

Board Boot Camp 301:
Board Culture and Keeping the Board Engaged

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Board engagement

1. Recruitment process
 - A. Being clear about expectations of board members (**Handout A**)
 1. Personal financial commitment
 2. Meeting and committee obligations
 - a. Attendance & participation
 - b. Board fundraising (**Handout B**)
 3. Culture of civility and congeniality (**Handout C**)
 - B. Effective use of a skill-set profile matrix (**Handout D**)
 - C. Board recruitment protocols
 - A. Pros and Cons of Committee-only Recruitment [other alternatives might be volunteer stewardship monitors, newsletter editors, envelope stuffers, landowners who have conserved, community leaders stepping off other non-profit boards]
 - B. Conflict of interest/Confidentiality/Non-disclosure concerns/Whistleblower (**Handout E**)
 1. Other non-profit board concerns
 2. Business and work-related conflict concerns
2. Board orientation or “on-boarding”
 - A. Use of a buddy system
 - B. Use of a board member manual (**Handout F**)
 - C. 360° approach to orientation
 - D. Chair and/or Executive Director check-ins quarterly with new board members
3. Effective board meetings
 - A. Make engagement easy
 - B. Informative board packages in advance of meeting

- C. Consent agenda approach
 - D. Strategy session
 - E. Generally stay with agenda and time limits
 - F. Culture of open dialogue of tough strategic questions
 - 1. Making time for such discussions
 - 2. Knowing when to let a discussion continue – a strategic discussion can break out where you don't expect it.
4. Committee work
- A. Reporting to board on committee work – the right balance of reporting
 - B. Committee assessments
 - 1. How is the committee doing in its performance of job description?
 - 2. Does committee have enough staff and/or resources?
 - 3. What can the board do to make committee perform even better?
5. Adjusting bad behavior
6. Strategic Planning [yearly as part of work planning and budgeting as SPA does]
- A. Value of board retreats [every 3-5 years for major review]
7. Getting to know each other
- A. Board biographies or “Yearbook”
 - B. Name tags
 - C. “Break the ice” exercises
 - D. Social Gatherings
8. Effective succession planning & transitioning
- A. Understanding and embracing the cycles of a non-profit (**Handout G**)
 - B. Transitioning from all-volunteer to staffed organization
 - C. Leadership succession planning
9. Board member and leadership assessments
- A. Board member self-assessment
 - B. Chair and/or ED assessment and self-assessment

Board Culture

1. What does It mean and why do we care? (Handout H)
 - A. Definition [see handout]
2. Assessment to flesh out board culture
 - A. Role and duty clarity
 - B. Power and authority balance
 - C. Commitment to continuous improvement in governance practices
 - D. Rigor and accountability
 - E. Healthy group dynamics
 - 1) Differing styles in running a meeting
 - 2) How do we respond to strongly worded dissent
3. Relationship between engagement and competent board and effective board culture
 - A. Review of assessment questions in the article on board culture to flesh out the relationship.



SAKONNET PRESERVATION ASSOCIATION

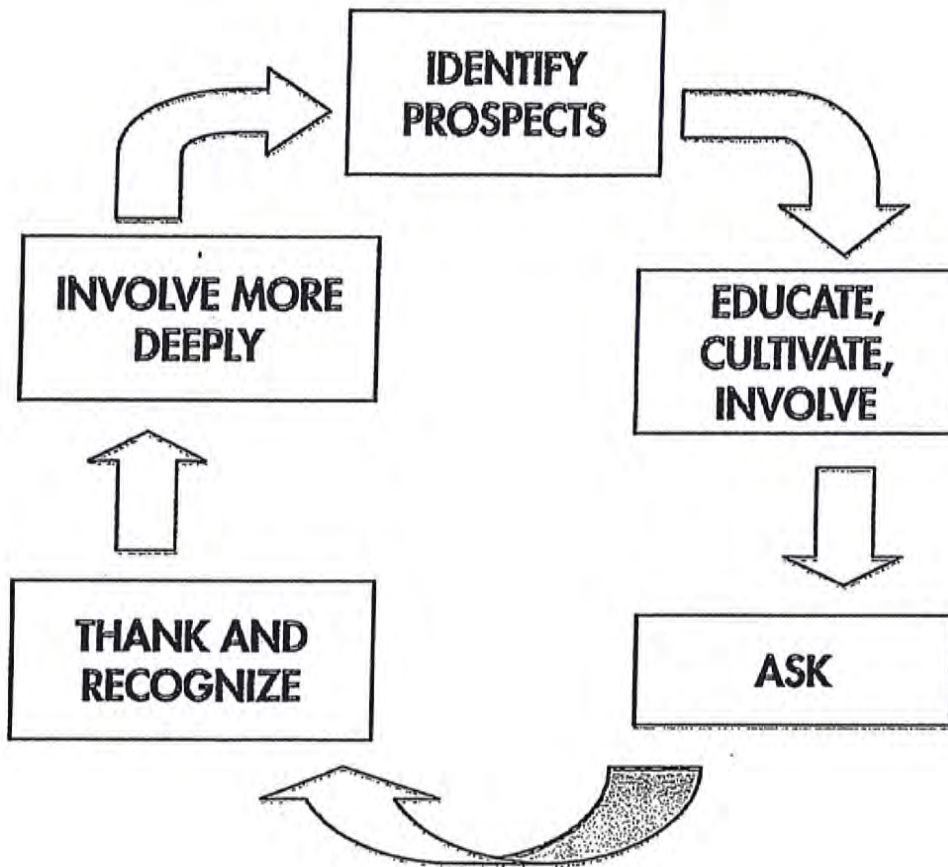
GUIDELINES FOR SERVICE ON THE BOARD

- A demonstrated interest in the organization's mission and goals.
- A willingness to regularly attend board meetings, committee meetings, and special events.
- Interest and/or knowledge in land management, administration, law, planning, finance, development, or community relations.
- A willingness to expand knowledge or board responsibilities through ongoing training and membership on at least one committee.
- A willingness to participate in association's fundraising activities.

