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**Working with your
board of directors –**

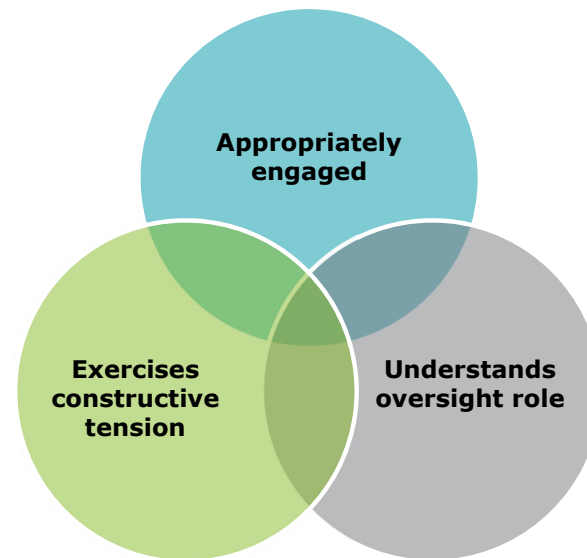
Presented by Tracey Cooley

Board members — motivation

What is *good* governance?

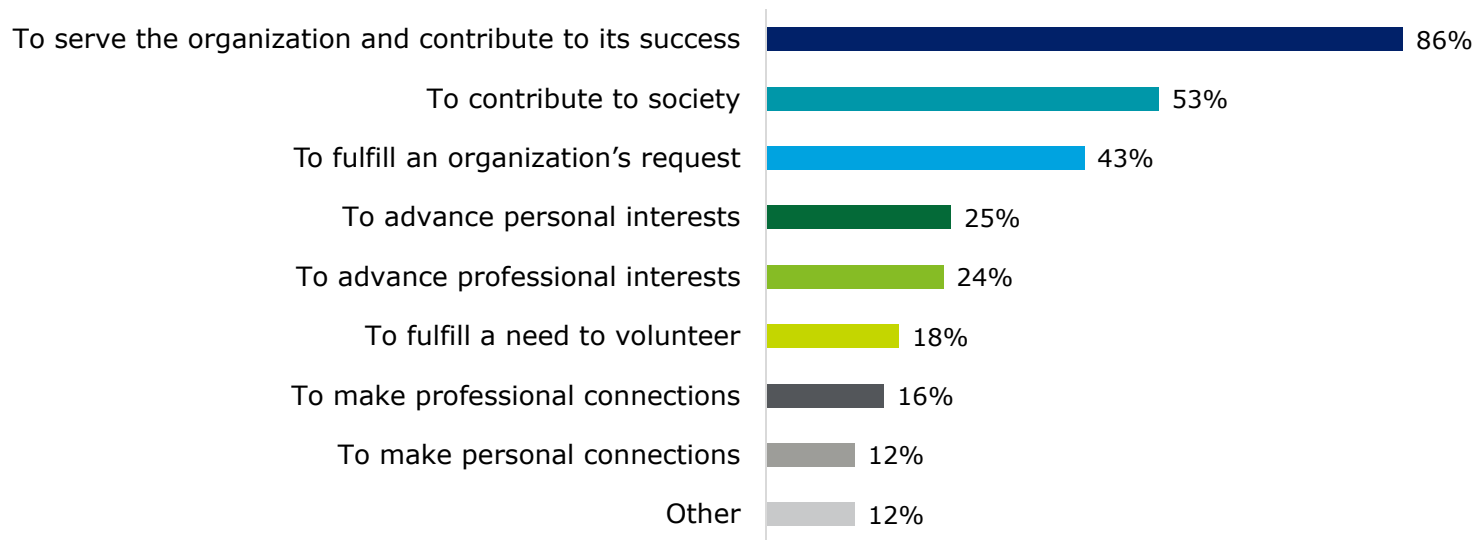
Considerations

- Effective boards are:
 - appropriately engaged
 - exercise constructive tension
 - has clarity and consensus around its roles and expectations
- Some confuse good governance with good management or strong organizational performance



Board motivation and participation

Motivation for joining a board according to surveyed directors (% board members)



Serving the organization is a nonprofit board member's primary motivation for joining a board. However, active participation and engagement is often a challenge.

Source: Who sits at the boardroom table? A look inside nonprofit Boards — Russell Reynolds

Build a competent board

- Recruiting
 - Align with the needs of the organization instead of “who knows who”
 - Define skills required for all
 - Establish a governance/nominating committee
 - Consider assistance from director search firms
- Orientation
 - Typically, a responsibility of the Nominating or Development Committee, CEO and chair
 - Usually occurs annually, shortly after new directors are recruited
- Succession
 - Term limits
 - Respect term limits: beware of the ‘chairman emeritus’ or the former trustee ‘helicoptering’ in on a pet issue

Related trends

- 72% of boards have term limits for board members
- The most common structure is 2 consecutive three-year terms.

Source: BoardSource Nonprofit Governance Index 2017

Board meetings

Board roles and responsibilities

10 basic responsibilities of nonprofit boards



Determine mission and purposes



Select Chief Executive



Support and evaluate
Chief Executive



Ensure effective planning



Monitor and strengthen
programs and services



Ensure adequate financial resources



Protect assets and provide
financial oversight



Build a competent board



Ensure legal and ethical integrity



Enhance the organization's
public standing

Source: BoardSource Governance Series, 2nd Ed.

