



Board Governance Workshop

Villages of Montgomery County

March 22, 2022

Capacity Partners, Inc.



STRATEGIC PLANNING



FUNDRAISING



BOARD DEVELOPMENT



MANAGEMENT
CONSULTING

WE BELIEVE IN THE POWER OF NONPROFITS

Capacity Partners guides nonprofit leaders to achieve transformative results by blending best practices with original thinking.

We share your vision of vibrant nonprofits
building a thriving community for all.

Michael Feinstein | Vice President

Agenda

- 1** Board qualities that drive Village success
- 2** Stages of Village board development
- 3** Separating governance from management
- 4** Building an effective board

Four board qualities that drive success



BARRIERS

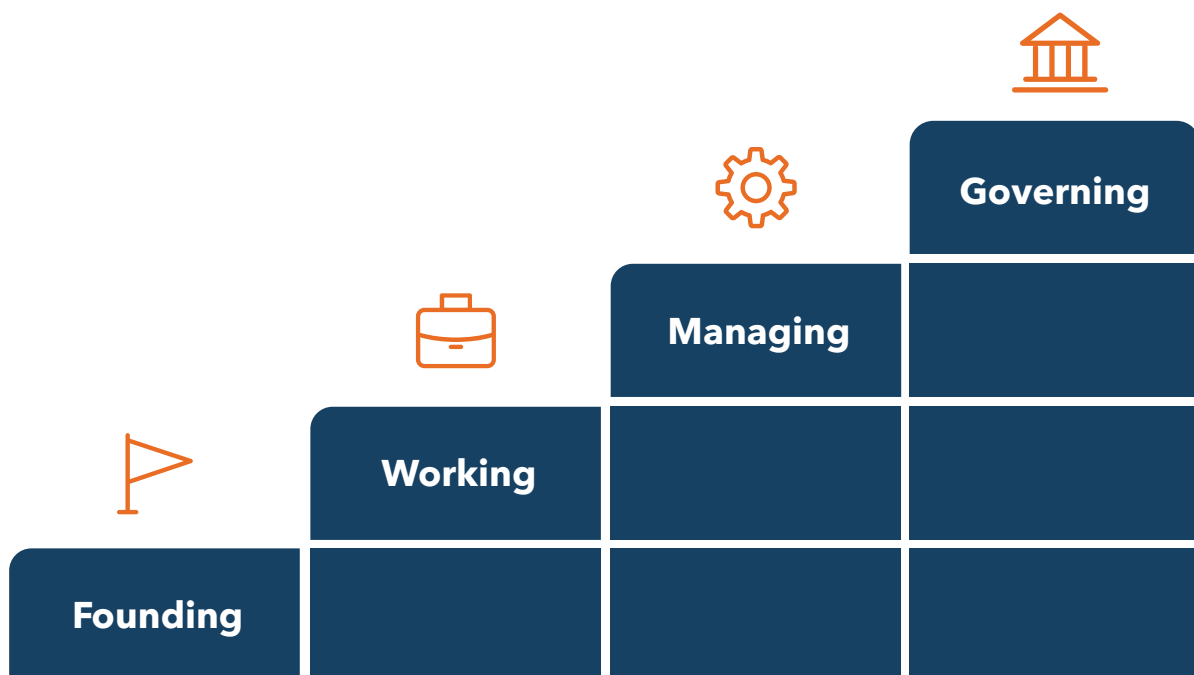
What gets in the way?

- 1 No clear direction
- 2 No new blood
- 3 Uninformed board members
- 4 Unproductive or distracting board members
- 5 No functioning committees
- 6 No business model

Stages of Village Board Development

Villages of Montgomery County

Governance continuum



Governance principles

- ✓ **Provides a meaningful and rewarding opportunity** to guide a mission-based organization and have a positive impact on your community.
- ✓ **Focuses on mission, vision and strategic issues**, not daily operations.
- ✓ **Understanding of the collective role** of the board and the individual roles of board members.
- ✓ **The board hires the chief executive** - the chief executive hires the staff.

Governance and management



Governance

is about mission and vision, and the translation of mission and vision into strategy and policy.

Developed cooperatively between the board and staff.

Determination is a Board function.



Management

is about making the decisions needed to implement strategy and policy.