Adopted by vote of the Board of Directors on April 10, 2001

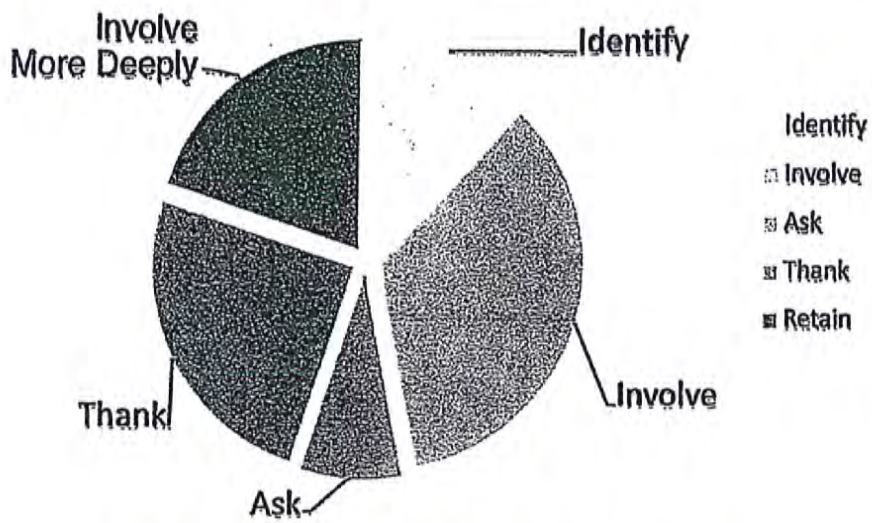
Handout
A

Cycle of Fundraising



Cycle of Fundraising Time Allocation

Breakdown of Time Spent on Each Phase of Fundraising Cycle



Adapted from Tina Cincotti, Funding Change Consulting.
Used with permission. Thanks, Tina!



Cycle of Development: Expanding Your Connection

Naturally Inspiring and Enriching Lives through Meaningful Connections with
Nature, People and Community

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Inclusive Involvement

1. Train volunteer-donors to give Center tours
2. Ask donors to assist, lead or invite them to programs and events.
3. Invite donors to join Board, committees or focus groups.
4. Ask donors to write a story for newsletter on personal importance of DC.
5. Ask donors to host house parties in concert with board members, and to make intro/open doors.
6. Ask donors for feedback on planning, fundraising, and other organization-wide initiatives.

Identify Prospects

1. EAD and Staff identify potential foundation grants.
2. Seek and refer board members with fundraising experience.
3. Actively seek potential donors/volunteers.
4. Review donor lists for potential donors who have given to similar organizations.
5. Have a designated person(s) to talk to referrals.



Educate and Cultivate

1. Develop the why through an "elevator speech". Train staff and board.
2. Host donor dinners and events with time dedicated to the DC story.
3. Tours—train ambassadors on "elevator speech."
4. Ask donors to talk to donors, and provide opportunities for roundtable discussions.
5. Create Q&A with common questions, and include how to learn about upcoming events, who to call to be involved.
6. Articles and photos in newsletters (e.g., bequests, memorial gifts; personal stories from participants).
7. Seek out media attention for grant receipts and DC storytelling opportunities.



The System: A volunteer and donor tracking database is key to providing personalized attention and to communicating respectfully.



Thank and Recognize

1. Board makes quarterly calls to new donors \$250+.
2. Informal thank you's (e.g., at event or program).
3. Invite and recognize sponsors, item donors and volunteers at summer recognition events.
4. Host Voyageur Dinner and Member Appreciation Night/Annual Meeting.
5. Publicize names of supporters in annual flier and otherwise as appropriate.
6. Send donors CDs, DVDs and other visual gifts thanking them.
7. Personalize gifts and notes.
8. Encourage attendees at events to patronize supporters and sponsors – and frequent their establishments yourselves.



The Ask

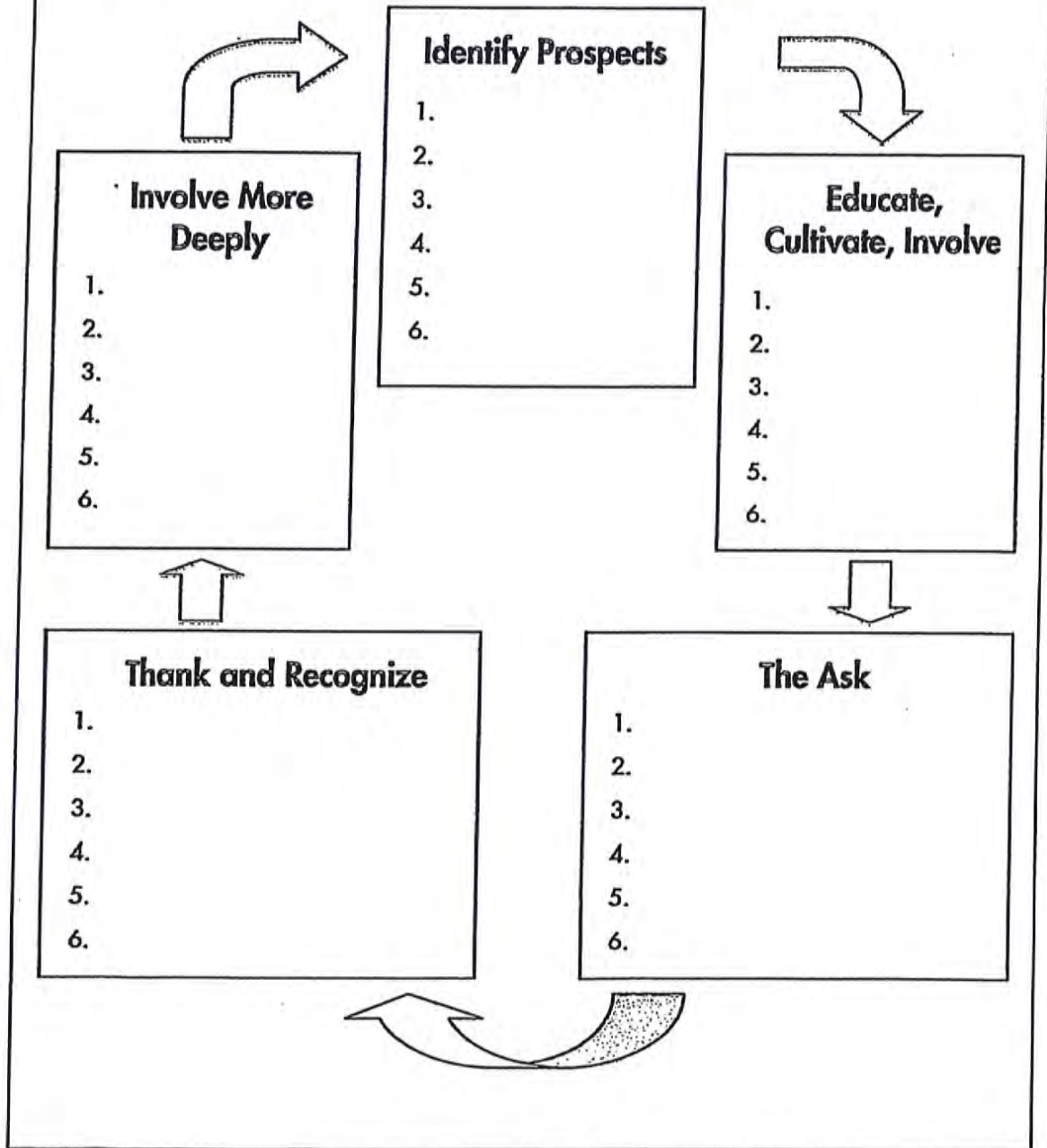
1. Face to face visits (collaborative)
2. At house parties and other events as appropriate.
3. Website, email and social media asks.
4. Letters (e.g., sponsor) and follow up calls.
5. Identify challenge or matching donor gifts.
6. Make calls supporting a special event.
7. Solicit/give items for silent or live auctions.
8. Recruit new members.



