



Cause Collective strengthens nonprofits to better serve the community through collaboration, education and advocacy.

causecollectivelincoln.org
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NONPROFIT BOARD 101

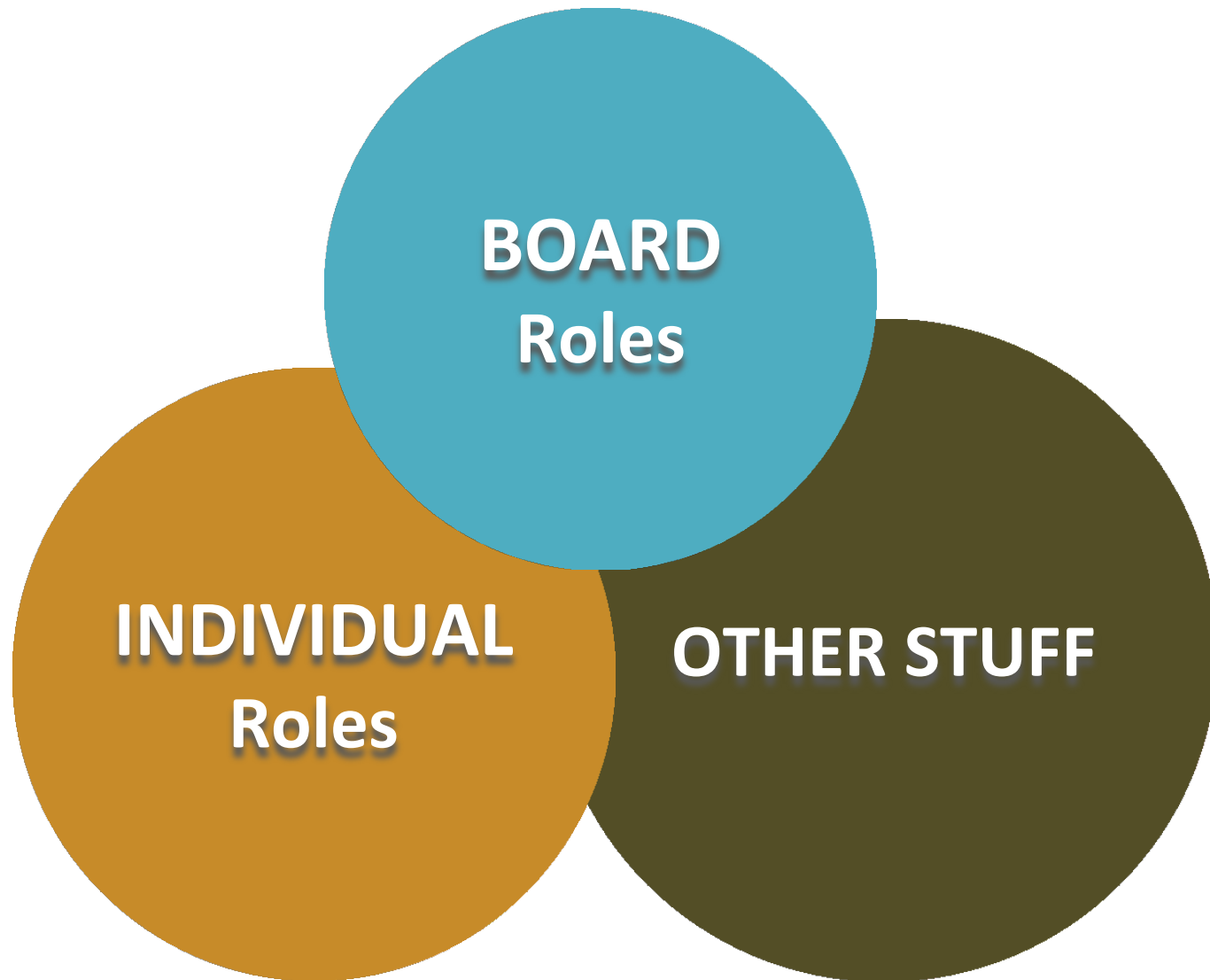
**AN OVERVIEW OF A
NONPROFIT
BOARD'S ROLES AND
RESPONSIBILITIES**





You may feel a little like this.





