



Transcript of Misconceptions About Nonprofit Boards and Governance November 2020 Webinar

Caroline: Hi, everyone. My name is Caroline and I'm with Boardable. I'm sure you've heard of the lovely Simone Joyaux before. But if you've never heard of Boardable, we are a central location for everything that your board needs from [document storage](#) to [online voting](#). There's a [meeting center](#) to keep all the details of your meetings straight. You can do polls and task tracking, all kinds of fun things. So, check us out at [boardable.com](#). And then I just wanna point out in the chat area, I'm sharing this handout that Simone is gonna be using today. So, with that, I am so excited to introduce my guest today. Welcome.

Simone: Thank you.

Caroline: [inaudible 00:00:46] All right. There's that handout in the chat if anyone didn't see it in your email before we got started. All right. Let's talk about some misconceptions about boards and governance.

Simone: All righty. So, governance is one of my most favorite things, or my least favorite, depending on how the board is performing. So, there's several key points I want to cover. And then we'll give a little time for Q&A. So, I'm starting on page one of the handout. And the first item on it is opinion versus expertise. So, I'd like to share with you a personal story. I'm a consultant in fundraising, governance, strategic planning. I present all over the world. And so I was invited a few years ago to go to a small organization in Connecticut and talk with the board and senior staff about best fundraising practices, you know, great governance, etc. So, I put together a very long handout, you know, resources for them, etc. And I went to the session, and you know where you suddenly began to notice that virtually everything you say they're kind of responding, "Mmm. That's really not the way we do it," or, "I just don't...we don't agree with that." So, I made an...I was trying to hold in my patience and I was doing okay, although I was already thinking, "Well, I'll never talk with these people again. I guess

they brought me in...I thought they brought me in because I'm an expert, right? You know, like an accountant or a lawyer or something.

Anyway, so at a certain point I made a statement and the gentleman sitting to my right reached over and patted me on my arm and then said, "Well, missy, I've served on more boards than you are old." And so I said, you know, just graciously, not snappily, but graciously and I said, "But I'm right and you're wrong, and here's the IRS handout." You know the IRS, the Internal Revenue Service of the United States of America, like, they have rules and regulations and things. So, when I was leaving that day, the board chair and the CEO walked me out and they said, "We'll never ask you back again because you can't talk to people that way." Nobody, of course, commented on the fact that this guy reached over me patted me on the arm, and was wrong. Okay.

So, there is expertise in governance just as there is expertise in fundraising. It's not a matter of opinion. There are rules. Again, excuse me, accounting. Even plumbers. Okay? So, I've suggested to you a number of great readings. And I wanna, sort of, remind us all or preface these remarks other than by the missy story, which is lifelong learning matters. There isn't an opinion that trumps the knowledge and expertise of someone who knows governance. And by the way, just because "I've served on more boards than you are old," [inaudible 00:04:24] accountant, there are things that change. So, your job and my job is to triumph in opinion versus expertise. And we do that by not just serving on boards, although I would recommend that every staff person who works in governance serves on board, but board service does not matter.

Now, another thing to keep in mind is, why did we start expecting that board members would know what governance is? Does everybody know what the law is? I mean, do they know all the rules? I can read a financial statement and understand it darn well, but I don't position myself as an accountant. So, who needs to be the top-most knowledgeable person about governance? Same person who has to be the top-most knowledgeable person about management, the executive director, CEO. I wouldn't hire someone as an executive director if they weren't an expert in governance or if they didn't say, "I'm gonna learn about it." Just like when I was hired

as an executive director, I didn't even know about management, let alone governance. They were dumb enough and smart enough to hire me and I was dumb enough and smart enough to have applied. But you, the executive director, need to be an expert in governance, highly knowledgeable, reading the most current stuff so that you can very graciously respond to the "well, missy," kind of stuff.

Now, I would say that the other person I want to be highly knowledgeable about governance is the chief. So, you, whoever's on this workshop, you need to be knowledgeable about governance, you need to be constantly reading so that you can be the resource, the leader, the facilitator of good governance. All right. So, that's all fine and dandy, but what the heck is governance? All right. So, what governance is not is fundraising. We don't put together a board with those board members so they can fundraise. No. We put together a group, the collective to do governance because governance in a corporation, in our nonprofit organizations is a collective activity. Governance does not happen unless the board members are at a meeting. And then they have conversations and they make decisions, votes on a limited scope of work.

