

## Board Governance: Strengthening Your Committee Infrastructure



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Community Focus ♦ Statewide Impact ♦ National Network

Documentary Heritage and Preservation Services for New York is a five year initiative to deliver collections-related training, preservation surveys, archival assessments, and other services to the historical records community in New York.



## About the New York Council of Nonprofits

**NYCON develops and promotes an effective and vibrant charitable nonprofit community throughout New York State. We strengthen organizational capacity, act as an advocate and unifying voice, help to inform philanthropic giving, and conduct research and planning to demonstrate relevance and impact.**

NYCON is a statewide association of 3,000 diverse charitable nonprofit organizations.

- We provide our members with a wealth of quality, cost-saving group purchasing and discounted programs, from insurance and employee benefits to payroll outsourcing and publication discounts.
- We offer a wide array of customized, comprehensive training and specialized technical assistance services
- We provide legal and financial assistance
- We offer fiscal sponsorship and nonprofit incubation
- We provide community stakeholders with needs assessments, applied research, consortium and coalition development, program development and evaluation, grant management, and act as a lead agency.



## Today's Agenda and Learning Objectives

1. Organizational structure and role of committees
2. How to build an effective and efficient committee structure
3. Use committees to engage your board and members
4. Committee chairs are leadership roles
5. Best practices in board committees



## Disclaimer

This presentation is intended as an information source for members and friends of the New York Council of Nonprofits, Inc. The content should not be construed as legal advice, and readers and participants should not act upon information in this presentation without professional counsel. This material may not be considered attorney advertising.



## Poll Question

**How many paid staff do you have?**

- a) 0
- b) 1
- c) 2-4
- d) 5-9
- e) 10+

**What is your annual budget?**

- a) Under \$100,000
- b) \$100,000-\$250,000
- c) \$250,001-\$499,999
- d) \$500,000-\$750,000
- e) \$750,001- \$999,999
- f) \$1 million +



## Build an Effective Organizational Structure...

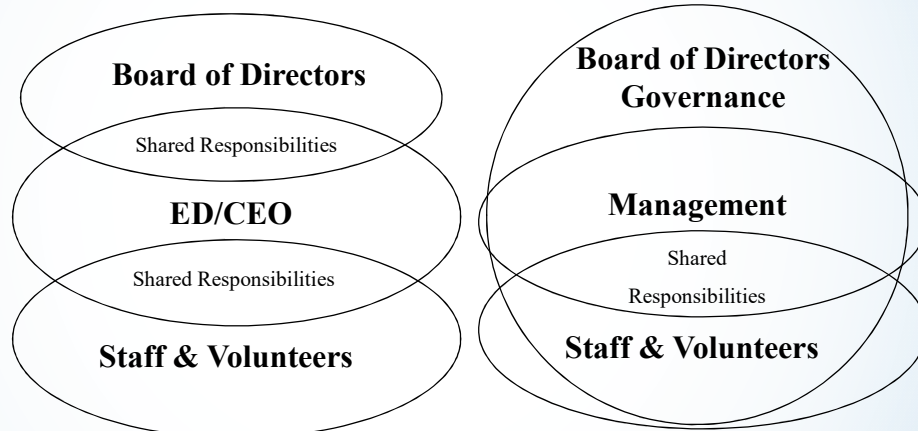
Clearly define the decision-making, monitoring, reporting responsibilities at the board & management levels in order to know:

- ✓ *Who is responsible for what,*
- ✓ *Who makes what decisions,*
- ✓ *Who is accountable to whom, and*
- ✓ *How and in what ways?*

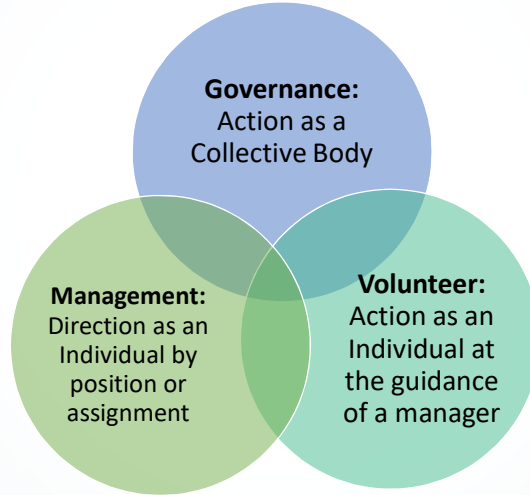


## Achieve the right Governance-Management Balance

Policy-making,  
Strategy, &  
Oversight



## Board Roles in all Volunteer Organizations



## Getting the Work Done in All Volunteer Organizations

Source: BoardSource, All Hands on Board: The Board of Directors of an All Volunteer Organization

