



First 5 Kings County  
Children and Families Commission

## **Capacity Building Toolkit**

# **Module 2 - Board Design**

Prepared by:



2007

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## Acknowledgements

In September 2006, First 5 Kings County Children and Families Commission funded a capacity building initiative for its Family Resource Center (FRC) grantees. The objective of the capacity building initiative is to:

- 1) Assess the capacity building needs of service providers identified by First 5 Kings County and create a plan to address those needs, thereby strengthening their performance and accountability, and
- 2) Develop tools and deliver capacity building services to Family Resource Centers (FRCs) in order to strengthen their programs, practices and sustainability.

The Commission is funding a hands-on approach to working with staff, volunteers, board and/or other persons responsible for achieving results outlined in the individual organizational Capacity Building Plans developed for each FRC. Social Entrepreneurs, Inc. (SEI) is compiling and developing a variety of materials that will be shared with the FRCs through a combination of targeted coaching and technical assistance, including

- Leadership workshops
- Education and training
- Direct technical one on one assistance
- Toolkits, and
- Follow up

First 5 Kings County would like to thank the board, staff and leadership within each of the FRCs for the time, energy and commitment shown to participating in the activities that have led to this point. We recognize that each FRC's primary focus is on delivering needed services and supports to the children and families of Kings County. The time required to conduct the organizational self-assessments, review reports and capacity building plan, and provide feedback and recommendations to the SEI team is time away from serving those families.

We appreciate the commitment shown by the FRCs. The Commission believes that in the long-run, building the capacity of individual FRCs will lead to their increased sustainability; which will ultimately lead to more families and children accessing the critical services and supports provided by the FRCs.

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## Introduction and Overview of Governance Toolkit

The First 5 Kings County Children and Families Commission has established a Capacity Building Initiative for its First 5 funded Family Resource Centers (FRCs). Toolkits are one resource the initiative will use to build capacity. One toolkit for use by the FRCs relates to the governance of the organization. Development of this toolkit resulted from research on evidence based practices and tools to ensure the appropriate infrastructure and implementation of governance elements for nonprofit organizations. These tools and processes have been used successfully with organizations of varying size, complexity and purpose.

Why should effective governance matter to boards of nonprofit organizations? A few reasons:

- State and federal regulation of nonprofit organizations is growing significantly tighter, led by efforts to apply the federal Sarbanes-Oxley act to nonprofits, increased scrutiny of data reported by nonprofits on IRS Form 990 (such as administrative and fund raising costs), and state laws such as California's Nonprofit Accountability act adopted in 2005. *Boards are expected to be aware of and responsible for complying with new regulations.*
- 1.4 million nonprofit organizations were registered with the IRS in 2004, of which 845,233 were 501(c)(3) public charities; 47% of these were health and human service organizations. *Each of these organizations requires the time and talents of individuals to serve on the governing board and ensure fiduciary responsibilities are met. A well-designed board that utilizes its member's time efficiently to achieve the organization's mission in a strategic manner will attract and retain knowledgeable, caring and committed individuals.*
- In 2004, nonprofits of all types accounted for 8.3% of all wages and salaries paid in the United States and 5.2% of the total gross domestic product. *Board members are responsible for setting policy and providing oversight to ensure that the monies that are entrusted to the organization are used for the purposes intended. A board that understands its roles and responsibilities provides the fiduciary oversight required can ensure that needed services and resources remain in the community served by the organization.*
- California had 106,585 registered 501(c)(3) organizations in 2006, a 21% increase since 2001. Organizations are increasingly competing for foundation and other community funding supports. *When making funding decisions, individuals and grant makers more often consider how well the governing body has done its job in setting the organization's direction and planning for its sustainability.*

The toolkit is organized into two modules. The first module focuses on strategic planning, why it's important and how to create a plan that is meaningful and that the organization can use to achieve and monitor results. The second module focuses on governance design issues. It presents information on why the way a board is designed is important to how well the board functions. Included are tools and worksheets which can be used to assist board members determine the design structure that is best suited for their organization's mission and purpose. Throughout both modules, links are provided to worksheets in the appendices and to outside resources where additional information can be obtained on a number of governance topics. Together they provide a valuable resource for nonprofit governing bodies and the organizations they serve.

## MODULE 2 – GOVERNANCE DESIGN

### Module 2: Introduction and Overview of the Governance Design



This is the second of two modules contained in the Governance Toolkit. The purpose of this Toolkit is to provide a set of tools that governing boards can customize to the unique needs of their organization in order to enhance Board effectiveness in carrying out its fiduciary responsibilities, attracting and retaining committed Board members, and achieving the organizations mission. The Board Manual is organized into three sections with additional tools and worksheets presented in the appendices and on the companion compact disk CD.

Why are governance design and effective governance important? Why does it matter to your organization?

Consider the following:

- According to The 2007 Nonprofit Almanac, about 1.4 million nonprofit organizations were registered with the IRS in 2004, of which 845,233 were 501(c)(3) public charities. The number of public charities grew almost 31% in the five years from 1999 to 2004. Of the total number of public charities, 47% were health and human service organizations, with the other 53% of public charities comprised of a broad range of arts, education, environment, religious and other groups. *Each of these organizations requires the time and talents of individuals to serve on the governing board and ensure fiduciary responsibilities are met. A well-designed board that utilizes its member's time efficiently to achieve the organization's mission will attract and retain knowledgeable, caring and committed.*
- Nonprofit organizations are an increasingly powerful economic force. Per The Urban Institute, in 2004, public charities alone (excluding other types of nonprofit organizations) reported almost \$1.1 trillion in total revenues and just over \$1.0 trillion in total expenses. In 2004, nonprofits of all types accounted for 8.3% of all wages and salaries paid in the United States and 5.2% of the total gross domestic product. *Board members are responsible for setting policy and providing oversight to ensure that the monies that are entrusted to the organization are used for the purposes intended. A board that understands its roles and responsibilities provides the fiduciary oversight required can ensure that needed services and resources remain in the community served by the organization.*
- California had 106,585 registered 501(c)(3) organizations in 2006, a 21% increase since 2001, and 46,327 of these organizations filed IRS Form 990, signifying agencies with annual revenues over \$25,000. *Organizations increasingly compete for foundation and other community funding supports. When making funding decisions, individuals and grant makers consider how well the governing body has done its job in managing and planning for needed resources.*

## ***Governance Design Manual Components and Organization***

The components of this manual were selected based on the organizational self-assessments completed by the Kings County Family Resource Centers (FRCs) in October 2006 as part of the Capacity Building Project funded through First 5 Kings County. This handbook is not intended to provide an exhaustive list of resources or instructions related to governance, but rather provide tools and guidance for addressing specific areas of need and concern identified by individual FRCs. Links to additional resources or websites have been included throughout so that FRC staff and board members can obtain additional information and guidance as needed.

The Board Manual is organized into three sections plus appendices.

- Board Structure
- Roles and Responsibilities
- Board Member Selection and Performance

Each section in the manual begins with a brief introduction that explains the topics covered and lists any worksheets or tools that are discussed in the section. All tools and templates referenced in the section will also be provided electronically either as a download from an external website or from a companion compact disk (CD). Files located on a CD will be noted with an icon of a CD.



Whenever a new tool or worksheet is presented a “key”  symbol and text box will be included. The box will contain “key” suggestions about who, when and how to use the tool.



## 2.1 Board Structure

The Board Structure section of the manual presents information and worksheets that help the board to determine the best structure for the organization. It also provides instructions for developing an organizational chart that accurately depicts the relationships between and among board members, committees, and staff.

Why does board structure matter?

As noted in the previous section, the nonprofit sector in California grew 21% since 2001. These new organizations each search for qualified and committed board members who will help them achieve the mission of the organization. When considering where to invest their time and energy, potential board members look for organizations where they can make a difference; boards that are effective. A board's structure directly impacts how well it functions.

Research into effective governance shows the boards are most effective when organized around carrying out their fiduciary responsibilities and achieving the goals and mission of the organization. To this end, effective boards often establish a structure that allows members to accomplish specific outcomes.

This section provides tools and worksheets that can be used to help an organization determine the governance design that will work best, and to identify any mandates related to governance that must either be adhered to or modified. Also included are sample bylaws and brief instructions for creating an organizational chart using Microsoft Word, along with samples of different governance structures.



Tools included in this section are also available on the companion CD:

- Board Design Worksheet
- Organizational Mandates Worksheet
- Sample Bylaws

Additional information can be found by using the hypertext links to external websites or appendices in the Board Manual.

### ***Board Design***

Boards can structure themselves in the manner most effective to achieving the organization's purpose and carrying out fiduciary responsibilities, in accordance with the laws governing nonprofits. Boards may choose to do all of their work as a single group, or establish standing or ad hoc committees.

Regardless of the structure, expectations of board members include that they:

- Represent the organization without conflicted loyalty to the interests of the ownership.
- Avoid conflicts of interests with respect to their fiduciary responsibilities.
- Do not attempt to exercise individual authority over the agency except as explicitly set forth in board policies.
- Deal with outside entities or individuals, with clients and staff and with each other in a manner reflecting fair play, ethics and straightforward communication.

The approach for determining or revising board design is different for existing and new organizations. For instance, in an existing organization is the current or desired structure of the

board and its committees aligned with the organization’s bylaws and articles of incorporation? If not, these will need to be modified. Individuals designing the board structure for a new nonprofit can develop bylaws that reflect the design decisions, rather than having to modify and adopt revised bylaws. However, both groups will want to consider similar questions and issues described in this section.

## Establishing the Board Structure

Creating a strong Board of Directors is one of the most important actions that a nonprofit organization can take. It is vital to have a board structure and set of operating guidelines that facilitate (and does not inhibit) the mission of the organization.

There are a number of questions and issues that need to be considered when establishing the board structure. The following table presents the issues. The first column notes the topic area and questions, and the second column describes the components of the issue. The third column presents approaches used to address the issue.