Cycle of Fundraising

BUILDING A DONOR ENGAGEMENT MENU

Create a menu of activities for each stage of the relationship:



Sample 1

GROUND RULES ADAPTATION



The key is to respect the meeting

Ways to respect the meeting:



1. Have a positive attitude.



2. Turn cell phones off.



3. Be on time.



4. Listen.



5. Take turns talking.

GROUND RULES ADAPTATION



6. Stay on topic.



7. If there are problems or concerns, talk to the Committee Chair before or after the meeting.



8. Be kind to all the people who attend the meeting.

Remember, by respecting each other, you will have a good time and enjoy the meeting.



THE SAKONNET PRESERVATION ASSOCIATION, INC.

WHISTLEBLOWER PROTECTION POLICY

1. When written notice of a suspected violation is received, the correspondence will be date stamped and then be given to the Board President or Treasurer. The President or Treasurer will acknowledge receipt of the reported violation (if the complainant's identity is known) and establish the date by which the matter will be resolved and a resolution letter sent to the complainant.
2. The President or Treasurer will report the suspected violation to the Executive Committee at their next scheduled monthly meeting or sooner if the President or Treasurer believes that a special meeting should be called to address the reported violation.
3. The Executive Committee or the Finance Committee as described below in Procedure #5 will investigate the reported violation and formulate a recommendation to the Board of Directors on an appropriate remedial course of action, if appropriate, and draft a written response to the complainant. The Board of Directors will decide the final outcome and approve correspondence and documentation.
4. The maximum turn-around time from receipt of a suspected violation to a resolving Board vote and the sending of a resolution letter to the complainant shall be no more than ninety (90) days.
5. The Finance Committee through the Treasurer will have responsibility for investigating concerns or complaints regarding accounting or auditing issues. The Executive Committee through the President will have responsibility for all other concerns or complaints.
6. The Whistleblower Protection Policy is included in the Association's Personnel Policies (as adopted November 15, 2006 and amended August 20, 2008 and December 17, 2008 and as may subsequently be amended) and the Board of Directors orientation materials.
7. A discussion of this policy will be a standard part of any new director or staff orientation.
8. Directors, officers, and employees will be required to sign a copy of the Whistleblower Protection Policy on an annual basis. Signed copies of the policy will be on file in the Association office.
9. The Whistleblower Protection Policy and supporting procedures will be reviewed and updated by the Board of Directors at least every five (5) years or more frequently, as necessary.

Revision History

12/17/2008 – Adopted by Board of Directors

5/8/2012 – Reviewed & Approved by the Executive Committee

The Sakonnet Preservation Association, Inc.
Whistleblower Protection Policy
Adopted by the Board of Directors on 12/17/2008,
Reviewed & Approved by Executive Committee on 5/8/2012
Page 1 of 1

Handout E



THE SAKONNET PRESERVATION ASSOCIATION, INC.

WHISTLEBLOWER PROTECTION POLICY – SIGNATURE FORM

If any director, officer, employee or member reasonably believes that some policy, practice or activity of the Sakonnet Preservation Association, Inc. is in violation of law, a written complaint must be filed by that individual with the Board President or, alternatively, with the Board Treasurer. The complainant may prefer to remain anonymous, in which case, a resolution response will not be possible, but at the same time, the rigor of the investigation of the anonymous complaint will not be compromised.

It is the intent of the Sakonnet Preservation Association, Inc. to adhere to all laws and regulations that apply to the organization. The underlying purpose of this policy is to support the organization's goal of transparent governance and legal compliance. The support of all directors, officers, employees, and members is necessary in achieving compliance with various laws and regulations. Directors, officers, employees and members are protected from retaliation only if the director, officer, employee, or member provides written notice of the alleged unlawful activity, policy, procedure or practice to the Sakonnet Preservation Association, Inc. and provides the Association with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to directors, officers, employees and members that comply with this requirement.

The Sakonnet Preservation Association, Inc. will not retaliate against a director, officer, employee or member who in good faith, has made a protest or raised a complaint against some practice of the Association, or of another individual or entity with whom the Association has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, regulation or a clear mandate of public policy.

The Sakonnet Preservation Association, Inc. will not retaliate against a director, officer, employee or member who discloses or threatens to disclose to a director, officer, supervisor or a public body, any activity, policy, procedure or practice of the Association that the director, officer, employee or member reasonably believes is in violation of a law, or a rule or a regulation mandated pursuant to law, or is in violation of a clear mandate of public policy concerning the health, safety and welfare of individuals or the protection of the environment.

The Board of Directors may from time to time, as appropriate, adopt or amend this policy and the procedures that support its operation. This policy will be periodically reviewed by the Board as required by the supporting procedures.

My signature below indicates my receipt and understanding of this policy. I also verify that I have been provided with an opportunity to ask questions regarding this policy.*

** This signature forms as an electronic or digitized copy, whether electronically mailed by the Board Member or made by SPA, has the same effect as an original.*

Revision History

12/17/2008 – Adopted by Board of Directors

5/8/2012 – Reviewed & Approved by Executive Committee

10/22/14 – Amended by Board of Directors (asterisk note)

Signature

Date

Printed Name

E-2

**ALT Board of Trustees
Code of Ethics and Standards of Service**

Accountability

The ALT Board of Trustees is the legal entity for the corporation and is responsible for the formulation and maintenance of ALT's general policies and operational continuity. The Board is actively involved in the activities of the Land Trust, and thus each Trustee is expected to actively participate in the governance of the Aquidneck Land Trust.

Each Trustee must devote time and attention to the affairs of the corporation to ensure that all ALT actions, including those of the Trustees and the staff, are in accordance with its established by-laws and policies. In establishing policies or authorizing activities, the Board must ensure that no policies or activities will jeopardize the basic not-for-profit status of the corporation or will reflect unfavorably upon ALT as an institution devoted to public service.

Fiduciary Responsibility

The Board of Trustees hold the fiduciary responsibility for the organization and for the protection of its assets. These assets include, but are not necessarily limited to, land holdings, other interests in land, contract rights, physical facilities, and financial assets.

