

Annual California Tribal  
Consultation Conference

**Effective Nonprofit  
Governance: Board  
Roles and  
Responsibilities**

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# Framework

- ❖ *Defining Governance*
- ❖ *Characteristics of High Performing Boards*
- ❖ *Duties, Roles, and Responsibilities*
- ❖ *Individual Board Member Roles & Responsibilities*
- ❖ *Board/Staff Partnership*
- ❖ *Board Leadership*

# Objectives

- ❖ *Review effective nonprofit governance practices*
- ❖ *Increase understanding of legal duties, roles and responsibilities*
- ❖ *Explore ways to translate those responsibilities into meaningful actions.*

# Themes

- ❖ *Performance problems/sense of purpose*
- ❖ *Attending (getting out of auto-pilot)*
- ❖ *"Board" - verb*

# The board is to the organization as \_\_\_\_\_ is to \_\_\_\_\_

- ❖ *Rudder/Ship*
- ❖ *Sail/Boat*
- ❖ *Compass/Navigator*
- ❖ *Engine/Car*
- ❖ *Wind/Sail*
- ❖ *Damn/Lake*
- ❖ *Water/Tree*
- ❖ *Heart/Body*
- ❖ *Parent/Child*
- ❖ *Teacher/Student*
- ❖ *Peanut Butter/Jelly*

- ❖ *Powers*
- ❖ *Guides*
- ❖ *Controls*
- ❖ *Nurtures*
- ❖ *Hierarchical*
- ❖ *Complementarity*
- ❖ *Inter-connectedness*
- ❖ *Inter-dependence*
  - ❖ *Positive*
  - ❖ *Negative*
  - ❖ *Both*

# What is Governance?

*To govern is to steer, to control,  
and to influence from a position of  
authority.*

***"The right people having the right  
conversations in the right way on the right  
issues at the right time"***

*(Cathy Trower)*

# Governance Units



# WORKING DEFINITION

## Board of Directors

- ❖ *Governing body*
- ❖ *Comprised of key stakeholders/stewards (trustees/governors/directors)*
- ❖ *Responsible for protecting assets, ensuring sustainability and mission alignment*
- ❖ *Ultimate authority (to steer, control, and influence)*

# Ultimate Responsibility

## ❖ Stewardship

- ❖ *Protect assets*

- ❖ *Sustainability*

- ❖ *Ethical and legal integrity*

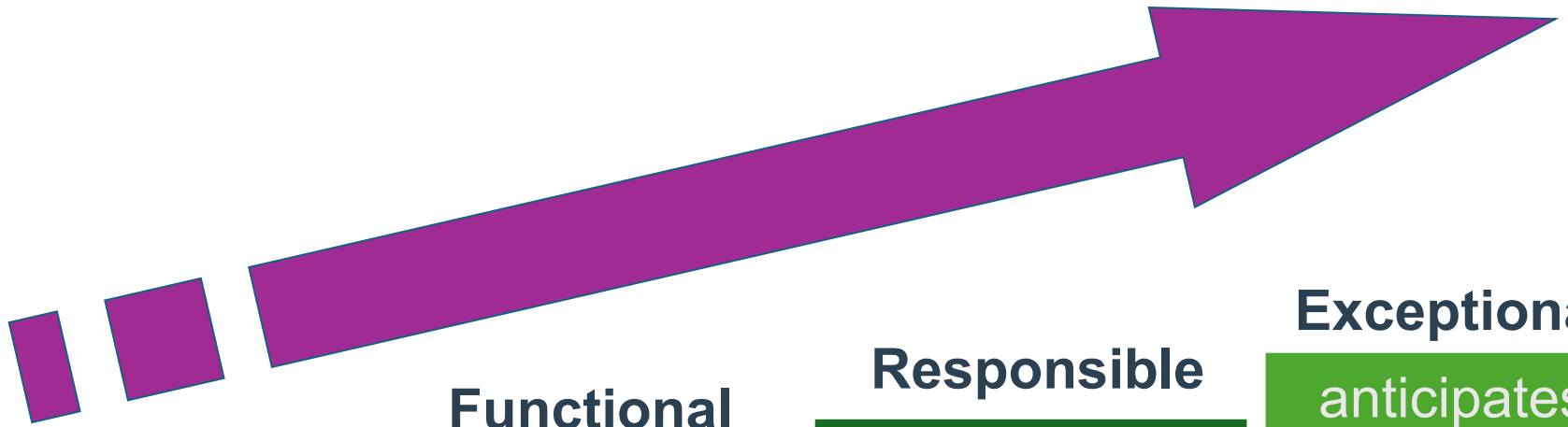
## ❖ Mission Alignment

- ❖ *All activities align with mission and core values*

# Board Work = To Deliberate

- ❖ *Robust deliberation requires a climate where...*
  - ❖ *There is a diversity of experience, perspective, personalities, etc.*
  - ❖ *Full participation/engagement*
  