<b>Topic and Questions</b>	<b>Issue</b>	<b>Alternative Approaches</b>
<b>Officers.</b> What are the assigned positions on the Board with specific duties and powers?	Officers represent assigned positions on the Board with specific duties and powers. California law requires that two officers be designated, a President/Chairman and Secretary. Other officer positions are often defined to ensure that the major duties of the Board are addressed by having people be responsible for these duties, such as fiscal oversight.	Most organizations have these officers at a minimum: President or Chair Vice President or Vice Chair Secretary Treasurer Other approaches used in organizations include: Designate committee chairs as officers (see discussion of committees below) Combine Secretary and Treasurer roles Designate Secretary as the lead membership officer
<b>Officer election or appointment.</b> How will officers be elected or appointed?	It is necessary to agree on how officers will be elected or appointed. Being proactive here will help avoid contention and hurt feelings when it comes time to change officers in the future.	Elect all officers by soliciting candidates in an open forum and have a vote (usually a secret ballot) to elect. Appoint a committee to prepare a slate of officers, and then vote on the slate either one position at a time or as the entire slate. Designate certain positions as an automatic succession, e.g. Vice Chair automatically becomes the Chair, then vote on the rest.
<b>Terms.</b> How long can board members serve on the Board before	“Terms” refer to how long board members serve on the Board before they need to	Terms of board members are usually set at one, two, or three years. Membership organizations tend to use

<b>Topic and Questions</b>	<b>Issue</b>	<b>Alternative Approaches</b>
<p>they need to be reelected or reappointed? How will terms be structured?</p>	<p>be reelected or reappointed. Terms also need to be set for the officer positions. The main purpose of terms is to allow new people to be regularly added to the Board, keeping the organization “fresh” and able to change as the communities being served change. A common concern is that having too many new members at once can create problems; staggered terms are used to address this concern by having only a portion of the total number of board seats up for change in any given year.</p>	<p>shorter terms (e.g. one or two years) than other nonprofit organizations.</p> <p>Optionally, limits can be set on consecutive terms; for example, a person can serve no more than three two-year terms before having to rotate off the Board.</p> <p>Optionally, terms of board members can also be staggered. Example: two year terms and each year, half of the Board seats come up for election/appointment.</p> <p>Officer positions are usually given a term of one year, occasionally two years, and very rarely any longer.</p>
<p><b>Removal protocols.</b> Under what conditions and by what process can board members be removed?</p>	<p>An unpleasant scenario that should be anticipated is what to do when a board member stops participating or becomes disruptive enough that they are hurting the organization. The bylaws that govern the Board can help this situation by providing structured ways of removing a board member. Similar, people can be removed from an officer position before their term is up but be allowed to remain on the Board.</p>	<p>This is an area not usually thought out well by nonprofit boards. Approaches include:</p> <p>Do nothing – make no provisions for removal of a board members or officer.</p> <p>Remove only under pre-defined circumstances, such as failure to attend at least 50% of board meetings within a year.</p> <p>Remove at any time if approved by a specific vote of the other board members (e.g. majority vote, 2/3 vote).</p> <p>Allow officers to be removed but not board members, or vice versa.</p>
<p><b>Committees.</b> Will the board use committees? How and under what conditions will they be established? What level of authority will they have?</p>	<p>Committees can be an effective way of splitting up a large set of responsibilities into more manageable pieces, but they also can require a significant amount of time and energy. Authority can also be granted to the President/Chair or through other means to appoint new committees as needed. It is not necessary to have pre-</p>	<p>The most common committees used in organizations are:</p> <p>Executive Committee comprised of some or all officers</p> <p>Finance</p> <p>Membership</p> <p>Committees by role, e.g. Advocacy, Technical Assistance, Public Relations</p>

Topic and Questions	Issue	Alternative Approaches
	<p>defined committees; some organizations start very simple (no committees, or just an Executive Committee) and then add committees as they grow and find a regular need for more structure.</p>	<p>Committees by type of member (e.g. for this organization, might be groups like Parents, Family Support Providers, Funders, Policymakers, etc.).</p> <p>Advisory Committee comprised of non-Board members to get broader input and involvement.</p>
<p><b>Decision making protocols.</b> How will the Board make decisions as a group? Who will have decision making authority and in what circumstances?</p>	<p>Decision making protocols refer to how the Board will make decisions as a group, as well as who have decision making authority. For example, can the President/Chair make some decisions on their own, or do all decisions need to be authorized by the Board (or a committee) first?</p>	<p>Most make decisions through a majority vote of the full Board.</p> <p>It is fairly common to use a majority vote for most items but a 2/3 or 75% vote for some specific issues such as bylaw changes.</p> <p>If the Chair or other officers have unilateral decision making authority, the limits to this authority should be specifically defined.</p>
<p><b>Voting.</b> What are the guidelines for voting? What constitutes a quorum? How will voting take place?</p>	<p>For issues that are put to a vote of the Board, guidelines are needed to define how the vote will occur. These guidelines should cover the definition of a quorum (how many board members must be present in order for a binding vote to be taken on any issue), guidelines on how votes are to be taken, and provisions to allow or disallow votes by proxy (where a board member authorizes someone else to vote on their behalf).</p>	<p>Quorums are usually defined in one of two ways:</p> <ul style="list-style-type: none"> <li>Majority of maximum number of board positions.</li> <li>Majority of the number of board positions currently filled, but not less than a minimum number of board members (e.g. five or seven).</li> </ul> <p>Voting guidelines can include:</p> <ul style="list-style-type: none"> <li>Any member can call for a vote on an issue.</li> <li>Voice vote, roll call vote, or secret ballot vote (i.e. nature of the vote) is decided by the President/Chair unless the nature of the vote is specified in the motion being voted on.</li> <li>Proxies can be allowed or not.</li> </ul>
<p><b>Meeting guidelines.</b> When and how are board meetings conducted? Who can call a meeting? How are members noticed?</p>	<p>Some basic protocols are often established regarding when and how board meetings are conducted. These protocols usually define who can call a meeting and how board members receive notice of</p>	<p>Most common provision is that the Chair or Vice Chair calls regular meetings, plus any two other directors can call a special meeting at any time.</p> <p>Some nonprofits allow any officer to call a meeting.</p> <p>The annual meeting can be held in a</p>

Topic and Questions	Issue	Alternative Approaches
	meetings. A state requirement is that the Board hold an annual business meeting.	certain month each year, or can be designated as the first meeting of the year.  Noticing requirements usually specify reasonable notice, e.g. anywhere from 2-7 days if made by telephone or in person, or 4-10 days written notice.
<b>Compensation.</b> Will board members be paid or reimbursed for their services?	The issue here is whether board members can be paid for their services.	Options include:  No payments under any conditions  No compensation, but allow board members to be reimbursed for expenses they incur for the organization  Provide a per diem amount – a fixed dollar amount paid for each meeting or approved event
<b>Appointment or election of future board members.</b> How will people be placed onto the Board in the future?	A mechanism is needed for determining how people will be placed onto the Board in the future. This is a very important issue because the commitment and experience of board members – and the ability of Board members to work with each other – plays a huge role in the overall effectiveness of the Board. It also provides an opportunity for the membership of the organization to have a voice in the selection of the Board.	Most organizations provide for an annual open election where the current board members vote for who will fill open positions on the Board. Vacancies are filled on an interim basis until the next election.  A Nominating Committee may be used to develop a slate of proposed candidates for the Board, where the membership is asked to approve the slate as a whole rather than voting on individual people. This approach requires defining how the Nominating Committee will be formed or appointed.  Some organizations allow constituent groups to nominate board members, e.g. from each geographic region.
<b>Conflict of interest.</b> How will the Board ensure it avoids conflict of interest situations, including those that involve public officials?	Public officials, including those serving on public boards and commissions like the Children and Families Commission, must abide by strict state and local laws to avoid conflict of interest situations. Nonprofit agencies, on the other hand, have comparatively few legal mandates to avoid conflicts of interest. Some nonprofits	This is another area that is dealt with very inconsistently by nonprofits. The range of actions includes:  Do nothing – no established conflict of interest guidelines.  Require board members to disclose situations where they have a financial interest in a matter being considered by the Board and prohibit the member from voting on (or discussing and voting on) such

Topic and Questions	Issue	Alternative Approaches
	thus prepare their own conflict of interest code in order to avoid problems in this area.	matters.  Apply the same laws imposed on public officials

As noted in the table, there are multiple approaches for addressing each of the questions, depending on the purpose and goals of the organization. The decisions made about each item will serve as the basis for creating or updating bylaws that govern future actions of the board.

A [Board Design Worksheet](#) is provided in Appendix M. The purpose of the worksheet is to assist organizations in working through each of the governance issues described above to determine which options are in the best interest of their organization.



**BOARD DESIGN WORKSHEET**

**Who?** The Board Design Worksheet should be used by board members.

**When?** Use when new organizations want to determine key aspects of their bylaws or to help established organizations review and update current bylaws.

**How?** Customize the worksheet for your organization. Determine person responsible for collecting and compiling responses; amount of time board members have to respond. Issue and compile responses; identify areas of agreement and where more discussion is needed. Convene group, present results and work through each issue and approach until all have been addressed.

The worksheet presents the governance issues described in the previous table and provides a space for individual board members to note their suggestions and recommendations prior to any formal discussion of the group. This approach ensures that each person has time to think through the issues and formulate ideas or other discussion topics so that the time spent discussing the issues as a group is used efficiently and effectively. Figure 4 below shows how the worksheet is structured. Instructions for using the worksheet are provided with the tool in the appendix.

**Figure 1: Board Design Worksheet Sample**

Issue	Alternative Approaches	Recommendation
<b>Officers.</b> Officers represent assigned positions on the Board with specific duties and powers. California law requires that two officers be designated, a President/Chairman and Secretary. Other officer positions are often defined to ensure that the major duties of the Board are addressed by having people be responsible for these duties, such as fiscal oversight.	Most organizations have these officers at a minimum: <ul style="list-style-type: none"> <li>• President or Chair</li> <li>• Vice President or Vice Chair</li> <li>• Secretary</li> <li>• Treasurer</li> </ul> Other approaches used in organizations include: <ul style="list-style-type: none"> <li>• Designate Committee Chairs as officers (see discussion of Committees below)</li> <li>• Combine Secretary and Treasurer roles</li> <li>• Designate Secretary as the lead Membership officer</li> </ul>	Recommended officer positions for the organization are:

**Organizational Mandates**

Organization mandates are the formal (bylaws, articles of incorporation, board policies, legal and licensing regulations) and informal (unwritten policies or practices that decisions of a certain type must be presented to the board) requirements of the organization. They are the items that “must” be adhered to; they serve as constraints on the development of future plans inasmuch as

board design must either conform to all of the mandates or action must be taken to revise the mandates.

