



LEADERSHIP, GOVERNANCE and Pandemic Recovery

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MESSAGE FROM BOB HARRIS, CAE

Serving on a board of directors or committee is a rewarding experience. The greatness of America is enhanced by the volunteers who govern the more than 1.5 million nonprofit organizations.

Board service and trusteeship requires significant responsibility and accountability. The membership, stakeholders, media, and the government scrutinize actions. The board works as a team in collaboration with the professional staff. Directors should be innovative and strategic. Seldom does an organization need directors who micromanage.

The 2020 Leadership, Governance and Pandemic Recovery manual offers guidance and hope for economic rebound. Associations are resilient and should use the opportunity to become an indispensable partner and trusted resource.

Regarding this photo, **Failure is Not an Option** is my frequent advice. It was 50 years ago, in 1970, that Apollo 13 was set to deliver three men to the moon. Of course, Mission Control wanted to be 100 percent successful. During the flight they heard the famous words, “Houston we have a problem.” The mission did not make it to the moon but returned to Earth safely.

During your leadership experience, remember that failure is not an option. Approach your task prepared and committed to advance the organization’s mission.



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LEADERSHIP GOVERNANCE

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PARTNERSHIP Governance & Management



WORK GROUPS AND COMMITTEES

25,000 - 40,000
foot perspective



MANAGEMENT STAFF

10,000 foot perspective

THE BOARD IS VISIONARY SOARING AT THE HIGHEST LEVEL

Though directors on the board may have exceptional management skills, they serve on the board for the purpose of governance. Think of governance as being at the 50,000 foot perspective to advance the organization.

Note: Heed the adage, “boards don’t do committee work at the board table.” To reduce the number of committee reports at board meetings, consider using a consent agenda where committee reports without action request are circulated before the meeting.



GOVERNING DOCUMENTS

The hierarchy of governing documents guiding the board of directors.

Mission Statement – The organization’s statement of the purpose. It has been acknowledged by the Internal Revenue Service to determine exemption from federal income taxes. It is submitted annually on the first page of IRS Form 990. Directors should be able to recite the mission. Nearly every discussion and decision will be framed by the mission statement.

Articles of Incorporation – Submitted to the state government. It sets forth the purposes and regulations of the organization. Most associations and chambers are approved for non-for-profit status. The articles give the board the authority to serve as corporate trustees.

Bylaws – The bylaws describe the relationship between the board and members. They prescribe expectations in areas such as term limits, appointments, rules of order, quorums, absences, audits, and amendments. (Amendments to the bylaws are submitted to the IRS with Form 990.

Policies - Policies are the wisdom of prior boards in recommending best practices for current and future leaders. The policies interpret the bylaws with more specific information. For example, the bylaws may require a

Mission
(Purpose for existence, relationship to IRS)

Articles of Incorporation
(Relationship to state government)

Bylaws
(Relationship to members)

Policies
(Interpretation of the governing documents)

Strategic Plan
(Roadmap for the organization)

Annual Budget
(Financial position, forecast)

financial audit. The policies will describe the process. Policies are adopted or amended as motions and recorded in board minutes. Policies should not be confused with the staff ‘s day-to-day operating procedures, or the personnel manual.

Strategic Plan – The strategic plan spans three to five years, serving as a roadmap for the

work of **board, committees, and staff**. Directors should be familiar with the mission and goals in the strategic plan, continuously reviewing progress and monitoring performance.

Annual Budget - The budget is a forecast of income and expenses approved by the board. Directors can expect to review a financial report at every board meeting.



Responsibilities of the Board

The board can protect itself, and govern the organization, by understanding what is required of it

1. Advance the Organization's Mission and Purposes

A statement of mission and purposes should articulate the organization's goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

2. Select the Chief Executive

Boards must reach consensus on the chief executive's job description and undertake a careful search process to find the most qualified individual for the position.

3. Support the Chief Executive and Assess Organization Performance

The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of the chief executive's performance. [CEO is responsible unless the actions of the board prevent the CEO from performing his or her job.]

4. Ensure Effective Planning

As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in

implementing the plan's goals.

5. Ensure Adequate Resources

One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the chief executive and development staff, if any, to raise funds from the community.

6. Manage Resources Effectively

The board, in order to remain accountable to its donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.

7. Determine, Monitor and Strengthen Programs and Services

The board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness.

8. Enhance the Organization's Public Image

An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important members of the

9. Ensure Legal and Ethical Integrity and Maintain Accountability

The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will help ensure proper decorum in this area. The board must establish pertinent policies, and adhere to provisions of the organization's bylaws and articles of incorporation

10. Recruit and Orient New Board Members; Assess Board Performance

All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, and many other considerations that define a "balanced" board composition. Boards must also orient new board members to their responsibilities and the organization's history, needs, and challenges. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievement and reach consensus on which areas need to be improved.

Adopted from Ten Basic Responsibilities of Nonprofit Boards. Washington, DC: BoardSource, formerly the National Center for Nonprofit Boards, Adaptation.

JOINING A BOARD

Serving on the Board of Directors is a rewarding and important responsibility. This guide informs volunteer leaders of the unique aspects associated with governing a not-for-profit organization.

“The board governs... the staff manages.”

Leadership: Volunteer leaders are responsible for direction of the organization. The board governs, develops policy and sets a course for the future. Maintain focus on the purpose and strategic goals - avoid micro-managing the Association and staff.

Functions:

- Governance
- Policy & Position Development
- Visionary - Future Focus
- Fiduciary

Management: Paid staff and subcontractors are responsible for the administration of the Association. Staff acts as partners to the board, advancing the goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.

Unique Terminology

Not-for-Profit refers to the legal corporate status of the organization (It does not imply an exemption from paying or collecting state sales tax). Nonprofit is the casual reference to Not-for-Profit.

Exempt Organization is a reference to the IRS designation exempting the organization from paying most federal income tax

(with exception of UBIT - Unrelated Business Income Tax).

IRS 501(c)(3) tax-exempt designation most often refers to organizations with a religious, charitable, scientific or educational purpose.

IRS 501(c)(6) tax-exempt designation refers to trade associations, business leagues and professional societies.

#1 lie

“You won’t have to do anything when you get on the board!”

Board Responsibilities

1. Determine and advance the Association’s purposes and goals.
2. Select the chief paid executive (not staff) as well as CPA and attorney.
3. Support the chief executive and assess performance periodically - usually measured against the strategic plan.
4. Ensure effective organizational planning.
5. Ensure adequate resources (funds, time, volunteers, staff, technology, etc.)
6. Resource and financial oversight.
7. Determine, monitor and enhance programs, products and services.
8. Promote the Association’s image.
9. Ensure legal and ethical integrity and maintain accountability.
10. Recruit and orient new board

members, and assess board performance.

(Adopted from Ten Responsibilities of Nonprofit Boards www.BoardSource.org.)

Insurance and Volunteer Immunity

State and federal governments have afforded certain protections to volunteer leaders. While the volunteer may have some protection, the organization is still open for legal suits. Insurance coverages add further protection for volunteers and organization.

Directors and Officers (D&O Liability) may cover legal defense for employment, copyright, and antitrust claims, for instance.

E&O Insurance covers judgment settlements and defense costs for services we provide or failed to provide that did not have the expected or promised results.

General Liability Insurance covers property damages and injuries relating to the organization.

Fidelity Bond covers losses resulting from fraudulent or dishonest acts committed by an employee.

(Contact legal and insurance counselors for assistance.)

Legal Principles

Duty of Care requires leaders to use reasonable care and good judgment in making their decisions on behalf of the interests of the organization.

Duty of Loyalty requires leaders to be faithful to the organization, avoiding conflicts of interest.

Duty of Obedience requires leaders to comply with governing

documents (i.e. bylaws, articles of inc., policies, etc.)

Board Tools

The operating documents of the organization are available to leaders.

- Statement of Purpose (Mission)
- Articles of Incorporation
- Bylaws
- Policy Manual
- Strategic Plan
- Financial Statement
- Minutes
- Organizational Charts treat information with confidentiality.

