board meetings and at times when action must be taken, but time or circumstances preclude a board meeting from being held.
2. Identifies and recommends issues for board discussion or action.
3. Provides leadership in supervising and evaluating the Executive Director.
4. Suggests or recommends board composition.
5. Suggests or recommends board training.
6. Leads informal and formal board evaluation.
7. Acts as a nominating, personnel or other committees if they do not exist.
8. Takes on other roles or work assigned by the board.

Need to be in by-laws  
for exec. comm. to make  
decisions if "the Board wants"

### Decision-Making Options

Depending on the role, situation and authority assigned by the board, the Executive Committee may:

1. Identify issues for board action
2. Identify issues and raise options for board action
3. Identify issues and recommend options for board action
4. Identify issues and bring one recommendation for action
5. Make a decision and report the decision to the board (only when given specific prior board authority to do so for a specific issue or activity)
6. Make a decision on behalf of the board (between meetings at times when action must be taken, but time or circumstances preclude the full board from meeting)

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# Board of Director JOB DESCRIPTIONS

## Title

(Member - Board of Directors)

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## Purpose

(Usually a one-sentence statement of purpose)

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## Major Roles and Responsibilities

(Administrative, Finance, Personnel, Program, Public Relations, etc)

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## Qualifications

(What commitment, skills, etc. should members "come with")

Passion for the mission of the  
organization

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## Supervision/Relationships

(Clarifies the role of board and staff)

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## Time Commitment

(Actual time commitment, including committees, events, etc.)

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## Benefits

(What will the board member gain from this experience?)

Needs to be a mutually-  
satisfying relationship.  
Relationships are an important  
part of being on a board.

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# Headwaters Fund

## BOARD MEMBER JOB DESCRIPTION

**Purpose:** The purpose of the Board is to provide organizational leadership, direction, and oversight to maximize Headwaters' ability to achieve its' mission.

**Activities:** Board Directors are responsible for the following:

1. **Long-range planning:** The Board formulates and evaluations long-range planning. The Board assesses how changing national events affect Headwaters' work, and proactively establishes organizational vision, direction and program.
2. **Setting, reviewing and evaluating the organizational policy:** The Board ensures that Headwaters' programs are in keeping with its statement of mission, and that the mission statement continues to be appropriate and vital.
3. **Ensuring fiscal accountability:** The board approves and closely monitors the organization's expenses and income. The Board works to ensure that all the organization's resources, including the time of volunteers and staff and money, are used wisely.
4. **Ensuring organizational continuity:** The Board is responsible for the recruitment, development, retention and continuity of effective and ethical leadership within the Board and staff to insure robust and stable operation.
5. **Staff relations:** The Board hires and evaluates the performance of the Executive Director. The board, through the Executive Committee, is the final arbiter of internal staff grievances. Each Board member is responsible for maintaining good staff-board relationships.
6. **Fundraising:** The Board is responsible for the continued funding and financial health of the organization. Each Board member has two fundraising responsibilities: making a financial gift that is meaningful to them and raising money for the organization in ways that are supported by staff.

**Qualifications:** Board members must be committed to progressive grassroots social change and working in partnership with a wide diversity of people in support of Headwaters' mission. Additionally each Board member should bring expertise appropriate to one or more of Headwaters' program areas of Development, Grant making or Capacity Building.

**Time Commitment:** The Headwaters Fund Board of Directors meets six times a year. The Board meets bimonthly on the second Thursday from 5:30 to 8:00 p.m. Besides the Board, each Director serves on one Headwaters' program committee. (Detailed as separate job descriptions) A Board term is three years. Board membership requires 8 to 12 hours a month.

<sup>^</sup>  
Term limit

**Benefits:**

1. Participating in a unique organization supporting and furthering the work of grassroots social change.
2. Developing and enhancing skills in development, grantmaking and organizational capacity building.
3. Gaining knowledge of social change movements and grassroots organizations addressing issues of economic, racial, and social injustice.
4. Developing meaningful relationships with a diverse group of committed individuals including activists, donors and community professionals.

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[Agency Name]

## BOARD OF DIRECTORS APPLICATION

Name: \_\_\_\_\_ [ ] Ms. [ ] Miss [ ] Mr. [ ] Other

Home Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Employer: \_\_\_\_\_ Title: \_\_\_\_\_

Business Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Contacted By: \_\_\_\_\_

Religious Affiliation (optional): \_\_\_\_\_

Age Group: [ ] 18 - 29  
[ ] 30 - 39  
[ ] 40 - 49  
[ ] 50 - 59  
[ ] 60+

Ethnicity: [ ] White  
[ ] White/also Hispanic  
[ ] Asian/Pacific Islander  
[ ] American Indian/Alaskan  
[ ] Black

### SCHOOL(S) OR COLLEGE(S):

Name/Location:	Major/Degree:	Dates:
_____	_____	_____
_____	_____	_____
_____	_____	_____

### EMPLOYMENT (most recent first):

Organization:	Location:	Position:	Dates:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### VOLUNTEER EXPERIENCE (most recent first):

Organization:	Location:	Position:	Dates:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

### CLUB/ORGANIZATION AFFILIATIONS:

Club/Organization:	Location:	Position:	Dates:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Continued on reverse)

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[Agency Name]

# BOARD OF DIRECTORS APPLICATION - PAGE 2

**AREAS OF EXPERTISE, SKILL, EXPERIENCE OR INTEREST:**

Place an X next to those in which you have interest.