Governance/Leadership	Management
<ol style="list-style-type: none"> <li>1. Handle the money and file the forms. Safeguard assets from misuse, waste, and embezzlement.</li> <li>2. Keep it legal and safe. Ensure compliance with federal, state, and local regulations, and fulfillment of contractual obligations.</li> <li>3. Make big decisions for the future.</li> <li>4. Make sure the organization is accountable to its constituencies, and protect the organization's reputation.</li> <li>5. Get help when you need it.</li> <li>6. Plan for arrival and departure of individual members.</li> </ol>	<ol style="list-style-type: none"> <li>7. Get the work done.... Program and fundraising.</li> <li>8. Support other volunteers so they can successfully contribute to the organization's work.</li> <li>9. Be ambassadors to the community. Lend names and personal credibility and reputation to the organization.</li> <li>10. Pass along the commitment, passion, and enthusiasm. Provide leadership in spirit.</li> </ol>



## Key Terms & Concepts

<b>Standing Committee</b>	A permanent committee that meets regularly to accomplish the work of the organization.
<b>Ad hoc Committee</b>	A temporary committee established to address a particular issue or accomplish a single task.
<b>Task Force</b>	Time delineated group of experts established to accomplish a single or discreet task.
<b>Work Group</b>	A group of people dedicated to accomplishing certain goals.
<b>Ex-officio</b>	“By position” - may be voting or non-voting
<b>Committee Motions</b>	Recommendations from committees to the board do not need a motion or second because they are so moved by the committee.

## Committee Fundamentals

- Establish committees when it's apparent that issues are too complex and/or numerous to be handled by the entire board.
- Committees may be relied upon to perform the due diligence functions of the Board.
- Committee authority is prescribed and limited by the Board.
- Committees make full use of board members' expertise, time and commitment, and ensure diversity of opinions on the board.
- Committees may expand opportunities to engage experts or stakeholders.

## Define Standing Committees in Your Bylaws

- Description of key committee responsibilities and composition
- Define committees as “of the board” or “of the corporation”
- Define as standing or ad hoc
- Define as advisory to staff or accountable to the board
- Specify whether non-board can members serve
- Specify how committee chairs are appointed and approved
- Specify how committee members (board and non-board) are appointed and approved

## NYS NPRA Rules on Committees

### Committees of the Board

- Can “bind” the Board
- Comprised only Board members (at least 3)
- May include non-Board members in advisory capacity
- Appointed by majority of Board
  - Amend or appeal board resolution

Most likely: Executive; Audit and Finance

### Committees of the Corporation

- Cannot bind the board
- May include non-board members
- Are to be appointed or elected the same as officers- or as stated in the bylaws
- Can be accountable to the Board, Membership, or the Executive Director

## Committee Limitations

### No committee can:

- Submit to members any action requiring member approval
- Fill vacancies on the Board
- Fill vacancies on Committees
- Fix compensation of board members or committee members
- Adopt or amend bylaws or enact other fundamental corporate changes
- Amend or appeal board resolutions

## Define Committee Authority and Charge

- **Research:** Committee collects information and brings to board for discussion and decision
- **Recommend:** Committee collects and analyzes the information and develops a recommendation to the board.
- **Implement:** Committee determines the best course of action and carries it out with board approval.
- **Decide:** Committee determines course of action, implements it, and then reports to board.