Rules of Order

Agenda ensures that important business is covered and discussions are on topic.

Motions are proposed for action, beginning with, “I move we...”

- A Second is required for the motion to be discussed.
- Amendments may be made to most motions if they improve the intent or clarify the original motion.
- Tabling lays the motion aside.
- Calling the Question refers to ending the discussion and voting on the motion.
- Voting is the official action after discussion to adopt, amend, kill or table the motion.
- Minutes protect the organization by recording the time and location of the meeting, participants, and the outcome of the motions. They are not a place to record conversations, assignments, reports, etc. (Including reports and discussions can incriminate.)
- Quorum is number of directors required to conduct business.

■ **Recommended:** “ABC’s of Parliamentary Procedure” 800.477.4776.

“Committees recommend - board approves - staff and volunteers implement.”

Committee Categories

Organizations are streamlining

- eliminating all but essential committees and aligning committee work with the goals.

Task Force or Working Group –

formed for specific or immediate needs and disbanded upon completion of the work (a.k.a. Task Force or Presidential Advisory)

A standing committee is identified in the bylaws, appointed annually, on-going committee work. A committee is a body of one or more persons that is subordinate to a deliberative assembly. Usually, the assembly sends matters into a committee as a way to explore them more fully than would be possible if the assembly itself were considering them. Committees may have different functions and the type of work that each committee does would depend on the type of organization and its needs.

Subcommittees – formed by a parent committee to share specific tasks within the jurisdiction of the full committee. Subcommittees are responsible to, and work within the guidelines established by, their parent committees.

Advisory group/board/council

– a body that provides non-binding strategic advice to the management of a corporation, organization, or foundation. The informal nature of an advisory group/board gives greater flexibility

in structure and management compared to the Board of Directors. Advisory groups/boards provide the President with advice from top experts

Working group – a committee or group appointed to study and report on a particular question and make recommendations based on its findings.

Quick Action Team – acting quickly or in the shortest possible time.

Brain Trust (Consultative Committee) **and Change Agents** – A group from inside or outside the organization who helps an organization transform itself by focusing on such matters as organizational effectiveness, improvement, and development.

Common Sense

1. It’s a team; no individual has an agenda more important than the group.
2. Respect the chairperson and others.
3. Turn cell phones off.
4. Bring a calendar to meetings.
5. Wear a watch; arrive on time.
6. Prepare for meetings; read, read, read!
7. Stick to the agenda; no side bars.
8. Listen more than you speak.
9. Speak when you have an essential, clear point.
10. Respect the rules of order.
11. Leave personal and political agendas at the door.
12. Respect confidentiality.
13. Don’t speak for the organization without authority.

14. Support the actions of the board; don't bad-mouth any action or person.

Dissenting votes may be noted in the minutes - not outside the meeting.

Strategic Planning

A strategic plan focuses the board on purpose, vision and goals for 2 to 3 years. It serves as a roadmap. [A board member should "plan beyond their term of office and outside their area of expertise."]

Environmental Scan - review of external and internal influences on the organization, as well as strengths, weaknesses, opportunities and threats (SWOT)

Purpose - statement about what the organization is: whom it serves; and the services it provides; short with PR value.

Value - long-term desired outcome; what the organization will be in the distant future.

Goals - broad competencies of

the organization to advance the mission. Usually just 3 to 7 so as not to tax resources, volunteers, staff.

Strategies - advance the goals; creative efforts to achieve the mission and serve stakeholders/ members.

Action Steps - fit within the strategies; identifying the actions, assignments, deadlines, etc. (May be delegated to the "operating plan" or "business plan" that supports the board's strategic plan.

Plan Champion - the person (staff and/or volunteer) who keeps focus on the plan.

Board Risks

Protect the organization. The board should be aware of fiduciary responsibility, contracts, audit results, insurance, IRS requirements, values and ethics, apparent authority, antitrust, conflict of interest, etc.

Public Records requests for the

organization's annual federal tax return (Form 990, 990-EZ) must be made available for the last three years. Significant fines occur for noncompliance.

Antitrust Violations occur when two or more persons from the same industry or profession discuss suppliers, processes, prices or operations. Remove yourself from any conversation that would change how business is conducted because of a joint-agreement among competitors.

Apparent Authority arises when a board chair, though not granting actual authority, permits a committee or chapter to behave as if it had authority. Authority rests with the chairman and may not be assumed by others.

Financial Audits annually to protect board and staff.

Conflict of Interest disclosed at the start of the term and throughout the year. Adopt a policy to affirmatively answer IRS Form 990.



THE BOARD MEETING EXPERIENCE



Meetings of the board of directors can be dreaded or difficult to endure. The combination of listening to reports, watching individuals promote personal agendas, a lack of focus on outcomes, and bad behavior of directors leaves some board members wondering if it's worth their time. (It is no wonder it's hard to get a quorum.)

For example, a national association insisted the board hold conference calls monthly. They decided Sunday evenings would work. Because of time zones the call started at 9 and discussions often rambled past midnight. The staff were told they had to join in the call, too. While nobody said it,

these meetings were described as "painful."

Another association met quarterly but felt like they had to take advantage of the board's time so they worked for six to eight hours. The agenda expanded to fill the time. The board did committee work and talked "shop." Reading subsequent minutes might make one wonder what was accomplished.

The Positive Board Meeting Experience

Conversely, a few associations have a well-planned agenda, interspersed with visioning, insights and collegiality. The valued time of directors is used for governance and visionary

discussions. When the meeting wraps up directors feel motivated.

Very few associations have developed a formula for the ideal board experience. Rather than meetings in which board members attend because it is their duty, these organizations have developed techniques that leave directors pleased with the board experience.

Camaraderie – Facilitate social interaction among board members to promote camaraderie. Arrange activities that might pleasantly surprise the directors or add some fun. Consider "speed dating" where directors get to know each other or a contest with prizes rewarding volunteers who best

know the association.

Visionaries - Engage the board in visionary discussions; find opportunities to let their ideas soar. Directors should think beyond their term of office, positioning the profession, trade or community for 2020 and beyond.

Dashboards - Avoid meetings built around reading and listening to reports. Diminish the length and number of reports by using dashboards to concisely depict information. The board should be steering the organization based on knowledge, not delving into minutia that are committee and staff responsibilities.

Consent Agenda - Provide reports in advance of the meeting by using a consent agenda or distributing reports with the agenda as opposed to presenting them at the meeting.

Strategy - Rely on a strategic plan to focus the board three to five years into the future. Keep the plan on the board table so directors consider it before making recommendations and motions.

Access - Provide opportunities to hear from experts outside the board's usual realm. Invite an author, elected official or publisher to share insights exclusively for the board. Directors appreciate having

inside-information that might benefit their business or profession.

Venue - Find an unusual venue for the meeting. Does it have to be an office or hotel conference room? What about exclusive access to a museum or a sports venue?

Frequency - How often should the board meet? Many organizations govern with only three meetings a year, respecting the time of volunteers and staff. If there is not a good reason for the meeting, postpone it.

Committees - Use only necessary committees to supplement the work of the board. The trend is to rely on task forces and quick action teams rather than year-long standing committees. Be sure committees do their work in advance of board meetings and not at the board table.

Breakouts - Make time for small group breakouts. Assign a particular issue for teams to resolve. Make use of the ideas and solutions from the groups. Break outs may encourage directors to contribute who remain quiet in front of the big board.

Staffing - Include senior staff at the board meetings to provide support. During meals have the staff spread out to get to know

the directors. Have staff members host tables at lunch so directors can learn more about their roles.

Right Size - Studies report the larger the board the less engaged directors feel. They realize they don't have to attend or be accountable because they won't be noticed. The IRS suggests the size of the board should facilitate meaningful discussions.

Technology - Use technology so directors are looking at the screen (or on their computers) to ensure information is understood. Avoid a packet full of pages where directors get lost in the paperwork.