When existing organizations are considering modifying their board structure or developing long range plans, and are uncertain of the impact of their decisions, the worksheet helps to identify the mandates that affect the organization, and whether or not the mandates are subject to change.

An effective way of doing this is to issue a “homework” assignment to the governing body that asks for respondents to identify the formal and informal mandates and whether or not they can or should be changed. An [Organizational Mandates Worksheet](#) is provided in Appendix N for this purpose. The tool is designed to help Board members quickly identify what the mandates are and how each member feels about whether or not the mandate should be changed. Board members should complete and return the homework assignment prior to convening the Board, so that responses can be tabulated, areas of commonality as well as differences identified and key issues that need to be resolved framed out for discussion before convening a group of decision makers. The compiled results are distributed to members during a facilitated discussion in which the board makes a final determination whether the mandates should be changed and if so, the specific steps to take.

Additional instructions for using the worksheet are provided with the tool in the appendix.



#### ORGANIZATIONAL MANDATES WORKSHEET

**Who?** The Organizational Mandates Worksheet should be used by board members and management staff.

**When?** Use when redesigning board structure and uncertain about whether changes will require modification of bylaws or other formal mandates. Use the worksheet when developing strategic plans to determine whether additional staffing, committees, practices, or other activities will require changes to mandates.

**How?** Customize the worksheet for your organization. Determine person responsible for collecting and compiling responses; amount of time board members have to respond. Issue and compile responses. Convene group, present results and work through each issue and approach until all have been addressed.

## Bylaws

Once decisions about board design have been made, new organizations will need to create bylaws and existing organizations will need to review, and possibly update their bylaws. Drafting or revising bylaws can be done by a subcommittee of the board. This approach is more efficient than using board meeting time to work through the various sections.

If the board is updating current bylaws, the documented decisions made about board design or organizational mandates can be referenced to specific sections of bylaws, and revisions made in the document. For example, if the board has decided to use committees but their bylaws do not provide for committees, then the bylaws will need to be amended. The board can name standing committees such as Executive or Personnel, but does not need to list every committee. Instead, a more general statement that the board will create whatever committees it considers necessary to assist in carrying out its fiduciary responsibilities can be added.

If the organization is drafting its first set of bylaws, it can transcribe the decisions made during the board design discussions into a standard bylaws format. [Sample bylaws](#) are provided in Appendix O to assist with this task.

The newly drafted or revised bylaws can be presented back to the board for review, input, and approval. Once the board has agreed to all changes in the bylaws they can be submitted for legal review (if necessary) and then formally adopted by the board.

## Organizational Chart

Once decisions about board structure have been made, the organization will want to depict the relationships between and among board members, committees and staff on an organizational chart. By displaying how tasks are distributed in the organization at the governance and staff levels in a graphical form, new board members, staff and contractors can quickly understand the reporting relationships and how work is distributed. This also serves as a valuable tool for quickly orienting new board members to the organization and the various governance roles.



### SAMPLE BYLAWS TEMPLATE

**Who?** The bylaws template should be used by board members.

**When?** Use when developing the organizations first set of bylaws or when revising or streamlining existing bylaws.

**How?** Use the documented decisions about board structure design or redesign (see Board Design Worksheet and Organizational Mandates Worksheet). For each section of the bylaws, customize the language to reflect the organization's decisions. Identify any areas requiring additional discussion and decision making by the board so that they can be discussed during a meeting. Continue developing the bylaws until board members approve and signoff on content. Submit for legal review and then formally adopt at an official board meeting.

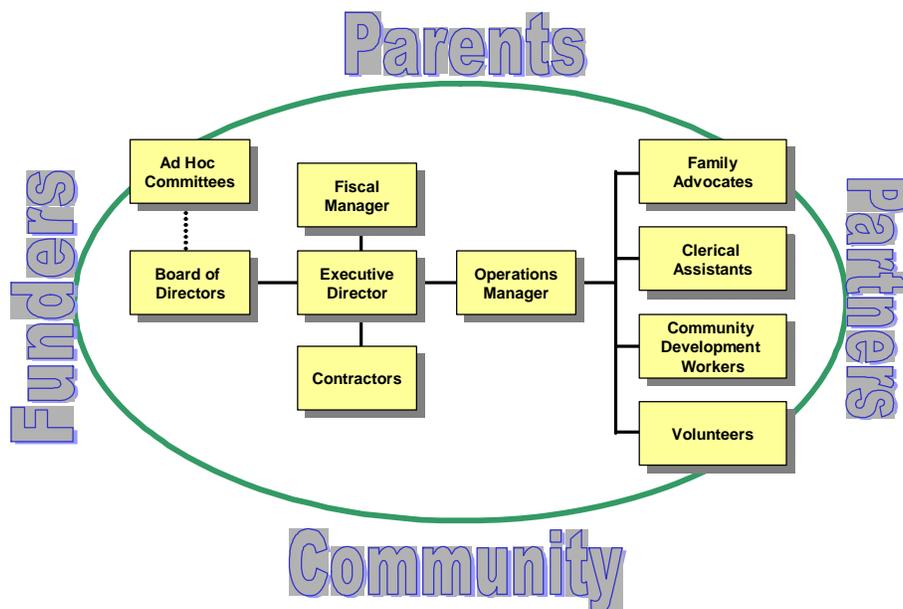
Following are two examples and descriptions of board governance structures and corresponding organizational charts. Both have created a structure that reflects their unique

needs while allowing them to carry out their fiduciary responsibilities. At the end of the section are instructions for creating an organization chart.

### **Single County FRC**

- Comprised of at least three, but not more than seven people, elected for two-year terms.
- Executive Director serves as ex-officio (non voting) member of board
- One standing committee (Executive Committee) comprised of the Board Officers, which fulfills the finance and personnel responsibilities
- Ability to establish Ad Hoc Committees around centers of actions for the organization's goals; comprised of one member of the Board of Directors, in addition to constituents, including liaisons from the performance partnerships, and other community members

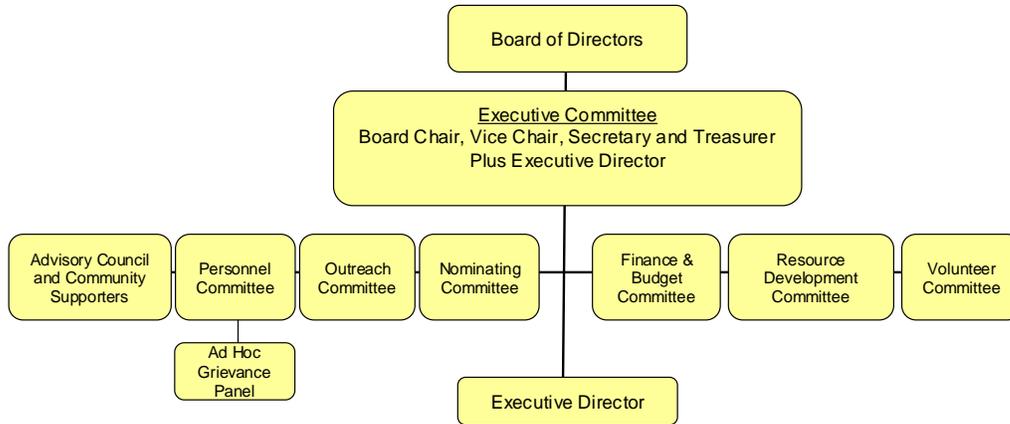
**Figure 2: Horizontal organization chart for single county FRC**



### **Multi-County Nonprofit Organization**

- Comprised of eight standing committees and an ad hoc panel. Committees organized around achieving results of the long range strategic business plan
- All members serve on at least one board committee including the Resource Development, Nominating, Volunteer, Outreach, Personnel and Finance committees

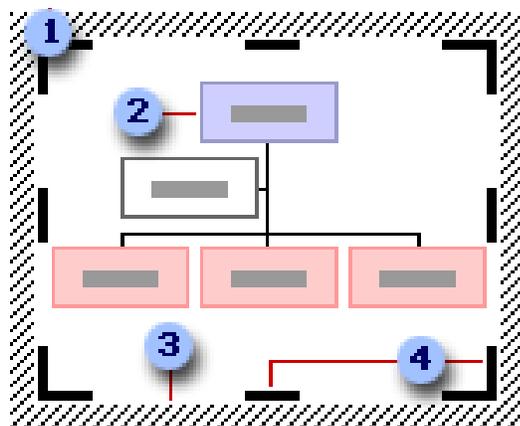
**Figure 3: Vertical organization chart for a multi-county nonprofit organization**



### Creating an Organizational Chart

Follow are instructions from Microsoft Office (MS) Online for creating a vertical organizational chart using Microsoft Office Word 2003. For descriptions of other types of organization charts and how to create them using MS Excel, Visio or PowerPoint, visit Microsoft Office Online at <http://office.microsoft.com/en-us/help/HP030834681033.aspx>.

**Figure 4: Organization chart drawing tools**

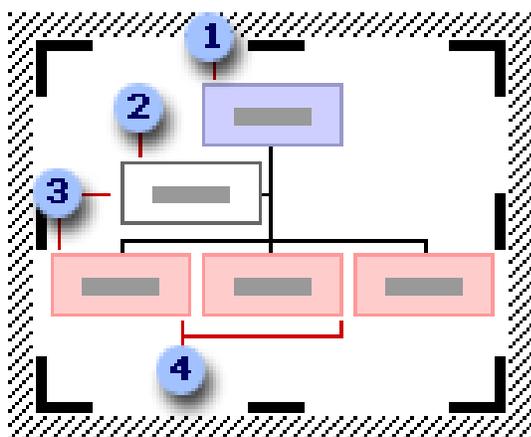


To begin creating the organization chart, select the Insert tab on the toolbar and click on diagram. Select the vertical organization chart design. This will open up the organization chart and drawing tools. Figure 7 shows the drawing space for designing an organizational chart in MS Word.

1. Organization chart toolbar
2. Organization chart
3. Drawing border
4. Drawing sizing handles

When you add or change an organization chart, the organization chart appears with drawing space around it, outlined by a non-printing border and sizing handles. You can size the organization chart by using sizing commands to make the drawing area larger so you have more room to work, or you can get rid of extra space by fitting the border more closely to the diagram.

**Figure 5: Relationships among shapes**



Using the bylaws or other planning documents, the next step is to show the hierarchical relationships between and among the board members, committees and staff by linking the shapes in a particular manner, as shown in Figure 5 at left and described below.

