Tips on Working with Your Board

Community Action Partnership 2018 Annual Convention
Leadership Day – New Executive Directors

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Agenda

• Proactively recruit and retain board members
• Build relationships with board members
• Keep the board focused on strategy
Proactively Recruit and Retain Board Members

Board Selection Procedure

1. Use board committee
2. Recruit smartly & strategically
3. Require applications
4. Follow selection procedures
Governance/Board Development Committee

- Oversees processes for selecting board members and filling vacancies
- Standing Committee
  - Meets throughout the year (not just before board elections)

**Other Tasks**
- Works with ED to ensure board functions well
- Coordinates board orientation and training
- Implements board self-assessment process
- Coordinates periodic review of governing docs
A Note on Bylaws

• Ensure bylaws give board maximum flexibility in recruiting and selecting board members
  – Amend them if necessary
• Follow procedures outlined in bylaws
• Check that bylaws reflect grant requirements (CSBG, Head Start, etc.) for board composition and selection, as well as state nonprofit corporation law (nonprofit CAAs)

Recruitment Strategies/Succession Planning

• Encourage staff and board members to identify clients who may be able and willing to serve
  – Develop recruitment materials for front line staff to distribute
• Invite prospective board members to serve in an advisory capacity to the board and/or committee
• Build connections to other public, nonprofit, and private service providers
Recruitment Strategies/Succession Planning

- Participate in or hold a community forum
- Offer leadership and community organizing training for clients and neighborhood residents
- Develop/manage a social media strategy for publicizing opportunities
- Recruit from natural constituencies (e.g. Head Start parents, school districts, neighborhood associations)

Recruitment Strategies/Succession Planning

- Use standing Governance Committee to actively, continuously oversee recruitment:
  - Anticipates vacancies
  - Maintains a pipeline of potential board members
  - Stays on top of board needs
Tripartite Boards
Composition and Selection

1/3: Elected public officials

At least 1/3: Low-income sector

Remainder: Private Sector

Standard 5.1: Nonprofit/Public
• The org.’s governing board/advisory body is structured in compliance with the federal CSBG Act

Standard 5.5: Nonprofit/Public
• Governing board/advisory body fills board vacancies as set out in its bylaws

– 42 U.S.C. § 9910

Tripartite Boards
Who makes the final decision?

• CSBG Act: Board members are to be chosen by grantee
  – Must use democratic selection process for low-income board members
  – Public CAA – tripartite board can make recommendations to governing officials

Recommendation
• Have board members elected by full board (for nonprofit CAAs) or governing officials (for public CAAs) once chosen through appropriate selection process
Low-Income Sector
Nonprofit CAAs

• Must be democratically selected to assure representative of low-income people in service area
• If chosen to represent a particular neighborhood, must live there

Low-Income Sector
Public CAAs

• Must be representative of low-income individuals and families in service area
• Must live in service area
• Must be able to participate actively in development, planning, implementation and evaluation of CSBG programs
Low-Income Sector

• Should represent current low-income residents, but don’t need to be low-income themselves

Recommendation

• Have at least some, if not all, low-income board members who are low-income themselves

Democratic selection options:

- *Community health center board*
- *Tenants association*
- *Faith-based group*
- *Policy council*
- *Public forum*
- *General election*
- *PTA*

*Micro-democratic election procedure:* Group predominately made up of low-income individuals may elect someone from w/in the group to serve as the low-income rep.

—OCS IM 82
Low-Income Sector

• Board member should **NOT** be chosen by:
  – Typical board selection process
  – Board nominating committee
  – E.D. of the CAA or another service provider

Strategies for Board Retention

• Be clear about board responsibilities during recruitment
• Provide adequate orientation and training, especially on “board basics”
• Actively solicit input from new board members and be intentional about providing opportunities to participate
Strategies for Board Retention

• Assign mentors to new board members
• Use the press and social media to recognize contributions of board members
• Think about the “extras” – child care, meals
• Conduct board assessments to identify challenges and concerns

Build Relationships with Board Members
Building Relationships
Role of the Board Chair

• Presides at board meetings

• Works with Executive Director (and Executive Committee, if applicable) to plan meeting agendas

• Supports and acts as sounding board for executive director

• Acts as spokesperson for board
  – If given that authority by the board

• Depending on state law and bylaws, may appoint committee members and serve as ex officio member of committees

Building Relationships
Role of the Board Chair

• Works with governance/board development committee and ED to identify and recruit new board members

• Identifies board members for future leadership positions and helps them develop leadership skills
Building Relationships
Executive Director and Board Chair

**Establish expectations**
- Frequency of check-ins
- Priorities
- Issues to communicate
- Communications style
- Sounding board/feedback
- Ways to support each other

**Keep communication lines open**
- Regular communication
- Identify and work to resolve differences in non-defensive ways

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Building Relationships
Executive Director and Board Members