- ❖ *Paradox of diversity*

# Governance Continuum



## Dysfunctional

disengagement,  
conflict, lack of  
mission focus

## Functional

Keeps  
organization  
legal

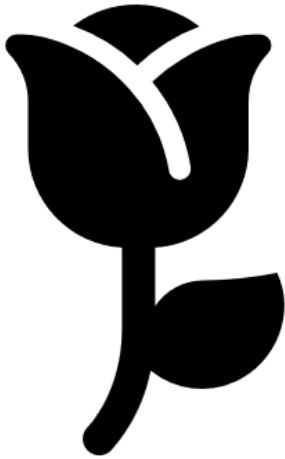
## Responsible

role clarity,  
shared  
understandings

## Exceptional

anticipates,  
thinks  
strategically

# Break Out



**Rose** = *Something that is working well or something positive about your board.*

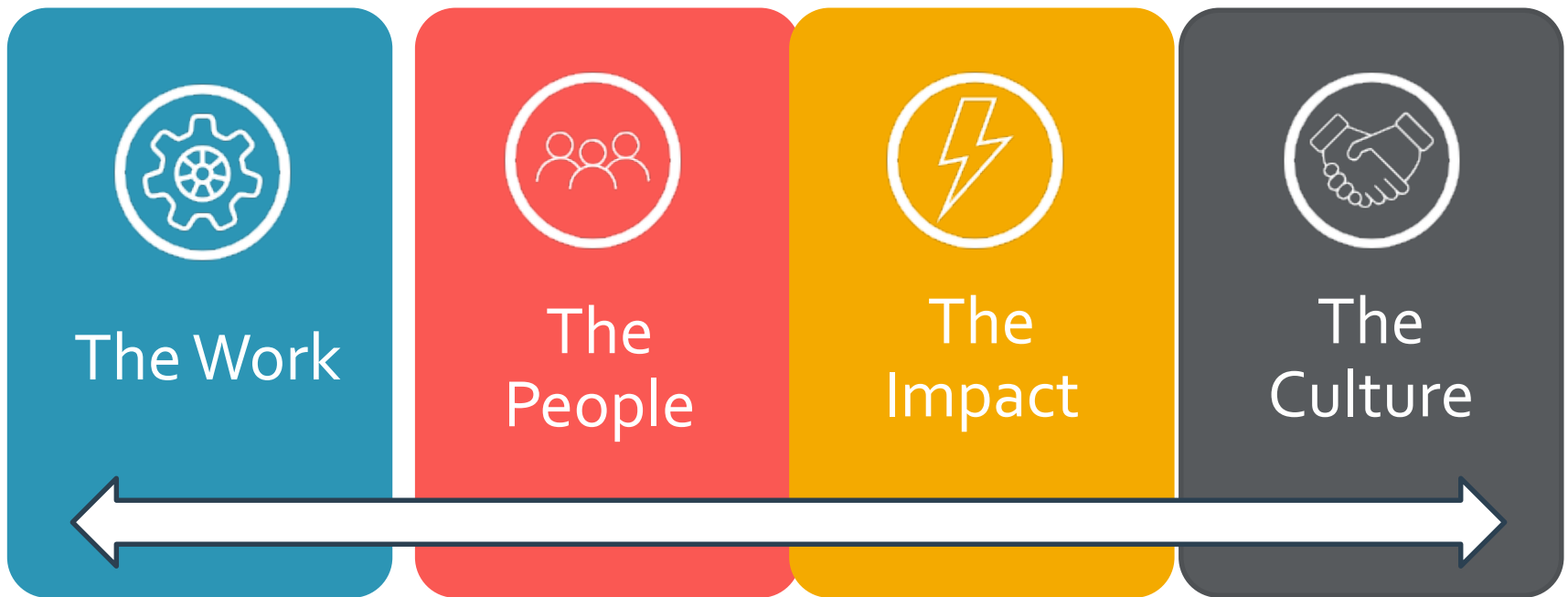
**Bud** = *An area of opportunity or idea yet to be explored by your board.*

