

LEADERSHIP/BOARD: HOW TO BUILD AN ENGAGED BOARD OF DIRECTORS

Beau Heyman, Executive Director, First Care Women's Clinic



SCAN TO REACH ME!

Resource:

Redefining Leadership: Character-Driven Habits of Effective Leaders, by Joseph Stowell

How to Avoid Falling in Love with a Jerk, by John Van Epp

<https://www.501c3.org/fiduciary-responsibility-of-nonprofit-board-members>

Sticky Teams: Keeping Your Leadership Team and Staff on the Same Page, Larry Osborne

Before we start

How would you describe your relationship with your Board of Directors in 5 words or less?

Write down what you think the top 3 jobs of your Board are currently.

In a month, how much time do you spend on Board related activities (meetings, minutes, planning, talking to your chair, committee work, etc)._____

Do you think this is too much, too little, or just right? (circle answer)

Does your Board trust you? Y/N

Do you trust your Board? Y/N

In 10 words or less, why are people serving on your board? _____

***If you are a board member, substitute to Executive Director/CEO where it says Board above and answer the same questions.*

What and Why

What is a Board of Directors and why do you have one?

1. It's required by _____. Both state and federal.
2. Florida law: *All corporate powers must be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, its board of directors, subject to any limitation set forth in the articles of incorporation.*
3. Articles of incorporation: The purpose or purposes for which the corporation is organized (Which the board can change whenever they want.)
4. Where does that leave you as the organization's top employee?
5. In a precarious situation if you don't have a great board!

Don't forget that Apple once fired Steve Jobs!

Pitfall #1: Lack of clearly defined roles

Let's start with the hard question:

1. Who is in charge of your organization? _____

Do you have a written job description? Y/N

Does your Board know what is on your job description? Y/N

Does your Board have a job description? Y/N

Do you have the weight of the ministry on your shoulders, but lack the authority and support to do what is needed to be successful? Y/N

Board has 3 main roles:

1. Support and advance the _____
2. Fiduciary
3. Hire and supervise _____



And variety of sub roles:

- Fundraising
- Wise counsel
- Professional services
- etc

Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board members, as stewards of public trust, must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

Being a fiduciary obviously includes the financial aspects of a nonprofit. Each board member has a responsibility to ensure, to the best of their ability, that all funds are handled and accounted for in a transparent and compliant manner. That includes a number of financial fronts, such as:

- Budgeting
- Payroll / Compensation
- Accounting / Reporting (IRS 990)
- Investments
- Handling of Funds

Pitfall #2: Tug of war

Roles of the board will need to change over time as an organization grow:

- Doing
- Approving
- Reviewing



Govern vs. Manage (fill in the blank)

- The board of directors, as the governing body, is responsible for setting the strategic task of setting the organization's goals, direction, limitations and accountability frameworks.
- Management is responsible for the allocation of resources and overseeing the day-to-day operations of the organization.
- *What* are the organization's priorities and what it should become in the future?
- *How* the organization will reach those goals and aspirations?



Philippians2:3-11

Do nothing out of selfish ambition or vain conceit, but in humility consider others better than yourselves. Each of you should look not only to your own interests, but also to the interests of others. Your attitude should be the same as that of Christ Jesus: Who, being in very nature God, did not consider equality with God something to be grasped, but made himself nothing, taking the very nature of a servant, being made in human likeness. And being found in appearance as a man, he humbled himself and became obedient to death—even death on a cross! Therefore God exalted him to the highest place and gave him the name that is above every name, that at the name of Jesus every knee should bow, in heaven and on earth and under the earth, and every tongue confess that Jesus Christ is Lord, to the glory of God the Father.