Rating - Upon adjournment ask directors to rate the meeting and offer ways to improve it prior to the next board meeting. Before the year ends, have the board conduct a self-evaluation. Improvement should be a constant.

Finally, celebrate the board of directors and their achievements. Include their photos on the website and let the community know these are the leaders and visionaries working to improve the organization.

Note: Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com





CHALLENGES WITH BOARDS

and Solutions for Improvement

Ten Challenge with Boards

1. Directors don't understand their responsibilities.

Deliver an effective board orientation; provide access to a leadership manual or password protected board portal.

2. The board simply isn't engaged.

When directors lose attention, be sure the work, agendas and discussions focus on the mission and goals. The strategic direction should be clear and compelling to engage volunteers.

3. Some directors don't show up, repeatedly missing meetings.

Follow the bylaws and promote

fiduciary responsibility, especially duty of care. Directors attend officially called meetings to fulfill their roles.

4. The board prefers to manage, not govern.

The purpose of a board is governance according to corporate law. Management is a duty of the staff.

5. Fiduciary duties are not understood by the board.

The fiduciary duties include care, obedience and loyalty. Directors should understand their implications.

6. Lacking financial understanding.

If directors don't have an

understanding of finances, reports and audits, bring in a CPA or trainer. Protecting the resources is a board duty.

7. Some board members have personal agendas.

Directors should be working to advance the mission and the strategic plan. It's not about the personal agenda of officers or directors. Require disclosure of conflicts of interest.

8. We have the same directors we had ten years ago!

Organizations enact term limits to bring on new directors; limiting the number of years or terms.

9. Some directors are never prepared.

Stress the importance of “read to lead.” Directors should prepare for meetings and ask questions in advance (duty of care/due diligence.)

10. We have directors who seem to be incompetent in their board service.

Selection of directors should be based on competency — not geography, who knows who, or being “out of the room when directors were selected.” Provide training, information and resources. Identify the desired core competencies for the board before the nominating process.

Ten Reasons Strategic Plans Fail

1. The board can’t think past a year or two.

Most strategic plans span at least 3 years. Directors have a responsibility to “think beyond their term of office.”

2. We have a host of to-do projects in our strategic plan.

The plan should focus on the organization’s mission, goals and strategies. It is not a to-do list. The board sets direction and then lets committees and staff/ departments manage the tasks, programs and projects.

3. Maybe we had the wrong people at the planning retreat.

It is the board’s responsibility to develop the strategic plan. Inviting ex-officio guests, other stakeholders and a host of past presidents will slow the process. Use focus groups to collect input from outsiders, before the retreat.

4. The plan looks like a list of the directors’ and officers’ priorities.

Most strategic plans have just 3 to 7 goals. The fewer the number of goals, the clearer the message to stakeholders.

5. We couldn’t tell the difference between tactics and strategies.

The terminology of planning is critical. The retreat should focus on mission, goals and strategies; adding performance measures when appropriate. Leave tactics to committees.

6. We’ve been developing our plan for several months.

A drawn-out process can hinder development of a clear, concise plan. Most organizations schedule an 8 hour retreat conducted in one day or two half-days.

7. After the retreat the plan was ignored and put on a shelf.

There are ways to ensure the plan is executed, including keeping it on the agenda and regularly reporting on progress.

8. The board wrote a plan but committees are doing their own thing.

Committees should be assigned tasks from the strategic plan. Be sure every goal is supported by one or more committees.

9. I think our facilitator had his own agenda at the retreat; we didn’t accomplish much. There is a broad choice of facilitators; it’s important to discuss the outcomes and agree on an agenda that the board will appreciate.

10. We didn’t finish the plan. Some boards get stuck on the

mission; running out of time for setting goals and strategies; others get mired in tactics or sidebar conversations.

11. The board says planning is too expensive.

Most plans span at least three years; it is a small investment (amortized over three years) to create a compelling roadmap to follow.

Ten Challenges to Policy Adoption and Implementation

1. What’s the difference between a policy and a procedure?

Policies are the wisdom of the board documented in the minutes and a policy manual; procedures relate to staff duties.

2. We have an abundance of policies.

An organization often relies on just 25 to 50 policies; if policies are over abundant and/or outdated, appoint a task force to review and sunset old policies.

3. Our policies have been added to the bylaws.

Let the bylaws serve as a broad governing document. Policies don’t belong in the bylaws.

4. The board isn’t aware that we have policies.

Policies are part of the governing documents to provide to board. Format policies (table of contents, annotations) for easy retrieval by volunteers and staff. The fiduciary duty of obedience requires directors understand and follow the governing documents.

5. We have policies that conflict with our bylaws.

Policies may not conflict with the articles of incorporation and bylaws.

6. The policies are all over the office and have no format for a quick read.

Use a template for policy adoption. Most policies are a few sentences. Include an annotation as to approval and amendment dates. All policies should be archived in a central manual or website portal for easy access by volunteers and staff.

7. I cannot find any policies, I just do things like the person before me did them.

“Undocumented policies” are simply precedents or practices. To build the organization’s first policy manual review prior minutes for motions and consider IRS Form 990 policy questions.

8. It takes days for staff to develop and board to debate policies.

There are resources for policy development. Rely on legal counsel, accountants, and financial advisors for help.

9. The board doesn’t think we need policies.

Policies guide the current and future leaders. They thwart repetitive conversations about, “Should we do this or not...” if the policy already exists.

10. Should we have a policy on policy management?

Organizations set a periodic date for review and ratification of existing policies; noting the action

in the minutes to support duty of obedience.

Ten Challenges for Committees

1. The committees wander and don’t stay focused.

All committees should have a purpose statement or mission, similar to the organization.

2. Committees seem to waste time.

Each committee should have work assigned annually by the board. If there is no reason to meet, postpone the meeting. Don’t fulfill the adage, “Committees keep minutes but waste hours!”

3. Is there a preference for using task forces over standing committees?

Deliver an effective board orientation; provide access to a leadership manual or password protected board portal.

4. They seem to be starting from scratch every year – there is no transition from last year’s committees.

Committees are part of a process — the new committee builds on efforts of the prior year. Minutes and records should be maintained. Create a committee notebook to pass along or use a committee portal to archive work projects and notes.

5. Volunteers say they drove an hour both ways and when they arrived there wasn’t even an agenda.

A well-crafted meeting agenda is needed. Respecting the value of volunteers’ time, the agenda

and supporting info should be available in advance and used to complete the work at the meeting.

6. Committees are starting projects never intended!

Use a board and/or staff liaison to support the committee. The liaison will also serve as the champion of the committees efforts at the board table.

7. Should committees link to the strategic plan?

Committees should be aligned with the goals in the strategic plan. The plan should be introduced to the committee at the start of the year.

8. Committees have sent recommendations to the board and they revamp the proposals.

When charges are clear between board and committee, the board should not recreate the work. Follow the adage, “Boards don’t do committee work at the board table.”

9. The chairman dominates the meeting.

No chairman should have a personal agenda. The role of the chair is to facilitate the meeting, not dominate it.

10. We only have board members on the committees.

Board members are responsible for governance; some organizations recommend directors serve only as committee liaisons so as not to distract them from their duties. Expanding committee composition beyond the board is a way to engage members and bring in new ideas.



THE HUMBLE BOARD MEMBER

Is there one quality that is most respected among board members? A quality that supports continuous success? Something that enhances a culture of trust?

Humility is the trait that best positions a director for sustainable effectiveness on a board.

“When you step into leadership, success is no longer measured by your ability to do the work, but by your ability to set the stage for others to do the work,” offers Heather Breen, Director of Governance, Planning, and Engagement at the San Diego County Bar Association. She continues, “The most successful leaders welcome input and take a step back to allow others to shine.”

A trio of past board officers shared their experiences with

a freshmen class of incoming directors. Here’s what they said about leadership and humility.

