

Ready to Lead:  
The Essential Roles of the Board  
LIFE & LEGACY® Webinar  
March 12, 2020  
Nanette R. Fridman



**F R I D M A N**  
**STRATEGIES**

# Goals



Learn the primary duties, roles and responsibilities, and expectations of boards and board members



Clarify the difference between governance and management

# Why Governance

- Governance is the process of providing strategic leadership to a nonprofit organization.
- The process involves multiple functions and engaging multiple stakeholders.
  - It entails the functions of setting direction, making policy and strategy decisions, raising funds, overseeing and monitoring organizational performance, and ensuring overall accountability.
  - Stakeholders: Those served by the mission, staff, donors, partners and those in “system”.
- Effective governance is integral to the sustainability and long-term effectiveness of a nonprofit in today’s complex and competitive world.
- ***It all starts and ends with the board.***

# Defining the Board

The governing board of an organization is legally and ethically responsible for the organization's standards of conduct and its performance. The board is a special classification of volunteers called to serve the organization and represent the interests and needs of the broader community.

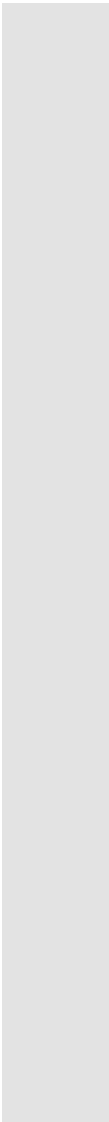
-Katherine Tyler Scott, *Creating Caring & Capable Board*





## Legal Duties

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- Duty of Care
  - Duty of Loyalty
  - Duty of Obedience
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Determine and understand the vision, mission and values



Determine the strategic direction and monitor progress



Select, evaluate and support the executive



Financial oversight



Ensure adequate financial resources



Approve and monitor the programs



Enhance the organization's public standing



Build and maintain an engaged and competent board

## 8 Primary Roles and Responsibilities of Board Members

# Number 1

- Determine and understand the vision, mission and values
  - Tour the organization and its partners
  - Touch the mission
  - Engage in the formulation of and/or understand your vision, mission statement and values statement

## Number 2

- Determine the strategic direction and measure progress
  - Debate/weigh in on strategic issues
  - Engage in and/or understand the strategic plan
  - Establish yearly goals
  - Develop/adopt key performance indicators
  - Regularly measure progress
  - Evaluate changes in the environment or organization and reassess strategic priorities

## Number 3

- Select, evaluate and support the Executive
  - Participate in the hiring process
  - Establish yearly goals for your Executive
  - Evaluate the Executive at least annually
  - Provide regular support

## Number 4

- Financial oversight
  - Work with Senior Management on the yearly budget
  - Review and approve annual budget
  - Monitor budget during the year
  - Make sure the appropriate financial controls are in place
  - Ensure that funds are properly invested

## Number 5

- Ensure adequate financial resources
  - Determine the annual fundraising and legacy commitment goals
  - Develop and approve a fundraising plan that includes both annual and legacy commitments or endowment building benchmarks
  - Actively prospect, cultivate, solicit and steward prospects and donors (individuals, corporations, foundations) in conjunction with the professional staff
  - Plan and attend all fundraising and legacy events
  - Make a personally meaningful annual gift and commit to/formalize your legacy gift

## Number 6

- Approve and monitor the organization's programs
  - Ensure programs further the mission
  - Ensure that the organization is tracking its impact and reporting it to both internally and to constituents
  - Review reports about the impact and viability of programs

## Number 7

- Enhance the organization's public standing
  - Attend events and invite others to join you
  - Know the unique value proposition, elevator pitch, current talking points and be able to tell your story
  - Be ambassadors and champions in the community
  - Look for opportunities to showcase your organization

## Number 8

- Build and maintain an engaged and competent board
  - Engage new volunteers to create a pipeline
  - Look for quality board members who bring necessary skills, resources and connections
  - Onboard and mentor new board members
  - Plan for succession

# Common Individual Board Member Expectations

- Attendance at board meetings
- Financial Contribution for Annual Fundraising
  - Give or Get
  - Give and Get
  - Make a Meaningful Contribution
  - Organization is one of top 2 or 3 philanthropic priorities
- Participate in Capital, Endowment and/or Legacy Campaigns
- Serve on at least one Committee
- Attend specific events
- Other?