**Thorn** = *Something that isn't working so well about your board.*

# Characteristics of High Performing Boards

- ❖ *Mission focused*
- ❖ *Clear about duties, roles and responsibilities*
- ❖ *Comprised strategically*
- ❖ *Small enough to deliberate effectively*
- ❖ *Full engagement of members – every member brings value*
- ❖ *Time spent on strategic and other matters of real importance*
- ❖ *Members know each other & attend to relationships*
- ❖ *Atmosphere conducive to dialogue – differing views/opinions welcomed and encouraged*
- ❖ *Mechanism to ensure renewal (e.g., term limits)*
- ❖ *Leadership is cultivated intentionally*
- ❖ *Attends to its own growth and development*
- ❖ *Institutionalized a process for evaluating performance*

# Components to Consider



# Primary Board Roles



Set Direction



Ensure Resources



Provide Oversight

BoardSource

# Primary Board Responsibilities

## Set Direction

- Determine mission and purpose
- Ensure planning

## Ensure Resources

- Select Exec
- Financial resources
- Build competent board
- Enhance standing

## Provide Oversight

- Support and evaluate Exec
- Protect assets
- Ensure integrity
- Strengthen services

TIME FOR  
A BREAK

# Legal Obligations

## **Duty of Care**

- ❖ *Use your best judgment*
- ❖ *Actively participate, pay attention, ask pertinent questions*

## **Duty of Loyalty**

- ❖ *Avoid conflicts of interest*
- ❖ *Put aside personal and professional interests*

## **Duty of Obedience**

- ❖ *Stay true to the mission*
- ❖ *Ensure compliance*
- ❖ *Obey the law - public and organizational (e.g., bylaws)*

# Everyone should be able to answer five basic questions:

1. What am I expected to do? *Position Description*
2. Why is it important? *Mission*
3. Do I have authority to do it? *Power/Authority*
4. When I need help, where can I go? *Resources*
5. How am I doing so far? *Ongoing Feedback*

# Individual Responsibilities

## **Actively participate**

- ❖ *Provide time, talent, treasure*
- ❖ *Attend meetings/events*
- ❖ *Help raise money*

## **Be informed**

- ❖ *About mission, programs*
- ❖ *Prepare for meetings - Ask questions*
- ❖ *Stay current on related issues and organizations*

## **Promote the organization**

- ❖ *Spread the word*
- ❖ *Brand ambassador*

## **Safeguard ethics and values**

- ❖ *Follow conflict-of-interest and confidentiality policies*
- ❖ *Refrain from asking for special favors from staff*

# Basic Board Roles

❖ *Steering*

❖ *Rowing*

## When steering, the board...

❖ *Sets the direction*

❖ *Determines and ensures alignment w/guiding principles/values*

❖ *Ensures resources are used appropriately and prudently*

## When **rowing**, board members expand resources by...

- ❖ *Offering pro bono professional services or expertise*
- ❖ *Volunteering as front-line service provider*
- ❖ *Advocating for or championing the organization in the community*
- ❖ *Helping to raise funds to sustain the organization's work*