Pitfall #3: Lack of Trust

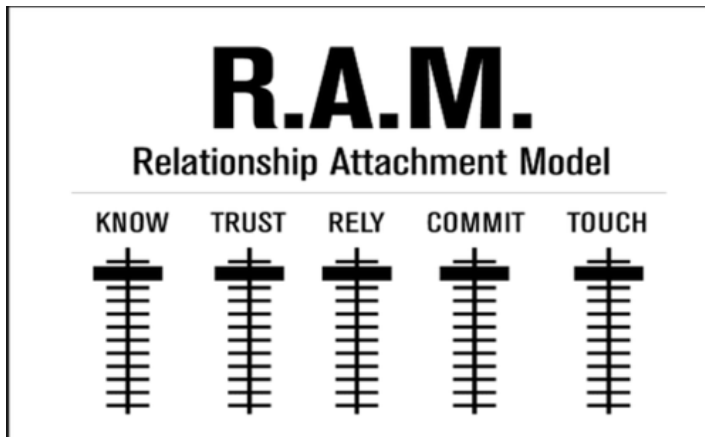
Does your board trust you to run the ministry? Y/N

If no, then why not? _____

Do you trust your board? Y/N

In what areas do you not trust them? _____

Relationship Attachment Model



Three T's

T _____, T _____, T _____

Pitfall #4: Outsized influence

What a board chair is and is not (**unless your bylaws say otherwise*):

The chairman of the board _____ the Executive Director's boss.

The chair _____ the CEO of your ministry.

The chair _____ someone who can call board meetings.

The chair _____ the board director who runs board meetings.

The chair _____ someone who can make decisions without the consent of the entire board.

The chair's opinion matters _____ as other directors' opinions.

Best Practice #1: Implement and Enforce Term Limits

Good reason to have and enforce term limits.

1. _____ board directors can't stay on forever.
2. It allows directors to leave _____ .
3. It ensures that you have _____ faces and ideas on the board.
4. It forces your organization to be _____ in board recruitment and development.

Sample policy:

- 1 year initial term
- 3 year second term
- 3 year third term
- 1 year mandatory sabbatical from the Board. May reapply after that term.

Some bad reasons to not have (or enforce) board term limits:

- It's too _____ to get new directors.
- Director Smith is _____ .
- Director Jones gives lots of money and will stop.
- We'll _____ another lawyer/doctor/accountant to join the board.
- They are a _____ director.
- If they stay for just 1 more year, it will help us over a rough patch.

Example: Donn Londeree, Aimee, John T.

Best Practice #2: Start recruiting new board directors.

Once you implement term limits you will forever be on a schedule having to recruit new board directors.

1. Make a _____ so that you know when all the term limits are.
2. Create a _____ of what you are looking for in board directors.
3. Create and record the _____ to onboard new board directors.
4. Start recruiting!

Best Practice #3: Do the math

John Savage (<https://www.johnsavagelgroup.com>) says that if you want 8-9 active board directors then you need to have 10-12 total directors. This is simply the 80/20 rule in action.

1. How many current, voting, directors are on your board? _____
2. How many directors do your bylaws say you must have? _____
3. How many directors does your state law say you must have? _____
4. How many inactive or unhelpful board directors do you currently have? _____
5. How many active board directors do you want/need? _____

Subtract the bad from the good. How many do you need to add to that to achieve an ideal board?

Now get to work recruiting!

Best Practice #4: Work to create a healthy board culture.

Good people don't want to join a _____ board.

Dysfunctional board directors seldom _____ on their own

Here are a few ways to start improving your board culture.



- Hire a consultant to do a _____.
- Work with your board chair to keep board meetings under _____.
 - Have a set agenda
 - Have published start and finish times
 - Don't socialize at board meetings, stick to board business
 - Limit discussion to 15 minutes (or less) per agenda item.
 - Get training for your board chair on how to run a meeting
- Have _____ board meetings (4-6 annual is enough for most organizations)
- Make sure your board knows their _____.
- Have social events for you board at least once a year (i.e. Christmas party).

Best Practice #5: Be better at your job.

What is one thing you are going to get better at over the next six months that will impress your board of directors and help you earn their trust?