Staff may seek advice of individual board members with relevant expertise.

Staff function.



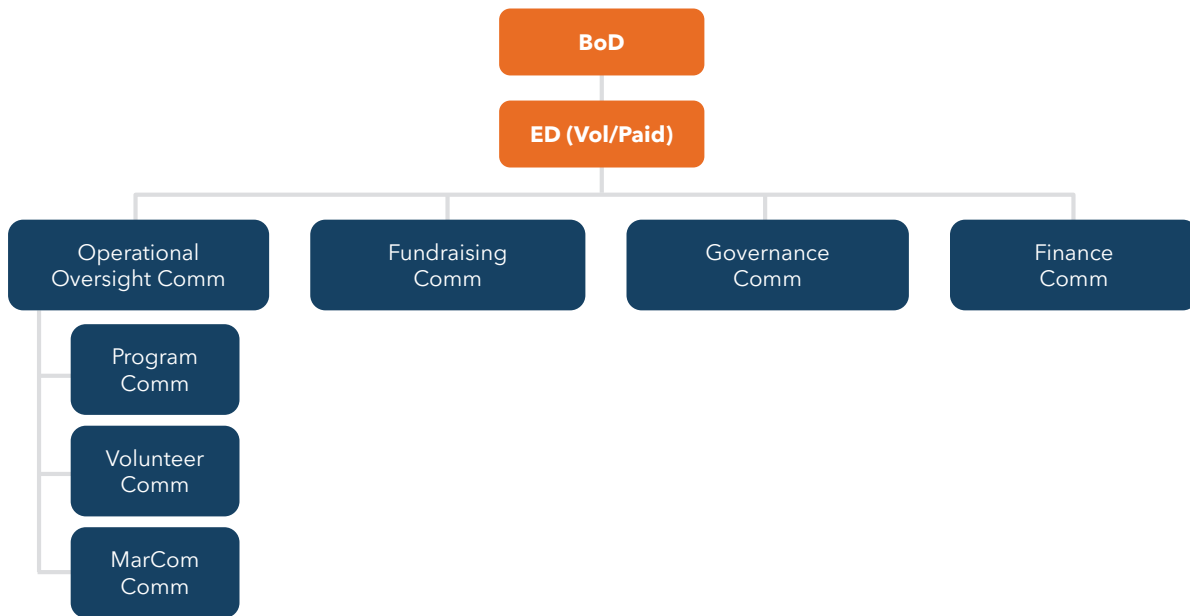
Operations

are about implementing managerial decisions.

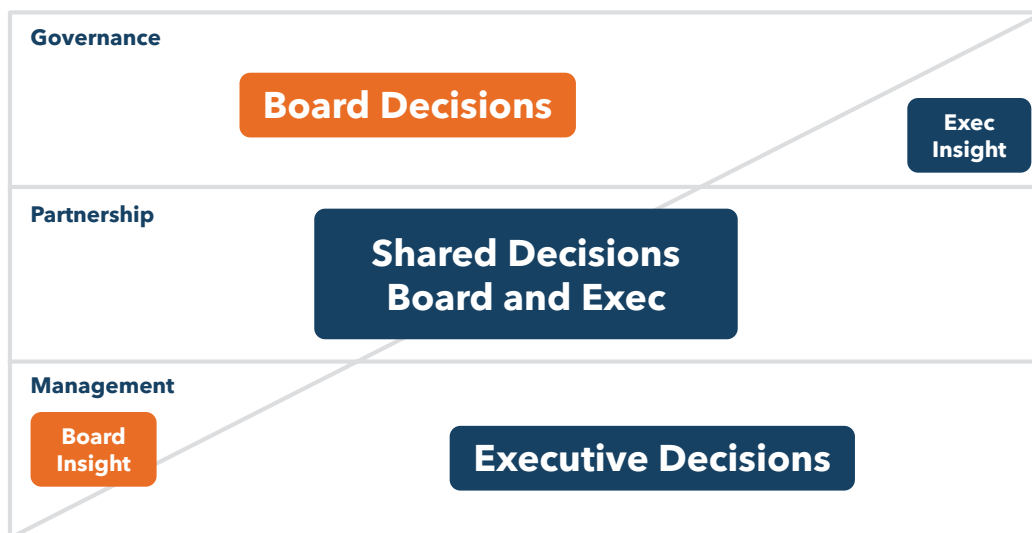
Staff may seek advice of individual board members with relevant expertise.

