# Board Roles and Goals

*Building a Stronger Association*

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This guide is designed for annual leadership orientation. Be sure to rely on legal, accounting and insurance counsel.

## Training Format

- Allocate 1.5 to 3 Hours for Training.
- Provide a *Leadership Manual* or the governing documents.
- Sign a *Board Commitment* or *Conflict of Interest Statement*.
- Make a To-Do List in Each Section.
- Provide the *Board Responsibilities* laminated guide.

## Discussions

- **I.** The Board’s Purpose
- **II.** Directors’ Duties
- **III.** Board Best Practices
- **IV.** Committees
- **V.** Risk Management
- **VI.** Strategic Direction

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Annual leadership orientation of 1.5 to 3 hours.
Outcomes

- Improved Understanding of the Association
- Teamwork as a Board
- Board – Staff Distinctions
- Use of Committees
- Avoiding Risks; Protecting our Association
- Strategic Direction and Goals

Resources

The laminated Guide to Board Responsibilities is available by emailing bob@rchcae.com - $9 ea.

Many of the templates and examples inside Board Roles and Goals can be found for free at www.nonprofitcenter.com.

Free Nonprofitcenter.com

Welcome

Robert C. Harris, CAE

The Nonprofit Center Promotes the Association Management Profession

www.nonprofitcenter.com

Annual leadership orientation of 1.5 to 3 hours.
Authority to Exist as an Assoc.

Federal  
The IRS  
Exempt Organization  
501(c)(#) Designation

State  
The Div. of Corporations  
Not-for-Profit Entity

IRS Definition

The Partnership

**Governing Body**
The group of persons authorized under state law to make governance decisions on behalf of the organization and its shareholders or members.

**Exec Director**
The person who has ultimate responsibility for implementing the decisions of the governing body.
Baseline Knowledge

1. The Mission Statement
2. The IRS Designation 501c(##)
3. The Finances and Savings
4. The Board-Staff Team and Distinction
5. The Member Market Share
6. The Benefits and Relevance to Members
7. The Risk Mgmt. (CPA, Audit, Insurance)

Four Purposes of a Board

1. Governance
   • Authority to Govern
   • Governing Documents
2. Policy and Position Development
   • Wisdom of the Board
   • Policy - Internal
   • Positions - External
3. Strategic Direction
   • Road Map
   • 3 to 5 Year Span
   • Clear Mission
4. Fiduciary Duties
   • Derived from Latin word – TRUST
   • Duties (3)

Fiduciary Duties

Refers to a relationship where a person has responsibility of care for the assets or rights of another person.

- Duty of Obedience
- Duty of Loyalty
- Duty of Care
Key Governing Documents
1. Mission Statement
2. Articles of Inc.
3. Bylaws
4. Board Policies
5. Strategic Plan
6. Annual Budget


Contents of a Leadership Manual
- Governing Documents
- Rosters and Org Charts
- Financial Information
- Strategic Plan
- Meeting Minutes
- Antitrust Statement
- Conflict of Interest Disclosure
- Board Responsibilities Described
*Or posted on secure website page for leader access.

What’s Wrong with This Picture?

"I didn't say anything during the meeting, but I don't agree with the rest of the Board on this issue."
1. Articulate the Mission

- Purpose for Existence
- Memorize, Communicate
- Mission + Vision + Values
- Brand; Promise to Profession
Our Assoc. Mission

2. Partner with the Exec. Dir.
   ✓ Professional Role.
   ✓ Lines of Authority and Supervision.
   ✓ Avoid Interference with Exec Dir.-State Relationship.
3. Performance Reviews

- Decide on Performance Criteria
  - CEO Performance
  - Monitor Budget, Finances
  - Strategic Plan Advancement
  - Board Self-Evaluation
  - Membership Market Share

4. Strategic Direction - Goals

- Board is Visionary (50,000’ perspective).
- Plan Describes Core Goals and Strategies
- Monitor, Review Yearly.
- Full Update Every 3 to 5 Yrs.
Sample

TMA 2010 Goals

Objectives:
1. Increase awareness of TMA programs and services.
2. Promote the use of TMA resources by members.
3. Enhance the networking opportunities for members.

Annual leadership orientation of 1.5 to 3 hours.

Sample

Strategic Plan

NORTH EAST FLORIDA ASSOCIATION OF REALTORS

Mission:
To serve as an effective advocate and resource for real estate professionals.

Vision:
To be the association of choice for the real estate community.