# Board Members Roles at the Meeting



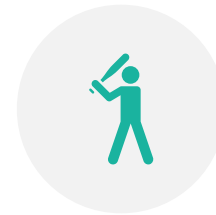
Read any materials sent prior



Understand the key governance questions that are being presented



Contribute your expertise



Don't be rushed into decision making if more information is required



Ask how a particular action fits with the organization's mission and into the strategic plan



Leave the meeting armed with information and action steps

## GOVERNANCE

Mission

Vision

Strategy

Desired Results

Policy

Fiscal oversight, Policies on Internal Controls

Budget Approvals

Fundraising Plan

Fundraising Implementation

External Relationships (Shared)

CEO Selection, Support & Evaluation

## MANAGEMENT

Operational Decisions and Policies

Program Development and Implementations

Legal Compliance

Day-to-Day Management

Personnel Management

Fiscal Management

Fundraising Implementation

External Relationships (Shared)

Evaluation, Outcomes Measurement

Keep Board educated and informed to support its policy-making, decision making and oversight responsibilities

# Governance vs. Management

A governing board functions best when it focuses on higher level, future-oriented matters of strategy and policy and performs its oversight responsibilities in a rigorous but highly efficient manner.

## Seven Guiding Questions Whether the Board Should Be Involved



1. Is it big?
2. Is it about the future?
3. Is it core to the mission?
4. Is a high-level policy decision needed to resolve a situation?
5. Is a red flag flying?
6. Is a watchdog watching?
7. Does the CEO want and need the board's support?

*Reprinted from Great Boards, Fall 2008*

# Quiz

- **Scenario 1:** Your board approves a new educational program as part of its strategic plan. Who develops and implements the program?
- **Scenario 2:** Who ensures financial procedures include sound internal controls?
- **Scenario 3:** A new development associate is going to be hired. Who makes the selection among the candidates?
- **Scenario 4:** New laws are passed about part-time workers. Who is accountable for compliance? Who is responsible for compliance?
- **Scenario 5:** Grant money becomes available for an issue that is not core to your organization's mission. Who decides if the organization should apply?

## *Reflecting on Board Roles*

- How and when do you communicate this information to your prospective and current board members?
- What role comes most easily to you?
- What role is more challenging?
- How can you become more comfortable with a role that is more challenging to you? What can your organization do to help?

The background of the slide is a light blue surface with a network of small, round nodes connected by thin lines. The nodes are colored either blue or red. A dense cluster of blue nodes is on the left side, connected by blue lines. A cluster of red nodes is on the right side, connected by red lines. In the center, there is a cluster where blue and red nodes are interconnected by both blue and red lines. The text 'Q & A' is centered over the image in a large, black, sans-serif font.

Q & A

The board is responsible  
for creating the future,  
not minding the shop.