## Tell Us About Your Organization

### How many board members do you have?

- 3-7
- 8-11
- 12-16
- 17-21
- 22+

### How many committees do you have?

- 0
- 1-2
- 3-4
- 5-6
- 7-8
- 9+

## Design Your Committee Structure

### Typical Governance Committees

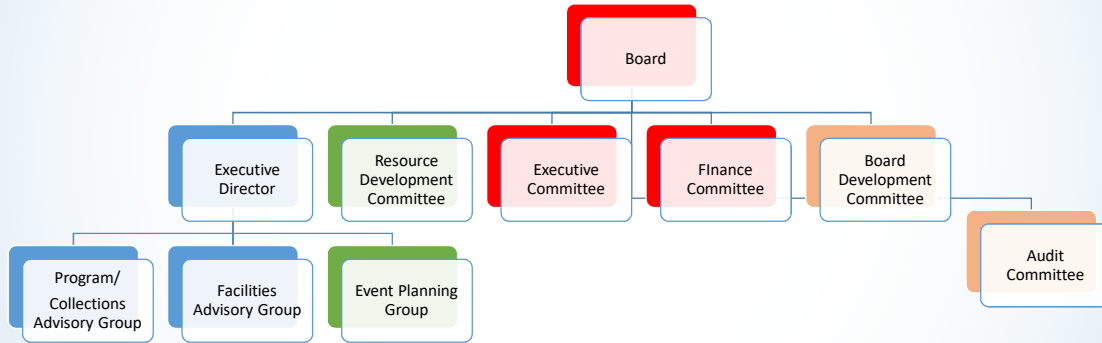
- ✓ **Executive**
- ✓ **Finance and Audit**
  - Finance
  - Audit
  - Audit and Compliance
- ✓ **Board Development**
  - Governance
  - Nominations
- ✓ **Fundraising (and Marketing)**
  - Events: Gala/Dinner, etc.



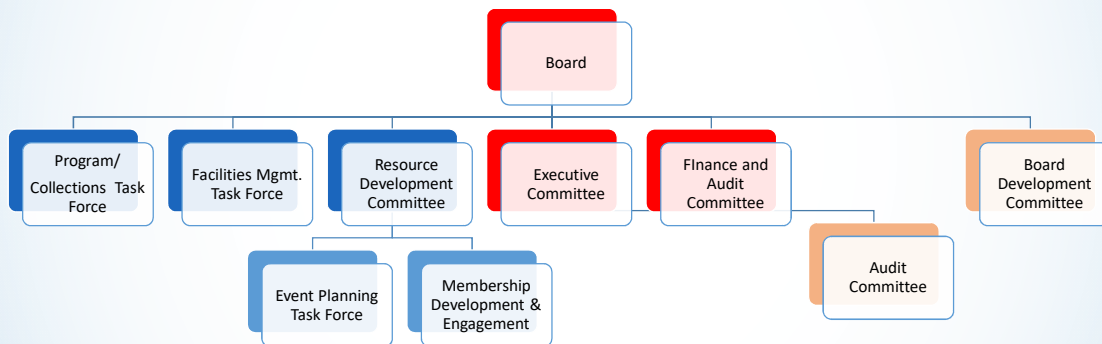
### Other Possible Committees

- ✓ Program/Mission Impact
- ✓ Strategic Planning (standing or ad hoc)
- ✓ Membership
- ✓ Personnel
- ✓ Corporate Compliance
- ✓ Legislative/Government Affairs
- ✓ Collections
- ✓ Grounds/Landscape/Trails
- ✓ Volunteer/Docent
- ✓ Facilities
- ✓ Exhibits
- ✓ Conference
- ✓ Other?

## Committees and Organizational Structure: Governance and Operations: Example



## Committees and Organizational Structure: Governance and Operations for all volunteer organizations: Example



## Committees and Organizational Structure: Governance and Operations for all volunteer organizations: Example 2



## Audit Committee Requirement for Chartered Institutions

4) Finance. The institution shall:

- (iii) **appoint a board-constituted audit committee**, composed of a **minimum of three board members** other than the treasurer and president, to review the institution's financial transactions and reports; this requirement **shall apply to every institution** regardless of the size of its operating budget and regardless of whether the institution has conducted a financial review pursuant to subparagraph (iv) of this paragraph;

## Committee Structure Design Consideration

- Assume maximum of one committee per person (except officers)
  - 9 board members = 3 committees
- Distinguish between work people need to do as Board Members and Fiduciaries and those they can also choose to do as Volunteers and Members
- Distinguish between “committees of the corporation” and “work groups” or “task forces.”
- Seasonal, short-term, or periodic projects can be ad hoc committees or workgroups.
- Functions can be combined
  - Executive/Finance; Executive/Personnel
  - Resource and Board Development;
  - Human Resources (Board Development and Personnel)
  - Collections and Exhibits