So, if you were to take a look at page three, the role, the job description of the board of directors. I'm gonna go over some of these points. Okay? Now, remember, governance only happens when board members are together. Governance is the legal moral and ethical responsibility of the board. So, just as an aside, I sure hope you have directors and officers liability insurance for the board, but also for every individual on the board because you can be sued for whatever. And so anybody who's thinking about being on board, you gotta ask, is there directors and officers liability insurance? The board's job is to do this governance thingy, this ongoing due diligence process.

So, if you were to look at page three, let's take a look at...Oh, let's see. Number one, the board with the staff participating defines the values and the mission and sets standards and controls for the organization. Now, does the CEO management do saw that too? Of course, they do. The board doesn't vote on the job descriptions of every staff person. That's the job of the CEO, Executive Director. He/she/they write that. But who writes or who decides the job description of the CEO/ED? The board. The job description is drafted, maybe even the CEO/ED drafts it, but the board reviews it,

edits it, approves it. The board, every single board member in the room at that board meeting. So, just as a quick aside, I'm gonna give you a little test. This is multiple choice. What is the primary role of every individual board member? And here are your choices. So, this is what's most important thing an individual board member does. One, give a financial contribution. Two, help raise money. Three, attend board meetings. I'm going to count to 10 so that you can think about.

Caroline: I think we're all good.

Simone: All righty.

Caroline: That's good.

Simone: The most important thing a board member does is attend board meetings. Yeah, sure, we want you to give a gift. Yeah, sure, we want you to help fundraise. But those are things you do as individuals outside the board meeting. We asked you to be part of the governance process and that requires that you attend board meetings. So, let's see. What else do we do at a board meeting? Well, there's number four, we ensure financial sustainability. How do we do that? Well, we adopt the budget. Okay. We look at financial reports. We review the audit and talk about it.

All righty, let's see, what else do we do? Ooh, number six, the board decides, defines the performance expectations of board members. It approves policies about how to elect, nominate, etc. board members. And then you see number eight, defines the role and hires the CEO. And who appraises the performance of the executive director/CEO? That's another test. Who appraises the performance? I hope you said the board. The full board. No. The board chair, board president does neither supervises nor appraises the performance of the executive director/CEO. The board decides on the process. The process is carried out frequently involving a survey of all board members. Then the task force, a task force committee, whatever, recommends based on all of the feedback from individual board members the performance appraisal of the board and the board acts on that performance appraisal.

Okay. So, let's see. Oh, number nine, ensuring compliance with relevant laws and regulations. So, I do things like, well, we have a discussion at least once a year about the changing laws and regulations in the nonprofit sector. Let's see. I would ask the insurance company to come in and talk with us about coverage and insurance because I'm looking at number five, ensuring adequate risk management. Yes, of course, the CEO, Executive Director helps do that, but you're the board and you have to assure that it's done correctly. So, you could have a report from the executive director/CEO, but I also want the independent insurance agent there. So, that's the concept of governance. And I have to tell you, in my 40 or so years, 30 of them, or 32 of them as a full-time consultant, here's my observation about boards. Most are mediocre at best. Some are totally dysfunctional. And very, very, very few are brilliant at governance. It's because people don't know what it means and the executive director doesn't know what it means and no one is teaching people, and so you got a whole lot of "well, missys" who essentially are saying, "I'm wealthy. I've served on a bunch of boards, so I know better than you do, missy."

So, that's the process. That's the job description of the board. And in order to pick the right people, you have to have all kinds of...You have to have a huge conversation at the board level. And yes, maybe you have a committee, sometimes called the nominating committee, sometimes called the governance committee, sometimes called the board development committee. And of course, it does some work of the board, but ultimately, it's the board that has to approve the policies. Okay? So my website, for example, has a free download library, a learning center, which includes a bunch of handouts around governance, also includes a bunch of podcasts, videos of me presenting about governance. I've also got a book that explains lots of what we're talking about right here. The title is "Firing Lousy Board Members and to Helping the Others Succeed." Yes, that's an aggressive, if you will, title. That's the whole point of a title or a headline, to grab your attention.