1. Superior shapes in an organization chart are placed above and connected to any other shape, such as the entire Board of Directors to the Executive Committee as shown in Figure 3 on the previous page.
2. Assistant shapes in an organization chart are placed below and connected to any other shape with an elbow connector. This shape is placed above any additional subordinate shapes for the particular superior shape it is attached to. The Fiscal Manager and Contractors have assistant relationships to the Executive Director labeled 3 in Figure 8.
3. Subordinate shapes in an organization chart are placed below and connected to a superior (or manager) shape. The Ad Hoc Grievance Committee is subordinate to the Personnel Committee in Figure 3.
4. Coworker shapes in an organization chart are placed next to another shape that is connected to the same superior shape. They are responsible to the same superior shape. Examples of this relationship are the various committees in Figure 3 that are responsible to the Executive Committee.

The organization chart can be formatted using preset styles, or designed manually using auto shapes and customizing color and text, changing line weight and style, and adding shading, textures, and backgrounds. Additional instructions on creating an organization chart in Microsoft Office Word, PowerPoint, Excel or Visio can be found by typing the URL into your web browser or following <http://office.microsoft.com/en-us/help/HP030834681033.aspx> to Microsoft Office Online.

## 2.2 Roles and Responsibilities

The Roles and Responsibilities section of the manual presents an overview of the key roles and responsibilities of governing bodies. While hundreds of thousands of individuals serve on boards throughout the United States, many do so without fully understanding what that means in terms of their fiduciary responsibilities to ensure and uphold the public's trust and confidence in the organization they govern.



Why is it important to understand governance roles and responsibilities? Isn't it enough that board members volunteer their time and resources to help a community agency?

Some examples:

- State and federal regulation of nonprofit organizations is growing significantly tighter, led by efforts to apply the federal Sarbanes-Oxley act to nonprofits, increased scrutiny of data reported by nonprofits on IRS Form 990 (such as administrative and fund raising costs), and state laws such as California's Nonprofit Accountability act adopted in 2005. To illustrate the potential scope of the problem with accurate reporting to the IRS, a national study noted that 37 % of nonprofit organizations with private contributions of \$50,000 or more reported no fundraising or special event costs on their 2000 Form 990, and nearly 13 % of operating public charities reported spending nothing for management and general expenses, implying that they spent all of their funds on program or fundraising activities. *Board members may wrongly assume that accurate tracking and reporting to the IRS is staff's responsibility.*
- September 11 and Hurricane Katrina have brought focus on the role of the nonprofit sector in disaster response, and have also highlighted some major disconnects between public perceptions and expectations and the capacity and needs of the nonprofit sector. Many donors do not understand that nonprofits cannot function, let alone raise funds, without incurring overhead expenses. Some donors expect all of their gifts to go to victims—and to go immediately—even though charities may need to address issues that require long-term funding. One example was the need to rebuild schools in New Orleans, which required agencies to reserve funds for long-term development purposes. In the 2005 Katrina disaster, the public's understanding and appreciation of charitable organizations was undermined by five factors: their perceived alignment with the government response, a response generally viewed as inadequate; heightened expectations, often beyond reason, of what charities could actually achieve; the deleterious effect of around-the-clock reporting on the perceived importance of philanthropy in providing relief; unrelenting negative media stories that focused on large relief organizations' areas of ineffectiveness, although few "accountability issues" arose; and criticism from other charities, partly caused by competition and partly by comparing traditional domestic organizations with international relief organizations that responded to Hurricane Katrina. *While staff is responsible for carrying out the day to day operations of the organization, it is the board's responsibility to plan for sustainability, uphold the organization's public image, and set policies about the types of funding it will use to achieve its mission – in short, to make sure the organization is prepared to respond to situations such as Hurricane Katrina.*

This section of the manual provides a brief overview of board roles and responsibilities. No tools or worksheets are provided in this section. There are a number of excellent resources available for board members interested in learning more about their roles and how to effectively lead the organization. A few of these resources are listed at the end of this section.

## ***Overall Board Roles and Responsibilities***

The following set of roles and responsibilities apply to the board as a whole. These were adapted from “The Ten Roles and Responsibilities of a Governing Board” by Richard T. Ingram (available from the National Center for Nonprofit Boards) [www.ncnb.org](http://www.ncnb.org) and put forth by BoardSource, formerly the National Center for Nonprofit Boards.

- **Determine the Organization’s Mission and Purposes**  
The organization’s mission serves as the foundation upon which all else is built. Both the mission and purpose of the organization need to be reviewed regularly and revised as needed for alignment as the organization grows and changes over time. This is important because the organization’s policy decisions, programs and services should align with, and reflect the mission. Another aspect of this role is for the board to adopt and follow effective decision making guidelines.
- **Engage in Strategic Planning**  
While staff and other community stakeholders may participate in the process of planning, it is ultimately the board’s responsibility to establish the direction and major goals of the organization. Formal planning is generally done every three to five years so that changes in the environment can be incorporated into the plan. The board identifies the key indicators of progress which will then be used by management and staff to implement / guide programs and activities of the organization.
- **Approve and Monitor Organization’s Programs and Services**  
The board must decide which programs will most effectively support the mission and then monitor those programs’ progress toward achieving the organization’s goals. The board then reviews evaluation of effectiveness and quality through indicators, observation, consumers input, or third party assessments.
- **Ensure Adequate Resources**  
Providing adequate resources is first and foremost a board responsibility. Board members develop the fundraising strategy and assist in implementation, although, the CEO and staff may be involved. Ensuring adequate resources is one measure of the board’s capabilities, commitment and influence.
- **Ensure Effective Fiscal Oversight/Ensure Sound Risk Management Policies**  
The board is responsible for ensuring that income is managed and invested wisely and that budget guidelines and an annual operating budget is adopted and used as management tools. Additionally, on an annual basis, the board must review and discuss the annual audit and make sure that the types and levels of insurance are appropriate and adequate.
- **Select and Support the Chief Executive and Review Performance**  
It is the board’s responsibility to provide appropriate support and guidance to the chief executive officer or executive director. By conducting regular evaluation tied to the organization’s goals and desired outcomes, the board can impact the development and effectiveness of the organization.
- **Understand the Relationship Between Board and Staff**  
The responsibilities of board and staff are different, based on the type of board. “Working boards” that are hands-on service providers or fulfill administrative functions have different relationships with staff than do “policy boards” that have very clear lines of distinction

between board and staff. However the organization's board is structured, it is the board's responsibility to ensure the roles of board and staff are clear and understood by board and staff.

- **Enhance the Organization's Public Image**  
The board serves as the link between staff, volunteers and members, and stakeholders of the organization. They are the organization's ambassadors, advocates and community representatives. The board is responsible for establishing an ambitious, effective public relations program and also determining who should be organization's spokesperson.
- **Carefully Select and Orient New Board Members**  
Organizations need boards comprised of community members who can effectively govern and uphold their fiduciary responsibilities. Boards must be diverse in terms of their knowledge, community representation, and expertise. It is the board's job to make its needs and service expectations known to its current and prospective members, and to orient board members to one another and the organization. Boards are also responsible for assessing their collective as well as individual performance.
- **Organize Itself so that the Board Operates Efficiently**  
Effective organization structure allows time to be used for important discussion and decision making. The board is responsible for creating a structure that provides accountability and flexibility, allows the board to achieve results, and provides Information needed in a timely manner so members can come to meetings prepared to make decisions and accomplish their objectives.

A table of [Required Activities, Filings, and Reports](#) for nonprofit organizations is provided in Appendix V. While the CEO is generally responsible for making sure the documents are prepared and ready to be filed, the Board is ultimately accountable. The table can be used to help the Board keep track of important dates and requirements, and provide necessary oversight.

## Other Resources

**BoardSource** <http://www.boardsource.org>

This national organization dedicated to effective nonprofit governance offers some free resources related to board development and research on governance, with an extensive array of other publications available for purchase.

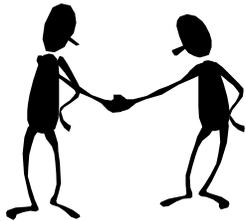
**Nonprofit Managers Library** <http://www.managementhelp.org>

The Nonprofit Managers Library is an outstanding general purpose resource with information on a multitude of topics relevant to nonprofit management. A "Free Complete Toolkit for Boards" that applies to for-profit and nonprofit boards is available within the website ([www.managementhelp.org/boards/boards.htm](http://www.managementhelp.org/boards/boards.htm)). Written by Carter McNamara, MBA, PhD, Authenticity Consulting, LLC, the toolkit provides more in-depth information and discussion of the ten basic responsibilities described in this section of the manual.

**The National Economic Development & Law Center (NED&LC)** <http://www.nedlc.org>

Brad Catfel of the NED&LC authored a brief on the legal issues for serving on a nonprofit corporation. This document outlines the responsibilities, duties, rights and liabilities of directors and can be accessed at [http://www.nedlc.org/Publications/PDF\\_legal/708.pdf](http://www.nedlc.org/Publications/PDF_legal/708.pdf).

## 2.3 Board Member Selection and Performance



The final section of the manual presents information, tools and worksheets that help the board to identify and recruit new members to the board, and also evaluate how well the board is doing.

Why does board member selection and performance measurement matter?

The search for qualified and committed board members continues in communities across the nation. There is a high demand for people to serve as board members. Yet, when considering where to invest their time and energy, potential board members look for organizations where they can make a difference; boards that are effective.

Agencies that can connect the values of the organization to the values of the prospective board member, and then provide a meaningful way to engage that person, are more likely to attract and retain qualified board members. Unless the organization is clear about what it seeks from its board members, communicates those expectations, and then measures how well the board as a whole is doing to achieve results, it will not be able to attract and retain the types of board members needed to effectively govern the organization.

This section provides information, tools and worksheets that can be used to help an organization determine the skills and expertise needed from board members, customize board job descriptions and application process for prospective board members, and assess the overall performance and satisfaction as board members. Additionally, an overview of effective meetings is included to help board's use their members' time wisely.



Tools included in this section and available on the companion CD:

- Board Skills Inventory Template
- Board Application Template
- Board Job Description
- Board Performance Criteria and Evaluation – linked to roles and responsibilities
- Board Satisfaction and Engagement Survey
- Board Satisfaction and Engagement Survey Results

Additional information can be found by using the hypertext links to external websites or appendices in the Board Manual.

