

Board Leadership Roles & Responsibilities

New Regional Director Orientation

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Agenda

- Welcome And Introductions
- Our Association Universe
- Governance Structure
- Leadership vs. Management
- Board Responsibilities
- Knowledge-Based Governance
- Best Practices For Meetings
- Board Meetings And Travel Policies
- Consideration For Executive Committee Roles

Welcome and Introductions

An Association

- A group of people who voluntarily come together to accomplish goals
 - We can not make anybody do anything

Types Of Non-Profits

- Charities, religious entities, etc. 501(c)3: **PPEF**
- Professional societies, trade associations, chambers of commerce. **501(c)6 = PPAI**
- Social welfare organizations. 501(c)4
- Social organizations. 501(c)7.

Organizational Structure

- Membership Association
 - Professional societies
 - Trade associations
- For Profit vs. Not-For-Profit
 - Advantages, disadvantages
 - Inurement
 - Stakeholders vs Shareholders
- Federal Tax-Exemption Classifications
 - PPAI - 501(c)(6) Incorporated in District of Columbia
 - PPEF - 501(c)(3)
 - Based on core purpose & member interest

Non-profits And Taxes

- It is okay for your regional association to have a net profit at the end of the year. Up to a certain high limit, there are no taxes on the net profit. If the trade association continues with its purpose of being a membership organization and putting the profits back into the association, a net profit is a positive thing unless there is a strategic decision to take an investment approach to the budget.
- It is a common misconception that all profits must be spent by year end.

Governance Documents

- Articles of Incorporation
 - Establishes purpose, location, governing law
- Tax Exemption Letter
 - Determines category and restrictions
- Bylaws
 - Dictate core mission, membership relationships & governance principles
- Governance Policies & Procedures
 - Provide details on governance processes and procedures

Governance Documents

- Articles of Incorporation
 - Are your agreement with the STATE
- Bylaws
 - Are your agreement with the MEMBERS
- Policies & Procedures
 - Are your agreement with the STAFF
- Motions & Minutes
 - Are your agreement with the MEMBERS

Governance Documents

- Articles of Incorporation
 - Are your agreement with the STATE
 - These do not change

Governance Documents

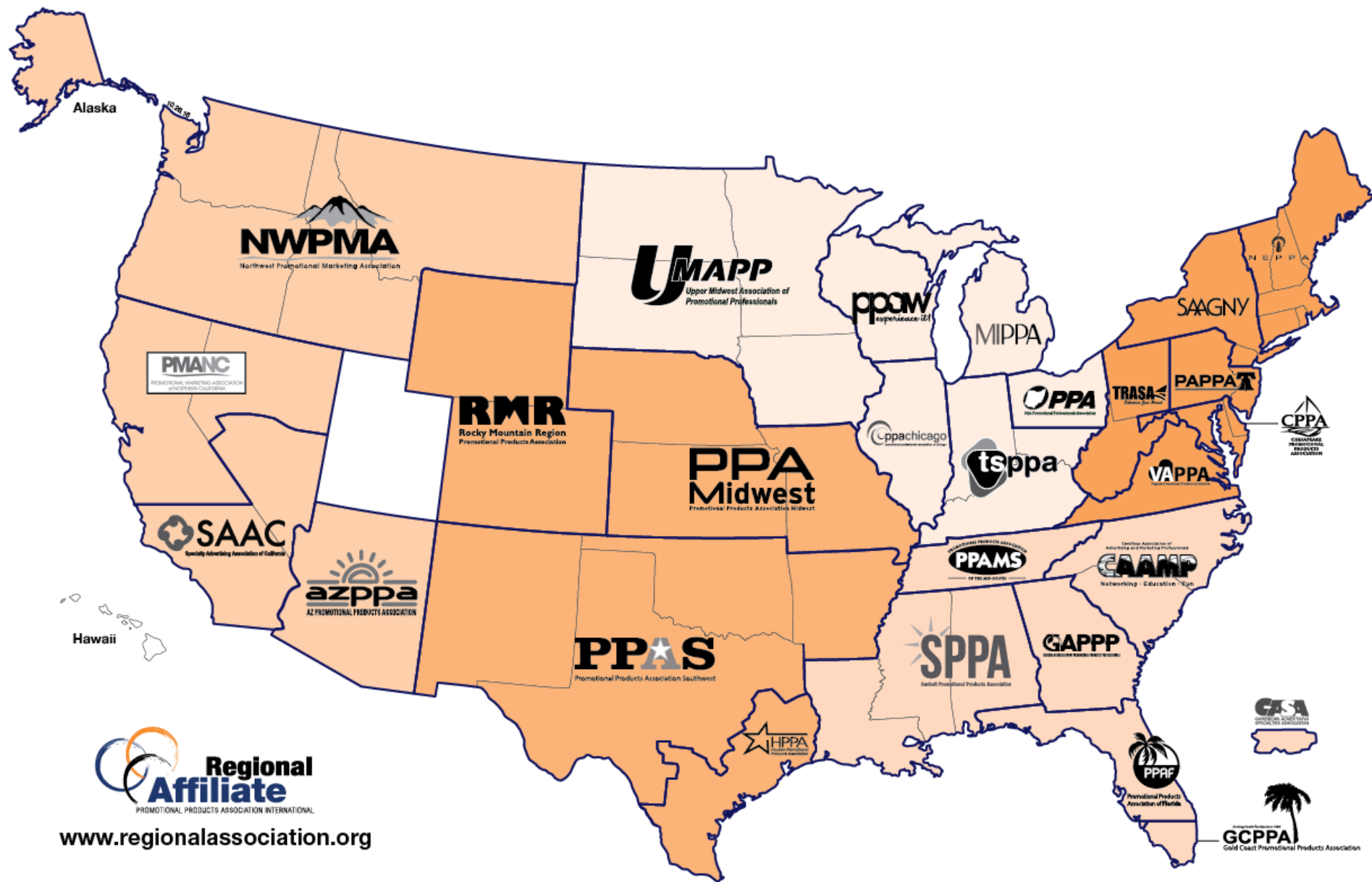
- Bylaws
 - Are your agreement with the MEMBERS
 - These should be high level
 - You must familiarize yourself with the bylaws and abide by them
 - These can be changed by a vote by the Board