Okay. Now, let's talk about those board members. Okay. The ones we're looking for. And since I already told you that the board doesn't exist to do fundraising, then open your minds to the composition of a board. First, in this day and age, and actually for generations, but it's really obvious in this day and age, diversity is important because, see, we're building this group, this brain. Okay? And in the brain, we need different

people with different life experiences, different socioeconomic status, different race, different sexual identity, all adding value to the brain and prepare for the brain to have conversation and disagree and argue. That's how we make the best decisions. Now, there needs to be a job description, performance expectations of board members. And these performance expectations apply to every single board member equally.

So, take a look at pages four and five. And I've separated these out, so the sections, there's number one, number two, and number three, number four, and number five. So, obviously, you would never recruit a board member or someone to be screened...So, let me step back a moment. When you're considering someone for the board, so I'm thinking about this committee, this board development committee, this subcommittee of the board, the process it goes through, of course, the board has already adopted the performance expectations, which we're gonna review in a minute. And then there's a policy that describes what's the composition, the optimum composition of a board, right? Different life experiences. I want somebody on the board who is familiar with accounting. I don't want them to be our free accountant, but I want that brain within the room. Right?

I want a lawyer. Again, not to be our lawyer, but I want that brain in the room. I sat years ago in a...I was on a board and we were at a meeting and somebody started to say something and the person who in the room happened to be a lawyer, was not the institution's lawyer but was a lawyer, said, "Oh, no, stop. Do not make that statement and don't ask that question because it's illegal." Okay. I want that brain there. Okay. I want someone depending on our mission, I want them to be very experienced in our mission. So, for example, I would want...let's say we're an arts organization, a theater. Okay. I actually want someone from another theatre company, someone in the arts to be on the board to help reaffirm what the CEO is saying, etc., etc., blah, blah, blah.

So, there's this policy that says what we're looking for in this brain to combine to become this brain, skills, the skills we want, the diversity we want, etc., etc. And so you'll see on pages four and five that every board member is expected to fulfill these expectations. And the way we know if you're going to is that there's nobody

nominated to the board that wasn't interviewed. So, when you conduct an interview, you don't say, "Hi, Simone, we wanna talk to you about being on our board." Okay? Because once you interview me, you're gonna think, "Oh, my God. Oh, my God. We don't want her on our board." So, you end up saying, "Well, we're reaching out to people in the community, not to ask you for money. This is not a fundraising call. But we've got a number of board positions available in the future. We have committee positions, etc. And we were wondering if you'd like to talk a little bit about perhaps, possibly, maybe getting more involved in our organization." Now, if they say, "Yes, I'd like to talk to you about..." okay. But some will say, "Well, no." That's okay.

So, when you do have that "interview" with them, you actually review all the performance expectations. If at some point, perhaps, maybe you're gonna serve on our board, these are the performance expectations. The reason we're talking to you is because of these skills and knowledge you have. And we'd want you to use them on our behalf. So, on page four, number one, you have to be an active advocate and believe in our mission. Okay? Number two, look at all those participate in the group process because remember, you're going to be joining the board, which is a collective. So, you're gonna be focusing on the good of the organization, independent of your own personal agenda, self-interests, etc. You're gonna support the policies. Even if you voted no when the board was voting on a policy, you're obligated to follow the majority rule or to resign. Okay?

Let's see. Oh, maintain confidentiality of everything. I've been serving on boards since about 1977. Okay? I also have a life partner who actually works in the nonprofit sector, works for the nonprofit sector. I'll come back from board meetings and he'll say, "So, how was the meeting?" I'll go, "Yeah, it was cool." I don't tell him anything. I don't tell him what we decided. I don't tell him about this...Really, there was this one really cool thing. Okay? It couldn't be announced for three months, for three months I didn't tell him until it was publicly announced. All right, 2B, attend board meetings and committee meetings. Now, there's none of this if you miss three consecutive meetings, you're off the board. No. Because I come to one meeting, miss one. Come to one meeting, miss one. No. I expect anybody who gets on our board to inconvenience themselves for the organization. I write down the board meeting dates for the three-year term I've just been elected to. I missed seeing Fleetwood

Mac one time. That was the only time they were in my area because it was a board meeting day and I couldn't go to Fleetwood Mac. Tough life, missy.