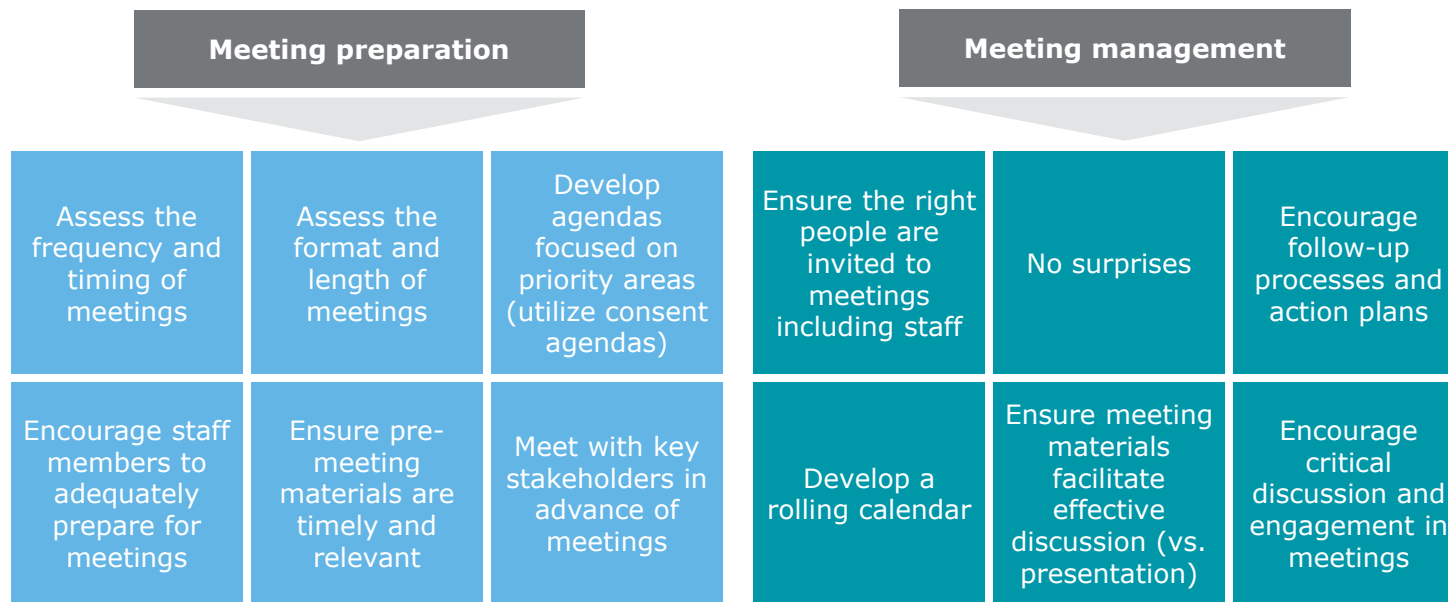
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Working with your Board of Directors

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Board effectiveness

Meeting practices — considerations for maximizing meeting time



The role of the board on risk, culture and talent



Risk

- How frequently is the board informed on risk management issues?
- What size risks or opportunities do we expect to bring to the board's attention?
- How are risks identified, assessed and continually monitored by management and communicated to the board?
- Has management assigned "risk owners" for each of the risks that have been identified?
- Which board committees are responsible for various aspects of risk governance?
- How will each potential risk be monitored and what contingency plans and/or mitigation mechanisms are in place to manage these potential risks?
- Are people comfortable in discussing risk, or are they afraid to raise difficult issues? How quickly do they raise issues?
- How often do you discuss risk with the board? (How often is it on the agenda?)
- How often do you discuss reputational risk?



Culture and talent

- Does executive management "manage up" to the board when necessary?
- Does the board have a good understanding of the NFP's culture?
- Has the NFP completed a cultural survey and shared the results with the board?
- Does the board have a formal, written evaluation process for the Executive Director and others within management?
- Does the board provide timely feedback for executives?
- Does the board have a succession plan for executives?
- Does the board have term limits for board members?
- Does the board conduct self-assessments of their performance against set criteria?
- Is management utilizing the board's or other volunteers' talents or taking too much on?

Case studies

Group activity

Scenario 1

- One of your biggest donors — also a board member — has come up against your board's eight-year term limit for board members.
- She is not the most active trustee in board discussions, but you know she is well-respected in the community, and you believe she is likely to make a significant donation to the agency in the next year or two.

What might you do?



Scenario 2

- Your board meetings always run longer than anticipated and this is frustrating several board members. Several have complained to you.

What might you do?



Scenario 3

- While at a social gathering you overhear someone talking negatively about one of your board members and encouraging others not to support your agency.

What might you do?



Scenario 4

- Upon his election, your new board chair decides he is going to take a more active role in the day-to-day operations of the organization.
- He quickly takes an office next to the CEO and shows up every day, attending non-Board or committee meetings and using resources like the executive director's assistant.

What might you do? ▶

Deloitte Center for Board Effectiveness

<https://www2.deloitte.com/us/en/pages/center-for-board-effectiveness/topics/center-for-board-effectiveness.html>



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