THREE PRIMARY LEGAL DUTIES: CARE, LOYALTY, OBEDIENCE

DUTY OF CARE

The duty of care describes the level of competence that is expected of a board member and is commonly expressed as the care that an ordinarily prudent person would exercise in a like position and under similar circumstances.

DUTY OF LOYALTY

Duty of loyalty means board members are expected to put the interest of the organization before their own personal and professional interests.

DUTY OF OBEDIENCE

The duty of obedience requires board members to comply with the applicable federal, state, and local laws, adhere to the organization's bylaws and policies, and serve as guardians of the organization's mission.

[MORE INFO](#)

[CAUSECOLLECTIVELINCOLN.ORG](https://causecollectivelincoln.org)



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Responsibilities of Nonprofit Boards (Collective)



DETERMINE ORGANIZATION'S VISION, MISSION AND VALUES

- Values: Identify the agency's standards and principles that drive your organization
- Vision: The future you want to create
- Mission: The agency's role in getting to the vision



SELECT THE CHIEF EXECUTIVE / EXECUTIVE DIRECTOR

- Decision should be driven by the agency's mission, vision, and values
- Creating a Succession Plan can make the board's job in finding a new Director WAY easier



SUPPORT AND ASSESS CHIEF EXECUTIVE / EXECUTIVE DIRECTOR

- Oversight only, not micromanaging - things get confusing and risky otherwise.
- Outline clear expectations and provide annual reviews and regular feedback (remember, as a collective voice)
- The board is the [Executive Director's support system](#)