- Don’t be afraid to be self-deprecating. The person who might belittle him or herself, preferring to be undervalued or excessively modest, is likely to have the best experience. A director who hoodwinks the board or professes to know everything will have limited respect and success.
- Don’t take yourself too serious.
- It is best if you approach leadership from the perspective of positioning the board or your committee for success. It should not be about personal or conflicted interests.
- Though you may have a title of “director” or “officer” on the board, it is not about the title — it’s about the members.

■ You don’t have to be right, or win every discussion. You have to produce results that advance the mission.

■ Plan to be a mentor.

Demonstrate an interest in the growth and success of every person on the team.

■ Respect and work within the existing framework of mission, bylaws, budget and strategic plan.

■ Time will fly. Achieve as much as you can in the first three months, then the rest of year will be easier.

Their advice about humility reminds me of the book *Wonder* by R.J. Palacio. It tells the story of a 10-year-old boy who was born with distorted facial features. It suggests that when it comes down to everything that is important, “If you have a choice between being right and being kind, choose kind.”

RUMP SESSIONS

A rump session is described as a meeting before or after the larger meeting.

In associations, a rump session might occur in the parking lot after the board meeting; a few directors hanging back to rehash what was decided.

At other times it is a call between directors to discuss association business. It could be a meet-up at lunch or the bar to talk about the upcoming board agenda.

The Scenario

Directors are anticipating the next board meeting. They received the agenda and supporting documents to study. They've had a thorough orientation about the importance of their governing roles.

As volunteers read the agenda, some might think, "I'll make a quick call to a few directors to ask their opinions, there is no problem in that." It sounds harmless.

Here's what happens. The director picks up the phone for a conversation about one action item in the packet. It's a recommendation for consideration and approval by the board.

It seems like the director is doing his or her due diligence. The call between directors begins innocently, but it easily digresses.

This is the beginning of what can go terribly wrong for leaders, developing into legal and organizational problems. The concerns may include antitrust violations, collusion, discrimination,

apparent authority and voting blocks.

Some associations have adopted a policy: "Rump sessions involving the discussion of business matters are to be avoided."

As the conversation moves from a simple question, "What's your perspective on the recommendation," the discussion may expand to other agenda items, even so far as influencing the vote.

Directors should know their authority is limited. They have authority to act from "gavel to gavel," when the meeting is convened until it is adjourned. They do not wear their governing hat in between meetings.

At the rump session, perspectives of other board members might be discussed. "How do you think they will vote?" Directors should not be counting votes and lobbying outside the boardroom.

Directors may mistakenly convince each other they have all the facts. They might make an agreement to vote or suggest calling other directors to influence

votes before the board meeting.

Without officers and staff present, there is no agenda nor minutes recorded to protect the directors. Confidentiality has been breached.

Facts and knowledge are missing, replaced by hearsay. Other directors realize what has occurred and feel left out. Distrust infects the board.

Inside the boardroom is the safe place for deliberation. Opinions and votes are to remain confidential.

The board should act as a unified body after meetings. No matter the outcome, directors must support the decisions of the board.

Rely on Staff

The staff, especially the association executive director, is the best source for information. Their answers will be knowledge-based, neutral and watching out for the interests of the board and organization.

Avoid rump sessions that exclude directors, breed distrust, and appear to count the votes before the board meeting.

CREDIT: DaVina Lara





CURBING MISSION CREEP AND MICROMANAGEMENT

Mission creep and micromanagement are disorders of a board. The symptoms and cures are different. Both create disruption in an organization.

Mission Creep

Mission creep is not a disparaging characterization of a member of the board.

It is the process where a gradual shift in purpose occurs, with or without awareness. In organizations with limited

resources, the expansion of the mission will dilute programs and services.

A board that tries to be all things to all people will exhaust resources and reduce quality of programs and services.

From the perspective of the IRS, working outside the mission statement may cause “unrelated business income tax” or UBT. The organization has described its purpose to receive its tax

exemption status.

Guided by Governing Documents

Governing documents define the parameters of board work.

At the national level, the IRS has reviewed the narrowly defined purpose of the organization. It is noted in the application for exempt status with a “description of the activity including its purpose and how each activity furthers your exempt purpose.” Expansion

beyond the purpose can be troublesome.

At the state level the Division of Corporations issues not-for-profit status. The original incorporators submit the association's mission.

Bylaws describe the purpose of the organization and the relationship of the board to the membership. In addition to defining the purpose the board's duties are communicated.

Here is a bylaws example that specifies the board's purpose:

- Establish governance policies.
- Approve the annual budget.
- Establish dues and fees.
- Retain executive director for organization.

Exceeding the parameters of board service, or expanding beyond the mission statement, can have adverse impact. Generally the bylaws approve the board approving funds, setting policy, advancing the mission, hiring a CEO and representing the membership.

Curbing Mission Creep

Some ways to curb mission creep:

- **Awareness** – Be sure board members understand the mission statement and its relationship to governing documents, membership and legal authorities.
- **Squirrels** – Directors, committees and boards that chase good idea may be distracted from the mission, like a dog chases every squirrel. Before pursuing new ideas, check them against the mission statement.
- **Discipline** – It requires discipline not to expand the mission. If directors don't have the discipline, you would expect the

chair of the board to remind board members of the purpose. Use the techniques of reading the mission at the start of meetings or sharing a mission-moment to demonstrate how the organization has recently carried out its mission. Members generally prefer their association be good at a few things rather than trying to do everything.

■ **Display** – Wherever governance decisions are made the mission should be displayed. It may be framed on the wall of a conference room, printed on the agenda, or on the reverse side of name tent cards.

■ **Resources** – Limited resources should restrain mission creep. As resources grow the board may want to grow association programs. Possibly directors are not aware of the nexus between resources and new initiatives. "This won't take the staff much time," is a frequent board remark.

■ **Strategic Plan** – A strategic plan is built upon the mission statement. Within the plan are goals and strategies. If directors ignore the plan or are unaware of its purpose, mission creep may occur. The plan keeps the board "between the rails."

Curbing Micromanagement

Micromanagement is a style where a manager, or in the case of an association, board members, too closely monitor employees. It has a negative impact on staff when employees feel they are not trusted and are being evaluated by the board.

An example would be a director that drops by the office and begins to ask questions about workload, efficiency and operations. These

are areas outside of governance and not in the purview of board members. The staff answer to their supervisors and the executive director.

Remedies for Micromanagement

Try these cures for micromanagement, starting with awareness:

■ **Board Training** – Directors may not realize that their service on the board does not include hiring and evaluating staff. A good orientation will help them understand that the staff work for the executive director.

■ **Staff Relationships** – An organizational chart should depict the relationships and lines of authority in the organization. The board has a direct link to the executive director but not to the staff. It would be inappropriate for directors and committees to be calling staff asking for help or favors. Assume the staff has a full workload.

■ **Fraternization** – Personal relationships with staff should be careful. Directors maintain a professional, collegial relationship with staff. If staff serve as liaisons to committees, they should be respected as a resource.

■ **Enforcement** – In appropriate relationships with staff can result in conflicts of interest or even sexual harassment. The officers and executive director must enforce inappropriate behaviors.

In summary, both mission creep and micromanagement can have adverse effects on the organization. Awareness is the start to avoiding the problems.



DIRECTORS WEAR MANY HATS

The director walked into the board meeting with an agenda of her own. She said, “My chapter expects the state board to resolve our situation.”

What hat was she wearing; a chapter director, a board member? She got on the board because the bylaws allow for representation from each chapter.

This director had a bad assumption about governance. She was obsessed with the problems of her chapter rather than a shared focus on advancing the mission and goals of the state association.

Role Confusion and Apparent Authority

It is understandable that

volunteers experience role confusion. They are new to governance processes and bylaws can be difficult to understand.

Another example involves speaking for the association. A director might think that as a member of the board they can speak on its behalf.

They may be asked a question by a newspaper reporter or government official about an association advocacy position. They can decline to answer and redirect the question to the association designated spokesperson. Or, they can make a mistake by answering, “Here’s how my association feels about it.”

Social media platforms can

be another problem. Someone might ask about the reputation of a supplier. The board member responds on Facebook, “I’ve used the supplier and found him to be costly and difficult to work with.”

