

Building a Great Board of Directors

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Our Goal Today

Identify the characteristics of a “great” Board of Directors, so you can get started on an improvement plan for your Board.



Our Assumption

Your board members are motivated, talented people who truly want to make a meaningful contribution to your mission.



The System

Board problems are almost never the result of having bad board members.

It is usually the system, or the lack of a system, that creates the problems.



What is a Board of Directors?

A Non-Profit Board of Directors is:

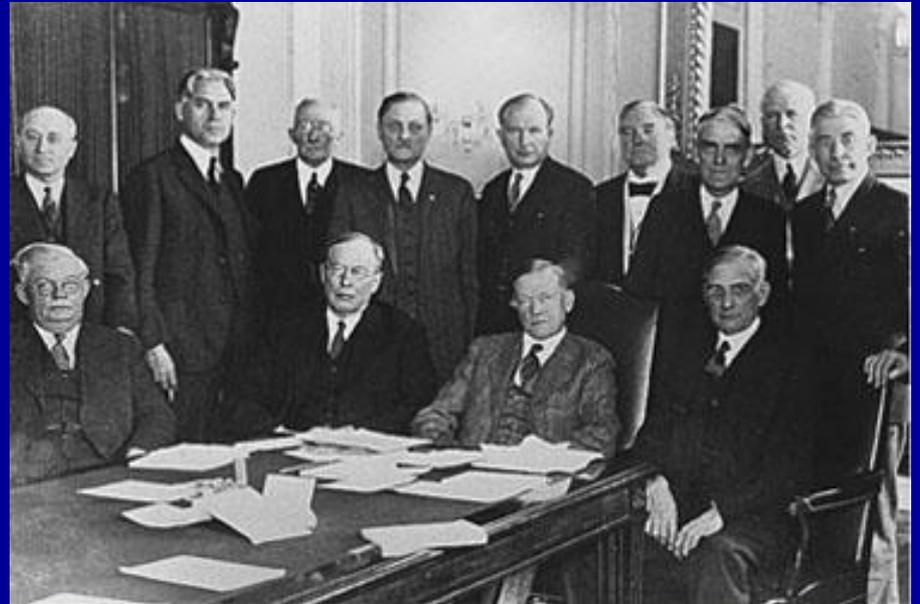
- A Governing Body
- A Fiduciary Body
- A Representative of the “owners”

Question: Who are the owners?

Governance

Focused on:

- Mission
- Vision
- Strategic Goals
- Leadership
- Policy
- Delegation
- Oversight



Fiduciary Duty

A Non-Profit Board is has a fiduciary duty.

A Duty of Care

- Safeguard the assets
- Use prudence

A Duty of Loyalty

- Place the interests of the organization ahead of their own



The Reality

Many Board Members:

- Remain unaware of their responsibilities
- Take a passive, inactive role
- Consider it merely an honorary position
- Rely on staff to make policy



Symptoms of “Problem” Boards

- No long-range plan or clear vision
- Rubber-stamps the actions of the CEO
- Overly involved in management; “nit-picking”
- Passive about strategic planning
- Uninvolved in fund raising process
- Few, if any, active on committees
- Few members donate personally
- Lack of enthusiasm about the mission
- No job descriptions for board members
- Members recruited without clear expectations
- Perfunctory nominating process

What Does A Great Board Look Like?

- Strong, committed leadership
- Focused on Mission & Vision
- Delegates management responsibility to the CEO
- Accepts responsibility for securing resources
- Safeguards the assets
- Loyal to the organization and its mission
- Renews itself
- Connects the organization with the community
- Members give and help raise funds

A Few Words About Change

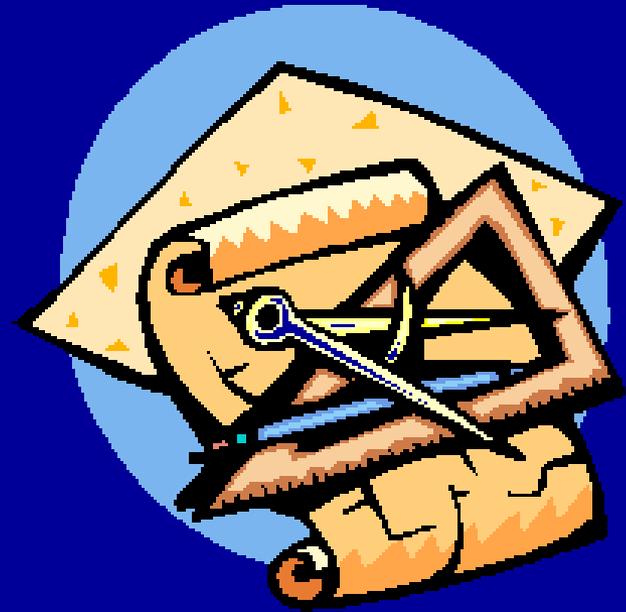


- Most non-profit boards have a lot of room for improvement
- Real change is evolutionary
- Start where you are and develop a strategy for improvement