❖ **Rowing work is substitutable**

❖ **Steering work is not substitutable**

❖ *A single board member can be effective as a rower*

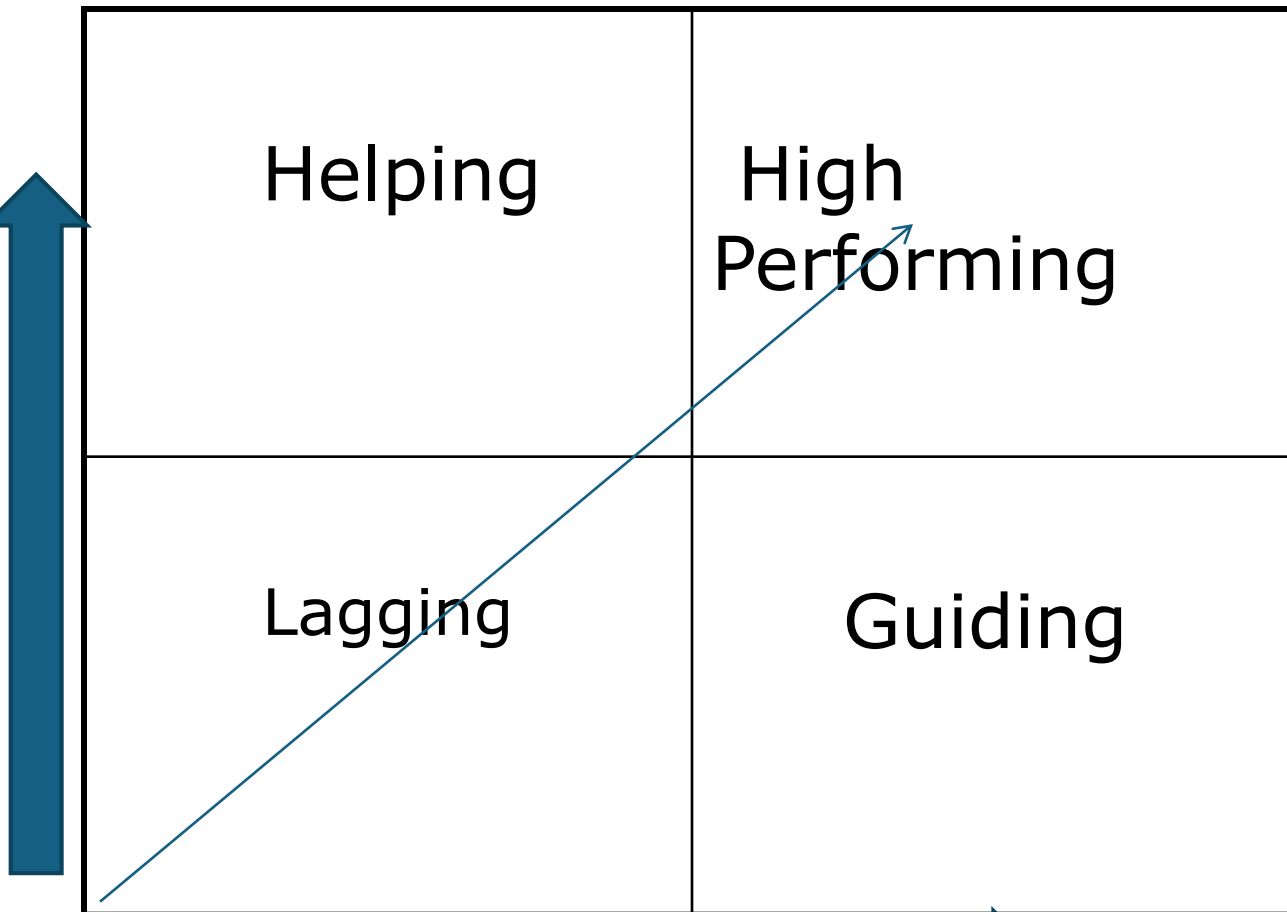
❖ **Governing is a collective act**

*It takes a group to test, challenge, and debate the assumptions and subjective preferences that are at the core of governing work*

