



## Misconceptions about Boards & Governance

So much confusion! So many misconceptions!!  
And the right people don't know the right stuff!!!

### 1. Opinion vs. expertise

- There is a body of knowledge. Learn it! Because opinion only harms good governance.
- Just a few readings to build your knowledge of governance:
  - *Firing Lousy Board Members – And Helping the Others Succeed* (Joyaux)
  - *Boards That Make A Difference* (Carver)
  - *Governance as Leadership* (Chair, Ryan, Taylor)
  - *The Ultimate Board Member's Book* (Sprinkel Grace)
  - *Great Boards for Small Groups* (Robinson)
- Always remember this!!!!!!! Just because a person has served on lots of boards does not not mean that person is knowledgeable about governance!!!!
  - Just let me tell you the “Well, Missy” story!!
- Who must be an expert in governance? The ED/CEO/The lead staff person.

### 2. What exactly is governance?

- Distinction between the group that is the board – and the group's individual board members. The terms “board” and “board member” are not not not interchangeable!!
- Process whereby a group of people – the collective – ensures the health and effectiveness of the corporation. See job description on page 2 of this handout.
- Use the board job description to design board meetings.

### **3. What are board members required to do?**

- See the performance expectations of every single board member on pages 4-5.
- Get ready to graciously enhance attrition for the non-performers.
- See the tools in my book *Firing Lousy Board Members – And Helping the Others Succeed*.
  - Composition of the board: Not not not wealthy people who will raise money!
  - Performance evaluation tools
  - Tools for identifying candidates for board membership
  - Always screen / interview the candidate prior to nominations.
  - Always tell candidates the non-negotiable performance expectations.
  - What else?

### **4. Surprise!! Boards do NOT exist to raise money**

- How would a group / the collective (that's the board) raise money at a board meeting?
- No! The board (the collective) does governance at its meetings.
- Yes! The individual board member (outside of board meetings) can help fundraise. And should be expected to take on some fundraising tasks. See the Performance Expectations of the individual board member on pages 4-5.
  - Ask every single board member to take on some tasks on a list of choices, a menu of fundraising activities.
  - And then staff facilitates board members to do this work.

### **5. Always keep in mind**

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### **6. P.S.**

- See below. Read what Roger Craver said in his April 20, 2020 blog entitled *Donor Preservation in the Pandemic*. (Roger is one of the world's foremost direct mail gurus – in both politics and philanthropy.)

“One thing I've learned is that downturns expose organizational weaknesses, poor practices and downright neglect.”

So where's your organization and its governance?



## **Role / Job Description of the Board of Directors**

The board of directors/trustees is legally and morally (ethically) accountable for the health and effectiveness of the organization. The board ensures that the organization achieves its mission in an ethical, transparent, accountable, and prudent manner.

The board's job is governance, the ongoing process of due diligence whereby the board operates as a collective to ensure corporate health and effectiveness. Specifically, the board is accountable for the functions described below.

The board works in partnership with its chief executive (CEO/ Executive Director... whichever term your organization uses). The executive provides leadership and support, enabling the board to carry out its governance responsibility.

### ***Board Functions/Scope of Authority***

All of these functions are accomplished as a group – at board meetings – through review of information, strategic questioning, conversation, and decision-making.

1. Articulate values and mission, and set standards, controls, and policies. Ensure that all the organization's programs, activities, and operations adhere to these.
2. Ensure that the organization is relevant to the community through processes that monitor the external environment and define vision, direction, and strategy.
3. Define and monitor key areas of performance compared with short- and long-range strategy and plans, assess results, and ensure that steps are taken for continuous quality improvement in all areas.
4. Ensure financial sustainability and intergenerational equity, e.g., operations, reserves, and capitalization.
5. Ensure that adequate risk management is in place, e.g., safety and security, insurance, data backup, CEO succession, board officer and board member succession, etc.
6. Define criteria for board membership, ensure proper recruitment of candidates, elect members and officers, and ensure proper orientation and development of board members.
7. Define and enforce parameters of the board's work, including its committees and task forces, and the role and performance of the individual board member. Assess effectiveness.
8. Define the role of and hire the CEO. Appraise performance; set compensation; reward competence; and, if necessary, replace the individual.
9. Ensure compliance with relevant laws and regulations.
10. Ensure effectiveness of management without intruding in management's role and authority.
11. Act as a think tank and sounding board regarding organizational health and effectiveness and the marketplace environment without compromising management's authority.