- Meet **one-on-one with board members**; among other things, find out:
  - What motivates each to serve on the board?
  - How do they connect with the org’s mission?
  - What do they hope to gain from board service?
  - What can they contribute?
  - What skills/knowledge do they need or want to develop to become a more effective board member?
  - What could make their experience more satisfying?
- Periodic check-ins
Developing Board Members

• Provide board members with opportunities to develop their skills as board members

• Help board members get to know each other
  – Mentors for new board members
  – Invite them to introduce themselves, tell their stories

Developing Board Members

• Encourage board members to be actively engaged at board meetings
  – Seek input from individual board members

• Conclude meeting with action items
  – Assign tasks to committees or individuals
  – Check in between board meetings to be sure they have the support they need
Developing Board Members

• Be on the lookout for board members who show aptitude for and interest in leadership roles
  – Give them an opportunity to try out those roles (assignments, projects)

• “Know that every board member has value to offer and discover how best to maximize what each has to offer”
  – Board Source: Building the Governance Partnership: The Chief Executive’s Guide to Getting the Most from the Board

Keep the Board Focused on Strategy
Strategic Agendas

• Strike a balance between “routine” agenda items (e.g., contract approvals etc.) and strategy discussions
  • Consider using a consent agenda for routine items

• How will agenda items and information provided to board members help board:
  – Connect with the org’s mission
  – Enhance board functioning
  – Provide oversight
  – Identify and make decisions on key issues

• Consider using dashboards
A Dual Bottom Line
Mission Impact and Financial Return

High Mission Impact
Low Profitability
Invest & Grow

Low Mission Impact
Low Profitability
Close or Give Away

Low Mission Impact
High Profitability
Water, Harvest,
& Increase Impact

High Mission Impact
High Profitability
Keep it but
contain costs

Source: Nonprofit Sustainability: Making Strategic Decisions for Financial Viability

Nonprofit Sustainability: Making Strategic Decisions for Financial Viability, Jeanne Bell, Jan Masaoka & Steve Zimmerman

The Sustainability Mindset:
Using the Matrix Map to Make Strategic Decisions,
Steve Zimmerman & Jeanne Bell

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Strategic Dashboard

Financial Indicators

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>This month</th>
<th>Last month</th>
<th>Last year end</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(deficit) YTD</td>
<td>$270,000</td>
<td>$390,842</td>
<td>$340,908</td>
<td>($570,240)</td>
</tr>
<tr>
<td>Surplus/(deficit) year end forecast</td>
<td>$270,000</td>
<td>$30,937</td>
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<tr>
<td>Earned income ratio</td>
<td>11.5%</td>
<td>10.3%</td>
<td>11.8%</td>
<td>13.0%</td>
</tr>
<tr>
<td>New grants success ratio</td>
<td>50.0%</td>
<td>35.0%</td>
<td>33.0%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Days cash on hand (unrestricted)</td>
<td>45</td>
<td>43</td>
<td>28</td>
<td>51</td>
</tr>
<tr>
<td>Reserve funds balance (1 month payroll)</td>
<td>$250,000</td>
<td>$200,000</td>
<td>$150,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Current ratio</td>
<td>2 to 1</td>
<td>5.8</td>
<td>4.2</td>
<td>6.2</td>
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<tr>
<td>AR aged over 90 days</td>
<td>15.0%</td>
<td>22.3%</td>
<td>23.5%</td>
<td>20.0%</td>
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Balance Sheet

- Days cash on hand (unrestricted): 45, 43, 28, 51
- Reserve funds balance (1 month payroll): $250,000, $200,000, $150,000, $250,000
- Current ratio: 2 to 1, 5.8, 4.2, 6.2
- AR aged over 90 days: 15.0%, 22.3%, 23.5%, 20.0%

Income by Type

- Gov't Grants & Contracts: 56%
- Program Fees: 10%
- United Way: 14%
- Individual Contributions: 4%
- Corporate/Foundations Grants: 16%

Income Statement

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Surplus/(deficit) YTD: $270,000
Surplus/(deficit) year end: $270,000
Year-end forecast: $270,000

Earned income ratio: 11.5%
New grants success ratio: 50.0%
Days cash on hand (unrestricted): 45
Reserve funds balance (1 month payroll): $250,000
Current ratio: 2 to 1
AR aged over 90 days: 15.0%

Program Indicators

- Weatherization Contracts (monthly goal): 20, 21, 22, 15
- Head Start enrollment: 100, 60, 58, 109
- Monthly job placements: 30, 11, 14, 32

Selected CAPLAW Governance Resources
Tripartite Board Composition and Selection
Self-Training Tools
Tripartite Board Case Studies

EVALUATIONS

The Partnership Wants Your Feedback!

Please be sure to complete the evaluation for this session online, via the CAPCON18 Event App.

Thanks in Advance for your Cooperation!