High

Rowing

Low

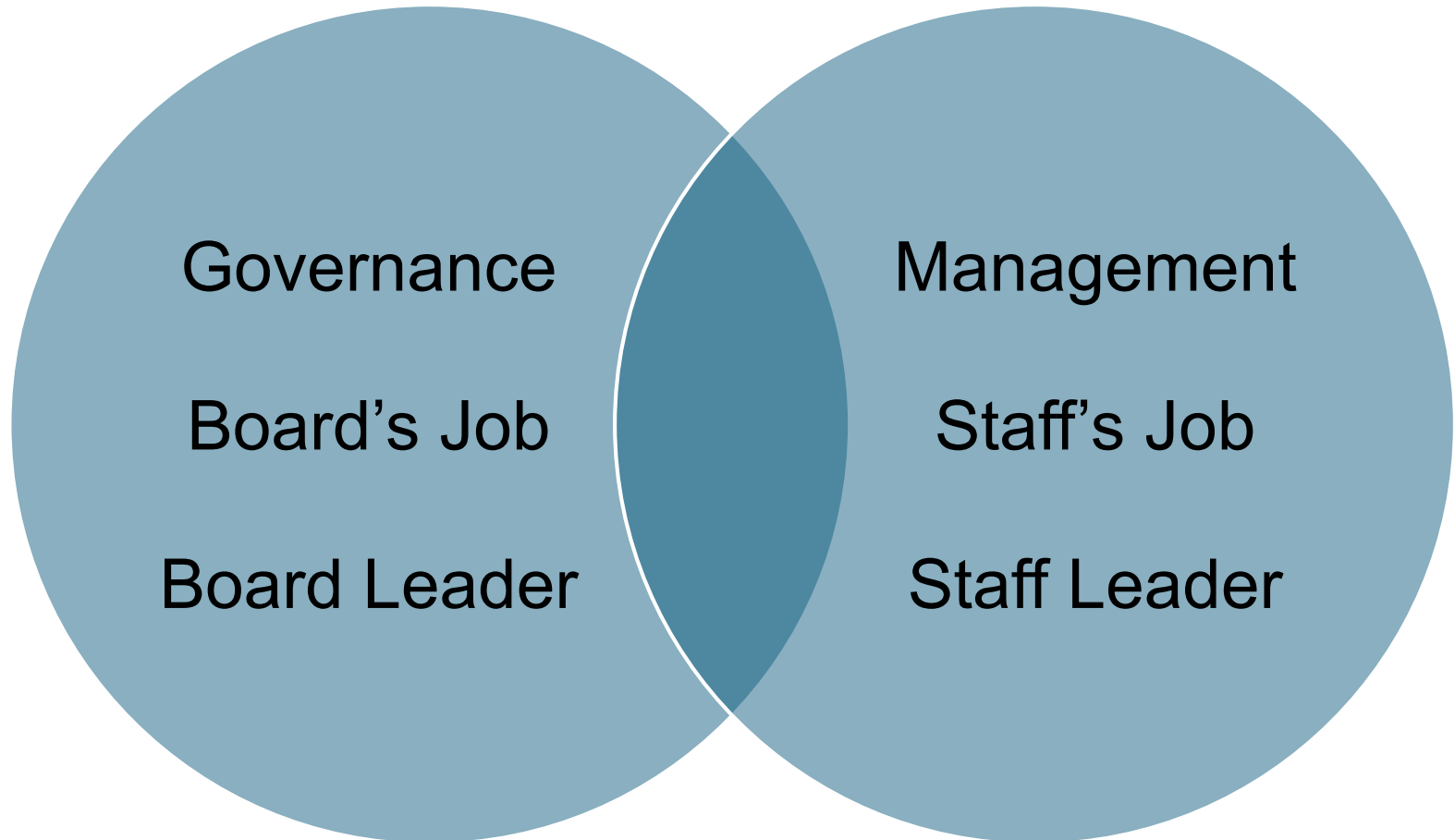


Low

Steering

High

# Managing Boundaries



# Multiple Roles

- ❖ *Board member*
- ❖ *Volunteer*
- ❖ *Beneficiary*
- ❖ *Strategic partner*
- ❖ *Funder*
- ❖ *Other*

In the board room, you are primarily a governor or trustee

*Every board member is a volunteer, but not every volunteer is a board member*

# Building a Constructive Partnership



# Board/Staff Leader Partnership

- ❖ **The Board** governs the life of the organization
  - ❖ *Has ultimate responsibility*
  - ❖ *Is accountable to the public trust*
  
- ❖ **The Staff Leader** coordinates and directs the affairs of the organization
  - ❖ *Has immediate responsibility*
  - ❖ *Is accountable to the board*