Loyalty and Support

Trustees should not attempt to act in an individual capacity. All actions should be taken as a board, committee, or subcommittee, and in conformance with the bylaws or applicable procedures and resolutions. Trustees should work for the institution as a whole and not as advocates for particular activities or committees of ALT.

All Trustees should support the organization financially as generously as their means allow, encourage others to do so also and support ALT's goals without reservation.

Confidentiality

Trustees should keep information learned during the course of ALT activities in strict confidence when the information concerns the administration and activities of the corporation that are not generally available to the public or when such information could jeopardize ALT. Each board member and each committee member shall be required to sign a confidentiality agreement prior to participating in any ALT meetings and annually thereafter.

Conservation

Trustees have obligations to support matters involving environmental conservation with respect to open space and to monitor and develop the financial structure of ALT so that it can continue to prosper as an institution of vitality and quality concerned for Aquidneck Island's open spaces, natural character, and related natural resource values. In addition, as an environmental organization ALT is concerned about global environmental problems and acts locally in ways that are focused and consistent with its mission so as to do its part in mitigating these threats.

Nothing in this document is intended to create legal liabilities for the Board of Trustees or any individual member thereof.

I hereby state that I have reviewed and will abide by the ALT Board of Trustees Code of Ethics and Standards of Service.

Date: _____

Name: _____

ALT Position: _____

Adopted by the Board of Trustees / August 21, 2001
Revised by the Board Governance Committee / September 11, 2003
Further Revised by Board Governance Committee / October 11, 2007
Adopted by Board of Trustees / October 23, 2007

Aquidneck Land Trust

Conflict of Interest Disclosure Statement Trustees, Advisors, Staff, Interns & Volunteers

I and/or members of my immediate family (parents, children, spouse, or partner) have the following affiliations or interests, which, when considered in conjunction with my position as a Trustee, Advisor, committee member or other volunteer or staff of the Aquidneck Land Trust, could possibly constitute a conflict or could create the perception of a conflict.

(Answer "none" where applicable, and use an additional sheet, if needed for answers.)

1. *Outside Interests:* Describe any interests of yourself or your immediate family in which you may receive a direct or indirect financial benefit as a result of your positions with the Aquidneck Land Trust.

2. *Outside Organizations:* Identify any organizations to which you or a member of your immediate family provide directorial or managerial advice, consultative services, do business with or compete with, or render other services in competition with the Aquidneck Land Trust.

3. *Gifts and Entertainment:* List any gifts, entertainment, or other consideration received by you or the members of your immediate family from persons doing business with or seeking to do business with the Aquidneck Land Trust.

4. *Other:* List any other interests or activities in which you or your immediate family are engaged that might be perceived as, or might constitute, a conflict of interest.

I hereby agree that the duties to disclose are ongoing and to report to the Board Chair and Executive Director promptly should any future situation arise, which may constitute, or be perceived to be, a conflict of interest.

Date: _____

Name: _____

**Aquidneck Land Trust
Confidentiality & Non-Disclosure Agreement**

The Aquidneck Land Trust (ALT) is a non-profit organization established under the Laws of the State of Rhode Island having as its mission the preservation of Aquidneck Island's open spaces and natural character for the lasting benefit of our community. In the process of fulfilling its mission, it is necessary for ALT to treat potential transactions with the utmost confidentiality. In order to fulfill its mission, ALT relies on a number of volunteers and paid staff for its offices, boards and committees (hereinafter referred to as "Member").

Each Member agreeing to assist ALT in its mission is therefore requested to sign this agreement as an acknowledgement of the importance of keeping private information confidential and agreeing not to disclose such information to any third party not associated with the organization. Member further agrees to avoid conflicts of interest so as not to place Member's interests over those of ALT.

Information furnished by ALT to Member or otherwise obtained by Member with respect to ALT, is designated by ALT as confidential and proprietary and shall be held by Member in confidence and used only for the purposes of furthering the mission of ALT. All such confidential and proprietary information, including all copies of such information, and any other information not specifically authorized by ALT for release to the public that may come into the possession of the Member during Member's association with ALT and thereafter, shall be delivered to ALT when requested to do so by ALT without making or retaining copies or excerpts of such information, and shall be returned when Member is no longer providing services to ALT.

Member further agrees to exercise the utmost care to prevent disclosure of such information to others and will not use such information other than in the course of performing services and volunteering with ALT without the prior written authorization of ALT.

The obligations created herein survive the Member's involvement with ALT.

By signing a copy of the Confidentiality and Non-Disclosure Agreement, the undersigned agrees to abide by the provisions hereof.

Member Signature

Date

Printed Name

Aquidneck Land Trust
CONFLICT OF INTEREST POLICY
Originally Adopted by Board of Trustees: October 23, 2007
Revised by Board Governance Committee: May 8, 2009
Re-adopted by Board of Trustees: May 26, 2009

Members of the Board of Trustees, Officers, Committees and employees of the Aquidneck Land Trust (ALT) owe a duty of undivided and unqualified loyalty to ALT. They are not permitted to use their positions to profit personally at the expense of ALT or to benefit the professional or financial interests of any corporation which they may serve as Trustee, Officer or employee. The duty of loyalty prohibits ALT Trustees, Officers, Committee members and employees from usurping for the advantage of themselves or others, such as substantial financial contributors to ALT, an opportunity that rightfully belongs to ALT and from entering into unfair transactions or contracts with ALT. In addition, an ALT Trustee, Officer, Committee member or employee of ALT must perform his or her duties in good faith and in a manner he or she reasonably believes to be in the best interest of ALT. This policy is intended to express general guidelines which are to be observed by Trustees, Officers, Committee members and employees of ALT.

Disclosure. This policy requires that an ALT Trustee, an Officer, a Committee member or an employee must carefully consider any transaction for ALT which involves 1) a Trustee, an Officer, a substantial financial contributor to ALT, a Committee member or an employee of ALT or a member of his or her family (which shall be spouse, parent, siblings, children and any other relative residing within the household of the Trustee, Officer, substantial financial contributor to ALT, Committee member or employee) or 2) an organization with which a Trustee, Officer, substantial financial contributor to ALT, Committee member or employee of ALT is affiliated, and with this consideration such Trustee, Officer, Committee member or employee, at his or her first knowledge of the transaction by ALT, shall disclose fully in writing to the Chair of the Board of Trustees or the Executive Director of ALT the precise nature of the interest or involvement.

Disclosure is further required of Trustees, Officers, Committee members and employees of ALT concerning all relationships and business affiliations that reasonably could give rise to a conflict of interest involving ALT. This disclosure shall be continuously reported and kept current as set forth below.