### ***Identifying, Recruiting and Orienting Board Members***

Identifying, recruiting and orienting board members is one of the key responsibilities of board members. Investing the thought and time needed to determine the desired characteristics and criteria, and then following a process for identifying, recruiting and orienting board members will help ensure that the individuals best suited for the board are appointed. Many of the following suggestions for identifying and recruiting board members were adapted from "Recruiting for Board Members: Process? What Process?" by Hildy Gottlieb, as posted on Help 4 Nonprofits website at [http://www.help4nonprofits.com/NP\\_Bd\\_Recruit\\_Article.htm](http://www.help4nonprofits.com/NP_Bd_Recruit_Article.htm). The tools, templates and worksheets were developed and adapted by Social Entrepreneurs, Inc.

## Determine Characteristics and Qualifications

The first thing a board must determine is what it needs from its board members. This means establishing the criteria for selecting members needed to govern your organization. This requires thinking through the qualities needed to help the board do its job better. For instance, are there specific skills or knowledge areas missing from the board? What are the expectations in terms of time commitment? Do members need to attend meetings and also serve on subcommittees? Do members need to be content experts about the services provided by the organization (such as Job skills training, parenting, child enrichment and school readiness)? Does your board need people with high community profiles and name recognition?



### BOARD SKILLS INVENTORY WORKSHEET

**Who?** The worksheet should be used by board members.

**When?** Use when recruiting for new members or clarifying board development and training priority areas.

**How?** Fill in the desired skills, characteristics and knowledge in the top row. List board member names in the left column. Ask board members to independently identify their skills and knowledge areas. Compile into a master sheet and use to identify gaps to fill through recruiting and training.

Appendix P contains a [Board Skills Inventory Worksheet](#). This worksheet can be used by the board to identify the current skills and expertise of its current board members so that it has a better idea of who to recruit in the future. The figure below shows a picture of the Skills Inventory Worksheet and potential skills.

**Figure 6: Board Skills Inventory Worksheet**

Board Skills	Insert skill	Insert skill	Insert skill	Insert skill	Insert skill
<i>Skills Examples</i>	<i>Fund Raising</i>	<i>Fiscal Mgmt</i>	<i>Legal</i>	<i>Marketing</i>	<i>Public Policy</i>
Board member "A"	x	x			
Board member "B"	x		x	x	

The organization should develop a list of the characteristics it seeks from its board members. If their specific skills or expertise is needed, they should be considered on top of the qualifications for all board members. Those characteristics and skills should be documented into a board member job description. The job description can be used to advertise and select the most qualified board member applicants.



Appendix Q contains a sample [Board of Directors Job Description](#). This can be used as a template for creating a job description customized to each organization's board.

## Get the Word Out

Once the board has determined the qualifications it seeks, it can begin recruiting candidates for each seat it has open. Optimally, boards recruit for one seat at a time, just as the organization would recruit separately for an administrative assistant, bookkeeper or CEO. Instead of being eager to take the first person who expresses interest in serving on the board, organizations are better off thinking about using a competitive process to match the best board candidate to the organization. The board needs to decide how it will recruit. Will it advertise in trade or local media? Will board members be asked to submit names of qualified individuals who will then be pursued by one or more board members? How long will the recruiting period last? And, how can interested individuals submit their name and qualifications for consideration? Just as with a paid position, it is important for the board to think through each of these issues and make sure that candidates are measured against the criteria established in the first step.

It is important that the board get the word out through normal communication channels that the organization is looking for board members. This can include:

- Public speaking engagements
- Social and professional networking events
- Posting on your organization's website or in its newsletter
- Asking staff to help get the word out to their contacts and associates

## Create an Application

Establishing an application process will accomplish two things. First, it will let prospective board members know the organization is committed to a thorough process to find the best applicants, and that it considers board selection just as important as staff hiring.

Creating a board member application is similar to creating a job application. The board wants to ask for information that helps it determine if the candidate meets the criteria established for serving on the board. For example, if the board meets monthly and members are also expected to serve



### SAMPLE BOARD OF DIRECTORS JOB DESCRIPTION

**Who?** The job description template should be used by board members.

**When?** Use when recruiting for new members or clarifying the duties of existing member participation.

**How?** Use the bylaws, board roles and responsibilities and other criteria established for board member participation. Update sections of the template to reflect the responsibilities of serving on your organization's board.



### BOARD OF DIRECTORS APPLICATION, RATING GUIDELINES AND FORM

**Who?** The board, with staff support.

**When?** Use when recruiting for new members.

**How?** Customize the templates, following the instructions in the appendices, to reflect the unique needs of the organization. This involves inserting the organization's name, contact person, address and establishing the timeframe for accepting applications, and customizing the questions and types of information requested related to background, areas of expertise, prior experience, and other characteristics to reflect the criteria and needs of the organization.

on one other committee that meets quarterly, the board will want to know if the applicant can commit to the time requirements. What is it about your organization that interests the applicant? What special skills and expertise do they expect to bring to help achieve the goals of the organization?

The application process and form can serve as the basis for orienting prospective members to the organization before they apply or are appointed as board members.



Appendix R contains a [Board of Directors Application](#) template and instructions for customizing it to reflect the qualities and characteristics sought for board members of a particular organization. Appendix S contains the [Board of Directors Application Rating Guidelines and Form](#). Together these tools provide boards with a framework for assessing prospective members' qualifications and fit with the organization. The review committee will be able to objectively evaluate the applicants and provide rationale for final recommendations to the board.

Before appointing qualified individuals to the board they should be provided an opportunity to further assess if they truly want to serve as a board member. This may encompass attending one or more board meetings, touring program sites, meeting with staff and other board members, and providing a variety of organizational documents and reports. The purpose is to give the individual a true picture of the organization you are asking them to govern. A final, but important step is interviewing an individual to make sure they are a fit for the organization. It is much easier to thank someone for their interest and excuse them from the application process because they are not a good match for the organization than it is to remove them from the board once they've been appointed.

## **Appoint and Complete Orientation**

Once an individual has been selected to serve on the board they will be formally appointed as part of a regularly scheduled board meeting. Many boards also require members to sign a contract acknowledging and agreeing to the requirements of serving on the board. This further underscores that both the board and the new member take the commitment seriously and will uphold the agreement to perform.

At this point, it is time to conduct a full orientation so that the new member can immediately fulfill their role on the governing body. A board binder with job descriptions, minutes from recent board meetings, strategic plan and other organization documents provides a resource the new member can refer to again and again. Some boards provide mentors to new members for the six months to a year. The mentor takes time before and after meetings to make sure the new member understands issues and feels able to contribute to discussions and decision making. The most important aspect of this step is to make the transition onto the board smooth and immediately provide an opportunity for the new member to begin working on behalf of the organization.

## ***Using Board Time Wisely***

Research into effective governance shows the boards are most effective when organized around carrying out the board's fiduciary responsibilities and achieving the goals and mission of the organization. To this end, effective boards often establish standing or ad hoc committees, chaired by a board member, to accomplish specific outcomes. The committee responsibilities are clearly defined and members know what their roles are. This allows board members to

participate in a way that is respectful of their time and expertise; consequently people feel they have made a difference.

Committees can be comprised exclusively of board members or they may include community members, business leaders, public agency staff, contractors, or content experts (media specialists, research experts, etc.) who can contribute to achieving results. Standing and ad hoc committees typically work independently and report back to the full board at regular meetings. Their decision making authority is limited to the purpose of the committee and does not replace the board's ultimate authority or decision making responsibilities. Committee decisions are subject to approval by the Board.

### **Tips for Effective Meetings**

Whether the board works as one unit or functions using committees, it will do most of its work through meetings. People often consider meetings a waste of time because they are unnecessary or unproductive. Following are a few tips for planning and conducting meetings that can help board members' time be used well and increase their satisfaction with participating on the board. These tips were summarized from the Basic Guide to Conducting Effective Meetings, written by Carter McNamara, MBA, PhD, Authenticity Consulting, LLC. More detailed information is available at <http://www.managementhelp.org/misc/mtgmgmnt.htm>.



### **Develop an Agenda**

Develop the agenda with meeting participants and determine what you want to achieve and the activities needed. Preferably, an agenda for the next meeting is set at the conclusion of the current meeting. That way people know what to prepare for and what will be expected of them. Design the agenda to engage participants early in the meeting with something to do or decide. Determine the expected outcome from each agenda item (decision, vote, discussion) and establish the amount of time for each topic. Send the agenda and any supporting materials out to participants in advance of the meeting. Once the meeting is convened, keep the agenda posted and visible at all times during the meeting.

### **Begin the Meeting**

Always start on time. This shows respect for those who showed up on time and reminds late-comers that the scheduling is serious. Be sure to welcome attendees and thank them for their time. Review the agenda and desired meeting outcomes at the beginning of each meeting. This gives participants a chance to understand the topics and focus for the meeting, and if necessary to modify them. Clarify the roles of those in the meeting (for example, explain who is facilitating discussion, who is taking notes, and who is keeping time).

### **Establish Ground Rules**

A few basic ground rules that can be used for most meetings make meetings more effective and productive. Four suggested ground rules are: participate, get focus, maintain momentum and reach closure. The group should identify other ground rules that it wants to use. The primary ground rules should be listed on the agenda, which keeps them visible at all times.

### **Manage Time**

This can be one of the most challenging aspects of meeting management, especially if individuals are not used to staying focused and on task. If the agenda has time frames noted on

it, the meeting facilitator can ask someone to act as a timekeeper to let the group know when they are half-way through the allotted time. If the meeting time for a topic or entire agenda is exceeding the time available, present the situation to the group and ask for their input as to a resolution.

### **Evaluate Process**

Obtain participant feedback during the meeting. This allows for immediate improvements to process. If the meeting is long (half or full-day), conduct spot checks every couple of hours. This can be done quickly by having participants indicate how they think the meeting is going.

### **Evaluate the Overall Meeting**

At the end of the meeting ask each member to individually rank the effectiveness of the meeting overall, on a scale of 1-5, with 5 as the highest. Then share the rankings and explanations as a group. Determine what changes should be made for the next meeting. In this way, meetings will continually improve in effectiveness and value to participants.