Caroline: That's dedication.

Simone: I thought so. Okay. Now, I can control my own schedule. So, I don't go on vacation when there's a board meeting. Now, if you have children and you were gonna go on vacation and the only time you could go on vacation was when the school kids, the children, were on vacation, well, yes, then maybe you'd use a board meeting. And of course, listen, if you've got a really bad cold, we don't want you to come to our board meeting because the rest of us don't want to get it. But otherwise, you inconvenience yourself and you go to the board meetings and you go to the committee meetings.

Let's see. Some of my other favorites here. Okay. We don't make extra copies for board members. You got the material in advance. If you come to the board meeting and say, "Oh, I forgot that handout." It's like, "Okay. Share with somebody next door to you, you know, sitting next to you. We don't give extra copies." You're expected to read the board meeting materials beforehand. So, you don't get to say, "Excuse me, but a little sidebar here. Could you just review the materials you sent out because I didn't have a chance to read them?" This is serious business. Can you imagine? Can any of us listening right now, can you imagine going to a client, if you're a consultant, or going to a staff meeting and asking for extra copies because you forgot to bring yours and then telling your CEO, executive director that you didn't read the material in advance? Oh, by the way, and could you please bring a writing instrument? This is serious.

All righty. Let's see. Other comments. Board member performance expectations. Well, I could look a 2F, as in Frank. You don't get to call CEO and ask tons of questions that are about management. You don't get to call other staff and ask tons of questions that are about management and are not within the board purview. So, you have to be kind of careful about that. Let's see. Well, you're expected, number three, to, you know, read the material that's sent to you blah, blah, blah, blah, blah. All right. Now, it's not uncommon, on page five, this would be C under number three. The last item

there is participate in the appraisal of your own performance. Yeah, because we're gonna do a performance appraisal every single year. And you're gonna have to help appraise your own performance, and then, you know, we could be appraising your performance too because sometimes we need to ask you to step down. We do it graciously. We don't fire you, but we do it graciously.

Okey-dokey. Let's see, number four on page five. So, you attend board meetings, you're always prepared, blah, blah, blah, blah, blah. But then outside of board meetings, you are a leadership volunteer, so we expect you to give a personal financial contribution to the best of your personal ability every single year. And remember Bob on our board? Bob is the single father of six kids and he works in the kitchen of the public school system, but he's a great board member. He makes thank you calls to donors. He always attends board meetings. He's always prepared. He has some experience in our mission. But he's only gonna be able to give about 25 bucks. That's what we asked him for. Bob, would you consider a gift of \$25? Because he's a really good board member. And the fact that he doesn't have a lot of money is irrelevant to governance.

All right. Let's see. Other things a board member would do, again, individual acts of leadership outside of board meetings. Well, I have a whole...It's somewhere in my library. I have a whole form about what we can choose to do in fundraising. Like, Bob makes thank you calls. Research shows that when board members make thank you calls, it increases your retention rates. So, I'm hoping that your development staff...who might be the executive director, mind you, if you're small enough. I'm hoping you're asking board members to make thank-you calls every single year forever. And during COVID, what the hell have we been doing if we haven't been making donor thank you calls and checking in on how they are?

Let's see. Okay. See number five on page five? Agree to step down if you're unable to fulfill these expectations. And I would have preferred if you hadn't accepted the nomination if you knew you couldn't fulfill the expectations, but your life may have changed, right? Your job got busier, you had another child or your child is sick. Whatever. Don't expect us to ask you to step down. You knew the performance expectations. Step down.

All right. So, there we have the job description of the board, okay, which was the first handout you saw on page three. You should adopt this as a policy. Now, obviously, edit it and use your own words. But this is the job description of the Board of Directors or Board of Trustees. Okay? This is it. And you have to adopt a policy for the performance expectations of board members. And you have to adopt policies about how we identify and recruit candidates. I have a wonderful story about that. I founded a women's fund in Rhode Island, which is a social justice organization. And in our first years, there were only women on the board, that was a conscious choice to position women. And so we were going through the annual searching for new board members nomination selection process.