A Plan for a Great Board

Our Plan includes:

- Vision
- Structure
- Recruitment
- Training
- Participation



Vision

The basic question:
Why are we here
and what are we
trying to accomplish?

Strategic planning
provides a vision
that answers this
question.



No Strategic Planning

Without strategic planning, you are simply copying what you did the year before.



Structure

Boards need:

- A **leadership development** process
- An active committee process
- Written job descriptions
- A Board Manual
- Training
- Opportunities for involvement

Recruitment

You will attract the best board members with:

- A clear job description
- A clear mission statement
- A real opportunity to make a difference
- A definite term of service
- Peer-to-peer recruitment



Nominating Committees

- Should function *year-round*
- Evaluate current board members
- Seek specific types of new members
- Plan recruitment strategies
- Plan leadership succession
- Actually a *Board Development Committee*



Nominees

Seek new members who:

- Will strengthen your Board
- Care about your mission
- Diversify to your Board
- Accept the job description
- Commit to personal giving
- Commit to active involvement
- Have business contacts



Orientation



Provide a thorough orientation for each new Board member.

Familiarize them with your programs and services.

Provide a written Board Manual.

Training

Most new board members arrive with little understanding of how to be a good board member.

The only solution is training.



Participation

Make sure the board experience is satisfying and rewarding for each board member:

- Active involvement on the Board
- Personal involvement with the mission
- Recognition



Meetings & Committees

- Streamline Board meetings
- Keep them interesting
- Avoid routine, non-essential items
- Keep them focused on the “Big Picture”
- Use active, working committees
- Enroll each Board member in a committee
- Use committees to grow new board members

OK, How About Fund Raising?

Common questions:

- What is the Board's responsibility?
- What is each member's role?
- How do we get our Board energized for fund raising?
- What difference does it make?

The Need for Board Support

A lack of support from the Board of Directors is generally the *kiss of death* for a fund raising program.

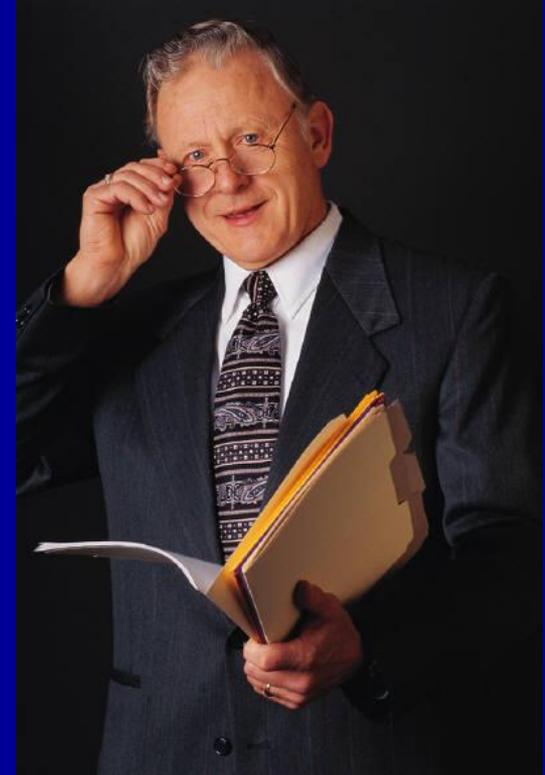


Why is the Board Important?

- The Board of Directors must take the lead.
- Prospective donors will ask about board giving.
- Successful fund raising efforts invariably have boards that give and help out.
- How can board members expect other people to support their agency, if they will not support it themselves?

Safeguards

How does your organization build and preserve its credibility so that donors are willing to make major investments in the mission?



Credibility Factors

- Ethical practices
- Legal compliance
- Prudent investing
- Oversight of finances
- Conflicts of Interest



Building Board Philanthropy

First Step: Persuade the Board to accept the premise that every Member should personally contribute to the organization.

Second Step: Involve each Board member in the fund raising process.

Questions?