# Board Leader/Staff Leader

## ❖ A Key Relationship:

❖ *Intersection of governance and management*

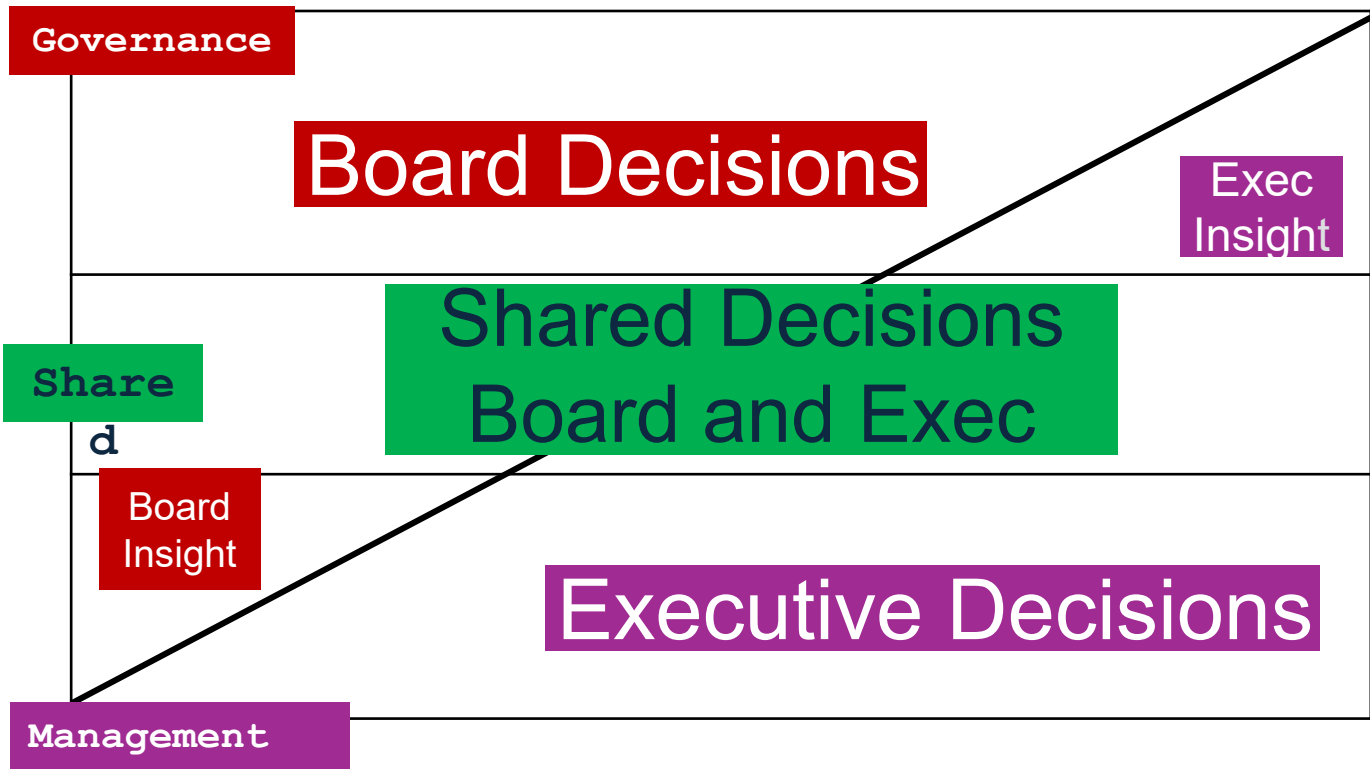
## ❖ Requires:

❖ *Mutual respect*

❖ *Clarity of mutual expectations*

❖ *Regular & honest communication*

❖ *Attending to the relationship*



Governance

Board Decisions

Exec  
Insight

Share  
d

Shared Decisions  
Board and Exec

Board  
Insight

Executive Decisions

Management

# Major Functions of Bylaws

- ❖ *Determine the organization's structure*
- ❖ *Determine the rights of the people involved in the structure*
- ❖ *Determine procedures by which rights may be exercised*