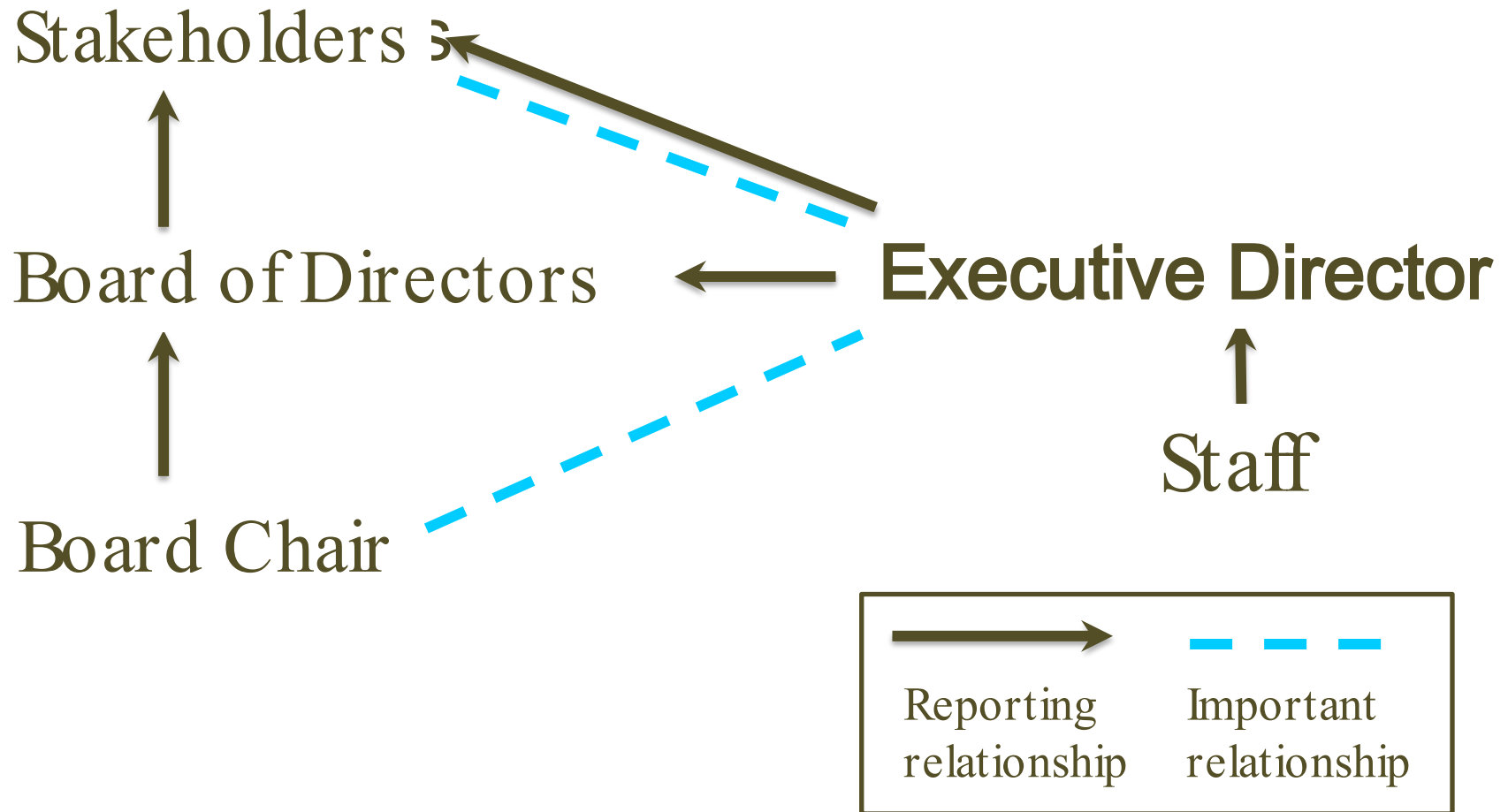


SUPPORT AND ASSESS CHIEF EXECUTIVE / EXECUTIVE DIRECTOR

More than half (50.2%) of 823 survey participants pointed to stress and burnout as a factor affecting nonprofit employee recruitment and retention.



BOARD AND STAFF RELATIONSHIPS



GROUP DISCUSSION

Executive Director Issue:

The ED confides in you another at-large board member took them to coffee and told them they didn't like how they were writing grants and told them to change immediately.

What would you do and why?



ENSURE EFFECTIVE PLANNING

- Board should be engaged with the planning process - keep a strategic plan alive
- Check in on adherence to the plan, and ensure there is a reason for any changes or deviation.
- **STRATEGIC PARTNERSHIPS**



ENSURE ADEQUATE FINANCIAL RESOURCES

- Assist in determining what resources are needed and how those resources are created - **Development Plan**
- Is the agency diversifying its income resources?



MONITOR AND STRENGTHEN PROGRAMS AND SERVICES

- It's always OK to ask questions (and you should), including “5 whys” to support problem solving
- Serve on committees to better understand your nonprofit
- Refer back to mission and vision statements often



PROTECT ASSETS AND PROVIDE FINANCIAL OVERSIGHT

- Arguably the most important of all tasks.
- Know what goes into the budget and why
- **Learn the basics of the financial statements**
- Have a long term view (reserves - know when to use them and when not to)



ENSURE LEGAL AND ETHICAL INTEGRITY

- **Accountability**
- **Compliance**
- **Transparency**



GROUP DISCUSSION

Conflict of Interest Scenario:

A board member is pushing hard for the organization to work with a company they personally benefit from.

What would you do and why?



ENSURE LEGAL AND ETHICAL INTEGRITY

Values to keep in mind during meetings:

- Active listening - help ensure everyone has a chance to speak if they wish (ask and leave space)
- Honor others' input, assume good intent and be open and honest when you speak
- Ask for clarification if needed
- Be respectful of information shared
- Communicate respectfully and directly
- Remember conflict/correction is OK, but should be done respectfully and kept healthy and relevant



BUILD A COMPETENT BOARD

- Recruit based on organizational needs
- Recruit for diversity “looks like our community” and “looks like our constituency”
- Have a process and orientation - prepare them ahead of time. A nominating committee can be helpful.



Diversity, Equity, and Inclusion (DEI)

What is DEI?

- Must be more than an acronym just used in job postings, etc.
- Should reflect a year-round organizational commitment and ethos

How does an agency implement and assess DEI?

- Create honest space for dialogue and procure trainer that currently reflect/practice DEI
- Partnerships and outreach must be authentic and based upon genuine and mutual objectives
- Annual board member recruitment is key

Does your agency truly reflect the community?

- Representation matters
- Voice vs vote at the board table: the distinction matters



Diversity, Equity, and Inclusion (DEI)

Is it really systems change?

- Systems change when people change
- Be REAL
- Redefine allyship

What resources are there to learn more?