Values:
1. Member Focus
2. Professional Excellence
3. Innovation
4. Respect
5. Responsibility

Frequent Goals

1. Advance and Protect (GR)
2. Member Service and Satisfaction
3. Education and Knowledge
4. Public and Professional Awareness
5. Dynamic Assoc. Leadership/Resources
5. Adequate Resources

- Sufficient Revenue Streams
- Adequate Savings Reserve.
- Sufficient Staffing.
- Sustainability of Volunteers and Committees.
- Facilities – Office Space

Revenue Sources and Ratio?

<table>
<thead>
<tr>
<th>Member Dues</th>
<th>Non-Dues</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50/50</td>
</tr>
</tbody>
</table>

- Advertising
- Sponsorship
- Endorsements/Royalties
- Trade Show/Expo
- Gifts, Grants
- Interest Income
- Product Sales
- Education, Meeting Registrations
- Other?

6. Protect the Resources

- Board Accountability; Oversight.
- Board Should “Verify and Trust.”
- Financial Audits.
- Insurance Coverages.
7. Create - Monitor Programs
- Identify Member Needs
- Create Programs and Services
- Review Existing Programs to Ensure Relevance to Members.
- “Golden Handcuff” Benefit
- Drop Old, Outdated Programs

Golden Handcuff... a benefit so valuable members must belong.

8. Promote the Organization
- Chief Elected Officer Speaks for the Assoc.
- Directors Should not Assume Authority
- Rely on Talking Points, Official Positions and the Mission

When Called on…
I can’t speak for the Board, but I can give you my personal opinion.
9. Legal - Ethical Integrity

✓ Annual Filings (990, sales tax, articles of incorporation, website domain, trade marks, etc.)
✓ Respect Confidentiality
✓ Disclose Conflicts of Interest
✓ Avoid Antitrust Violations

10. Develop New Leaders

✓ Nomination’s Process Clear
✓ Effective Board Orientation Process
✓ Leadership Development Programs
✓ Young Leaders; Emerging Leaders Programs
Board Pledge at Start of Term

Board Member Commitment Form

I agree to:

1. Uphold the governing documents of the organization.

2. To assist in the development of the plans that will ensure the goals of the organization are achieved.

3. To disclose any potential conflicts of interest at the start of my term and throughout.

4. To inspect the confidentiality of documents and discussions, may I do during board duties.

5. To work to address the mission and serve the members.

Signatures: ____________________ Date: ____________

Board Meeting Evaluation

Board Meeting Effectiveness:

1. How effective was the meeting as a whole? How could it have been improved?

2. How well did the board members achieve the mission, add value, and serve our members?

3. What can we do to improve board meetings?

Board Myths

- We can’t make money or have any savings.
- Our records are open to the public.
- We have “volunteer immunity” - we don’t need insurance.
- It’s the members’ money – let’s spend it!!!
1. Purpose Statement
2. Current Year Charges
3. History/Notebook
4. Board/Staff Liaisons
5. Appoint a Vice Chair
6. Set Deadlines, KPS
7. Alignment with Goals
8. Create Meeting Agendas
9. Record Minutes of Meeting
10. Transition to Next Year’s Chair
Insurance Considerations

- Volunteer Immunity
- Directors and Officers Liability
- General Liability
- Surety-Fidelity Bond
- Meeting Cancellation

Recording Meeting Minutes

- Document to *Protect* the Organization and the Board
- Record of Actions and Decisions of the Board
- Not a “Public Document”
- Not a Newsletter for Members

Apparent Authority

- *Chief Elected Officer has the Authority to Speak for the Organization*
- Authority *can be* Designated to Staff and Directors
- Authority may **not** be Assumed by Volunteers (directors, committees)
- Increases Risk and Liability
Public Records
• IRS Forms
  1. Letter of Determination
  2. Application to the IRS (1023/1024)
  3. Form 990 – Information Return
• Articles of Incorporation
• NOT Minutes, Finances, nor Member Lists
• Transparency is Good Principle

Other Potential Risks
• Copyright Infringement
• Intellectual Property Protection
• Software Licenses
• Executive Sessions
• Sponsor or Advertiser = UBIT
• Antitrust Violations
• Member Identity Theft
• Standard Setting
• Discrimination
• Sales Tax

Risks Discussion - Actions
Strategic Plans

- Roadmap of 3 to 5
- Sustains the Strategic Direction
- Advances the Mission; Serves the Members
- Should be Compelling to Members
- Typical to Set 3 to 7 Goals
- Fresh Strategies to Advance the Goals

Strategic Direction Discussion - Actions
Building a Strong Assoc.
Wrap Up & Assignments

To order the laminated Board Responsibilities, email bob@rchcae.com. Indicate quantity and street address. Invoice will be sent for $9 each plus shipping/handling (minimum order - 10.)