# Bylaws: Some Considerations

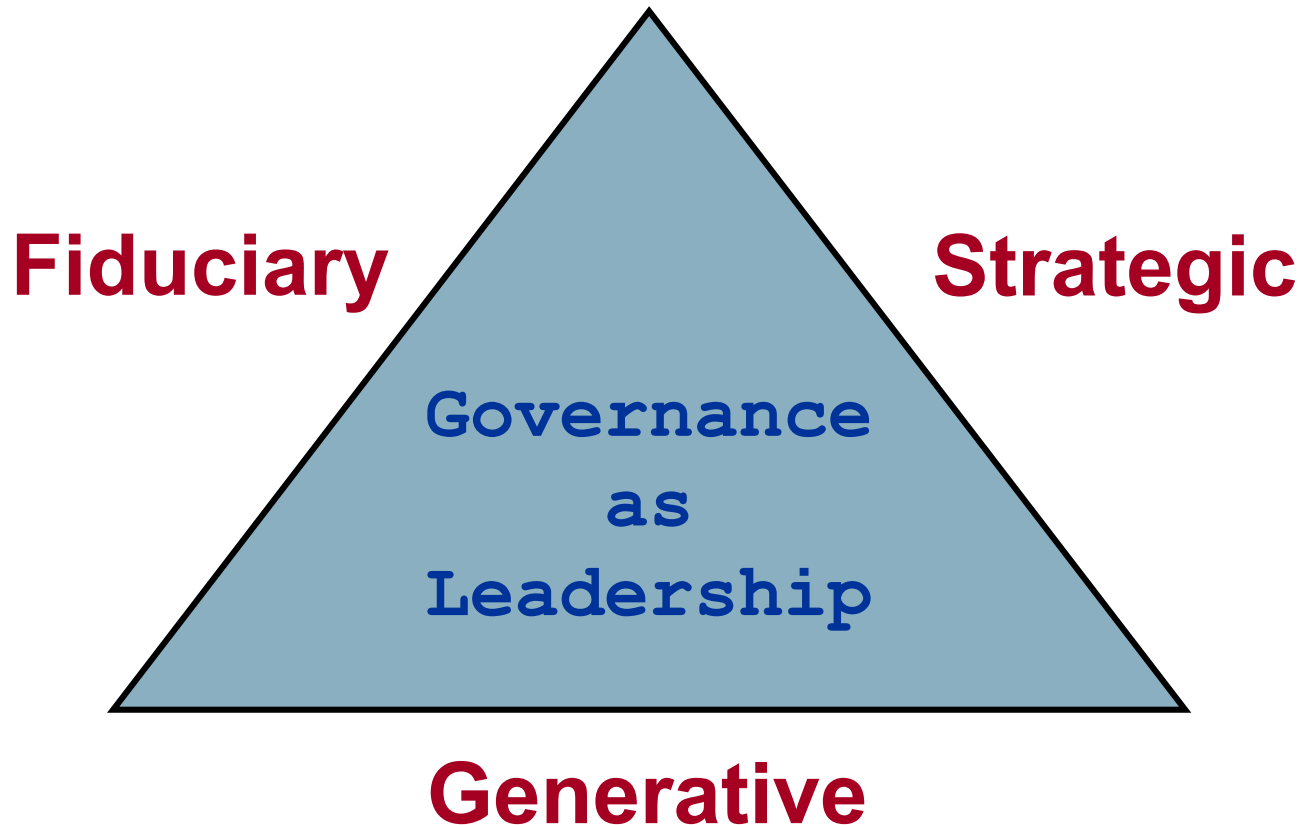
*Bylaws are the rules that **YOU** create to guide your work*

- ❖ Ensure compliance with legal requirements*
- ❖ Use language that enables rather than restricts or prescribes*
- ❖ Keep them simple, understandable and as brief as possible*
- ❖ Review regularly and revise as needed*

**Note:** *Always operate in compliance with the rules you created*

TIME FOR  
A BREAK

# The Governance Triangle



Adapted from *Governance as Leadership*, Chait, R.,  
et al. 2004

# Effective Nonprofit Governance

- ❖ *Beyond oversight and compliance: An exploration of ways boards and board members govern with...*
  - ❖ *Hindsight*
  - ❖ *Foresight*
  - ❖ *Insight*

