

Venango Leadership (Responsible Boardsmanship)

1-10-2024

- I. Introduction
- II. Who owns a nonprofit
 - A. Public & Moral Ownership
- III. Boardsmanship
 - A. 3 Duties
 1. **Duty of Care:** The duty of care requires that a nonprofit board member participate actively in governance and oversight of an organization's activities. This includes attending board and committee meetings, reviewing and understanding the organization's financial documents, helping to frame strategic plans, identifying and managing risks as well as opportunities, and taking prudent steps to advance the organization's mission and goals.
 2. **Duty of Loyalty:** The duty of loyalty requires that a nonprofit board member act in the best interest of the organization at all times. This includes identifying and disclosing potential conflicts of interest before joining the board, and when they arise. When a potential conflict exists, board members must follow conflict of interest management steps as mandated by law and recommended in good governance guidelines.
 3. **Duty of Obedience:** The duty of obedience requires that a nonprofit board member work to ensure that the organization complies with applicable laws and regulations, acts in accordance with its own policies, and carries out its mission appropriately. Board members should ensure that the organization carries out its purpose and does not engage in unauthorized activities.

Venango Leadership (Responsible Boardsmanship)

1-10-2024

B. Types of Nonprofit boards

1. Working Board
2. Advisory Board
3. Governance Board
4. Fundraising Board
5. Hybrid

C. Basic responsibilities

1. Determine Mission and Purposes
2. Select CEO
3. Support and Evaluate CEO
4. Ensure effective planning
5. Monitor and strengthen programs and services
6. Ensure adequate financial resources
7. Protects assets and provide Financial oversight
8. Build a competent board
9. Ensure legal and ethical integrity
10. Enhance the organization's public standing
11. Boards role in a crisis (Global or Org specific)
 - a) Risk assessment
 - b) Risk management
 - c) Organizational Events
 - d) Finances and Investments
 - e) Staff and Stakeholder Safety
 - f) Board Meetings and Decision-Making Practices
 - g) Communications Planning
 - h) Continual Assessment

D. Conflicts of Interest

1. Does this prohibits you from serving
2. Self policing - Hard all around but its a lot better if board members monitor other board members, rather than staff

E. Trustees Vs. Board of Directors

Venango Leadership (Responsible Boardsmanship)

1-10-2024

- IV. Should you serve on a board
 - A. Insuring its a good fit for both
 - B. Make sure it's something you care about
 - C. Understand what you are getting into
 - D. Questions to ask before joining
 - 1. Mission
 - 2. Organizational Values
 - 3. See the bylaws
 - a) Indemnification
 - b) D&O insurance policy
 - 4. Meet with other board members
 - 5. Meet with professional staff
 - 6. Ask for a years worth of Minutes and Financials for your review

- V. Diversity - Why have it on a board of directors?
 - A. Exceptional nonprofit boards recognize that diversity is essential to an organization's success. They see the correlation between mission, strategy, and board composition and understand that establishing an inclusive organization starts with establishing a diverse and inclusive board.
 - B. Why:
 - 1. When a nonprofit's board reflects the diversity of the community served, the organization will be better able

Venango Leadership (Responsible Boardsmanship)

1-10-2024

to access resources in the community through connections with potential donors and/or collaborative partners and policy makers.

2. A diverse board will improve the nonprofit's ability to respond to external influences that are changing the environment for those served and in which it is working.
3. Better decision-making: When a nonprofit board is facing a major decision, diverse perspectives on the board are better qualified to identify the full range of opportunities and risks.
4. Boards that are not diverse risk becoming stagnant: if all the board members travel in the same social circle, identifying and cultivating new board members will be a constant challenge.

VI. Leadership Through Connecting

A. Transition being connected to being the connector -

1. Being the connector is the a form of leadership
2. Boards are great for making this happen

VII. Ethical Leadership - Ethics Class - Public & Moral Ownership

VIII. Questions

IX. Sign up for my notes on today's talk. - On a google doc

Venango Leadership (Responsible Boardmanship)

1-10-2024

Notes:

Table 1. Conflicts of Interest, Nonindependence, and Self-Dealing

Conflicts of Interest: This concept relates to specific transactions. Who in a particular transaction may be exposed to a conflict of interest (regardless of remuneration from any party) because of direct or indirect ties to parties standing to gain (and also lose) from the transaction directly or indirectly? If not the person, then relatives, associates, or businesses? A conflict of interest policy should apply to employees (especially those in senior management) as well as some independent contractors (especially those integral to the nonprofit operation; for example, doctors in a hospital).

Nonindependence: This concept applies primarily to voting trustees—those who by their actions can influence the decisions and direction of the organization. A person is not an independent trustee if he or she receives remuneration from the organization (other than from being a trustee), or if his or her relatives, businesses, and associates do business with the organization and any of its affiliates. Being a donor of any amount does not make a trustee nonindependent.

Self-Dealing: This concept applies to donors and other benefactors of the organization. It also applies to trustees and senior management when there are (a) excessive or prohibited transactions or (b) transactions from which a donor or member of the management can benefit or from which their relatives, associates, or businesses can benefit. This type of violation, unlike the two above, comes with financial penalties to management.

Except for self-dealing, where penalties may apply, the reliance is on transparency and good judgment. A policy on any or all of these should be part of the annual orientation of managers, and especially of trustees—principally because it is possible to be inadvertently trapped. Policy should be refreshed annually with a simple question: Have there been any changes in your condition or the condition of your relatives, associates, and businesses that could expose you to being classified as a disqualified person (to whom the concepts of conflict of interest, nonindependence, and/or self-dealing apply)?

Nonprofit Newsletter:

<https://www.nonprofitissues.com/>

Nonprofit Issues® has been a leading provider of news, programming and insight on nonprofit law and governance for more than 30 years. Written by Philadelphia lawyer Don Kramer, who is listed as one of the "Best Lawyers in America" in the field of nonprofit and charity law, the national Web newsletter is intended for nonprofit officers and directors and their professional advisors. The newsletter and the regular monthly webinars provide clear, concise and comprehensive coverage of "Nonprofit Law You Need To Know."

Venango Leadership (Responsible Boardsmanship)

1-10-2024

Types of Nonprofit Boards:

<https://www.boardeffect.com/blog/board-governance-models-a-comprehensive-list/>

<https://managementhelp.org/misc/New-Nonprofit-Board-Models.pdf>

<https://www.501c3.org/nonprofits-board-directors-board/>

<https://blog.boardsource.org/blog/what-nonprofit-board-members-should-be-doing-right-now-to-address-the-covid-19-situation>

Who owns a nonprofit:

<https://nonprofitquarterly.org/2018/08/30/who-owns-your-nonprofit/>

Diversity:

<https://www.councilofnonprofits.org/tools-resources/diversity-nonprofit-boards>

<https://www.councilofnonprofits.org/thought-leadership/10-steps-more-diverse-board>