And so the board development committee, because that's what we called it, came to the board meeting and said, "So, we have reviewed the board and where we're at and what additional skills we need to add to the brain. And we have determined, and we are recommending to you Simone, that we need more financial acumen on the board, so we're gonna be looking for, you know, someone who's a chief financial officer at a nonprofit or for a for-profit corporation or an accountant, but again, not to be our accountant. So, we're looking for financial acumen. We're also looking for a little bit more legal experience/expertise. So, those are the two skills we are asking you as board members to think about people to name." And then in our deep commitment to social justice, diversity inclusion, none of the names any of you suggests as candidates, possible candidates, none of them can be women, white...No. None of them can be white women over 50. They can only be women because that's who we were at that point. None of them can be white women over 50.

Now, why do you think the board development committee in summarizing everything and looking at the policies then came to the board and said, "These are the areas of expertise we need, so those are the suggestions we want, these areas of expertise. And none of your suggestions can be white women over 50." I hope the answer to that is obvious. Number one, everybody on the board was over 50. This does not make a diverse community. And furthermore, every single person on this board except for, like, two are white. Now, we all said, "Yes, we are going forth to think about

this and coming back and suggesting names for the board development committee to consider and interview."

So, it was clear that we weren't gonna be coming up with a lot of people of color names. So, I call the colleague and I explained what we were looking for, the skills. And I explained, "I don't want you to just name names that you haven't worked with and had direct experience with." The guy names 10 names. So, I called all 10 of these women, younger than 50, not white. And I asked if they might be interested in chatting with me about the possibility of getting involved with a women's fund, you know, someday on the board, a committee, advice, whatever. Of the 10 women I called, 5 said they'd like to talk. So, I went and I talked with them and we got three board members out of it. That's how you do this stuff. None of us, mind you, none of them...These three women were nominated to the board, none of us knew them. And we conducted a really good interview. And we looked at their bios and everything. So, this is how you build a board. This is how you keep good governance going on by them creating conversation at the board meeting.

So, just as an aside, one of the biggest learning moments in my life was when I began reading Peter Senge, S-E-N-G-E, MIT, that sort of thing, because he invented the concepts of systems thinking and learning organization business theories. And his learning organization business theory is around the fact that an organization, not just individuals, an organization, its board, its staff need to constantly be learning, and they need to constantly have meaningful conversation as opposed to quick votey stuff. And so, imagine board meetings were the day that the audit or the date of the budget needs to be approved that there's context. There's all kinds of footnotes to the budget talking about every seven years or so we experience a recession, so, we're gonna be, like, you know, coming up to a recession pretty soon and we need to think about the implications of that. And what will we have to work on? Our CEO is going to be retiring within this coming fiscal year. We're going to have to add money to the budget for a search process. And even at some board meetings, all board members were required to read an article beforehand so that we could have a decent conversation about diversity, inclusion, and equity. That's how you design a board meeting.

So, I've covered really just about everything on pages one and two, the outline, for you to read more deeply and for you to go and read some of the marvelous articles and blogs as well as books that exist in the nonprofit field. So, then, the only last thing that you have as a handout is page six, which is the board member activities in fund development, little form I invented, which I expect every single board member to complete within a month of election, and then it's up to the staff and, as necessary, the board chair to enforce this stuff.

So, in summary, before Q&A, the board does not exist to raise money. Do not continually use the term board, meaning both board member and the board. A board is a collective, the group. A board member, or a trustee, is an individual. The single most important thing a board member does is attend board meetings because you're supposed to be part of the collective governance process. You, the retired board president of the biggest company in your state, you travel a lot. You're retired. You have that home, as I recall, on some island over in Europe or something, and then you've got the home in Europe, and then you've got the...well, a whole group of family members in South Africa. So, you're always traveling. It's wonderful. And I'm glad you're enjoying it. No, you can't be on our board even though you have more money than was ever printed.

The board doesn't exist to fundraise. The board is a collective that does governance. Board members are individuals that go to those board meetings and do other stuff as volunteers. The single biggest challenge probably that a board, that collective, at meetings to win governance, probably the biggest challenge it has is that it's someone on the board at the board meeting starts to ask a question or asks a question and then the board chair and the CEO very graciously say, "That's not something the board discusses. That's management." You don't allow those sorts of things to happen because it makes a big mess. So, remember that this is a body of knowledge with lots of research. Please don't go down the "well, missy" path.