Which hat was the director wearing? It appears he was a board member negatively characterizing a supplier. He might have been expressing a personal viewpoint but it sounded like he was wearing his board hat. Liability may arise because of volunteer leaders speaking without authority.

The legal concept of apparent authority refers to a person who “appears” to be representing an organization whether or not he or

she has authority to speak for it. In the example of a director criticizing a supplier on social media, it is possible readers believed the board member making the comments was speaking for the association.

Apparent authority is a legal concept that refers to the situation that arises when a person, such as a board member, indicates to another party that an officer or agent is authorized to act on its behalf, and the third party relies in good faith upon such authority.

Most nonprofit organizations have policies about directors posting on social media, restrictions on access to letterhead and business cards, and lines of authority as to who can speak for the association.

Changing Hats

To help directors understand which hat they are wearing, the Coastal Carolinas Association of REALTORS® distributed ball caps to each of the 2019 board members.

The association CEO Laura Crowther said, “Wear your governing hat when you are at board meetings, take it off when you perform other functions as a volunteer.”

Accompanying the ball caps was the book written by Greg Zadel, *Your Director Hat: A Guide to Serving as a Director on a Board*.

In the book Zadel reminds directors that they are there to serve the members and advance the mission. They are fiduciaries, representing the interests of the membership.

Director Roles

There are a number of situations that require different roles.

Governance → The board of directors are charged with governance. They get their corporate authority from state law. Wearing a director’s hat one would NOT expect board members to delve into staffing decisions, management or committee work.

Representation – There are lines of authority and communication that should be respected.

Directors should not use the board position to indicate they represent the association. This is especially important to be clear when responding to media and governmental inquiries, or using one’s title on stationery or outgoing e-mail signatures in hopes of gaining an advantage.

Committees – Often a director will attend an association committee meeting as a board liaison or member of the committee. Just because a person serves on the board, they should not usurp the authority of the appointed committee chair or push through their own agenda.

Personal Gain – Established by law in 1896, it was determined that any director receiving financial benefit from a nonprofit might endanger its tax designation. Thus directors should not wear their board hat to seek personal gain. Directors should disclose conflicts of interest and not promote personal agendas.

Financial Hat – A critical role of a director is oversight of the finances, including understanding budget and assets. Stewardship of finances would be difficult if a director did not take financial oversight seriously.

Staff Relationships – Directors have the responsibility of governance; that does NOT include hiring and firing, evaluating, or directing staff working under the chief paid person (executive director.) Directors maintain a collegial, professional relationship to staff but they don’t call them for favors, make assignments or comment on their work. Remember the adage, “board governs – staff manage.”

Improve Understanding

The best way to communicate the multiple hats directors wear is through board orientation. Supporting books for improving governance include **Your Director Hat: A Guide to Serving as a Director on a Board** by Greg Zadel and **The Perfect Board** by Cal Clemons, CAE.

I credit CCAR’s CEO for demonstrating the nature of the multiple hats by giving each director a custom ball cap. Her best advice was, “Before taking any action consider whether or not this will benefit the members.”

Zadel offers this final advice to directors, “Have a good time. Don’t be afraid to have a silly feather or a smiley button on your director hat.”



MISGUIDED PRACTICES

There is no single authority for how associations operate. Every nonprofit and its board are unique. They are influenced by culture, resources, scope and member expectations, for example.

While rigid guidelines don't exist, some processes are better than others. Here are examples of MISGUIDED PRACTICES regarding minutes, board meetings and consent agendas.

Minutes as a Newsletter

"We use our board minutes as a newsletter, it is a good way to keep members informed. We put them on the website for everyone to know what the organization is doing," the executive said.

The issue: The minutes should be drafted as a document to record the board's governance actions and to protect the organization. They are not a newsletter for members and chapters.

Usually brief is better for taking minutes. Their purpose is not to record board reminders or the pros and cons of a motion. They are the place to indicate the board convened, had a quorum, did their due diligence (without conflicts of interest) and conducted the business on the agenda.

One way to think of minutes is to consider if they were subpoenaed and viewed by a court or jury, what information would they

communicate? Thus, making them read like a newsletter can be dangerous.

When it comes to who should take the minutes, I always counsel it should be someone who understands their purpose and legal considerations. If the elected board secretary can make them both accurate and brief, that is a good candidate. Find another person if the recorder insists on putting everything in the minutes and cannot accurately document a motion.

It is misguided to think that the minutes should double as a newsletter for members. There are other platforms for updating stakeholders.

Build Community with Board Meetings

An elected president said her board meets monthly, even if there is no reason. She said, “Our board meetings are a platform for building community within the leadership.”

The issue: The purpose of a board meeting is to govern. Most groups convene only when there is need.

Holding a board meeting to keep directors engaged or to build camaraderie is contrary to the intended purpose.

The IRS defines the board and its purpose as, “the group of one or more persons authorized under state law to make governance decisions on behalf of the organization and its stakeholders or members, if applicable.”

Leaders who meet monthly should be aware of the amount of time required to plan, execute and follow up. By transitioning from

monthly to bi-monthly or quarterly meetings the organization can save up to 200 hours of staff time annually. It can also improve focus and contribute to work-life balance for volunteers and staff.

Relapse

The executive said reports on the consent agenda are regurgitated during the board meeting.

A consent agenda is a method for getting the perfunctory reports to the directors in advance. When the meeting notice and agenda are distributed, it includes files or links to reports that require no board action.

The issue: The traps lie in accountability and relapse: Directors don't read advance reports (it's a fiduciary duty) and the chairman of the board doesn't enforce accountability. Throughout the meeting the unprepared directors say, “I just have a question.” Advance reading would

have limited the distractions.

A second trap is a relapse during the meeting. While the consent agenda was accepted at the start, some directors rehash those reports as if they are new business awaiting discussion.

“Although reports are included in the consent agenda, the information is often regurgitated during the meeting. To combat this the board president asks directors to identify how their discussions align with the strategic plan goals. Reports and motions must support goals that are integrated into the meeting agenda,” said Dee Kring, CAE, CMP, executive director of the Examination Board of Professional Home Inspectors (EBPHI).

Listening to and reading reports is not the best use of board time. Their focus should be on advancing the mission and strategic plan, acting visionary and serving constituent needs.



PANDEMIC RECOVERY





ADJUSTING BUDGETS IMPACTED BY CRISIS

These are the words of association executives panicked by the pandemic's financial havoc.

"Our conference is canceled, accounting for a 50 percent loss of revenue; what do we do now?"

"We may lose 25 percent of our members and that will put our finances in the red for 2020 and beyond!"

"We won't make it through this."

Hopefully your association's 2020 budget will hold tight and your value proposition is strong enough to survive. If not, convene your finance committee to assess the damage:

- First, realistically analyze the current budget and financial position of the organization.
- Second, check on the liquidity and status of your reserves as you may need them to supplement operations.

- Third, project what programs will be cancelled or supported less by attendees and sponsors. Also, consider royalties as they may decline for lack of use.

- Fourth, understand the impact to dues. Membership revenue may depend on how you communicate value at this time of urgency.

- Fifth, develop a contingency budget covering the worst case, best case, and no change scenarios. No one knows the full impact of the pandemic.

- Sixth, do business differently and look for opportunities to repackage conferences, deliver information, and allow for virtual collaboration.

Budget Principles

Start with the general principle of budgeting income. The proportion of revenue is usually 40 percent dues 40 percent meetings, and

20 percent other. Of course, every association is unique.

"Other" revenue are the innovative programs and services such as product sales, sponsorships, certification, data management, advertising, royalties, rent and interest.

The conclusion of this article offers a dozen ideas to generate non-dues revenue.

Regarding the principle of ratios, one expects a balance of about 50 percent dues income and 50 percent from other sources. The rationale is that if you lost a major revenue source, for example the annual conference, you would have sustainability through other sources.