Circle the X if you have previous experience.

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Accounting           | <input type="checkbox"/> Event Planning      | <input type="checkbox"/> Mechanical/Vocational |
| <input type="checkbox"/> Advocacy             | <input type="checkbox"/> Finance Management  | <input type="checkbox"/> Parliamentary Law     |
| <input type="checkbox"/> Benefits             | <input type="checkbox"/> Fund Development    | <input type="checkbox"/> Performance Appraisal |
| <input type="checkbox"/> Bylaws               | <input type="checkbox"/> Human Resources     | <input type="checkbox"/> Personnel Policies    |
| <input type="checkbox"/> Community Services   | <input type="checkbox"/> Legal Services      | <input type="checkbox"/> Program Development   |
| <input type="checkbox"/> Counseling           | <input type="checkbox"/> Legislative Issues  | <input type="checkbox"/> Properties            |
| <input type="checkbox"/> Education - Adult    | <input type="checkbox"/> Long-Range Planning | <input type="checkbox"/> Public Relations      |
| <input type="checkbox"/> Education - Children | <input type="checkbox"/> Marketing           | <input type="checkbox"/> Public Speaking       |

**How do you see yourself contributing to [Agency Name]?**

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**Send completed form to:**

[AGENCY NAME]  
 ATTN: PRESIDENT  
 Agency Address  
 City, State, ZIP



# Earth to Board:

## ARE WE ALL CLEAR?

Author: Kim Klein

One of the hardest tasks organizations face is getting a common agreement among Board members as to just what their responsibilities are. This is particularly evident in the area of fundraising. There are many management and organizational development techniques to help with this and related Board problems. Their success depends on the group, and on the technique.

One technique which many groups have used successfully is to develop a statement of agreement for Board members. This statement serves as a job description, and clarifies Board responsibilities and authority. This kind of statement is best used by a Board that is already committed and motivated. It helps channel their motivation, and defines, for all, agreements which may never have been verbalized. An example of such an agreement follow. Agreements like these should be developed by Boards themselves and not imposed by staff members or outside consultants. Different Boards will have different agreements, although the ones suggested here are generic enough to be adapted to most Board situations.

Once a Board has developed an agreement, this statement can be read at regular intervals to remind people of what they have agreed to, it can be used for internal evaluation, and it can be used in recruiting new Board members. When a prospective Board member is considering the pros and cons of a particular Board commitment, having a private conversation with a current Board member, and going through the agreement point by point can help to insure that no one comes onto the Board under any false illusions.

An agreement like this also improves relations between Board and staff. Staff know what Board limits are and will not make demands that exceed those.

This agreement is not legally binding, and a statement should be included to that effect. The statement is morally binding. It is an expression of good faith, and it provides common ground from which Board members can operate.

### Sample Statement

As a Board member of \_\_\_\_\_, I understand that my duties and responsibilities include the following:

1. I am fiscally responsible, with the other Board members, for this organization. It is my duty to know what our budget is, and to be active in planning that budget, and planning the fundraising to meet that budget.
2. I am legally responsible, along with the other Board members, for this organization. I am responsible to know and approve all policies and program, and to oversee the implementation of policies and programs. I know that if I fail in my tasks, and if the organization becomes

the subject of a suit from a private person, or from the Federal or state government, I may be held personally liable for the debts incurred.

3. I am morally responsible for the health and well being of this organization. As a member of the Board, I have pledged myself to carry out the mission of \_\_\_\_\_.
4. I will give what is for me a substantial donation. I may give this as a one time donation each year, or I may pledge to give a certain amount several times during the year.
5. I will actively engage in fundraising for this organization, in whatever ways are best suited to me. These may include individual solicitation, doing special events, writing mail appeals and the like. There is no set amount of money that I must raise because I am making a good faith agreement to do my best, and bring in as much money as I can.
6. I will attend \_\_\_\_\_ Board meetings every year, and be available for phone consultation. I understand that commitment to this Board will involve less no than \_\_\_\_\_ hours per month.
7. I understand that no quotas have been set, that no rigid standard of measurement and achievement have been formed. Every Board member is making a statement of faith about every other Board member. We are trusting each other to carry out the above agreements to the best of our ability, each in our own way, with knowledge, approval and support of all. I know that if I fail to act in good faith, I must resign, or someone from the Board may ask me to resign.