### **End the Meeting**

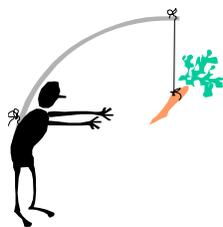
Always end meetings on time. This lets participants once again know you value and respect their time and want to adhere to agreements. At the end of a meeting, review actions and assignments, set the time for the next meeting and obtain a commitment from each person to participate. This is the time to set the agenda and expected outcomes for the next meeting. Finally, remind the group that meeting minutes and/or actions will be reported back to members a week prior to the next meeting. Waiting longer than that slows the group's momentum.

## **Other Recruiting Resources**

**BoardNetUSA** <http://www.BoardnetUSA.org>

This is a free online resource that provides individuals and nonprofits the opportunity to learn about and connect with each other based on the unique needs and interests of each.

### ***Board Performance Evaluation***



This section of the manual provides a brief discussion of board performance evaluation and why it's important to the well-being of the board and organization. It contains a board self assessment survey and analysis tool.

Why should boards assess their performance? Is it worth the time and effort required?

Assessing performance and overall effectiveness of the board is an important element to the organization's success. New members and board veterans can benefit from the process, which provides an opportunity to:

- Consider individual and collective responsibilities
- Clarify expectations
- Identify issues and concerns
- Use the results as a vehicle to set improvement goals

A board self-assessment is used to evaluate the board performance as a governing body, and as individual board members. The results of the assessment provide valuable information about areas of strength the board can leverage, as well as pointing out areas needing improvement. If self-assessments are conducted on a regular basis, such as annually or biennially, the board will be able to see where it has grown and what areas still need to be strengthened. The results

of the self-assessment let the board know about potential risk or problem areas before they become full-blown issues or crisis areas.

The assessment is an important investment of time and resources. Results of the self-assessment can be used to help organizations measure progress toward existing goals, strengthen the current governing structure, and shape the future operations of the board.

Boards can contract with external consultants, or they can conduct an independent self-assessment process. Some boards prefer a hybrid approach, where they conduct the self-assessment but ask an external reviewer to help analyze results and facilitate a discussion.

There are a number of self-assessment tools boards can use. One of the leading organizations focusing on board development and assessment is BoardSource <http://www.boardsource.org>. They have developed easy-to-use assessment tools and additional services that allow nonprofit boards to focus on the issues that drive their governance practices. These customizable, confidential, online or paper-based surveys can be purchased and conducted by the organization. Alternatively, BoardSource can provide online services that result in an immediate assessment report with conclusions that the board can use to set improvement goals.



Social Entrepreneurs, Inc. (SEI) incorporates Board Self-Assessment as part of its comprehensive organizational assessment process. Appendix T contains [SEI's Board Self-Assessment Survey](#). Appendix U contains the [Board Self-Assessment Analysis Tool Instructions](#) and a picture of the scoring worksheet. The worksheet, an MS Office Excel spreadsheet, is provided on the companion CD.

Regardless of the tool or process selected, it is important to perform regular self-assessments that links performance criteria to the specific expectations for serving on the board. Board members, just like staff, benefit from regular performance review and goal setting because it gives them a clear understanding about what's expected and how they're performing.



#### BOARD SELF ASSESSMENT SURVEY

**Who?** Board, consultants.

**When?** Annually or biennially.

**How?** Customize board survey to organization. Determine timeframe for submitting responses and a person to send them to. When surveys come in, place a number on the top of each one and then enter responses into the Survey Analysis worksheet, using the instructions provided. Once all surveys are entered, the results are automatically tabulated. Final results can be shared and discussed at a board meeting or retreat. Set board improvement goals and strategies and implement. Progress can be monitored via subsequent assessments.

## **Appendices**

The following appendices contain worksheets and tools described in the various sections of the toolkit. Electronic copies of the worksheets and tools are also contained on the companion CD.

## ***Appendix M: Board Design Worksheet***

### **How to use the Board Design Worksheet**

1. Customize worksheet to the organization (begins on next page).
2. Identify persons responsible for collecting and compiling responses and insert their name and contact information where indicated.
3. Determine due date, issue tool, and monitor responses. Provide reminders as needed to ensure stakeholder representation.
4. Compile all responses onto a single worksheet. Do not edit or attribute responses, present them “as is” so as not to change intent. After you have combined all responses, look for themes – areas of agreement and areas where more discussion is necessary.
5. Prepare a handout. The purpose of the handout is to present the input and ideas shared in an easy to read manner that can be used as a tool for managing the decision making discussion. Start by using the compiled responses. Add two or three paragraphs to the beginning of the document that introduce the material. Describe how many people were asked for input and how many responded. This is a good place to note the areas of agreement and differences in a bulleted list. Unless previously requested to do so, do not make recommendations.
6. Convene group and work through each issue and approach until all have been addressed.

## Board Design Worksheet

Prepared for [insert name of FRC]

Creating a strong Board of Directors is one of the most important actions that a nonprofit organization can take. It is vital to have a Board structure and set of operating guidelines that facilitate (and does not inhibit) the mission of the organization.

The checklist below outlines the key questions and issues that should be considered in defining how the Board will function. The decisions made about each item on the list will serve as the basis for creating bylaws that govern future actions of the Board. Bylaws must be adopted by the Board, and officers elected, before an organization can be incorporated. Additionally, bylaws may need to be amended to allow for identified modifications over time.

**Use the Recommendation column to write in the decision for each item that you believe is best for the organization.** Write down any rationale you have so that you can discuss your thought process with others during the next Board meeting. **Please submit the completed worksheet to [insert name of person tabulating responses] by [insert due date].** You can fill in the Recommendations column of the worksheet electronically and email the entire worksheet to [enter email address] or print it out and fax it to [enter phone number]. Feel free to contact [enter name] via email or by phone at [enter number] if you have questions about any of the items.

Issue	Alternative Approaches	Recommendation
<p><b>Officers.</b> Officers represent assigned positions on the Board with specific duties and powers. California law requires that two officers be designated, a President/Chairman and Secretary. Other officer positions are often defined to ensure that the major duties of the Board are addressed by having people be responsible for these duties, such as fiscal oversight.</p>	<p>Most organizations have these officers at a minimum:</p> <ul style="list-style-type: none"> <li>• President or Chair</li> <li>• Vice President or Vice Chair</li> <li>• Secretary</li> <li>• Treasurer</li> </ul> <p>Other approaches used in organizations include:</p> <ul style="list-style-type: none"> <li>• Designate Committee Chairs as officers (see discussion of Committees below)</li> <li>• Combine Secretary and Treasurer roles</li> <li>• Designate Secretary as the lead Membership officer</li> </ul>	<p>Recommended officer positions for the organization are:</p>
<p><b>Officer election/appointment.</b> It is necessary to agree on how officers will be elected or appointed. Being proactive here will help avoid contention and hurt feelings when it comes time to change officers in the future.</p>	<ul style="list-style-type: none"> <li>• Elect all officers by soliciting candidates in an open forum and have a vote (usually a secret ballot) to elect.</li> <li>• Appoint a committee to prepare a slate of officers, and then vote on the slate either one position at a time or as the entire slate.</li> <li>• Designate certain positions as an automatic succession, e.g. Vice Chair automatically becomes the Chair, then vote on the rest.</li> </ul>	<p>Recommended election or appointment process is:</p>

Issue	Alternative Approaches	Recommendation
<p><b>Terms.</b> “Terms” refer to how long board members serve on the Board before they need to be reelected or reappointed. Terms also need to be set for the officer positions. The main purpose of terms is to allow new people to be regularly added to the Board, keeping the organization “fresh” and able to change as the communities being served change. A common concern is that having too many new members at once can create problems; staggered terms are used to address this concern by having only a portion of the total number of board seats up for change in any given year.</p>	<ul style="list-style-type: none"> <li>• Terms of board members are usually set at one, two, or three years. Membership organizations tend to use shorter terms (e.g. one or two years) than other nonprofit organizations.</li> <li>• Optionally, limits can be set on consecutive terms; for example, a person can serve no more than three 2-year terms before having to rotate off the Board.</li> <li>• Optionally, terms of Board members can also be staggered. Example: 2 year terms and each year, half of the board seats come up for election/appointment.</li> <li>• Officer positions are usually given a term of 1 year, occasionally 2 years, and very rarely any longer.</li> </ul>	<p>Term for board members:</p> <p>Term for officer positions:</p> <p>Should term limits be used? If so, indicate the limit that should be applied:</p> <p>Should staggered terms be used?</p>
<p><b>Removal protocols.</b> An unpleasant scenario that should be anticipated is what to do when a board member stops participating or becomes disruptive enough that they are hurting the organization. The bylaws that govern the Board can help this situation by providing structured ways of removing a board member. Similar, people can be removed from an officer position before their term is up but be allowed to remain on the Board.</p>	<p>This is an area not usually thought out well by nonprofit boards. Approaches include:</p> <ul style="list-style-type: none"> <li>• Do nothing – make no provisions for removal of a board members or officer.</li> <li>• Remove only under pre-defined circumstances, such as failure to attend at least 50% of board meetings within a year.</li> <li>• Remove at any time if approved by a specific vote of the other board members (e.g. majority vote, 2/3 vote).</li> <li>• Allow officers to be removed but not board members, or vice versa.</li> </ul>	<p>Recommended protocols for removing a board member:</p> <p>Recommended protocols for removing an officer:</p>