Let's see. Oh, my P.S. on page two of the agenda. There's a guy named Roger Craver who's like a guru in political and nonprofit direct mail. Right? He was the founder of different kinds of direct mail. He invented and raised money for Planned Parenthood Federation of America, Green Peace, on and on and on. And he has a free daily blog

now called The Agitator. Now, I want to read you one of the statements that he made in his April 20th, 2020 blog. The blog was called "Donor Preservation in the Pandemic." But here's the sentence I want to read to you. Roger is saying, "One thing I've learned is that downturns expose organizational weaknesses, poor practices, and downright neglect. The mess we make of governance is organizational weaknesses and poor practices and downright neglect. Same with the messes we make in fundraising, etc." So, there you have it. I'm here, Caroline, to listen to questions.

Caroline: We have plenty of those, for sure. Okay. One that I thought was especially interesting with the material you've been going over today...well, lots of interesting ones, actually. But how would you modify some of these for very small all-volunteer boards that maybe can't be quite as demanding it would seem of board members?

Simone: Okay. Number one, it doesn't matter the size of your organization. Even if you're all-volunteer, you can demand and insist. So, when I first found the women's fund, there were no staff. It's all volunteer. Okay. Let's see. When I was the executive director of a \$500,000 nonprofit most of the people in the room didn't know what governance was. And as I learned, then I had to teach the board. And so one of the key things that has to happen, and this is actually in the...I think it's in the version of my performance expectations of all board members. On my website, there's this P.S. that says, "For an all-volunteer organization, one moment at the organization..." I just had to get a hat. So, when I'm wearing this hat, we are at a board meeting, so we are all behaving in accordance with what I just said at a board meeting. Oops. Now, I'm a volunteer and I'm maintaining the database.

So, it's not uncommon. And I've worked with and been on the boards of such organizations where we had to remember which hat we were wearing. It doesn't matter your size. At this moment, it's a board meeting. So, we aren't talking about the donor newsletter because that isn't something the board talks about. Now, Caroline and I, who are two board members, remember we were just at the board meeting. But now, Caroline and I are meeting at Starbucks to talk about the donor newsletter because we're in charge of the donor newsletter because in actuality Caroline is an expert in donor newsletters and I just agreed to help. That's how you do it.

Caroline: Okay. So, we're gonna have expectations of people in board meetings and those don't change regardless of that.

Simone: Exactly. And when I'm a volunteer doing management work, I'm a volunteer doing management work, which still doesn't go to the board meeting.

Caroline: Would you prefer to have fewer excellent board members than more mediocre ones. In other words [inaudible 00:45:28]...

Simone: So, this is another question, I take it.

Caroline: This is my question.

Simone: Oh, okay. I don't want mediocre board members. There's no reason for mediocre board members. I want individuals who understand once they're told, "This is what the board does. This is what the individual board member does outside of board meetings. I know you have no experience or very little experience. I just expect that you want to learn and that you will learn. And if you don't want to learn this new subject of governance, then we don't want you on our board."

Caroline: All right. Here's a really good one. What do you do when you have a board that's used to "sort of sleeping through things?" How can you introduce new expectations?

Simone: So, the first thing you have to do is...So, you can't change this whole bad way or less than good way of doing business without more than one person wanting to. So, let's just say that you're the executive director who's ever asked this question. Okay? And you've been to this workshop and now you're starting to read some things and now you're very, you know, periodically saying things to the board chair to try to help him/her/they to get on board to begin to want to learn. Then, at the same time, since you are the staff person that goes to the nominating committee, board development committee, governance committee meetings, you are also beginning to introduce this stuff. So, you know it's gonna take time because they're used to something else. Again, remember, they don't necessarily know. Or you're the

fundraiser or another senior staff person trying to get your executive director/CEO to see there's a different way. So, this is a long process. It's kind of a drip-drip process.

I found when I was a development officer that one of the best ways to educate and bring my managing director boss on board was lunch and dessert, which became a, you know, problem for the two of us. And we just talked about all sorts of things and, you know, I would just drip, drip, drip and he'd finally say, "Okay, I get it," or, "I don't get it and I don't like it, but I understand that you read 12 books on the subject, so we're gonna do it." And then there's always treats. So, sometimes when you have to tell people or help them explore uncomfortable bad news, find out if they like chocolate. And every time you bring up one of these things, you know, you do it with chocolate. Do not assume everyone likes chocolate. This is just an aside. Okay? Because I don't like chocolate. So, if you're bringing me chocolate to soften me up, it just shows you don't know me, and so now I'm mad. Okay?

