

Boardroom Bearings

Navigating to Board Excellence

November 9, 2015



Time for Feedback

Please help make this newsletter more helpful to you in your nonprofit role - whether executive director, board member, or staff.

What kinds of articles would you like to see? What questions are on your mind? Is the newsletter too long/short/just right?

Express your suggestions by sending an email message to Katheryn Wiedman, at kdw@centerpointinstitute.com.



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When is it Too Late to say "No" to a Donor's Gift?

Wait a minute. Are you thinking, *We NEVER say 'No' to a gift?* Consider the following stories from [Inside Philanthropy](#):



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- "...A man wanted to donate a home with an estimated value of \$500,000 that turned out to be worth nowhere near that much and in dire need of repairs.
- "...A donor offered a multimillion-dollar gift to a substance abuse program, but demanded changes in how clients' addictions were treated, which went against the charity's mission.
- "...A donor offered a large contribution to name a facility but made several demands in exchange that the nonprofit's leaders were unwilling to fulfill."

All nonprofits that seek donations should have a gift acceptance policy for everything from cash and financial instruments to real estate and other valuables such as jewelry and art. The gift acceptance policy provides firm ground for those times where you might need to say "no" altogether or negotiate different gift stipulations.

So when is it too late to say "No"? When you have already received the offer of a questionable donation because then the board and staff already have dollar signs in their eyes and cannot think clearly. Or everyone knows the donation spells

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trouble for the organization but no one wants to damage relationships with the donor.

Here are a few sources for information about gift acceptance policies:

[Gift Acceptance Policies from the National Council of Nonprofits](#). This item has a number of resources listed at the end of the article.

[Gift Acceptance Policies from the Nonprofit Law Blog](#). Also lists resources.

[Understanding and Drafting Nonprofit Gift Acceptance Policies from the Planned Giving Design Center](#). This site provides VERY extensive information for those who want the details.

Finally, the Nonprofit Risk Management Center has several sample gift acceptance policies that can be modified to fit your organization. [Find them here](#), listed alphabetically under "Gift Acceptance Policies" in a Word doc format.



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How to Find Harmony on those Troublesome Conference Calls

Conference calls can be frustrating for everyone involved: some people drone on and on, some multi-task and miss most of what the meeting is about... and many just don't realize that a different set of behaviors is needed than in face-to-face meetings.

Distribute [this resource](#) and use it to improve your conference calls. It includes guidance both for participants and for facilitators.

Are Robert's Rules of Order Appropriate for Every Organization?

For the past several months, I have been helping the Governance Committee of a local nonprofit revise their bylaws. When we got to the provision that requires meetings to be conducted according to Robert's Rules of Order, discussion ensued.

Having served on numerous boards, including a national board of directors, I have observed that decision-making usually goes something like this: Board members discuss an issue. Views are expressed and ideas are developed. Gradually consensus emerges. When there seems to be a meeting of the minds, someone makes a motion, someone seconds it, and the vote is unanimous.

Robert's Rules, however, say that a motion must be made and seconded before debate ensues. So most boards have the procedure upside down and really are developing consensus prior to a unanimous vote.

The question arises, then, "Why bother with Robert's Rules when you are really using a consensus model?" Other than parliamentarians, people don't know very much about Robert's Rules anyway. Here are some pros and cons that might inspire a robust conversation on YOUR board or Governance Committee.



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Proponents of Robert's Rules Say:

- Proper parliamentary procedure results in shorter, fairer, and more legal meetings.
- There is a clear yes-or-no vote.
- The rights of Directors' views to be heard are protected; every member is guaranteed

at least one turn to speak.

- People with strong views are not required to compromise.
- Consensus takes too much time.

Proponents of Consensus Say:

- Voting produces winners and losers; with consensus, everyone wins.
- Most boards are not in win-lose situations where views are deeply entrenched and compromise is impossible.
- Consensus decision-making is about finding common ground and solutions that are acceptable to all.
- People in a majority rule system don't need to listen to the dissenting minority because they can simply outvote them. The will of the majority is seen as the will of the whole group, with the minority expected to accept and carry out the decision, even if against their most deeply held convictions and principles.
- Robert's Rules can be used by board members -- who think they know the Rules -- to bully other board members, i.e. "You are out of order! You can't do xyz because we already voted abc."

Here are some helpful resources:

[Robert's Rules of Order Newly Revised, 11th Edition](#). "The authoritative guide" -- includes a chapter on adaptations of the Rules for small organizations.

[American Institute of Parliamentarians](#). Has a section where non-members may ask questions.

[Seeds for Change: Consensus Decision Making](#). A detailed article that includes guidance for situations where consensus cannot be reached.

[The Basics for Consensus Decision-making](#). Includes a useful chart and diagram to help board members understand the consensus process.

When Potential Board Members Ask Questions, Are You Ready to Answer?

Finding the "right fit" between an organization and a particular individual who wants to give back through board service is vitally important to both parties. Mostly we know the kinds of questions that Governance Committees ASK potential candidates but the committee should also be prepared to ANSWER questions such as:

- What is expected of me? Personal donation? Other fundraising requirements? Meetings? Committees? Annual retreat?
- What is the board's diversity profile? Will I fit in?
- What is the organization's financial standing? Does it have cash reserves or does it struggle to pay overhead expenses?
- What will I get out of serving on the board?
- What are the goals of the organization? What is the current strategic plan?
- What is the board's relationship to the staff?
- Does the organization have directors' and officers' liability insurance?
- Are there descriptions of the responsibilities of the board as a whole and of individual board members?
- May I see the three most recent IRS Form 990s?
- Will there be an orientation for me and other new board members?



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Anyone who is vetting an individual for potential board service needs to have ready answers to the questions listed above. Developing those answers is the work of Governance Committee.



Question of the Month

Q: Does the chair vote?

A: I would bet that most people think the board chair does not vote unless there is a tie. I've certainly heard that phrase a hundred times and accepted it as "True" without ever questioning it. Turns out: it's folklore!

According to Jim Slaughter, attorney at Rossabi, Black, and Slaughter, "The chair only being permitted to vote in the event of a tie is not the general rule, would be unfair, and is not language found in any of the major parliamentary authorities, including Robert's Rules of Order Newly Revised (11th Edition). While a few state statutes and some bylaws have such language, that's mostly due to a misunderstanding of common parliamentary practices."

Here is an excellent and detailed [article](#) that discusses "Chair Voting in Smaller Boards" and "Chair Voting in Membership Meetings or Conventions."

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Please remember: You are invited to submit questions by emailing them to kdw@centerpointinstitute.com. And if you have a troubling governance issue and need someone to talk with, confidentially, at no charge, call 815-545-1300 or send an email.

Boardroom Bearings...

...is written by Katheryn Wiedman, Ph.D, a BoardSource Certified Governance Trainer at Centerpoint Institute. You may reach her at kdw@centerpointinstitute.com or at 815-545-1300.

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Centerpoint Institute | 2419 Suffolk Lane | Joliet | IL | 60433