

# Non-Profit Board Governance and Development

**Hosted By Mike Gallagher**  
**March 23, 2017**



# Introduction

## Today's Agenda-Governance

- Legal Responsibilities
- Board Structure & Committees
- Board Meetings
- Your Executive Director
- Financial Controls and Reporting
- Strategic Planning
- Other “Stuff”



# Introduction

## Today's Agenda-Development

- Identifying, Recruiting and Retaining Directors
- Education and Awareness
- Fundraising and Philanthropy



# Legal Responsibilities

- **Duty of Care and Loyalty**
- **By-laws**
- **Statutory Immunity**
- **Federal Volunteer Protection Act**
- **Sarbanes-Oxley Act**
- **Code of Ethics**
- **Conflicts of Interest**
- **Whistleblower Act**



# Board Structure and Committees

## Who should be on the Board?

- **What characteristics make a strong Director?**
  - Responsive to the mission
  - Commitments
  - Skills and experience
  - Perspective
- **What qualities make directors valuable?**



# Board Structure and Committees

- **Provide an orientation**
- **Consider an Advisory board**
- **Assign director terms**
- **Electing Board Officers**
- **What Size is the Right Size?**



# Board Structure and Committees

## Committees

- **Chairperson**
- **Minutes and communicating with the Board**
- **Authorization levels (Board, Committee, Staff)**
- **Frequency of meetings**
- **Developing Committee Charters**
- **Reporting to the Full Board**



# Board Structure and Committees

## Committees

- **Executive Committee**
- **Finance or Audit Committee**
- **Nominating Committee**
- **Fundraising Committee**
- **Programming Committee**
- **Compensation Committee**
- **Other Committees in By-Laws**





# Board Meetings

- **Quorums**
- **Agenda**
- **Getting information prior to meeting**
- **Executive sessions**
- **Decisions vs communications**
- **Frequency of meetings**
- **Participation**



# Board Meetings

## Board Meetings

- Robert's Rules of Order
- Minutes
- Timing
- Attendance
- Where to hold Board Meetings



# Your Executive Director

- **Choose an ED carefully**
- **Executive Compensation**
- **Setting Clear Goals**
- **Annual Performance Reviews**
- **Founding Father Syndrome**



“Frankly, I don’t remember why  
I called this meeting.”



# Financial Controls & Reporting

## Accounting Controls

- **Maintain an appropriate accounting system**
- **Maintain bank accounts**
  - **Who should be authorized to sign checks?**
- **Have controls over “cash” receipts**
- **Minimize the use of “petty” cash**
- **Reconcile accounts regularly**
- **Get authorization on “large” expenditures**
- **Restrict use of credit card**



# Financial Controls & Reporting

- **Accounting for funds from grants**
- **Borrowing money**
- **Deductibility of contributions received**
- **Leases**
- **Contracts**
- **Related party transactions**
- **Human Resources**



# Financial Controls & Reporting

## Annual Reporting Requirements:

- Tax Returns
- Financial Statements
- Changes in Directors
- Other Reporting Requirements



# Strategic Planning

- Define what you want to achieve
- Review Vision and Mission Statements
- Choose the right facilitator
- Who should be involved?
- Set the right environment
- Ask others (public survey)
- Follow-up



# Other Stuff

- **Rotation of Directors (Terms)**
- **Nominating New Directors**
- **Insurance**
- **Information Security**
- **Participate and Ask Questions**
- **Conduct Self-Assessments**

Other stuff we use



Tuesday, March 30, 2010





# Identifying The Right Directors

- **Is your board recruitment policy: “warm blood and a pulse”?**
- **“Most boards take more care in hiring the guy who clears the trash out of the parking lot than they take care in hiring their board”**



# Identifying the Right Directors

## Who should be on the Board?

- **Assess your needs**
  - Diversification: professionals, technical, fundraisers, do-ers and passive members
- **Identify a strong chairman**
- **Look for those who are willing to serve and are not overcommitted**



# Identifying The Right Directors

- **Where to look?**
  - Other boards
  - People you have worked with before.
  - Centers of Influence
  - Industry groups
  - Post an opening
  - Social Media
- **Perform Due Diligence**
- **Know your Fellow Directors**



# Retaining Directors

- **Review the Roles and Responsibilities of your Directors**
- **Engage directors**
- **Make them feel important**
- **Make meetings fun and interesting**
- **Ask them what they want.**
- **Don't guilt them into staying**



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# Education and Awareness

- **Corporate Governance**
- **Teach them about your organization**
  - Invite staff
  - Review policies and procedures
- **Finances**
- **Industry Standards**



# Fundraising and Philanthropy

- **Understand what is expected of you.**
  - Time expectations
  - Financial Contributions
  - Raising Funds
  - Selling
  - Representing the Organization



# Questions & Answers



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