*Note: The challenge is to ensure that the board – including its individual board members – recognize that #10 and #11 are neither a directive nor an authoritative function.*



**Performance Expectations of  
Every Single Individual Board Member**

Each Board member of this organization affirms the expectations outlined here and strives to perform accordingly. We treat all Board members the same when it comes to these expectations.

We clearly articulate these expectations during the recruitment process – and secure commitment prior to nomination. By accepting nomination or appointment, the individual confirms that this board service is one of his /her top volunteer and giving commitments.

**Specific performance expectations are:**

1. Believe in and be an active advocate and ambassador for the values, mission and vision of the organization.
2. Participate in group processes, e.g., meeting preparation and performance.
  - a. Act in a way that contributes to the effective operation of the Board – and work with fellow Board members and staff to assure that the Board and its committees function well.
    - i. Focus on the good of the organization, independent of personal agenda, self-interest, or influence of others.
    - ii. Support the organization’s policies and procedures for conducting business.
    - iii. Maintain confidentiality of all work unless authorized otherwise.
    - iv. Support Board decisions once these are made.
    - v. Help build a good corporate culture.
  - b. Regularly attend Board and committee meetings. Prepare for these meetings by reviewing materials and bringing materials to meetings.
  - c. Use conversation as a core business practice, asking strategic questions and participating in dialogue.
  - d. Be available to serve as a committee/task force chair or member. Be a prepared and active participant.
  - e. Inform the Board of Directors of any potential conflicts of interest, whether real or perceived, and abide by the decision of the Board related to the situation.
  - f. Respect the authority of the chief executive officer and staff; and, adhere to the limitations of the Board, its committees and individual Board members.
3. Personal development
  - a. Keep informed about the organization, its issues, and its connection to the community through active participation within the organization and outreach outside the organization. (Another way of saying this might be: Participate in opportunities to engage in/understand the organization’s mission.)
  - b. Participate in professional development opportunities to strengthen corporate governance and advance the organization’s effectiveness through learning.

- c. Participate in appraisal of own performance and others, as called upon.<sup>1</sup>
- 4. Individual leadership acts outside of board and committee meetings
  - a. Promote a culture of philanthropy.
  - b. Help support the charitable contributions operation of the organization.  
Specifically:
    - i. Reach into diverse communities and help identify and cultivate relationships to support the organization as donors, volunteers, and advocates.
    - ii. Give an annual financial contribution to the best of personal ability.<sup>2</sup> If the organization launches a special campaign, give to that, too.
    - iii. Participate in fund development by taking on various tasks tailored to your comfort and skills.
  - c. As appropriate, use personal and professional contacts and expertise<sup>3</sup> to benefit the organization, without compromising ethics or trespassing on relationships.
- 5. Agree to step down from Board position if unable to fulfill these expectations.

P.S. And for all-volunteer organizations, board member performance expectations might include management assignments. How would you include those assignments in this document – while assuring that board members don’t confuse doing management work as a volunteer, with serving as a board member.

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<sup>1</sup> Suggested by Cohort 20, Saint Mary’s University Masters Degree in Philanthropy and Development.

<sup>2</sup> Some organizations make this type of statement: “Consider this organization as one of your top two to three charitable commitments.”

<sup>3</sup> Each candidate is invited to join the Board in order to provide specific expertise to the governance process. The individual is informed of this need – and agrees – prior to nomination or appointment.

# Board Member Activities in Fund Development

## Annual Commitment Form [Developed by Simone Joyaux]

At the start of each fiscal year, Board members complete this form, agreeing to carry out various fund development activities. It's helpful for staff or a member of the board to help negotiate items on the commitment form.

Every year, all Board members give a personal financial contribution to the best of personal ability. In addition, each Board member selects at least three items from the *Menu of Choices* below.

Staff provides guidance and direction, training and support to carry out these activities. Board members report results to staff in a timely manner.