All disclosures required under this policy must be directed in writing to the Chair of the Board of Trustees or the Executive Director of ALT who, together with the Executive Committee, shall be responsible for the administration of this policy.

Restraint on Participation. Trustees, Officers, Committee members or employees of ALT who have declared, or been found to have, a conflict of interest in any matter involving ALT's work shall refrain from participating in consideration of the proposed transaction, unless for special

reasons the Board of Trustees or an Officer requests information or interpretation from the person or persons involved. The person or persons involved should not vote, or otherwise participate in the decision making process on such matters and should not be present at the time of deliberation or voting.

Any Trustee, Officer, Committee member or employee of ALT who is uncertain about a possible conflict of interest in any matter may request the Board of Trustees or the Executive Director to determine whether a possible conflict exists and, in the case of a Trustee, the Board of Trustees shall resolve the question by vote of a majority of the members present and voting, excluding from such number the Trustee who is the subject of the vote. When possible, the question of potential conflict should be referred to counsel for an opinion prior to the Board's vote, but failure to obtain such an opinion will not affect the validity of the vote.

Conflict of Interest Disclosure Statement. I have received and read ALT's Conflict of Interest Policy and I agree to conduct myself in accordance with the policy, including making the necessary disclosures when such situations arise.

For the information of ALT, I am also listing below any "associates" (as defined below) that reasonably could give rise to a conflict of interest involving ALT, and the position and/or interest which I or a member of my family has in each "associate."

Signed: _____

Date: _____

Printed Name: _____

Associates*:

*An associate of an individual includes a person, trust, organization, or enterprise (of a business nature or otherwise) with respect to which the individual or any member of his or her family: 1) is a director, officer, employee, member, partner, or trustee, or 2) has a financial interest that reasonably could give rise to a conflict of interest involving the institution, or any other interest which enables him or her to exercise control or significantly influence policy.

Table of Contents for this Binder

1. Agenda for 5/14/17 Meeting
2. Table of Contents
3. Guidelines for Service on the Board
4. Organization
 - a. Mission
 - b. List of Board Members
 - c. SPA Calendar for Annual Activities
 - d. "Land Conservation is a Cooperative Effort"
 - e. Map of Little Compton Properties
 - f. Articles of Association
 - g. Tax Exemption Statement
 - h. Good Standing Statement
5. General Policies
 - a. "Sakonnet Preservation Association- 1984"
 - b. SPA Document List (updated policy review spreadsheet)
 - c. "Land Trust Standards and Practice Adoption Resolution"
6. Finance
 - a. 2015 Budget
 - b. Financial & Asset Management Policies & Procedures
 - c. Stewardship & Legal Defense Funding Program
 - d. Expense Report
7. Land Protection & Stewardship
 - a. SPA Property List (updated)
 - b. Land Preservation Policies & Procedures
 - c. Model Easement
 - d. Conservation Easement Monitoring Policy
 - e. Conservation Easement Monitoring Procedure
 - f. Fee Property Monitoring Policy & Procedure
8. Committees
 - a. List of Committee Members
 - b. Executive Committee Description
 - c. Finance Committee Description
 - d. Land Protection Committee Description
 - e. Stewardship Committee Description
 - f. Membership/Development Committee Description
 - g. Public, Information, Education and Outreach Committee Description
 - h. Governance/Nominating Committee Description
9. Accreditation - Letter of Approval
10. Governance
 - a. Strategic Plan
 - b. Bylaws
 - c. Conflict of Interest Policy
 - d. Whistleblower Policy
 - e. Proxy Form
11. Board Minutes
 - a. January 22, 2016
 - b. February 26, 2016
 - c. March 26, 2016
12. Glossary/Terms
 - a. Frequently Used Terms
 - b. Glossary and Definitions of Key Terms

Handout F

Nonprofit Organizational Life Cycle



	Grass Roots - Invention	Start-Up - Incubation	Adolescent - Growing	Mature - Sustainability	Stagnation & Renewal	Decline And Shut-Down
Program And Services	<ul style="list-style-type: none"> Extremely informal or not yet a concern Perceived need for a program or service 	<ul style="list-style-type: none"> Simple programs are initiated or a mix of diverse and non-integrated activities. Strong commitment to delivering services 	<ul style="list-style-type: none"> Programs begin to establish themselves in the market Often demand is greater than capacity More consistent program delivery More focus 	<ul style="list-style-type: none"> Core programs are established and recognized in the community Long range program planning New programs are added & deleted as market dictates Programs functioning well 	<ul style="list-style-type: none"> Organization loses sight of market Programs developed primarily to attract funding Difficulty in delivering services and reaching goals Inconsistent program quality 	<ul style="list-style-type: none"> No longer meeting market needs Loss of credibility with funders and clients Decline in product quality Major reduction in referrals Licensing or accreditation in jeopardy
Staff Leadership/ Management	<ul style="list-style-type: none"> Entrepreneurial and visionary leader 	<ul style="list-style-type: none"> Single minded founder whose vision drives the organization Sole decision making - little or no hierarchy 	<ul style="list-style-type: none"> Beginning strategic division of labor Executive Director still primary decision maker and is less accessible to staff Both external and internal demands 	<ul style="list-style-type: none"> Need for well-rounded Executive Director Sometimes 'Founder's Syndrome' Delegation of authority and clear accountability 	<ul style="list-style-type: none"> Founder likely to leave Change agent needed 	<ul style="list-style-type: none"> Major conflict between ED and board ED makes key decisions w/out board ED is inaccessible and unable to meet deadlines
Staffing	<ul style="list-style-type: none"> All volunteer driven No paid staff 	<ul style="list-style-type: none"> Most work completed by volunteers Small (if any), enthusiastic staff Sense of "family" and cooperation among staff 	<ul style="list-style-type: none"> Staff size increases - still join primarily for mission Deepening organization chart, with more centralized management No job descriptions & personnel policies 	<ul style="list-style-type: none"> Even larger, and more culturally diverse and specialized staff Professional managers are hired Vertical, hierarchical organization chart 	<ul style="list-style-type: none"> Low staff morale; staff turnover Focus is on individual programs, instead of organizational goals Fieldwork develop Volunteers leave 	<ul style="list-style-type: none"> Departure of key staff Key positions difficult to fill Staff grievances bypass ED to board High conflict among staff Low # of volunteers
Governance/ Board	<ul style="list-style-type: none"> Not yet a real concern 	<ul style="list-style-type: none"> Formal governance structure in place Small, passionate, and homogenous board Members tend to be volunteers or hand-chosen by executive 	<ul style="list-style-type: none"> Board expansion - first 'outsiders' New board members are added who are professionals with expertise Less focus on operations, more on 	<ul style="list-style-type: none"> Board size and diversity increases Main function is policy and oversight Fundraising becomes a more important role Good committee structure - most work 	<ul style="list-style-type: none"> No or very high board turnover Sluggish and less involved Bogged down in structure that may be outdated 	<ul style="list-style-type: none"> Very low board attendance No new board members Key board members may leave Eventually dissolves itself

Developed by: Speakman Management Consulting, 404-622-1205, www.speakmanconsulting.com
 Adapted from: The 5 Life Stages of Nonprofits, Judith Shaken Simon, 2002 and The Conservation Company, 1997.