Governance Documents

- Policies & Procedures
 - Are your agreement with the STAFF
 - These should be more detailed than the bylaws
 - You must familiarize yourself with the P&P and abide by them
 - These can be changed by a vote by the Board

Governance Documents

- Motions & Minutes
 - Are your agreement with the MEMBERS
 - These are discoverable
 - These should be kept forever



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Importance Of Volunteer Involvement

- As leaders
- As workforce
- As link to members
- As opinion leaders
- As research subjects
- As grassroots
- As partners

Management Versus Leadership

Management: Doing Things Right

- Planning
- Budgeting
- Order
- Control
- Consistency
- Reliability

Leadership: Doing the Right Things

- Vision
- Direction
- Motivation
- Inspiration
- What...*not how*

Types Of Boards

- Those that “make things happen”
- Those that “watch things happen”
- Boards “to whom things happen”
- Boards that “don’t’ know things are happening”
- Boards that “keep things from happening”

Obstacles To Engagement

- Groupthink
- Deferring to a charismatic leader
- Crickets
- Lack of preparedness

Board Responsibilities

- Set organization **direction**
- Ensure necessary **resources**
- Provide **oversight**
- Plan **succession**

Board Responsibilities

- Ensure necessary resources
 - Hire capable executive leadership
 - Ensure adequate financial resources
 - Promote positive public image
 - Ensure the presence of a capable and responsible Board

Transparency And Trust In Governance

- Occurs when board members understand the difference between being

“representative for”

versus being

“representative of”

Representative FOR

- If board members believe that are “representative for”
 - They see themselves as the elected representatives of a particular constituency
 - Vote on behalf of that constituency’s interests

Representative OF

- Board members who speak on behalf of the constituencies they know the best
- But vote on behalf of the best overall interests of the organization
- Are “representative of”

Making Policy

- Boards can only act legally by consensus of a quorum
 - Only in a duly constituted meeting
- Responsible for the actions of anyone to whom authority is delegated
 - Legal concept: Apparent Authority

Fiduciary Duties

- Duty of Care
- Duty of Loyalty
- Duty of Obedience
- You must act in the best interest of the organization
 - Money, transparency, trust

Duty of Care

- Be informed, prepared and ask questions
- The level of competence that is expected of a board member
 - Care that a prudent person would exercise in a like position / similar circumstances
 - Duty to exercise reasonable care when a decision as a steward of the organization

Duty of Loyalty

- Show undivided allegiance to the association's welfare
- A board member gives undivided allegiance when making decisions
- A board member can never use information obtained as a member for personal gain
- Board members complies with policies regarding code of conduct and ethical behavior

Duty of Obedience

- Requires board members to be faithful to the organization's mission
- Prohibited from acting in a way that is inconsistent with the goals of the organization
- Rule is based in the public's trust that the organization will fulfill the organization's mission
- Obedient to the organization's governance and legal documents

Conflicts of Interest

- Are all about the perceptions of others.
- A conflict of interest occurs when an individual is involved in multiple projects/ interests
 - Could be perceived by others as the motivation for an act or decision in the other
- Important to identify potential conflicts of interest clearly/determine how to manage them

Basic Rules Of Order For Meetings

- **Agenda.** Identifies the business to be addressed.
- **Motions.** Voting Board members can make a motion for an action item
 - “I move that...”
- **Voting.** Board members vote on motions.
 - Board members, staff and guests discuss the content in motions
 - Only Board members can make a motion or vote.
- **Minutes.** Record the time, location, attendance, discussions and outcome of motions
- **Quorum.** Majority of directors needed in order to conduct business (6)

Meeting Agreements

- Speak your mind in meetings
- Honor differences of opinion
- Dialogue before deliberation
- Avoid bandwagons
- Waste little time 'dittoing'

Powerful Agendas

- Begin with the end in mind
- Allot time based on priorities
- Clarify outcomes for each item prior to meetings
- Require proposers to do homework (staff and Board)

When Difficult Conversations Are Necessary

- Board to Board / Staff to Staff
 - CEO to staff
 - Board Chair to Board Member
 - Executive Committee to Board Chair
 - Board to Member

Questions?

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