In its turn, \_\_\_\_\_ is responsible to me in a number of ways:

1. I will be sent, without request, quarterly financial reports which allow me to meet the prudent person section of the law.
2. I can call on the paid staff to discuss program and policy, goals and objectives
3. Board members and staff will respond in a straight forward and thorough fashion to any questions I have which I feel are necessary to carry about my fiscal, legal, or moral responsibilities to this organization.

(If appropriate, a description of the officers of the Board and their particular responsibilities can follow.)

Each Board member signs the agreement, and a copy of the signed agreement is give to all Board members as part of their board packet.

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# Board of Directors

## SAMPLE CODE OF CONDUCT

1. Board members provide oversight, set policy and strategic direction. All day to day operations, decisions, etc. are led, coordinated and implemented through the Executive Director.
2. All questions, operational issues, problems, staff issues raised by community stakeholders, the public, members, volunteers, etc. should be immediately referred to the Executive Director.
3. New program requests, ideas, possible partnerships should be referred to the Program Committee and Executive Director.
4. The organizational chart should be used to direct communications and identify decision makers and implemented to assure the best process and protocol.
5. Board members, staff and volunteers should communicate in a positive manner when discussing Center programs, activities, decisions and policies with the public and Center stakeholders.
6. Board, staff and volunteers must keep confidential:
  - Donation sources and amounts (unless permission is granted to share)
  - Personnel issues (paid and volunteer), hiring, compensation, supervision issues
  - Membership information (unless permission is granted to share)
  - Planning and program development work in process unless approved for communication by the Program Committee.
  - Other issues, actions and decisions as identified by the Board and/or Executive Director.
7. All communication shall be respectful and represent the best interests of the organization and its mission. Gossip is not in the best interest of the organization. It detracts from the organization's credibility.
8. All written and electronic communication to the public and organizational stakeholders should be approved by the Executive Director. The Board shall approve all appropriate public announcements by the organization.

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# Board of Directors MEETING FEEDBACK

Board Meeting Date: \_\_\_\_\_

1. The meeting started on time. YES  NO   
Comments: \_\_\_\_\_
2. The meeting agenda was clear and in writing. YES  NO   
Comments: \_\_\_\_\_
3. Minutes from the past meeting were clear. YES  NO   
Comments: \_\_\_\_\_
4. The meeting followed the agenda. YES  NO   
Comments: \_\_\_\_\_
5. The role of board members (in the meeting) was clear. YES  NO   
Comments: \_\_\_\_\_
6. The role of staff (in the meeting) was clear. YES  NO   
Comments: \_\_\_\_\_
7. Background information was provided when needed. YES  NO   
Comments: \_\_\_\_\_
8. There was adequate time for discussion. YES  NO   
Comments: \_\_\_\_\_
9. Questions, clarification and discussion were encouraged. YES  NO   
Comments: \_\_\_\_\_
10. All of the items on the agenda were covered. YES  NO   
Comments: \_\_\_\_\_
11. Board and staff "work assignments" are clear. YES  NO   
Comments: \_\_\_\_\_
12. The meeting ended on time. YES  NO   
Comments: \_\_\_\_\_

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## Iowa

# INTERNET SOURCES OF INFORMATION ON BOARDS

### Board Source

[www.boardsource.org](http://www.boardsource.org)

### Iowa Council on NonProfits

In states where there is no state association member of the National Council of Nonprofits, the National Council invites the affiliation of nonprofit organizations that provide capacity building resources to other nonprofits in their state.

Nonprofit allies become affiliated with the National Council upon acceptance of their application and payment of annual dues to the National Council.

### Iowa Nonprofit Resource Center

130 Grand Avenue Court

Iowa City, IA 52242

(319) 335-9765

[www.nonprofit.law.uiowa.edu](http://www.nonprofit.law.uiowa.edu)

### Minnesota Council on NonProfits

[www.mncn.org](http://www.mncn.org)

### Iowa Council on Foundations

[www.iowacounciloffoundations.org](http://www.iowacounciloffoundations.org)

### Minnesota Council on Foundations

[www.mcf.org](http://www.mcf.org)

### MAP for Nonprofits

[www.mapfornonprofits.org](http://www.mapfornonprofits.org)

### Iowa Office of the Attorney General - Charities

[www.iowaattorneygeneral.org/protecting\\_giving/index.html](http://www.iowaattorneygeneral.org/protecting_giving/index.html)

### Minnesota Office of the Attorney General - Charities Division

[www.ag.state.mn.us/charities/charduties.html](http://www.ag.state.mn.us/charities/charduties.html)

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# Board of Directors

## READING LIST

Bolman, Lee, & Deal, Terrance. (2008). *Reframing Organizations*. San Francisco: Jossey-Bass.

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De Pree, Max. (2003). *Leading Without Power*. San Francisco: Jossey-Bass.

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Houle, Cyril. (1997). *Governing Boards*. Washington, D.C.: National Center for Non-Profit Boards.

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Senge, Peter. (1999). *The Dance of Change: The Challenges to Sustaining Momentum in Learning Organizations*. New York: Doubleday.

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