### Relationship-Building Activities

1. **Make thank-you calls to donors.** On average quarterly with 5 – 8 calls each time. Complete within three weeks. You don't need to know the person you're calling.
2. **Hand-write brief thank-you notes to donors.** On average quarterly with 5 – 8 notes each time. Complete within three weeks. You don't need to know the person you're writing. The office sends out the official thank-you letter upon gift receipt.
3. **Invite friends/colleagues to get to know the organization better** through various activities, e.g., programs, insider updates, fundraising events, etc. Follow up personally (not to ask for money) to evaluate interest. 2 – 3 times per year.
4. **Host a relationship-building gathering** (e.g., house party, gathering at your office or club, etc.) Once during the year. You can do this in partnership with someone else, too.
5. **Participate in nurturing a relationship with a particular donor** by carrying out specific activities directed by staff. 1 – 2 donors during the year.
6. **Interview donors to collect their stories.** Staff provides the questions. You schedule and conduct the interview, and write up the story. 1 – 2 donors during the year.

### Solicitation Activities

7. **Write brief personal notes on direct mail letters.** You don't need to know the person. 1 – 2 times during the year on 20 or so letters.
8. **Personally, face-to-face, ask for gifts from selected donors/qualified prospects.** Do this alone or in partnership with staff or another board member. 3 – 5 during the year.
9. **Join staff to meet with foundation/corporate representatives** to talk about the organization. 2 – 3 times during the year.

### Other

10. **Serve on the Fund Development Committee and/or Event Committee**, which meets approximately 4 – 6 times per year. Provide leadership, support, and follow-up to the Board and its individual members.
11. **Partner with staff to define interest, readiness, and capacity of prospect donors.** Help design the ask.

Board member signature and date \_\_\_\_\_

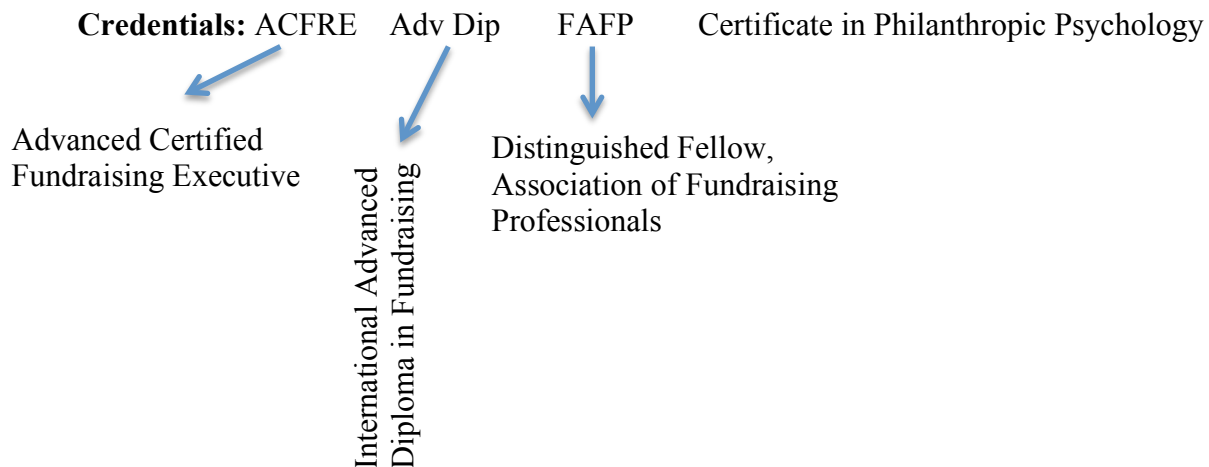


## BIOGRAPHY

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**Simone P. Joyaux, ACFRE, Adv Dip, FAFP, Certificate in Philanthropic Psychology**



- Described as one of the most thoughtful, inspirational, and provocative leaders in the philanthropic community worldwide.
- Began my 33<sup>rd</sup> year as a fulltime consultant in January 2020. Prior to that, I served as an executive director and a chief development officer.
- Expert in governance, fundraising, strategic planning, and management. Speaks worldwide, often simultranslated.
- Regularly serves on boards – often ending up as the chair.
- Author of 3 books:
  - *Strategic Fund Development: Building Profitable Relationships That Last.* Now in its 3<sup>rd</sup> edition.
  - *Firing Lousy Board Members – And Helping the Others Succeed.*
  - *Keep Your Donors: The Guide to Better Communications and Stronger Relationships.* (Co-authored with Tom Ahern.)
- Contributed to multiple other books.