# Beyond Oversight: Three Modes

❖ Fiduciary Mode    *"How are we doing?"*

❖ Strategic Mode    *"What shall we do?"*

❖ Generative Mode    *"Why are we doing this?"*

## MODE

## FOCUS

❖ **Fiduciary**

❖ *Financial and legal **compliance** and **oversight***

❖ **Strategic**

❖ ***Identifying** best strategies, and **monitoring** implementation*

❖ **Generative**

❖ *Board steps back to **make sense** of the situation and **frame** it first*

# Budget Development

## **Fiduciary**

*Is the budget balanced?*

*Are our projections conservative?*

## **Strategic**

*Does the budget reflect our priorities?*

*Is the budget aligned w/our plans?*

## **Generative**

*Does the budget reflect our values?*

*Are we spending money on the "right" things?*

# Executive Director Compensation

## **Fiduciary**

*Is compensation reasonable?*

*Is it affordable?*

## **Strategic**

*Are salary & benefits competitive  
w/similar orgs?*

## **Generative**

*How do sal/bens levels reflect our  
core values &  
reputation?*

*How do sal/bens affect staff morale?*

*Is pay tied to performance?*

# Program Oversight

## ❖ **Monitoring**

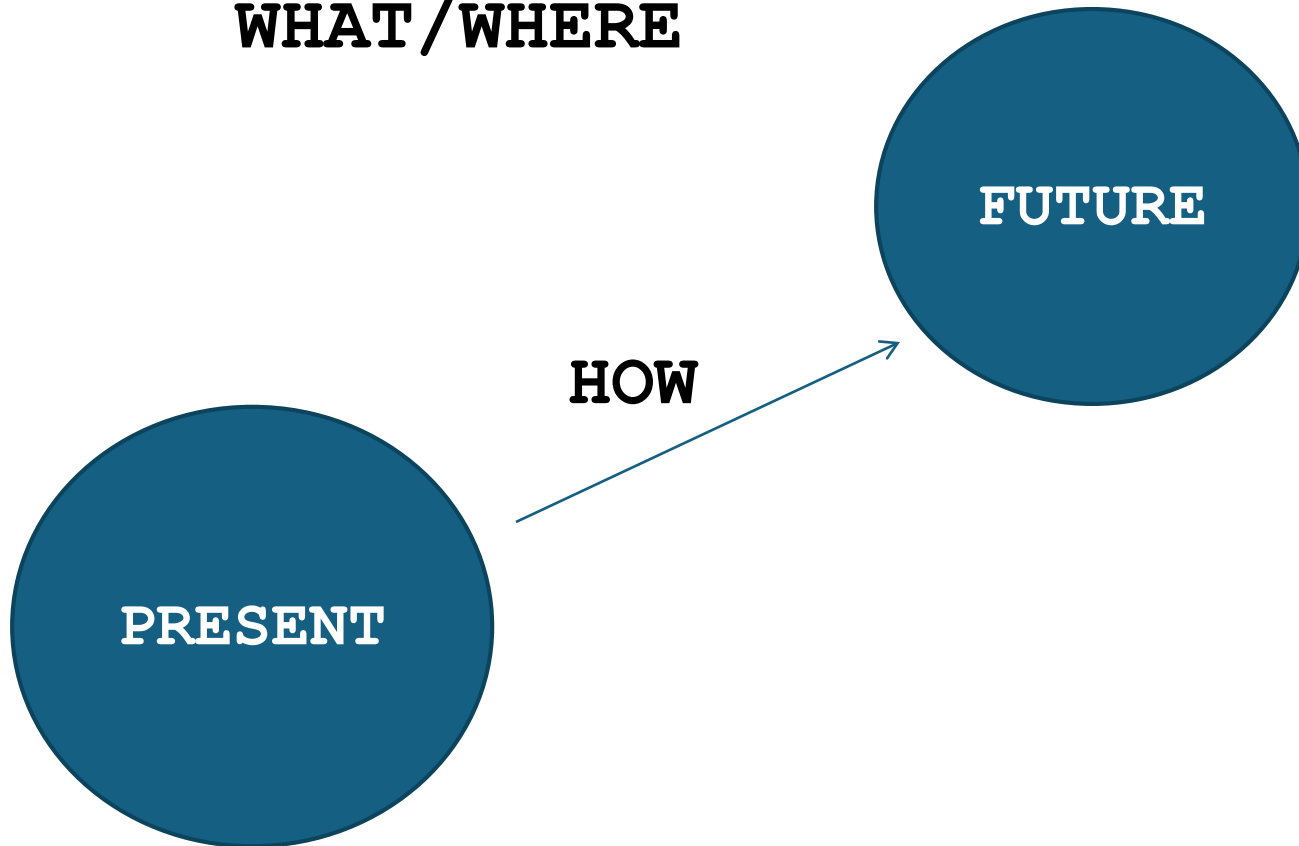
- ❖ *Are we doing what we said we would do?*
- ❖ *Are we accomplishing what we planned to accomplish?*

## ❖ **Evaluating**

- ❖ *Are programs effectively meeting needs?*
- ❖ *Are we doing the right things?*

# Setting Strategic Direction

**WHAT / WHERE**



**PRESENT**

**FUTURE**

**HOW**

# Strategic Framework



# Generative Governance

❖ Board examines an issue or an idea by generating more information about it:

❖ ***Identifying** the problem instead of solving it*

❖ ***Generating** questions instead of answers*

❖ ***Making sense** before making any decisions*



**Board Tasks**

**Modes/Mindsets**

# Framing

<b>Question</b>	<b>Discussion</b>
<i>Where do we cut expenses to make sure we balance the budget?</i>	<i>Centers around expense reduction</i>
<i>How do we maintain a balanced budget?</i>	<i>Will include expenses and revenue</i>
<i>What do we want to look like after this crisis passes?</i>	<i>Will be broader and more fruitful</i>

# Responsibility Actions

*Mission Alignment and  
Setting Strategic Direction*

*Protecting Assets and*

- *Financial Oversight*
- *Program Oversight*
- *Chief Executive Oversight*

*Building a Competent Board*

- *Recruitment*
- *Orientation*
- *Training*
- *Leadership Succession*

# ***Your thoughts and reflections?***

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