- Vu Le and Nonprofit AF: an industry expert regarding the issue of equity (www.nonprofitaf.com)
- Verna Myers at Verna Myers Consulting: an industry expert regarding DEI (<https://www.vernamyers.com/>)
- The Racial Equity Institute: A wealth of resources and technical assistance (www.racialequityinstitute.com)





INDIVIDUAL RESPONSIBILITIES



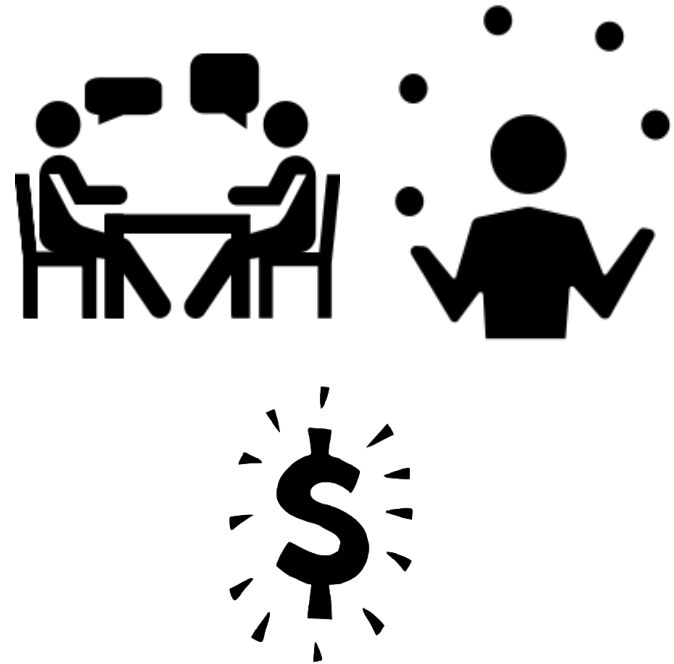
ENHANCE THE ORGANIZATION'S PUBLIC STANDING

- Be the face and voice of the agency
- Appreciate staff and be publicly proud of the agency's work
- Advocate with elected officials



SOME DUTY OF CARE THINGS

- Be prepared for and attend meetings
- **Contribute**
Time, Talent, Treasure
- Keep Your Focus on mission



IN YOUR FIRST 3 MONTHS

- Join a committee (may be required) or other engagement
- Identify any conflicts of interest and complete form
- Become familiar with organization
- Familiarize yourself with the budget and financials
- Ask for a board mentor (board buddy)
- Ask any question!



AFTER YOUR FIRST YEAR

- Be a role model and mentor for new members
- Consider a leadership role as a committee chair or board officer
- Further your ambassador responsibility



O **THER STUFF**



GOVERNANCE BOARD VS. WORKING BOARD

- ‘Working’ boards do a lot of the work to run the nonprofit (much younger nonprofits) **Still responsible for oversight!**
- ‘Governance’ boards provide mostly oversight (mature nonprofits)
- Before accepting, provide a job description to help them understand any specific responsibilities better



Four Stages of Nonprofit Boards

Founder's Board	Transition Board	Shared Governance Board	Institutionalized Board
An individual leader or a small group forms an organization run by volunteers	Hire a staff member who is usually the first executive director	Administration of programs delegated to executive director and staff; board assumes governance role	Sustainable organization
Primary Challenges: - Managing programs without ongoing funding or sufficient professional staff - Focus on keeping doors open - Board is very involved in day-to-day operations	Primary Challenges: - Regular meaningful financial reports - Limited systems for HR, finances, program outcomes, accountability - Letting go of day-to-day focus - Fund Development	Primary Challenges: - Develop effective systems to delegate responsibility for program growth to staff - Future focused - Grow the board for organizational success; grow staff for programmatic success - Fund Development	Primary Challenges: - Remaining responsive to mission - Sustainability - Community engagement - Accountability - Fund Development SLIDE BORROWED FROM NAM

BOARD POSITIONS

All boards should include the following officer positions, regardless of board size or type:

Chairperson/President – responsible for facilitating meetings (creating agenda usually with the ED) and managing conflicts

Vice Chair/President Elect– acts as the board chair’s understudy and fills the Chairperson’s role when they are absent.

Secretary – responsible for official communications with board members and recording meetings (also known as taking minutes)

Treasurer – oversees matters related to the organization’s finances, property, and budget, often in conjunction with the Executive Director.