Another ratio is that of percentage of savings compared to income. Most associations maintain an amount equal to half

their budget set aside as assets to be drawn upon as needed. For example, a budget of \$1 million would warrant savings of a half million. The rationale being that an organization could survive and pay its bills for at least six months in a period of uncertainty.

If you don't have at least half of your budget in reserves, it is important to have enough reserves to cover your largest revenue source loss (i.e. if your conference is bringing in 40 percent of a million-dollar budget, the association should have at least \$400,000 in reserves).

Many organizations reference reserves as their "rainy day fund." Do not look at reserve funds as, "we can't touch that."

Funds may need to be tapped for survival. Assets may need to be liquefied to access cash. Reserves exist to be used to maintain relevance and serve members. Be good stewards.

Resetting the Budget

A budget is a guide. There are times when adjustments should be made, especially impacts by external threats and opportunities. Now is the time to analyze and make prudent decisions.

The finance committee, officers and the executive director should assess the impact of current conditions. Discuss and project each income line item. Remain positive, there may be new opportunities to serve members that generates new income and enhances the membership experience.

What to Analyze

Dues - Expect hardships to be

expressed by members. Some may not be able to pay their dues. You don't want the coronavirus to dismantle years of building a successful membership. The customer-member relationship is invaluable. Flexibility and adjustments may need to be made. Consider extending current members by a period of months. Waive dues for members who simply cannot renew now. Allow for making smaller payments. Position 2020 – 2021 programs as indispensable to member success. Clearly express ROI and communicate value.

In the Danger Report

commissioned by the National Association of REALTORS®, they suggest that the loss of a primary income source will threaten associations reliant too much on a single program. The counsel is to diversify beyond dues by creating valued programs for members.

Sponsors and Advertisers -

The association partners with corporate or affiliate members. These companies provide sponsorships, advertisements and scholarships in order to build their brands and sell services or products.

Corporations are cutting back all but essential costs. Position the association as a partner in their recovery. Understand and respond to their needs.

For example, a summer golf sponsorship they bought may no longer have worth. Transition their sponsorships into what adds value to them. Maybe instead of a lunch sponsor they may prefer a year of website banners or the back page

of the magazine.

If they seek refunds, ask about issuing a credit or offering a better package for them, so you don't lose the income. Move their contributions to programs later in the year.

Reforecast the advertising and sponsorships for 2020.

Create a new "sponsor opportunity menu" that improves value for 2020-2021.

Royalties - Endorsed programs generate royalties. If the membership doesn't use the programs the revenue will decline.

Work with endorsed partners to help them make their programs stronger. Expect changes in royalty revenues, making practical adjustments to save programs and restart for better times.

Education - Many associations rely on the conference and expo for more than half their annual income. Ironically, some associations don't purchase meeting cancellation insurance.

Conference cancellation policies may not cover a pandemic unless you have a rider on your policy. Check with your insurance company now to see if you are covered. In an article from Venable LLP, it states,

"Those seeking to recoup the costs of cancelling a convention or conference should look first to their event cancellation insurance policy, if they have one, as it is most likely to provide such coverage. However, many of these policies exclude coverage for uncommon and catastrophic events. For example, virtually all such policies have coverage exclusions for losses that are caused by acts of

war, and some may also exclude terrorist attacks. Many event cancellation policies also exclude coverage for natural disasters and, most pertinent here, communicable diseases.”

If a conference cancels, repurpose it as a virtual event. Transform seminars to Zoom for an online audience. Consider a virtual awards banquet, find a way to offer virtual fun.

Another idea is to chunk the conference into smaller portions, offered over a period of six-months. This will deliver necessary education while maintaining a connection with members. Include topics on how members can rebuild, revamp and thrive.

Do what you can to save the face-to-face meetings. The hotel and travel partners have been generous to associations, this is the moment to help them.

Ask speakers and experts to provide varied forms of education. Build an on-line library of seminars and articles by experts on coping in uncertain times. Be the most credible source of education. Pent up demand for face-to-face meetings will drive strong 2021 conferences.

Information Packaging - Members need data more than ever. What are the market trends, where do opportunities exist?

Associations are great aggregators of information. Package the information you glean, let the experts add to it, format it and make it available to members at a discount and non-members at a premium. Be sure to protect your intellectual property.

The response strategy is critical

and collecting real-time data from members and the business sector via surveys and virtual focus groups is important. Consider virtual town halls to answer questions and provide members with a chance to network with other members.

Identify what information can be gleaned and packaged. Reach out to related organizations such as a university to add credibility and crunch the data. Make it available through the association.

Generating New Revenues

The board, committees and staff should brainstorm ideas to generate new income. Review this list to identify what might be adapted for your membership. Be innovative and strategic in developing programs and services.

■ **Speaker/Lecture Series** - Just like TED Talks, your association can feature noted speakers on a variety of issues virtually. Each event can be sponsored and led by a company or group of companies. Right now, your members are hungry for information that is either impacting their professions or companies. Bringing experts from the field that are innovating during this time is critical. Everyone loves best practices.

■ **Conference Chunking** - Take the pieces of your conference and chunk them out over a period of 6 months. Engage your speakers and have them provide great materials before and after their presentations. Offer content that can be taken away and put into action. Ask your speakers to do follow-up webinars to continue the conversations and takeaways.

■ **Virtual Town Halls** - Work with

your members to identify their hot questions or topics. Assemble a panel of experts to provide answers and helpful advice. Hold these town halls once per month and charge the panelists with providing tangible takeaways after each town hall.

■ **Translate Government**

Regulations – Translate the latest work of legislation and its impact on members. Regulation is often hundreds of pages. Decipher the information to develop a workshop or printed guide making compliance easier. There will be interest for this as it will be applicable to the sector and delivered by their association.

■ **Economic Updates, White Papers, Salary Studies** – There will be a major need in your sectors to provide information that members will use to rebuild. The strength of your association is your membership. Leverage them to understand the economic impact and what is changing, write white papers on best practices, and provide salary studies and compensation analyses that will benefit companies hiring after this pandemic.

■ **Online Auctions** – Host an online auction to fund a major program in your association and to donate to an organization such as the Red Cross or others. Partnering with another not profit in this way will make a connection to a great cause while also raising funds for the association.

■ **Travel, Entertainment, and other Partnerships** – Right now, every industry is hurting. Work with your hotel chains, airlines, car rental companies, theatres, and other companies to negotiate rates and

discounts for your members.

■ **Online Meetings and**

Collaboration – Reach out to Zoom.com, Uberconference.com, Discourse.com, and other online meeting and collaboration companies and negotiate licensing deals with them in exchange for great rates for your members. Going virtual will translate, in many ways, to staying virtual after this pandemic. Reach out now to establish licensing deals with these companies that will pay a fee to your association for every one of your members that signs on with their platform.

■ **Access to Legal and**

Professional Services – More than ever, companies and individuals may need access to legal services. This may be an opportunity to contract with a law firm to provide your members with legal services in their sector. Negotiate a pre-determined rate and the revenue that will flow to the association.

■ **Consulting Services** – If your association is comprised of company members, there may be a significant need for business development consulting. This may take the form of financial consulting, sales training, marketing assistance, or customer service support. Don't be afraid to go outside the box and identify value added partners that might be able to provide these services to your members as an extension of your association.

■ **Podcasts** – Develop focused podcasts that would of interest to members on a specific topic. The Urban Institute uploaded a podcast on “How can we alleviate

economic insecurity during the pandemic?” They identified speakers in the Institute from the Institute and the Tax Policy Center to provide this information. Partner with other organizations to deliver joint podcasts to make them more robust and valuable given other perspectives and insights.

■ **Toolkits** – Toolkits are great and have an immediate takeaway effect. What are those essential and timely toolkits that can be created today? Also, as it relates to all of these potential revenue streams, let's remember not to overengineer and over process everything. This is the time to act swiftly and get information out quickly without red tape and being stuck in committees. Getting something out in 6 months is not effective. Getting something out in 6 days or less will be invaluable.