*John Carver*





# F R I D M A N

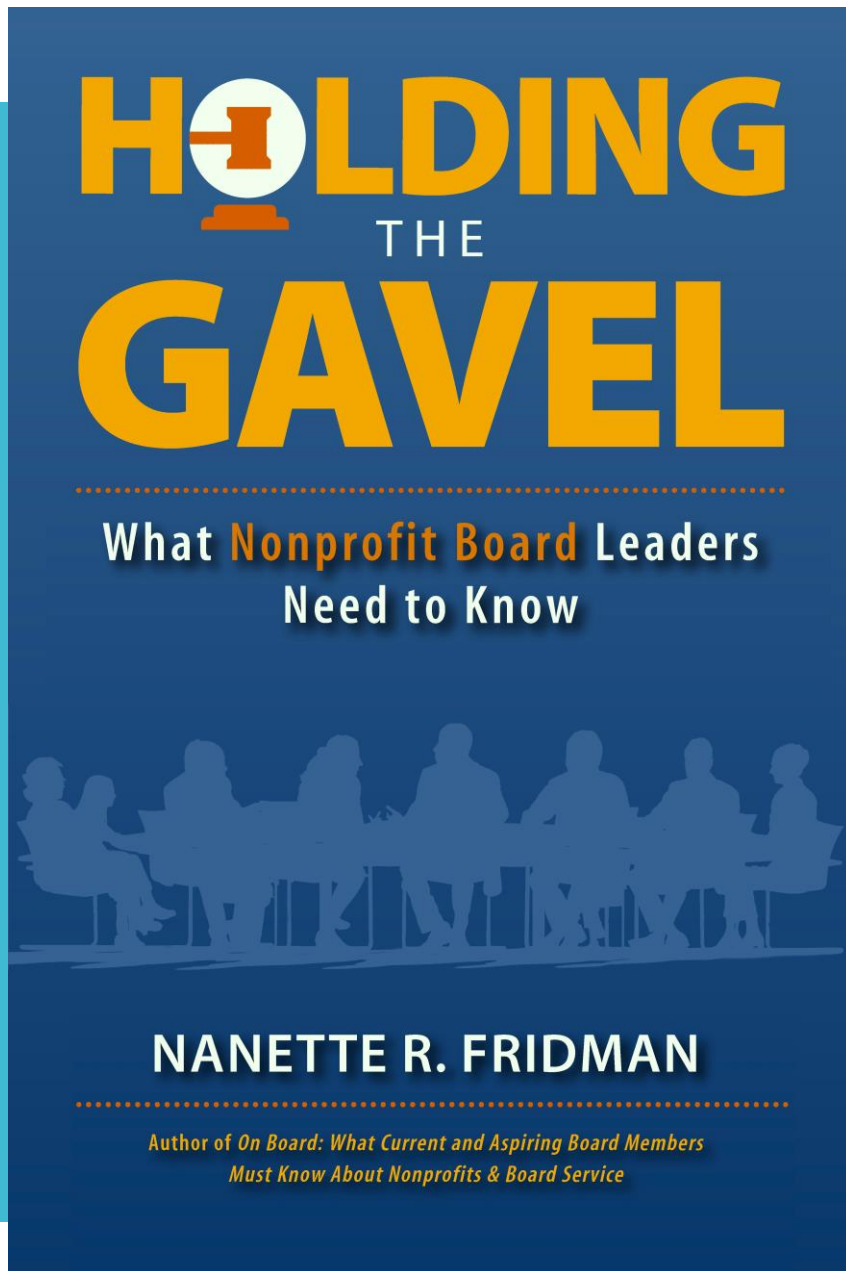
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## STRATEGIES

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*PLAN TO SUCCEED*



“ Nanette Fridman has written the perfect book for board chairs. She provides a comprehensive outline of the role and succinctly and smartly describes exactly how to tackle what can feel like an overwhelming job. It is the indispensable guide for a difficult job.”

Allison Fine

National Chair, NARAL: Pro-Choice America

Foundation, co-author, *The Networked Nonprofit*

“ *Holding the Gavel* is yet another gift to the nonprofit sector from Nanette Fridman. It is a clear, easy to digest, and complete roadmap for board chairs to help ensure their success in tackling the complex challenges of the role. As a nonprofit professional, I am especially grateful for the way in which Nanette frames the partnership between board chairs and their professional leadership.”

Laura Fish

Executive Director, Douglas Institute Foundation

*"If you've just been asked to join your first board or you're on ten boards, Nanette Fridman has written the book for you. On Board tells you everything you need, from A to Z and then some—and it's so readable!"*  
*Peter Edelman, Professor of Law, Georgetown University Law Center*

# ON BOARD

WHAT CURRENT AND ASPIRING  
BOARD MEMBERS MUST KNOW ABOUT  
**NONPROFITS & BOARD SERVICE**



**NANETTE R. FRIDMAN**

Foreword by Aaron Philip Dworkin  
President, After-School All-Stars National Network

“ Too often the expectations of board members and the workings of nonprofits have been vague or mysterious. Whether you are a professional or board member, *On Board* demystifies how nonprofits work and lays out in detail how board members can be responsible, effective and fulfilled. ”

Dr. Marc N. Kramer  
Executive Director, RAVSAK

“ Nanette Fridman insightfully shares her experience with nonprofit boards to help individuals be more intentional, engaged and clear about their roles. Every governance committee should give this book to their new and ongoing board members. ”

Nancy K. Kaufman,  
Chief Executive Officer, NCJW