Other board members are considered **At-Large** members. Often the Executive Director serves as a non-voting **Ex-Officio** member of the board. This avoids a potential conflict of interest, in particular when discussing salary.



THE DECISION MAKING PROCESS

There needs to be a **decision making process** in the bylaws so the nonprofit can move forward with decisions and allows everyone's voice to be heard.

Robert's Rules is the most commonly used system for nonprofit boards.

The process may differ slightly from agency to agency, but **99% of the time they are not complicated** and you will catch on very quickly!



THE DECISION MAKING PROCESS

When you are ready to decide on something:

Making a Motion:

All decisions by the board go through a similar process.

1. First, a board member **MAKES A MOTION** by saying, 'I move...[says desired action].'
2. Then, another board member has to **SECOND** that motion for the idea to proceed.
3. Next, the board president will ask if there is any more **DISCUSSION** by restating the motion and opening the floor for anyone to speak.
4. Finally, the board president will put the motion to a **VOTE**. and announce the result. This can vary on how it's done, but should always be clear.



THE DECISION MAKING PROCESS

AN EXAMPLE:

Board member A: “I make a motion to buy a helicopter for Jason to commute to work. It’s 20 minutes of driving, that’s just ridiculous.”

[If no one seconds the motion, you’re done here...which obviously should happen in this silly scenario]

Board member B: “I second the motion”

Board President: “Any discussion? [intense debate ensues on whether Jason should fly to work across Lincoln] If there is no more discussion, we’ll put the motion to a vote.”

“All those in favor of passing the motion say ‘yes’. [pauses]
All those against say ‘no’. [pause] The motion does not pass, 5 - 4.”



A TYPICAL MEETING

The AGENDA tells everyone what will happen and be discussed in a board meeting. Some typical components include:

- Approve Agenda
- Meeting minutes review
- Financial report
- Director or program report(s)
- Unfinished Business: continue discussing from a previous meeting
- New Business: a chance for anyone to start a new topic of discussion
- Adjourn: end the meeting

These MAY be part of a consent agenda: Parts of the agenda that may be approved all at once that are not expecting to have any discussion. One can always ask that something be put into the regular agenda



COMMON PROCESSES

Consent Agenda:

When you have more than one action item that is not suspected to have any discussion or contention, you can put them all into one motion to speed up the meeting.

IF someone does NOT want something in the consent agenda it can be removed so they can discuss it at a later time in the meeting.

Conflict of Interest:

When and if there is an issue where you have a conflict of interest, don't include yourself in the vote and go on the record as 'abstaining' by saying 'I abstain' when the vote occurs.



IF IT JUST ISN'T WORKING OUT

- If you can't continue, step aside gracefully - but not due to a crisis
- Consider continuing work in another role within the agency
- President may need to have this conversation with another member



STRONG BOARDS = STRONG NONPROFITS

BOARDS ARE STRONG WHEN...

- Everyone supports an inclusive environment and all are engaged.
- Everyone has an understanding of their roles/responsibilities
- Everyone supports the Executive Director and each other
- There is strategic membership.



TIPS ON CHOOSING A BOARD

- Find a cause that you care about - Passion is important
[Visit our Board Match Page!](#)
- You could give it a 'test' run by volunteering in another capacity; Let them know your interest in a board position
- Research the organization
(Use [Guidestar](#) or ask around)
- It's a two way interview...



TIPS ON CHOOSING A BOARD

SOME THINGS TO ASK BEFOREHAND

- Time of regular meetings (day/time/frequency)
- Ask for bylaws, latest financials, job board description, values, general info (can also find some on website)
- How much time is expected/Are there times of year they need more? (events, etc.)
- Is there a required annual financial donation? If so, is it a set amount?



RESOURCES

Blue Avocado – blueavocado.com

Board Effect – boardeffect.com

Board Source – boardsource.org

Cause Collective – causecollectivelincoln.org: click on resources page. **Under 'community outreach' you can view our board match page and sign up for our free community newsletter!**

Joan Garry – joangarry.com

Bonus info: '10 Truths Every Board Member Should Know'

National Council of Nonprofits – councilofnonprofits.org

Nonprofit Association of the Midlands – nonprofitam.org



BE PATIENT AND HAVE FUN



THANK YOU!

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