■ **Sponsors** – Everything in this article has sponsorship opportunity. Remember, your sponsors may lose their exposure if your event is canceled but imagine how many more impressions they can receive by sponsoring a white paper, a town hall, a toolkit, serving as an expert, etc. Reach out to your sponsors and see what else they would be willing to do to get their name recognition while being a major supporter when their association needs them the most.

■ **Foundation** – If the association has a 501c3 foundation, consider repurposing its mission. If it has always addressed scholarship and education, consider redirecting funds for business survival, employee needs and microloans.

■ **Certification and Certificate**

Programs – Consider developing either a certification or certificate program. Certification programs are in almost every profession and every field. It helps to test to certain competencies and allows individuals to enhance their skills and knowledge base. It allows employers to find candidates that have tested to a level of competency in their fields. Given the potential employment impact a crisis has on the economy, the ability to provide a certification will provide an applicant with an advantage over other applicants.

Certificate programs are less intense to manage than a certification program and it allows someone to complete several courses and earn a certificate without the need for continuing education.

■ **Drop** – Finally, rather than creating new programs, consider what no longer has value to members. Revamp or drop the programs that are exhausting resources.

Enhance the Value Proposition

Expectations and satisfaction of members will be shaped by what happens in 2020 and how the association responded. This is the chance to do business differently. Transform the budget to be less dependent on membership dues or an annual conference. Create programs that better engage members.

Touching members every day, in different ways, creates value and relevance. It positions the association as an indispensable partner.

CREDIT: Bill Pawlucy, CAE



ADVOCACY IN A PANDEMIC

Now is the time to increase advocacy efforts, not put it on the back burner. During the pandemic, members are desperate. Rightfully, they turn to the association, their trusted source and indispensable partner.

Every member contact is an opportunity to hear their needs. Through conversations, surveys and cries for help, the association should identify their common challenges.

At the Florida Swimming Pool Association, the pandemic brought on chaos. Local governments were adopting regulations that would have stopped their businesses. Through advocacy they were able to establish that pool service was an essential business.

FSPA created signs for member trucks promoting, "Clean Pools, an Essential Business," during the crisis. Members could continue

to work, providing service to their customers. The indirect benefit is membership is growing because of their efforts.

Now More than Ever

An association or chamber of commerce knows their members and the business sector best. They have established open communication channels to hear the needs and challenges of members.

Advocacy starts with the association categorizing member concerns. Some may be concerned re-opening, others about regulatory requirements, and still others about business finances and loans.

Group the input into buckets in which the association can have influence. Transform problems into opportunities.

Each body of government seems to address the pandemic differently. Some focus on quarantines, others restrict the size of meetings, while others create stimulus packages including loans and grants.

Advocacy Plan

Members expect their organization to advocate on their behalf, representing their concerns and interests to government, media, and organizations with influence. Build a plan for effective advocacy.

■ Increase Communication

Members fear the consequences of the crisis. They expect their organization to be proactive. Provide channels of communication to collect relevant information. Communicate that the association cares and is helping.

■ Identify Member Needs

Inventory members' needs. They will vary from financial assistance to supply chain shortages. Transform their problems into association opportunities. The Romania Retail Forum realized ninety percent of the non-food commerce occurs in

shopping malls. In March, the government shuttered malls. Retailers have no income to pay their rent. Now the retailers can obtain a force majeure certificate at a significant discount, issued by the local chamber of commerce to avoid being evicted from the mall.

■ Galvanize a Force

Nearly every membership organization has a government relations committee. Some have staff members who are experienced in government influence. Members should be engaged in grassroot support. This is not the time for a "wait and see" attitude. There is competition to be heard by government officials. Be determined about getting the attention of lawmakers.

■ Maintain Vigilance

The pandemic is full of uncertainty. Governments are making proposals nearly daily. Listen closely to what is being discussed and be ready to take a stand. Be accessible if government leaders need to hear from you. Ask the membership to report everything they hear about proposals, regulations, and challenges.

■ Craft Your Messages

Facts, data, and stories are most likely to influence government. While an emotional plea is moving, it may not have as much influence as facts. For instance, how many members will go out of business, how many employees could lose their jobs, how will the economy or community

be impacted? Be certain the "elevator speech," website and brochures give a clear image about your organization. Be specific: articulate very clearly what you want, nobody has time these days, help them to help you.

■ Channels of Influence

There are many ways to influence public-private dialogs. You may approach lawmakers directly if they allow access. Social media and internet presence are methods for telling your story. Use members to reach local lawmakers, coordinated by the association.

■ Collaborate

Multiple voices are usually better than one. Collaborate with allied organizations having mutual concerns. One of the best ways to identify collaborative partners is to look at the supply chain. For example, the grocers rely on trucking, retailing, and farming. Reach out to the relevant organizations.

■ Community Deeds

It has been shown that advocacy is stronger when the community understands the issues. A good way to do that is to lead charitable efforts.

The Rhode Island Hospitality Association repurposed their educational foundation to help restaurant, hotel, and tourism employees who have been laid off and are facing financial hardship due to COVID-19. Many hotel associations in the USA are working closely with government to utilize vacant rooms for front

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line workers and persons in need.

■ Maintain the Membership

Usually the more members, the louder the voice in talking with government. Be sure you do everything possible to keep the membership strong, including dues extensions, waivers, or fee reductions. Be proactive; do not make the members come to the organization saying they can no longer belong because of economic hardships.

■ Articulate Solutions

Everybody can complain to government. It is associations and chambers that suggest innovative and strategic solutions to the problems. Be realistic, do not ask for things that are impossible or you will lose credibility and have no results.

The Associated General Contractors of Kentucky is working with government to provide relief to members

participating in their self-insured workers' compensation program. This has increased positive communications with the members during the crisis and will result in distribution of checks exceeding \$3 million for members of sponsoring associations. Every association has a different approach to pandemic and economic recovery.

CREDIT: Camelia Bulat



DON'T LET THE ASSOCIATION BURN DOWN

For more than a month, executives have been in crisis mode. They respond to urgent calls from members, media and government while trying to manage and govern an association.

One executive said it feels like our house has been on fire. Now it's time to put out the fire. Spring and summer will be time to address association operations for survival and sustainability.

The intent is to be the indispensable resource for members.

1. Be Indispensable – Be the trusted resource. Promote the value of belonging. A few associations have seen an increase in membership during the pandemic because they have become essential. Respond to member needs by creating new services and communicating value. Help supplier members by offering new opportunities and enhancing relationships.

2. Be Proactive – Don't wait. There is competition for messaging. Make a plan and act. Tell members what you are doing for them. "More than ever, the ability to take action and be 'first to message' is critical. Don't let it get away from your association. Control the message, guide the message, and own the message long-term," said Bill Pawlucy, CAE, of AssociationOptions.com.

3. Communicate – Avoid regurgitating what members can find elsewhere. Package information in directly applicable small bites. Avoid virus fatigue. Appoint an official spokesman, usually the chief elected or paid officer, to control the messaging.

4. Forecast Finances – Create a contingency budget, forecasting pandemic impact and means of association survival. Find new resources and grants through government stimulus programs. Leverage existing assets and make best use of your reserves.

5. Pause – Keep the existing strategic plan as a framework but pause the long-term projects. Create a 2020 recovery plan of action. Expect the topic of "pandemic and economic recovery" to be included in nearly all future planning.

6. Ease – Relax the governing documents. If you missed a deadline, document it and ask for forgiveness. Don't break any laws. Parliamentary procedures should not hinder progress.

7. Empower – The full board of directors may not be available for meetings as they fight for their own survival. Empower the executive committee. Clarify the authority of the executive director to make urgent decisions, keeping the board informed.

8. Govern – A pandemic is not a license for the board

to micromanage. The CEO/ executive director remains responsible for administration. The board should focus on future, setting an adjusted vision, and advancing the organization's core competencies to remain relevant. The opposite problem may be a board that is absent because they are fighting for survival of their jobs and businesses.

9. Prioritize – Focus on immediate needs. Now is not the time for a bylaws review, for instance. Address members' urgent needs, in addition to survival of the association. Communicate the work of the association as a value statement to members.