Caroline: I like it.

Simone: So, drip, drip, drip. It could take six months, a year. Now, if you're fortunate enough to have a community foundation around that likes to give capacity-building grants and you go to them and you get a grant to hire some consultant like me or someone who can come in as an expert and, you know, help the organization and its committees and board members understand.

Caroline: Okay. We've had a couple of really good questions about the line between board and staff. Since it just says that they have too much interference from the board with the staff, she's a staff member, and how should she handle that? But then another person indicates they have a very small startup board and the board could actually help a lot if, you know, some of them wanted to do some of the staff duties. How do you see that line?

Simone: Okay. So, let's take the last one quickly. You asked me to be on the board. You didn't ask me to also be a hands-on volunteer. Those are two different things. If you now want to add to my workload to not only be a board member but to be a hands-on volunteer, then ask me and help me distinguish. And some people will say,

"No. I don't wanna be a hands-on volunteer. I did that for 20 years. I wanna be a board member." And so every time you meet with anyone, you have to say, "I'm talking to you right now as an individual volunteer. Next, I'm talking to you as the chair of the finance committee before the next board meeting." And then what was the other question?

Caroline: If the board is interfering too much with the staff.

Simone: Okay. That's very common, very common. So, you need to be talking with the executive director about that unless you are the executive director. And then the executive director has to speak with the board chair. And one of the things you do at board meetings is you set the context, the background for everything. So, before the finance report, the board chair or the chair of the finance committee or the executive director says, "These are the things to look at. These are the things not to talk about." Now, the other thing is, is when board members are calling...when board members are calling, like, the committee or something like that, all right, the staff person is going to have to say very, very graciously, "I will refer your call to the executive director because this is not something that I can respond to."

So, when I was recruited to a board and then made the chair of the fundraising committee, I said to the staff person, "I'm not going to be commenting on any of your direct mail, any of your anything even though I'm me and 'famous' in fundraising. If you want me to say something specific at the board meeting about board member participation or interference or whatever, then I will do that as the chair of the committee because it will be a board member telling board members to back off." So, you've got to empower your staff to say very graciously, "It's not appropriate that I talk with you about this topic. You can call the executive director or I'll have her call you." And you have to tell the board chair that this is going on. And keep in mind they may not be doing it "on purpose." They may just think that they're showing interest. So, there needs to be...when you elect new board members and periodically regularly at board meetings, there needs to be a presentation jointly done by the board chair and the executive director that talks about limits, that talks about the okay questions to ask board members, or to ask staff, and the, "No, you can't do that."

Caroline: I like that. So, you get some champions to help protect the staff from...

Simone: Well, the board chair is the facilitator of board members and the board meetings. And so the board chair needs to say, "We're crossing boundaries, people. We have to stop." And the executive director/CEO has to protect the staff and say, "No, you can't call the program department and ask them why they're doing this or give them suggestions. No, you can't do that."

Caroline: Makes sense. Okay. Let's see. Here's a good one about, how do you...You talked about that board member who can only donate \$25 a year or whatever. Do you have an individual conversation with each board member to find out what that threshold looks like?

Simone: So, technically, the development office or the development officer should be...So, first of all, if somebody has been on the board for a while and is giving money, then they can be asked to consider an increase, etc., etc. So, you should be getting some of that information from the development operation. You also when you then recruit/elect someone is, so number one, my first reaction if we elected Bob, who in the interview and everything just seemed like he'd be a great board member, I also know that he has six children and he's a single father and the income comes from the public school system kitchen. So, I am immediately sensitive, both as the executive director, fundraiser, and me as the board chair, I'm immediately sensitive to him.

So, when we ask him for his first gift and when we ask anyone for their first gift, even if they're rich and we know it, it's, "Would you consider...I am sensitive to this being your first gift. What might you consider and be comfortable with? Because whatever's right for you is right for us." So, I'm already prepared that Bob isn't gonna have a lot of money. And in fact, we had to talk to him when we were first talking to him about being on the board because he was sensitive to, "Yeah, you know, I always see only bank presidents and rich people on board, so why would you want me? I can't give much." We want you because you're you. And whatever gift you give that's right for you is right for us. So, you're doing research on them, you know what their family

status is, their positions, and you're just sensitive. And you always use the phrase, "Would you consider...?"