Issue	Alternative Approaches	Recommendation
<p><b>Voting.</b> For issues that are put to a vote of the Board, guidelines are needed to define how the vote will occur. These guidelines should cover the definition of a quorum (how many board members must be present in order for a binding vote to be taken on any issue), guidelines on how votes are to be taken, and provisions to allow or disallow votes by proxy (where a board member authorizes someone else to vote on their behalf).</p>	<p>Quorums are usually defined in one of two ways:</p> <ul style="list-style-type: none"> <li>• Majority of maximum number of board positions.</li> <li>• Majority of the number of board positions currently filled, but not less than a minimum number of Board members (e.g. five or seven).</li> </ul> <p>Voting guidelines can include:</p> <ul style="list-style-type: none"> <li>• Any member can call for a vote on an issue</li> <li>• Voice vote, roll call vote, or secret ballot vote (i.e. nature of the vote) is decided by the President/Chair unless the nature of the vote is specified in the motion being voted on.</li> <li>• Proxies can be allowed or not</li> </ul>	<p>Quorum should be defined as:</p> <p>Voting guidelines should be:</p> <p>Should proxies be allowed? If so, list any limits/provisions that should apply to proxies:</p>
<p><b>Meeting guidelines.</b> Some basic protocols are often established regarding when and how board meetings are conducted. These protocols usually define who can call a meeting and how Board members receive notice of meetings. A state requirement is that the Board hold an annual business meeting.</p>	<ul style="list-style-type: none"> <li>• Most common provision is that the Chair or Vice Chair calls regular meetings, plus any two other Directors can call a special meeting at any time.</li> <li>• Some nonprofits allow any officer to call a meeting.</li> <li>• The annual meeting can be held in a certain month each year, or can be designated as the first meeting of the year.</li> <li>• Noticing requirements usually specify reasonable notice, e.g. anywhere from 2-7 days if made by telephone or in person, or 4-10 days written notice.</li> </ul>	<p>Meeting guidelines should be:</p>
<p><b>Compensation.</b> The issue here is whether board members can be paid for their services.</p>	<p>Options include:</p> <ul style="list-style-type: none"> <li>• No payments under any conditions.</li> <li>• No compensation, but allow Board members to be reimbursed for expenses they incur for the organization.</li> <li>• Provide a per diem amount – a fixed dollar amount paid for each meeting or approved event.</li> </ul>	<p>Compensation policies for board members should be:</p>

Issue	Alternative Approaches	Recommendation
<p><b>Appointment or election of future board members.</b> A mechanism is needed for determining how people will be placed onto the Board in the future. This is a very important issue because the commitment and experience of board members – and the ability of board members to work with each other – plays a huge role in the overall effectiveness of the board. It also provides an opportunity for the membership of the organization to have a voice in the selection of the Board.</p>	<ul style="list-style-type: none"> <li>• Most organizations provide for an annual open election where the current board members vote for who will fill open positions on the board. Vacancies are filled on an interim basis until the next election.</li> <li>• A Nominating Committee may be used to develop a slate of proposed candidates for the board, where the membership is asked to approve the slate as a whole rather than voting on individual people. This approach requires defining how the Nominating Committee will be formed or appointed.</li> <li>• Some organizations allow constituent groups to nominate board members, e.g. from each geographic region.</li> </ul>	<p>Recommended method of appointing/electing future Board members is:</p>
<p><b>Conflict of interest.</b> Public officials, including those serving on public boards and commissions like the Children and Families Commission, must abide by strict state and local laws to avoid conflict of interest situations. Nonprofit agencies, on the other hand, have comparatively few legal mandates to avoid conflicts of interest. Some nonprofits thus prepare their own conflict of interest code in order to avoid problems in this area.</p>	<p>This is another area that is dealt with very inconsistently by nonprofits. The range of actions includes:</p> <ul style="list-style-type: none"> <li>• Do nothing – no established conflict of interest guidelines.</li> <li>• Require Board members to disclose situations where they have a financial interest in a matter being considered by the Board and prohibit the member from voting on (or discussing and voting on) such matters.</li> <li>• Apply the same laws imposed on public officials.</li> </ul>	<p>The conflict of interest provisions, if any, should be:</p>

## ***Appendix N: Organizational Mandates***

### **How to use the Organizational Mandates Worksheet**

1. Customize worksheet to the organization (begins on next page).
2. Determine amount of time needed for members to complete and how information will be used. For example, do you want people to bring the completed worksheet to a meeting? Or does the group want to have all responses compiled into a single document.
3. Issue tool and provide instructions for completing and next steps. If responses will be compiled into a single document, provide a cut-off date for responding, and provide instructions on how to submit worksheet (email, fax, mail, in person) and to whom.
4. Compile responses into a single document (if applicable).
5. Convene group and facilitate a discussion about specific mandates, whether the Board wants to modify them in any way. For items that will be modified, indicate the process, timing and persons who are responsible for completing action steps.

## Organizational Mandates Worksheet

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Organization: \_\_\_\_\_

Organizational mandates are the formal and informal requirements of the organization, i.e. the items that it “must” adhere to. These mandates serve as constraints on the development of future plans, inasmuch as plans must either conform to all of the mandates or incorporate specific actions to change the mandates. For example, the articles of incorporation and bylaws of the organization probably impose specific limitations on what the organization can and cannot do; the organization either must operate within these parameters or must take steps to amend them. Informal mandates, such as an unwritten policy that all decisions of a certain type must be presented to the board, are also important to understand in the planning process.

Using the following worksheet, please list all of the formal and informal organizational mandates that you can identify. Consider the following categories or issues in your response:

- Terms of the articles of incorporation, bylaws, and premises used to obtain 501(c)3 status.
- Policies adopted by the board or management (note: for detail areas such as personnel policies, feel free to summarize them as “personnel policies as described in the policy and procedure manual” rather than attempting to list each individual policy).
- Legal requirements – laws, regulations, and administrative standards of regulatory agencies.
- Other external mandates, e.g. requirements of outside funding sources for funding sources that are considered to be essential to the organization.
- Informal mandates, either internally or externally imposed.

For each item listed, place a “Y” in the second column if you believe the item can be changed by the organization and should be considered for change, or “N” if the item should remain as a constraint in future plans, i.e. it should not be subject to change.

Organizational Mandates	Subject to Change?
<i>Examples of possible mandates and change ratings.</i>	
Board policy that requires two signatures on checks over \$500	Y
Board policy requiring competitive bids for purchases of services or merchandise greater than \$1,500.	N
Personnel Policies that require employees and volunteers working directly with children and families to pass a criminal background check.	N

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Organizational Mandates	Subject to Change?

## **Appendix O: Sample Bylaws**

(This sample contains language that should be updated to reflect the decisions of a particular organization.)

### **BYLAWS OF [name of your organization]**

#### **ARTICLE I NAME**

Section 1. NAME. This organization shall be known as [name of your organization]. References in these Bylaws to “organization” shall mean [name of your organization], unless otherwise specified.

#### **ARTICLE II PURPOSE**

Section 1. GENERAL AND SPECIFIC PURPOSE. The general purpose of this organization shall be to [insert purpose of organization – why it was formed, compliant with nonprofit guidelines].

#### **ARTICLE III DIRECTORS**

Section 1. NUMBER. The corporation shall have seven (7) Directors.

Section 2. COMPOSITION. The Directors shall be comprised of two (2) members currently serving on Children and Families Commission; three (3) members currently serving on the Advisory Board; and, two (2) members from the community at large. The Executive Director of the corporation shall serve as an Ex Officio member. Directors must reside or work in [name of county]. Any Director that no longer meets the criteria to serve on the board will be considered a vacant seat to be filled as provided for in these bylaws.

Section 3. POWERS. Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

- Section 4. DUTIES. It shall be the duty of the Directors to:
- A. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws.
  - B. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation.
  - C. Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly.
  - D. Meet at such times and places as required by these Bylaws.
- Section 5. ELECTION OF DIRECTORS. At each Annual Meeting as prescribed in these Bylaws, the then-current Directors will hold an election to appoint Directors to fill positions where the term of a Director has expired. Current Directors may be re-elected to serve another term, with no limit on the number of terms.
- Section 6. TERMS OF OFFICE. Terms of Directors shall be two years. Of the initial Directors, three (3), chosen by lot and consisting of one (1) Advisory Committee member, one (1) County Commission member, and one (1) community at-large member, shall serve a term of three years. Thereafter those terms shall revert to two-year terms of office.
- Section 7. VACANCIES. Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any Director, and (2) whenever the number of authorized Directors is increased. Any Director may resign effective upon giving written notice to the Chair, Vice-Chair, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the corporation would then be left without a duly elected Director or Directors in the charge of its affairs, except upon notice to the Attorney General. A person elected to fill a vacancy as provided in this section shall hold office until the term of office for the position is completed, or until his or her death, resignation or removal from office.
- Section 8. REMOVAL OF DIRECTORS. Any Director may be removed for failure to attend three consecutive meetings without an excused absence from the Chair. Additionally, Directors may be removed at any time, either with or without cause, by a vote of five (5) of the seven (7) the Board of Directors or two-thirds of the currently filled board positions.
- Section 9. NON-LIABILITY OF DIRECTORS. The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.
- Section 10. FEES AND COMPENSATION. Directors may receive reimbursement for reasonable expenses incurred on behalf of the organization, if such reimbursement is pre-approved by the Board of Directors. Directors shall not be compensated for their services.

ARTICLE IV  
OFFICERS

- Section 1. OFFICERS. The officers of the organization shall consist of a Chair, a Vice-Chair, a Secretary, and a Treasurer.
- Section 2. QUALIFICATION, ELECTION AND TERM OF OFFICE. Any person may serve as an officer of this corporation. Officers shall be elected by the Board of Directors at the Annual Meeting, as prescribed by these Bylaws, by soliciting candidates in an open forum and electing officers from among the candidates by a majority vote of the Directors. For election of officers, ballots shall be cast and there shall not be any place on the ballot that might indicate the person who cast such ballot. Officers shall serve for a term of one year or until he or she resigns or is removed or otherwise disqualified to serve, whichever comes first.
- Section 3. DUTIES OF THE CHAIR. The Chair shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, oversee the affairs of the corporation and the activities of the officers. He or she shall preside at all meetings of the Board of Directors. Except as otherwise expressed provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks or other instruments which may from time to time be authorized by the Board of Directors.
- Section 4. DUTIES OF THE VICE-CHAIR. In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice-Chair shall perform all duties of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chair.
- Section 5. DUTIES OF THE SECRETARY. The Secretary shall keep or cause to be kept, at the principal office or such other place as the organization may order, a book of minutes of all meetings of the organization and its committees, with the time and place of holding, and the proceedings thereof. The Secretary shall keep, or cause to be kept, a copy of the organization's Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the organization and any committees thereof required by these Bylaws. The Secretary shall keep, or cause to be kept, a roster of the Directors of the organization.
- Section 6. DUTIES OF THE TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the organization. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the organization with such depositories as may be designated by the organization. The Treasurer shall disburse or cause to be disbursed the funds of the organization as may be ordered by the organization, shall render to the organization whenever they request it, an account of all transactions and of the financial condition of the organization, and shall perform such other duties as may be prescribed by the Board of Directors.
- Section 7. RESIGNATION. Any officer may resign at any time by giving written notice to the Chair or the Vice-Chair. Any such resignation shall take effect at the date of the

receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8. REMOVAL OF OFFICERS. Any officer may be removed at any time, either with or without cause, by a vote of five (5) of the seven (7) the Board of Directors or two-thirds of the currently filled board positions.