Handout G

	Grass Roots - Invention	Start-Up - Incubation	Adolescent - Growing	Mature - Sustainability	Stagnation & Renewal	Decline And Shut-Down
Administrative Systems/ Operations	<ul style="list-style-type: none"> • Not yet a concern • No real 'home office' 	<ul style="list-style-type: none"> • Few formal systems • Operations are agile and flexible • Informal management infrastructure • Few operational routines or systems in place • Frequent informal communication 	<ul style="list-style-type: none"> • Unsophisticated operating systems • Unstable operations • Purchasing technology • Permanent home office with new admin support • Begin development of operational systems • Internal communication is challenging 	<ul style="list-style-type: none"> • Program and operational coordination through formal planning • Systems, policies & procedures in place • Standardized and efficient operations • Better integration of technology • More data management • Formal communications 	<ul style="list-style-type: none"> • Well-developed systems become "red-tape" • Poor planning 	<ul style="list-style-type: none"> • Departure from systems to crisis management • Poor internal controls or too much red tape • Cannot provide accurate picture of financial situation
Finances and Fundraising	<ul style="list-style-type: none"> • Not yet a concern • All resources are in-kind. 	<ul style="list-style-type: none"> • Focus on gathering resources • Limited financial resources • Small budget with limited to no financial/accounting systems • Overly dependent on a few funding sources and in-kind donations of expertise • Hand-to-mouth 	<ul style="list-style-type: none"> • Established relations with key funders but still unpredictable funding resources • Efficient at in-kind and volunteer resources • Cash flow problems - organization is undercapitalized • Cost considerations are more important • Revenue generation options considered 	<ul style="list-style-type: none"> • Reliable and diverse funding streams • Significant cash reserves • Expanded major giving program • Have, or are considering, planned giving and an endowment • Additional fundraising staff support • Revenue generation 	<ul style="list-style-type: none"> • Insufficient cash reserves • Falling behind on financial obligations • Loss of financial support • Not bringing in new funding sources 	<ul style="list-style-type: none"> • Unable to meet payroll & behind on payables • Relies on lines of credit for basic bills • Possible bankruptcy • Major funders withdrawing or threatening • High % of funds from only a few sources
Marketing/ Community Awareness	<ul style="list-style-type: none"> • Not yet a concern 	<ul style="list-style-type: none"> • Poor external communication • Word of mouth referrals and marketing • No formal public relations 	<ul style="list-style-type: none"> • First official promotional material • Word of mouth still primary marketing channel 	<ul style="list-style-type: none"> • Marketing plan developed • Professional image and promotional material • In-house Communication & Marketing expertise 	<ul style="list-style-type: none"> • Reactive to each crisis • No real proactive marketing and community relation building • Spending less on marketing 	<ul style="list-style-type: none"> • Negative rumors in the community and/or bad press • Key stakeholders cannot clearly define mission & purpose • No marketing

↳ 2

Keys to Life Cycle Transitions



	Grass Roots - Invention	Start-Up - Incubation	Adolescent -- Growing	Mature -- Sustainability	Stagnant And Renewal	Decline and Shut-down
Program And Services	<ul style="list-style-type: none"> Identify key unmet client/community needs Develop a concept plan Identify and evaluate program options Clarify results & expectations of work 	<ul style="list-style-type: none"> Assess and begin to improve quality Establish criteria for what activities and programs to pursue 	<ul style="list-style-type: none"> Develop a strategic plan to clarify & integrate. ID and track client outcomes Learn to say 'no' to opportunities Develop collaborations to better serve client needs 	<ul style="list-style-type: none"> Explore new program delivery models Develop internal process for evaluating new opportunities Review strategic plan & develop a long-range program plan 	<ul style="list-style-type: none"> Undertake strategic planning to review activities – reduce and focus efforts Conduct formal program evaluation – survey clients Explore best practices and models New collaborative relations 	<ul style="list-style-type: none"> Reduce programs to core essence Explore partner to transfer programs Immediately improve quality
Management	<ul style="list-style-type: none"> ID someone with time, skills and energy to formalize the organization 	<ul style="list-style-type: none"> Provide a mentor or coach for development of the leader Assess ED's ability - maximize strengths and minimize weaknesses 	<ul style="list-style-type: none"> Clarify ED's primary roles Establish ED annual priorities Delegate and offer more admin support Begin succession planning for key staff 	<ul style="list-style-type: none"> Enhance ED annual evaluation process Clarify ED's roles related to staff management Explore additional coaching 	<ul style="list-style-type: none"> Develop succession plans for key leadership May need a new or interim Executive Director 	<ul style="list-style-type: none"> Coach current ED or recruit interim ED with turnaround and financial experience
Staffing	<ul style="list-style-type: none"> Estimate initial staffing needs ID and determine how best to utilize volunteers Create a basic staff orientation plan 	<ul style="list-style-type: none"> Use and recognize volunteers well Hire administrative support Consider contract or part-time for needed expertise – accounting, etc. 	<ul style="list-style-type: none"> Hire more admin support Develop job descriptions and work charts Refine volunteer management functions Expand volunteer base Create personnel policies 	<ul style="list-style-type: none"> Increase personnel management Provide more training, including management training Ensure proper volunteer programs Conduct salary comparison Prepare staff for diversity 	<ul style="list-style-type: none"> Prepare for major staff changes Push for enhanced internal collaboration Re-evaluate the volunteer program Explore ways to keep essential staff Reassign staff as needed Consider new staff structures 	<ul style="list-style-type: none"> Conduct staff retreat – input to address critical operational issues Engage third party to mediate conflicts Recognize challenge for staff – plan to address burn-out Explore severance packages if shutdown
Governance Board	<ul style="list-style-type: none"> Begin to ID potential board members Obtain information 	<ul style="list-style-type: none"> Expand the board Clarify board member roles & 	<ul style="list-style-type: none"> Conduct board retreats for planning & training 	<ul style="list-style-type: none"> Institute an annual board evaluation Enhance board 	<ul style="list-style-type: none"> Re-energize or develop new board Explore partnerships 	<ul style="list-style-type: none"> Board resign or build new board Engage third party to

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 Adapted from: The 5 Life Stages of Nonprofits, Judith Sharken Simon, 2002 and The Conservation Company, 1997.