Staff function.

Separating governance and ops



Governance and management



Building An Effective Board

Villages of Montgomery County

Foundation

- 1 Job descriptions
- 2 Board vitality
- 3 Board operations
- 4 Assessment

Board job description

Key Responsibilities of the Board



Set
Organization
Direction



Ensure
Necessary
Resources



Provide
Oversight

Board responsibilities



Set Organizational Direction



Mission



Vision



Values



Strategy

Board responsibilities



Ensure Necessary Resources

- ✓ Hire, oversee and support the chief executive
- ✓ Ensure adequate financial resources and meet fundraising responsibilities
- ✓ Ensure the presence of a capable and responsible board
- ✓ Protect the good will and assets of the organization
- ✓ Enhance public standing: clearly articulate mission, accomplishments and goals; seek support from the community

Board responsibilities



Provide Oversight

Ensure effective use of resources

Monitor and evaluate programs and services

Measure progress against the strategic plan

Evaluate the chief executive

Evaluate the board

Plan for succession

Provide legal and ethical oversight and maintain accountability

Legal and ethical oversight

Sarbanes-Oxley



Whistleblower
Policy



Document
Retention and
Destruction Policy

Board member job description

Board

Fiduciary

Strategic thinker

Committee member

Ambassador and advocate

Donor and fundraiser

Non-Board

Unpaid staff member

Volunteer

Expert advisor

Board member fiduciary duties

Fiduciary

Acts on behalf of another based on an expectation of trust

The Three Ds

Duty of Care

Duty of Loyalty

Duty of Obedience

Board member fiduciary duties

Duty of Care | Duty of Loyalty | Duty of Obedience

Exercise good judgment and sound oversight.
Act in good faith, stay informed and ask questions

Board member fiduciary duties

Duty of Care | **Duty of Loyalty** | Duty of Obedience

Act solely in the organization's best interest and not in your own self interest or in the interest of an entity with which you have a formal relationship.

Board member fiduciary duties

Duty of Care | Duty of Loyalty | **Duty of Obedience**

Comply with laws, follow bylaws and policies,
be a guardian of the mission.

Protecting the Village and Board

Volunteer Protection

Maryland Volunteer Service Act
Federal Volunteer Protection Act

Indemnification of Directors

(D&O Insurance)

Key Areas of Focus

Employment
Three Ds
Financial activity
Business operations
Fundraising
Volunteers

Summary board and board member responsibilities

Members of the governing body: Duty of care, duty of loyalty, and duty of obedience

Have ultimate responsibility for the organization

Applies during board meetings when developing policy and acting collectively

Ambassadors for the organization

Represent organization externally

Volunteers for the organization

When participating in all other organizational activities, no special privileges

Board vitality



Recruitment



Orientation



Succession
Planning

Recruiting prospective board members:

Governance
Committee



Job description and expectations

Village needs

Diversity of background,
skills and perspective

Recruiting prospective board members:

Identification



Timeframe

Prospecting

Recruiting prospective board members:

Cultivation



Pre-board participation

Assessing prospects

Orientation



Goals



**Orientation
Session**



**Board
Manual**



Mentor

Succession planning



**Term
Limits**



Planned vs
Unplanned

Succession planning



Term
Limits



**Planned &
Unplanned**

Board operations



Annual Board
Planning



Engaging
Board
Meetings



Committees

Annual board planning



- 1 Board goals and key dates
- 2 Calendar of meeting topics
- 3 Board retreat
- 4 Review committee charges
- 5 Update board manual
- 6 Create a dashboard

Engaging board meetings



- 1 Agenda and materials provided in advance
- 2 Board members prepare
- 3 Board members show up
- 4 Board chair runs a smooth meeting
- 5 No parking lot meeting

Board focus



Committees



- 1 Types

- 2 Charters

- 3 Size and make-up

- 4 Expectations

- 5 Meetings

Assessment



Individual
Board Member
Assessment



Board
Assessment



ED
Assessment

A great Village board



**Passion and
Preparation**



**Accountable and
Appreciative**