## Keys to Making Committees Work

- Do not meet if there is no work to do
- Empower with information & staff or board leadership
- Watch out for micromanaging tendencies
- Make timely & action-oriented reports to the board
  - For committees accountable to the Board, take and distribute **minutes** to the entire board, prior to meeting
  - For Operational Committees, accountable to the Executive Director, reports can be in **ED/CEO report**
  - Expect board members to **read minutes and reports**
- Respect and do not repeat committee work committee work at board meetings
- Rotate members; use committees to educate

## Sample Board of Directors and Committee Calendar

October (FY start)	November	December
Board Meeting Approve Ticket Prices Fin. Comm: Annc. Audit comm. Program Comm.: Announce draft season schedule Memb. Comm.: Plans for Year-End appeal - newsletter announced	Board Meeting Board Development Committee: Board Member Orientation Fin. Comm: Physical audit done Begin Series Ticket sales Membership. Comm: Mail year -end appeal.	Social Board Gathering Business meeting as needed
January	February	March
Board Meeting Fundraising/Event Comm: Announce plan for summer events. Program.: Updates on concert season Marketing Comm: Present plan for summer PR, design, strategy.	Board Meeting Audit and Finance Committee: Audit review, 990 and audit approval. Due: 2/15 Educ. Comm. Announce Education program Program Comm.: Final Season schedule.	Board Meeting Board Annual Retreat Review strategic plans, by-laws, policies. Memb. Comm: Annual Appeal Mailing/ Newsletter Education Comm. In school program
April	May	June
Board Meeting if Needed Memb. Comm: Plan membership reception Finance Committee: Budget revision	Board Meeting if Needed Volunteer Comm.: Plan volunteer organizing event for summer.	Board Meeting Fundraising: share summer fundraiser details Membership reception to thank Donors (June-Aug) Marketing Comm.: Distribution of brochures/flyers Volunteer Comm.: organizing event
July	August	September (FY end)
Board Meeting GALA/other fundraisers Events around concerts Finance Comm: recommend endowment draw. Concert attendance and related events.	Board Meeting Program: Initial evaluation of concert season. Volunteer Comm.: thank you event.	Board Meeting Annual Meeting Officer elections for 10/1 Elect new Board Members; renew terms as needed.

## Committee Chair Responsibilities-(1)

- Recommend to the president and/or board, who they would like to see serve on the committee.
- Call meetings & set the agenda - know your goals and outcomes
- Ensure meetings are properly recorded
- Manage the committee or group process, as customary for the position of a chair
- Coordinate communication and staffing services with the Executive Director (and/or assigned staff)
- Regularly report to the board all committee recommendations, progress and any other significant issues or concerns that warrant the committee's attention.



## Committee Chair Responsibilities- (2)

- Keep the board president apprised on an ongoing basis of committee work and progress, and notify the president of the committee's report to the board in advance of the board meeting
- Ensure that the committee stays within its charge and is accountable to the board of directors as appropriate.
- When the committee provides advice to the Executive Director and/or staff, clearly distinguish and articulate to all concerned that such advice is not a directive or supervisory in any way.

## Best Practice Summary

- Define the authority, limitations, type, and composition of Committees in your bylaws
- Appoint non-board members to committees (as defined in bylaws) and ensure they understand whether they are advisory or voting.
- Respect people by having clear ground rules, good agendas, well-run meetings, and time management
- Establish a routine meeting schedule and annual calendar of committee and board activities (tied to key events, strategic plan, deadlines)
- Review committee structure, effectiveness, and responsibilities annually
- Consider assigning the Vice President or Vice Chair the responsibility of supporting committee chairs
- Make committee service part of the expectations for board service

# Discussion and Questions

## Resources

[https://www.colorado.gov/pacific/sites/default/files/Utilizing\\_Committees.pdf](https://www.colorado.gov/pacific/sites/default/files/Utilizing_Committees.pdf)

<https://www.compasspoint.org/sites/default/files/documents/All%20Hands%20on%20Board.pdf>