G-3

<p>Administrative Systems/ Operations</p>	<ul style="list-style-type: none"> on forming a board. File articles of incorporation and by-laws Recruit an initial board chair. Obtain legal advice 	<ul style="list-style-type: none"> responsibilities -- offer training Create formal governance structure -- including committees 	<ul style="list-style-type: none"> Formalize board recruitment process Culturally diversify board composition Develop board orientation & mentor program Focus on policies 	<ul style="list-style-type: none"> fundraising capacity Enhance board committee structure 	<ul style="list-style-type: none"> ID initial infrastructure and operation needs Determine any compliance needs Decide on 'home office' Obtain accounting expertise 	<ul style="list-style-type: none"> Formalize record keeping and Begin to establish basic program policies and manuals 	<ul style="list-style-type: none"> Automate data management Purchase necessary technology and equipment Develop maintenance & replacement plan Improve internal communication 	<ul style="list-style-type: none"> Develop a risk management plan Upgrade technology hardware and software Ensure adequate administrative staff Formalize internal communication 	<ul style="list-style-type: none"> Shore up broken systems Reduce red tape Find external financial expertise 		
<p>Finances</p>	<ul style="list-style-type: none"> Expand funding sources Institute formal accounting policies and procedures Hire an experienced accountant Begin to plan for future financial needs 	<ul style="list-style-type: none"> Develop a multi-year budget -- including capital budget Establish formal financial controls Create a development plan Diversify funding streams -- expand individual giving base Hire a development person Explore capital campaign feasibility 	<ul style="list-style-type: none"> Develop an operating reserve & policies Review fundraising plan Start planned giving program Enhance fundraising capacity 	<ul style="list-style-type: none"> Expand funding sources Detailed financial analysis Explore short term cost reductions Analyze current fundraising strategies Add resources to development 	<ul style="list-style-type: none"> ID initial funding sources, including researching targeted foundations Develop a proforma budget Develop an initial development plan 	<ul style="list-style-type: none"> Explore a name -- test with key audiences ID and 'sell' concept paper to key potential stakeholders ID initial marketing and promotional needs Verify community need and interest in addressing need 	<ul style="list-style-type: none"> Develop a condensed fact sheet Create talking points for board/volunteers Begin to develop an organization brand/identity All staff and board to provide potential contact list (possible funders) 	<ul style="list-style-type: none"> Have board more involved in community relations Develop brand and image Enhance professionalism of promotional material Develop proactive PR plan 	<ul style="list-style-type: none"> Enhance marketing capacity Better utilize technology for communication Develop a long-term marketing plan Enhance public relations Reassess logo and image 	<ul style="list-style-type: none"> Proactive public relations campaign Keep key stakeholders updated 	<ul style="list-style-type: none"> Engage technical assistance in crisis communication
<p>Marketing/Community Awareness</p>	<ul style="list-style-type: none"> Proactive public relations campaign Keep key stakeholders updated 	<ul style="list-style-type: none"> Engage technical assistance in crisis communication 									

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6-4

Nonprofit Life Cycles Overview



Stage	Key Question	Duration	Obstacles	Opportunities
Grass Roots - Invention	Is the dream feasible?	0 – 5 years	<ul style="list-style-type: none"> • Resistance to forming • Lack of funding/expertise • No outside support 	<ul style="list-style-type: none"> • Creativity • Energy for the dream • Excitement to join
Start-Up - Incubation	How do we get this started?	1 – 2 years	<ul style="list-style-type: none"> • Fear of formalizing • Sustaining initial enthusiasm • Focusing the founder and energy 	<ul style="list-style-type: none"> • Excitement of funders • Charismatic leader • People wanting to belong
Adolescent – Growing	How can we build this to be viable?	2 – 5 years	<ul style="list-style-type: none"> • Absence of systems & accountability • Overwhelmed with change • Change may alienate funders, clients, staff and board • Danger of becoming isolated in the system 	<ul style="list-style-type: none"> • Sense of accomplishment • New faces, 'arms and legs' • Diversification in all areas of the organization • Rejuvenation for the founders
Mature - Sustainability	How can we ensure sustainability?	7 – 30 years	<ul style="list-style-type: none"> • Lack of or too much control • Lack of risk taking • Board & staff too operational • Unable to transition in to a governance board • Conflict between old and new 	<ul style="list-style-type: none"> • Feeling secure • Adequate resources • New staff/board – fresh ideas • Ability to try something new
Stagnation & Renewal	How, if any, can we renew?	2 – 5 years	<ul style="list-style-type: none"> • Resistance to change • Inability to address key challenges • Declining excitement • Isolation of the agency 	<ul style="list-style-type: none"> • Wisdom from past • Strategic Partnership opportunities • Chance to take risks again and think 'out-of-the-box'
Decline And Shut-Down	Should we close?	1 – 2 years	<ul style="list-style-type: none"> • Financial crises • Inappropriate leadership • Loss of staff and volunteers • Lack of any passion 	<ul style="list-style-type: none"> • Commitment to complete turnaround • Graceful 'sunset' or merger

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6-5

Effective Board Culture: The Last Frontier

by Pamela R. Knecht

Over the last decade, and especially since the Enron failure, boards of all types have been working to enhance their performance. They ensure their composition is competency-based; they align their structures with their strategies; and they have robust, written governance procedures. All of these are important elements of effective governance.

Yet, the performance of many of these boards remains sub-optimal. Despite using best practices, structures and policies, they still are not providing sufficient oversight of their organizations. Evidence of this failure surfaces in reports about boards that have not performed their duties well. Some recent stories revisit the same issues that contributed to the scandals of Enron and AHERF (Allegheny Health Education and Research Foundation). For instance, a not-for-profit nursing home board in Pennsylvania recently ensured some of the organization's creditors got paid back in full before the nursing home declared bankruptcy (just like the AHERF board).

Why, then, do even some of the "best practice" boards continue to fail? The short answer is that they do not have an effective culture. This challenge – developing a healthy culture – is now considered the last frontier for those seeking truly great governance.

What is Culture?

The trick is that culture is difficult to see and even more challenging to change. A helpful way to begin assessing this issue is by clarifying the definition of culture. Colloquially, "culture" is often defined as "the way

we do things around here." It includes the assumptions about how best to solve problems and the agreements about what behaviors are considered to be normal. Every board (in fact every group) has a culture. The issue is whether the culture is as healthy and productive as it could be.

Why Should We Assess Our Board's Culture?

Sometimes, there is a clear reason for a board to want to better understand and improve its culture. For instance, forward-thinking boards conduct a board culture assessment as a part of the search for a new CEO. Other boards discuss their desired culture with the new CEO once he or she arrives.