Caroline: I like that. It is not forceful, but I mean, it's specific and pointed without being pushy or...

Simone: Yeah. You never solicit anybody without saying "Would you consider..."

Caroline: Yeah.

Simone: ...a gift of...?" And you make that based on what they've given before, what you know about them. Hell, you use things like Wealth Engine, etc., etc., and look them up. And presumably, your organization is keeping a copy of every public annual report, gratitude report where it lists donors and what "gift category" they fit in.

Caroline: All right. I think we have time for another...This is a fairly big topic, so there's plenty to talk about. More questions about the relationship between the ED and the board. We've heard, should the ED be on the board? Who delivers the evaluation that the board conducts to the ED?

Simone: Okay. The ED is the single most important person in the organization and always attends every single board meeting except when recused for the board talk about his/her/their performance. They are in every single board meeting. They are equal to every single board member. They speak as much as any other board member does. It doesn't matter...I don't care if they have a vote because they have a voice. Okay? Now, I know any number of organizations who intentionally position the ED/CEO as a board member because that's very common in for-profit corporations and it shows people that they're really important. But it is only one voice, so they can be outvoted. But the point is they're at every single board meeting. And who invents the agenda for the board meeting? The CEO, who then shares the draft with the board chair, and the two come up with the final draft.

Caroline: I'm glad you touched on that because that was another question too. And then the board secretary is basically distributing it. They're not constructing it so much.

Simone: In large organizations, all of the material that goes to the board members for board meetings comes out of the office. It's not distributed by the secretary. If you're a large enough organization, and right now, for example, I'm working with a \$600,000 organization. And who takes the board meeting minutes? The administrative assistant who's on staff reports to the executive director. She, because it happens to be a she, is taking the minutes, and then they are reviewed by the secretary.

Caroline: The elected...yeah.

Simone: Yes. The board officer, the secretary. So, I served as the board chair of a very large nonprofit for three years. And so, again, we had a task force that did the performance evaluation every year. The CEO was recused. And so the board then took action. And if they agreed or edited the results, then I sat down as the board chair and told the CEO the results.

Caroline: And should the board decide to terminate their CEO, that would also be your job to deliver?

Simone: Yeah, I think so or I might decide to bring them into the room to face 15 board members who are saying, "Hi, we're firing you."

Caroline: Yeah, that would be...

Simone: It's uncomfortable. So, you just say to them...

Caroline: ...[inaudible 01:01:21].

Simone: "...based on this, this and this, the board has voted to terminate our relationship."

Caroline: Okay. Well, I think that concludes our time for today. Obviously, so much more to cover. If people wanna go to your free download library, I put that in the chat a few times. There's a lovely photo of you here with a paper mâché head or something. I'm not sure.

Simone: Oh, you mean...paper mâché head? You mean, am I sitting on the floor with a big...?

Caroline: Yes, a blue face.

Simone: Right. It's a piece of wood, actually. It's a piece of art.

Caroline: Okay.

Simone: It was just a bad day, so everything was all over the floor.

Caroline: We can all identify with that.

Simone: Absolutely. I'm sure we can. And you did see...Oh, okay. So, the other picture people ought to look at, which is somewhere on my website, is me standing in front of the Edvard Munch painting "The Scream" because I was standing in front of it wearing a t-shirt that said "Elect Women" because it was in a museum in Oslo when I was there and I was going like this...So, that's a really professional photo too.

Caroline: Well, you know, you like having some personality in there.

Simone: Right. So, people should feel free...If you want to send me an email with a question, you know, feel free, go ahead.

Caroline: What is your email address? I'll type it in the chat.

Simone: Spjoyaux@aol.com.

Caroline: All right, everyone, especially Simone, I'd like to thank you so much for joining us today. You can see our upcoming webinars at boardable.com. And you have Simone's email address there to reach out to her if you have even more questions. We will also be sending the replay recording to you tomorrow. So, thanks, everyone. Have a great week.

Simone: Thank you. Bye.