

# **“Governing Intentionally”**

## **Western Fairs Association**

### **Saturday, January 6, 2018**



**“The first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant.”**

**Max DePree**



# What we will cover today



- The Board Works as a Team
- Effective Boards of Directors Understand their Roles and Responsibilities
- Job Descriptions
- Basic Duties of Care, Loyalty, Obedience & Fiduciary
- Strategic Plan – Cast the Vision for the Future
- Fund Raising as Part of the Job Description
- Sponsors – Answering the Question – “What’s in it for them?”
- Engaging the State Legislature

# The Board Works as a Team



- Only the Team has power and authority to act.
- The Executive Staff is a Member of the Board Team.



# Roles & Responsibilities of the Board



- Effective Boards of Directors Understand their Roles and Responsibilities:
  - ✦ Governing Documents
  - ✦ Job Descriptions
  - ✦ Orientation of New Board Members
  - ✦ Governance vs. Management
  - ✦ Duty of Care; Duty of Loyalty; Duty of Obedience; Fiduciary

# Defining the Terms



- **Governance – aka: Administration; Authority; Rule; Government; Jurisdiction**
- **Management – The conducting or supervising of something.**

# Board Responsibility Checklist



- Set Direction
- Ensure Necessary Resources
- Provide Oversight
- Board Operations – Does your Agenda reflect Action?



# Set Direction



- Determine the Mission, Vision & Values.
- Support the Mission, Vision & Values.
- Adopt a Strategic Plan – Revise every 3-5 years.
- Ensure the budget adequately reflects priorities.
- Communicate with management, staff, volunteers and community if direction or focus change.

# Governance Documents



- Bylaws
- Policies
- Procedures
- Mission & Vision Statements
- Strategic Plan

**Best Practice – Read them, Follow them,  
amend them as necessary!**



# Job Descriptions



- **Basic Expectations Should be outlined:**
  - Attendance;
  - Meeting Frequency;
  - Term of Appointment;
  - Basic Duties;
  - Organizational Structure;
  - Your role in acquiring financial or in-kind resources.

# Duty of Care



- **Duty of Care:**
  - Act in the best interest of the Organization;
  - Prepare for meetings – Read the material and ask questions in advance;
  - Regularly attend and participate in meetings;
  - Be honest;
  - Act in good faith.

**If challenged, the measure is that of an ordinary prudent person in similar circumstances.**

# Fiduciary Duty



- You are the Fiscal Agents.
- You are responsible for the fiscal health of the organization.
- Understanding the budget and monthly financial reports are your responsibility.
- Do you understand who to speak to when you need clarification?

**You can be sued! Individually and Collectively!**

# Duty of Loyalty



- Provide undivided allegiance to the organization;
- Do not take advantage of opportunities that serve individual interests;
- Avoid and disclose potential conflicts of interest;
- Follow the law and maintain confidentiality.

# Duty of Obedience



- **Must act in accordance with the Organization's governing documents;**
- **Must act in accordance with the applicable laws and regulations.**

# Strategic Planning



- Does the Board have a current Strategic Plan?
- Is the Plan being evaluated regularly and monitored for progress?
- Is the Plan referenced during the budgeting process?
- If no Plan is in place, How will the Board know it is achieving it's goals?

# Provide Oversight



- Procedures & Policies for financial oversight.
- Have a Risk Management Policy. Update regularly.
- Adopt a conflict of interest policy.
- Ensure legal and ethical integrity and maintain accountability.
- Determine programs and services.
- Support the Executive Staff and evaluate performance regularly.

# Board Operations



- Focus on Governance, not management.
- Have clear roles and responsibilities between staff and board.
- Update Committee structure to meet needs.
- Recruit and Orient New Board Members.
- Provide ongoing training to all board members.
- Conduct regular performance reviews of the board as a whole.



# Board Operations (cont.)



- Conduct regular performance reviews of the individual board members.
- Actively monitor board skill sets and needs.
- Use vacancies strategically to improve overall board quality.

# Committees (The Sausage Making)



- Committees are a valuable place to assign specific tasks that deserve lengthy discussion and deliberation.
- Committees should have job descriptions and understand what is expected.
- When Committees report to the Board, determine how you will accept the report and process the recommendation.

# **Your Executive Staff**



- **Treat Your Executive Staff with Respect & Courtesy as they are on the front lines;**
- **The Board's job is to cast the vision – the Executive Staff implements;**
- **Ultimately the Board is responsible.**

# Ensure Necessary Resources



- **Develop a fund raising strategy and policy to support the mission.**
- **Actively participate in fund raising activities.**
- **Enhance the organization's public standing.**
- **Confirm the board's composition reflects the strategic needs of the organization.**

# Resource Acquisition



- Fund Raising
- Sponsorships – In kind and Cash
- Charitable Donations/Estate Plans
- Legislative Interaction/Education



# Fund Raising



- Follow The Three “C’s”:
  - Coordination
  - Collaboration
  - Communication



# Sponsorships



- Answering the Question: “What’s In it for the Sponsor?”
  - Branding Campaign (visible on the grounds, in brochures)
  - Cash vs. In Kind
  - Length of time – Annual or indefinite?
  - Advertising Sales

Ultimately – It needs to be coordinated and part of the Strategic Plan

# Foundations



- The formation of a Foundation may be an option to acquire charitable contributions and proceeds from estates.
- Needs to be part of the Strategic Plan and Legal Counsel should be consulted.



# Elected Officials



- **You Can't Get what you Don't Ask For! Go to your Legislators and tell your story.**

Help them understand why it matters to them and their constituents.



# The Ultimate Goal



As a Leader, Your Ultimate Goal should be to leave the organization better than you found it. If it's good now – Strive for Excellence!



Questions?



THANK YOU FOR YOUR ATTENTION.  
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