Likewise, some boards decide to assess their culture at the request of a board

chair who wants to ensure governance is performing at the highest possible level. This could happen when a new board wants to set the bar high at the beginning of his or her leadership term.

Another possible reason to evaluate the board's culture is to ensure the success of an upcoming strategic partnership, affiliation or merger. Proactive organizations conduct a board culture assessment prior to signing the definitive agreement to ensure they do not meet the fate of so many other mergers that failed because of a cultural mis-match.

Or, the chair may want to do a deep dive into the board's culture because something has come to light that calls into question the board's oversight

(e.g., a Stark law violation; needing to re-state earnings).

Unfortunately, some boards need to assess their culture because they clearly have become dysfunctional (e.g., they cannot come to agreement on decisions; they have severe disagreements about the proper role of the CEO vis-à-vis the board).

Who Should Participate in and Lead the Assessment?

The first step in a board culture assessment is to secure agreement from the full board for this initiative. It is critical that the board chair be the advocate for this work and that the rest of the board supports doing the culture assessment. Since it is considered "best practice" for

Culture Assessment

- Role and duty clarity
- Power and authority balance
- Commitment to continuous improvement in governance practices
- Rigor and accountability
- Healthy group dynamics

Handout H

continued from page 4

a board to evaluate its structure and practices at least every three years, this effort could be part of that assessment.

Assuming the board has agreed to assess its functioning, the board's governance committee typically leads the process, because it is (or should be) charged with board development. Assessing culture can be a difficult and sensitive issue, so it is often best to retain an external consultant, who is both an expert in governance and a skilled facilitator of group dynamics and decision making, to address tricky issues that may arise as a part of this process.

How Should the Assessment be Conducted?

The assessment should start with a targeted review of key governance documents such as bylaws, board rosters, committee structure and charters, position descriptions, and the results of previous board self-assessments. The next step usually is to conduct individual interviews with all board members and a few key executives who are regularly involved with the board (e.g., CEO and CFO). Another important component of the process is to observe a regular board meeting to see how board members and executives interact.

What Issues Should We Look for?

In assessing board culture (versus the cultures of other groups), a few key markers will help describe the board's current culture and identify possible issues for discussion. These markers are listed below along with where they may be found (e.g., certain governance documents; by observing a meeting).

Role and Duty Clarity

- Do all board members really understand their basic fiduciary duties such as the duties of loyalty and obedience to the mission, and not to a particular constituency? (Look for representational composition of boards; ask in interviews.)
- Are all board members making objective decisions based on what is best for the mission/system as a whole? (Look for insufficient conflict of interest and independence disclosure and management in meeting minutes; ask in interviews.)
- Does each board member understand and respect the distinction between governance and management? (Look at the agenda and minutes to see the level and type of topics addressed; look at the committee structure to see if it includes management-like committees; observe the topics discussed in meetings.)
- If this is a health system, do the board members at each subsidiary board and the parent board understand the differences between their roles? (Look at the bylaws; look for an authority matrix; ask in interviews.)

Power and Authority Balance:

- Is there a good balance between board-led and management-led governance? (Look at the bylaws and board and CEO position descriptions to determine where the power lies; look at agendas and minutes to evaluate whether the presentations and discus-

sions are led by board and committee chairs or by management; observe meetings and review minutes to see if the board is asking enough probing questions about management's proposals.)

- Is there an excessively strong executive committee? (Look at the bylaws to see if it has final decision-making authority or if its decisions must be reported to the full board; look at the frequency of its meetings; listen for comments from non-executive committee members regarding feeling "out of the loop.")
- Is the board chair assuming too much authority? (Look at bylaws and position descriptions for language that suggests the chair can make decisions on behalf of the board; determine whether officers have reasonable terms and term limits; watch during meetings to see if other board members are too deferential to the chair.)
- Have some board members served on the board a very long time and become "the authorities"? (Study the tenure of board members; look at whether there are terms and term limits to ensure "new blood" comes on the board.)

Commitment to Continuous Improvement in Governance Practices

- Does the board use a competency- and performance-based approach to selection and re-appointment of board and committee members? (Look at bylaws and policies as well as the actual board roster to confirm a mix of competencies; ask about the process used to determine whether a board member is invited to serve another term.)
- Does the board use all possible methods for staying educated and informed? (Look for a robust orientation, an annual education calendar, and annual retreats.)

"The best boards are those that regularly take the time to have an open, honest discussion about their current culture and the ideal culture, and then make action plans to move to that desired state."

continued on page 6

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- Is there an annual assessment of each board member, chair, and the full board that results in board development goals? (Review the board education calendar and annual board goals.)
- Is there a written board leadership development and succession plan? (Look for a policy; ask if it is actually followed.)

Rigor and Accountability

- Does the board have a rigorous approach to its own work? (Look for comprehensive board policies.)
- Is the information provided to the board timely, at the right level, and transparent? (Look at board packets to ensure they include high-level, graphic summaries of information; agendas and minutes.)
- Do the board and CEO jointly set the CEO's annual performance goals and hold the CEO accountable to achievement of those goals? (Look for a document that includes the CEO's goals; ask in interviews.)
- Does the board have a rigorous approach to conducting all of its governance responsibilities? (Look for an annual board topic calendar including review of the audit and other key tasks; study board and committee meeting agendas.)

Healthy Group Dynamics

- Is the size of the board small enough for healthy discussion? (Look at the bylaws; read the minutes; ask in interviews.)
- Are all board members engaged in conversations and actively seeking each others' opinions during meetings? (Observe whether some board members dominate discussions; ask if board members discuss board business outside of the boardroom.)
- Is the decision-making style one that strives for consensus? (Observe during meetings and ask in interviews.)
- Is the majority of the meeting spent in discussions versus listening to reports? (Look at the agenda and minutes; observe meetings.)
- Does each board member exhibit strong interpersonal communication skills? (Observe meetings and ask during interviews.)
- Does the board have (and hold each other accountable to) guidelines regarding the expected behavior of individual board members? (Ask for a copy of the guidelines; observe the meetings.)
- Are the board's discussions characterized by trust, mutual respect

and candor? (Observe meetings; ask during interviews.)

The markers of a healthy culture listed above are not meant to be a comprehensive list. Rather, they are the issues boards need to focus on most to ensure they have a healthy culture.

The best boards are those that regularly take the time (often in a retreat setting) to have an open, honest discussion about their current culture and the ideal culture, and then make action plans to move to that desired state. No board can be perfect. But, it is incumbent on boards to "turn over the rocks" to see if there is room to improve their governance structures, policies, practices and culture. Boards that have made a commitment to regularly and honestly review their own culture have conquered the last frontier of governance effectiveness.

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**The New Landscape for Health Care
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