10. Abandon – The crisis may be reason to abandon underperforming programs. Set aside inconsequential activities and lackluster committees. Be efficient and effective. This may be the right time to eliminate a quarterly magazine in favor of a bi-weekly executive bulletin.

11. Celebrate – Pace yourself and celebrate the achievements of staff, volunteers and board. Promote positive messages. Assure employees of their value to the association, realizing their may be changes in structure and responsibilities.

12. Share – Catalog good deeds. Share how the association and members are contributing during

PANDEMIC RECOVERY

the crisis. Provide a way to recognize and share the inspiring efforts by members.

13. Repurpose – Gatherings and events have cancelled or postponed. Repurpose signature events using technology platforms and webinars to connect people and deliver education. Revise the foundation’s mission to include economic and pandemic recovery.

14. Advocate – The association knows best the members’

needs. There is competition for lawmakers’ time and money. Be innovative about how government can help members. When making the ask, offer solutions, not just the problems.

15. Connect – Associations are about community. Social distancing and uncertainty are isolating. Collaborate with other organizations. Connect members through webchats, listservs and town hall meetings.

This isn’t our first pandemic, that was probably the Spanish Flu in 1918. Associations are resilient, with skillsets unlike nearly any other organization. They are positioned to be strategic, resourceful, collaborative, leaders, inform, connect, advocate, educate and to serve as the trusted source to members and community.

Credit: Bill Pawluey, CAE



PANDEMIC: Opportunity for Improvement

There are hundreds of stories about organizational and personal improvement during the pandemic. People are sharing ways they are adapting.

Organizational Improvement

Many of the changes have positive, long term impact. The adaptations are necessary or organic to survive, sustain, and thrive.

For example, what used to be a day-long board meeting requiring hours of travel, is being replaced by a video conference. Groups that shied away from on-line technology are rethinking the concept, realizing governance decisions can be made without the expenses of in-person meetings, meals, and travel.

Regarding staffing after the government closed offices, employees and their bosses might have thought working remotely would not work. At first it was awkward without guidelines and technology. Now it is being embraced to save time, be effective and add quality of life without the hassles and costs of commuting. Could it be the new normal?

At the Ventura County Coastal Association of REALTORS[®], in California, CEO Wyndi Austin, CEO, said that employees have been able to collaborate and complete projects that often were set aside by the urgencies of the day when they worked in the office.

Associations are platforms for sharing concerns and learning how others are surviving. The

Colorado Society of Association Executives transformed its May membership luncheon to an online forum, including break out groups.

The meeting was an hour of questions and encouragement. For instance, while some associations were thinking of foregoing dues billing for a year, others explained how they had become indispensable to members and recruitment was up.

Organizations are improving by evaluating activities, transforming events, and creating new services for members.

Personal Improvement

For individuals, do not let the crisis paralyze you. Be proactive instead of waiting for the situation to pass. Many executives have kept blogs or written about how the pandemic has affected them.

Anastasia Baklan, a communications specialist at the Center for International Private Enterprise office in Ukraine, wrote about five ways the pandemic has changed life for the better. Among them, development of women in business, increased use of technology for learning, and personal development.

Some people suppress their thoughts instead sharing. They might think they are alone, or nobody else will care. During social distancing and isolation, communication can be a real gift.

Do not stifle sharing for fear of the reactions. What you share can enrich others, offering solutions

and help. Knowing how others are coping can have a powerful positive impact.

By sharing and writing we lighten our own fears. All people need opportunities to express themselves. Many are fearful of taking the first step of sharing their experiences.

Receiving knowledge enhances personal understanding and self-confidence. The reader opens themselves to new ideas.

The pandemic may be a good time for making improvements. Through sharing, blogging, writing, and reading, the possibilities expand. You have the power to give others encouragement through this difficult time.

“You never want a serious crisis to go to waste. And what I mean by that is an opportunity to do things you think you could not do before,” said Chicago mayor Rahm Emmanuel.

This moment teaches us about sharing and adapting. We also realize what is beyond our reach, such as grief, economy, and pandemic.



Credit: Arturo Mariani, author, athlete, speaker and life coach, Rome, Italy.

BOARD RESPONSIBILITIES GUIDE

- ✓ Easy to use and explain
- ✓ Thousands in use by every type of board

BOARD RESPONSIBILITIES

Serving on the Board of Directors is a rewarding and important responsibility. This guide informs leaders of the unique aspects associated with governing a volunteer, membership organization.

"The board governs ... the staff manages."

Governance: Volunteer leaders are responsible for the direction of the organization. The board governs, develops policy and sets a course. The mission statement should frame all discussions — avoid micro-management. Four board functions:

- Governance
- Policy & Direction Development
- Visionary — Future Focus
- Fiduciary

Management: Staff and consultants are responsible for administration of the organization. Staff partner with the board to advance goal- and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.

Unique Terminology

Non-Profit: refers to the legal corporate status of the organization. It does not imply an exemption from paying or collecting state sales tax. **Nonprofit** is the casual reference to Non-Profit.

Exempt Organization: is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of UBIT - Unrelated Business Income Tax).

IRS 501(c)(3) designation most often is referring to organizations with a religious, charitable, scientific or educational purpose.

IRS 501(c)(6) designation refers to trade associations, business leagues and professional societies.

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Board Responsibilities

1. Determine and advance the organization's mission and purpose.
2. Select the chief paid executive (not staff) as well as CPA and attorney.
3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievement, etc.).
4. Conduct organizational planning.
5. Ensure adequate resources (funds, time, volunteers, staff, etc.).
6. Resource and financial oversight.
7. Determine, monitor and enhance programs and services.
8. Promote the organization, maintain legal and ethical integrity and maintain accountability.
9. Recruit and orient new board members, and assess board performance.

Adapted from Tax responsibilities of Nonprofit Board members

Good Governance

In response to corporate scandals, there is a scrutiny on all boards of directors. Since 2008 the IRS started questioning about the policies of exempt organizations. Boards are expected to maintain their accountability, independence and transparency while governing. Policy questions in IRS Form 990 include:

- Audit and Audit Committee
- Whistleblower
- Compensation
- Document Destruction
- Conflict of Interest
- Public Records
- Minutes

Insurance and Volunteer Immunity

State and federal governments afford certain protection to volunteer leaders. While the organization is, all open protection, the insurance coverage add further protection for volunteers and organization.

Directors and Officers (D&O) Liability may cover legal defense for employment, copyright, and insurance claims. For instance, copyright and insurance claims. For instance, copyright and insurance claims.

General Liability insurance covers property damage and injuries relating to the organization.

Fidelity Bond covers losses resulting from fraudulent or dishonest acts committed by an employee.

Meeting Cancellation covers the loss of revenue due to a cancellation, commitment, postponement because of weather, sickness, transportation issues, etc.

Adapted from Top Insurance Companies for Nonprofits

Legal Principles

Duty of Care requires leaders to act with reasonable care and good judgment in making their decisions on behalf of the interests of the organization and.

Duty of Loyalty requires leaders to be faithful to the organization, avoiding conflicts of interest, and.

Duty of Obedience requires leaders to comply with governing documents (i.e. Bylaws, articles of incorporation, policies, etc.).

Board Tools

Documents available to leaders, often in a **Leadership Manual** or board portal:

- Statement of Purpose (Mission)
- Articles of Incorporation
- Bylaws
- Public Manual
- Strategic Plan
- Financial Statement - Budget
- Meeting Minutes
- Organizational Charts
- IRS Forms
- Frequently Asked Questions

Treat all information with **confidentiality**.

It lies ... "You won't have to do anything when you get on the board!"

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Topics Covered – Ideal for Board Discussion

- The Board-Staff Relationship
- Terminology of Non-Profits
- Board Responsibilities
- Volunteer Immunity and Insurance
- Fiduciary Duties
- Board Tools and Common Sense
- Rules of Order
- Committees
- Strategic Planning Terms
- Risk and Liabilities
- IRS Policies

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