Section 9. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for election to such office. Such vacancies shall be filled as they occur and not on an annual basis.

## ARTICLE V COMMITTEES

Section 1. GENERAL. Board of Directors may create one or more committees, and delegate to such bodies any of the authority of the organization so long as such authority is in accordance with applicable law and these Bylaws, except with respect to:

- A. Amendment or repeal of Bylaws or the adoption of new Bylaws;
- B. Appointment of other committees of the organization or the members thereof;
- C. Amendment or repeal of any resolution of the organization that by its express terms is not so amendable or repealable;
- D. Approval of any self-dealing transaction; or
- E. Approval of financial reports, annual audits, and any transaction that involves more than ten percent (10%) of the assets, whether fixed, real or executory, of the organization.

Section 2. ADVISORY COMMITTEE. An Advisory Committee may be established and maintained by the organization. The purpose of the Advisory Committee is to provide consistent communications between the Board and the target population and community.

Section 3. NAME AND CONDUCT. The members of any committee created by the Board of Directors may be appointed by the Chair or by the Directors, and may include non-Directors as long as at least two Directors serve on each committee. Committees shall be designated by such name as the Chair shall specify. The Chair shall have the power to prescribe the manner in which proceedings of committees shall be conducted. In the absence of any such prescription, any such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Chair or such committee shall otherwise provide, the regular and special meetings and other actions of any committee or caucus shall be governed by the provisions of these Bylaws applicable to meetings and actions of the organization.

Section 4. MINUTES. Each committee shall keep regular minutes of its proceedings, which shall be filed with the Secretary of the organization. All actions by any committee shall be reported to the Directors at the next meeting thereof, and, insofar as rights

of third parties shall not be affected thereby, shall be subject to revision and alteration by the Directors.

## ARTICLE VI MEETINGS

- Section 1. MEETINGS OF THE DIRECTORS. All annual, regular or special meetings of the Board of Directors shall be called, noticed, held and conducted in accordance with these Bylaws.
- Section 2. PLACE OF MEETINGS. Meetings of the organization shall be held at any place within or outside of the State of California, which may be designated by the notice of meeting. Meetings may also be conducted via telephone conference or other form of technology at the discretion of the Chair or presiding officer of the organization.
- Section 3. ANNUAL MEETING. The first meeting of the Board of Directors held in September, or the first meeting held in a subsequent month, shall be the annual meeting for purpose of election of officers and the transaction of other business.
- Section 4. REGULAR MEETINGS. Regular meetings of the organization shall be held at such frequency, time and place as the Chair or Vice Chair shall from time to time determine.
- Section 5. SPECIAL MEETINGS. Special meetings of the organization for any purpose or purposes may be called at any time by any two Directors, so long as all meetings are properly noticed.
- Section 6. NOTICE OF METINGS. Regular meetings of the Board may be held without notice. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, electronic mail, or facsimile.
- Section 7. QUORUM. A quorum shall consist of at the majority of currently filled board positions, but not less than three (3) directors. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the organization. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of members, if any action taken is approved by at least a majority of the required quorum for such meeting.
- Section 8. DECISION-MAKING. Decisions of the Directors are to be made according to the following guidelines and procedures:
- A. Any Director may make a motion stating the action or decision that he or she proposes to be adopted by the Board of Directors. The motion must be seconded by another Director in order to be considered further. Once made and seconded, the motion can only be amended by the person who originally made the motion.
  - B. The Chair shall allow discussion of motions before a vote is taken. The Chair may set reasonable time limits on the amount of time allocated to

discussion, including the length of time that each Director may speak on the motion.

- C. Upon the conclusion of discussion or the time limits set by the Chair, the Chair or any Director may call for a vote on the motion. Motions may specify whether the vote shall be taken by group voice vote (first asking for all in favor of the motion to say "aye" and then all opposed to say "nay"), roll call voice vote, or written ballot. If no method of voting is specified in the motion, the method of voting shall be determined by the Chair. Only Directors may vote, with each Director entitled to one vote.
- D. Directors shall disclose any and all situations in which he or she has a direct personal or financial interest in a matter being considered by the Board and shall abstain from voting or attempting to influence voting on such matters, with the exception that Directors shall be allowed to vote for himself or herself for any office or other position.
- E. Any motion receiving aye votes from more than 50% of Directors attending a meeting where a quorum is present will be considered an approved action of the Board of Directors as a whole.

#### ARTICLE VII

#### EXECUTION OF INSTRUMENTS, GIFTS, AND ACCESS TO RECORDS

- Section 1. EXECUTION OF INSTRUMENTS. The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or to pledge its credit or to render it liable monetarily for any purpose or in any amount.
- Section 2. GIFTS. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the charitable or public purposes of this corporation.
- Section 3. DIRECTORS' INSPECTION RIGHTS. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

#### ARTICLE VIII

#### PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

- Section 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS. No Director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person or reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or

persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation.

ARTICLE IX  
AMENDMENT OF BYLAWS

Section 1. AMENDMENTS. These Bylaws may be amended or repealed by the approval of five (5) of the seven (7) Directors, or two-thirds (2/3) of the currently filled Director positions.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of [name of your organization], and that the above Bylaws, consisting of 7 pages, are the Bylaws of the organization as adopted by the Board of Directors on [insert date], 200X.

Executed on [insert date], 200X at \_\_\_\_\_, California.

\_\_\_\_\_  
[insert name]  
Secretary

## Appendix P: Board Skills Inventory Worksheet

### How to use the Board Skills Inventory Worksheet

1. Insert the list of board skills, knowledge and characteristics desired in the top row. Add or remove columns as necessary.
2. In the first column, list the names of all current board members. This creates a master form that can be updated.
3. Distribute the form to each board member and ask them to place an "x" in the appropriate columns to indicate the skills or expertise they currently possess.
4. Collect and compile responses into a single master matrix. The gaps will show areas of skills or expertise that the board will want to pay attention to when recruiting new members. It can also be used as a tool for identifying board development and training opportunities.

<b>Board Skills</b>	<b>Insert skill</b>	<b>Insert skill</b>	<b>Insert skill</b>	<b>Insert skill</b>				
<i>Skills Examples</i>	<i>Fund Raising</i>	<i>Fiscal Mgmt</i>	<i>Legal</i>	<i>Marketing</i>	<i>Community Engagement</i>	<i>Public Policy</i>	<i>Personnel</i>	<i>Entrepreneurial Skills</i>
Board member								
Board member								
Board member								
Board member								
Board member								
Board member								
Board member								
Board member								
Board member								
Board member								

## ***Appendix Q: Sample Board of Directors Job Description***

### **Sample - Board of Directors Job Description**

***The Board of Directors is responsible to*** conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefore not inconsistent with the law, with the Articles of Incorporation or the Bylaws, as they deem best.

In addition, the Board must demonstrate its fiduciary responsibility in the following manner:

#### Governance

- Re-approve membership for any director who misses [enter number] consecutive meetings
- Select and remove all officers, agents of the corporation, prescribe such powers and duties for them as may be consistent with the law, with the Articles of Incorporation or the Bylaws, fix their compensation and require from them security for faithful service.
- Assists in establishing the direction of and regularly examines the organizations services to ensure they fulfill its mission and achieve its objectives.
- Provide continuity for the organization by setting up a corporation or legal existence, and to represent the organization's point of view through interpretation of its services, and advocacy for them.
- Govern the organization by broad policies and objectives, formulated and agreed upon by the E.D., including to assign priorities and ensure the organization's capacity to carry out programs by continually reviewing its work.
- Designate Standing Committees and number of members by resolution.
- Appoints Standing Committee Chairperson.

#### Commitment

- Contact the Board Chair for assignments and an update if unable to attend a meeting.
- Must be Chair or member of 1 committee or task group.
- Attend at least 1 fundraising event and at least 2 agency sponsored events annually.
- Support other fundraising efforts through personal contributions as they deem able.

#### Supervision

- Hires and fixes the salary of the Executive Director.
- Establishes criteria by which to evaluate the Executive Director annually.
- Advises E.D. on and approves employees' compensation through budget development adoption process.
- Gets to know other committee members and builds collegial working relations that contribute to consensus.

#### Evaluation

- Evaluates annually the performance of the organization in achieving its mission.
- Evaluates annually its effectiveness as a Board in achieving the organization's mission.
- Evaluates the performance of the Executive Director annually, using predetermined criteria.

Financial Sustainability

- Acquire sufficient resources for the organization's operations and to finance the services adequately.

Account to the public for the services of the organization and expenditures of its funds, including: To provide for fiscal accountability, approve the budget, and formulate policies related to contracts from public or private resources; and to accept responsibility for all conditions and policies attached to new, innovative, or experimental programs.

## ***Appendix R: Sample Board Application Announcement and Form***

### **How to use the Board Application Form**

2. Insert the organization's name as indicated throughout the form by [insert organization name].
3. Add requested information about the organization as noted throughout by brackets [enter information here].
4. Add contact name, address and timeframe for submitting application.
5. Customize the questions and types of information requested related to background, areas of expertise, prior experience, and other characteristics to reflect the criteria and needs of the organization.
6. Disseminate application announcement and form as separate documents through established channels for recruiting.

## Organization Name and Logo

The [insert organization name] is seeking dedicated people to serve on the Board of Directors. This is an incredible opportunity to make a difference the lives of children and families of [insert community]. Please take a moment to read the enclosed materials and consider applying to serve as a Board member, or pass the information on to someone else you think may be interested.

### About [Insert Organization's Name]

#### Mission, Vision and Roles

The mission of [organization name] is to [insert mission]. Our vision is to [insert vision] We will fulfill our mission and vision through [list and briefly describe primary programs, services and activities]:

**Program or activity.** Description of how program or activity is conducted, outcomes, target population.

**Program or activity.** Description of how program or activity is conducted, outcomes, target population.

**Program or activity.** Description of how program or activity is conducted, outcomes, target population.

**Program or activity.** Description of how program or activity is conducted, outcomes, target population.

### Serving on the Board

The [insert organization name] was founded in [year]. We are seeking leadership, thoughtful decision-making and support from the Board of Directors in order to succeed.

#### Board Size and Structure

The [insert organization name] is governed by a [enter number of members] -member Board whose members asked to serve [length of term]. Diversity within the board is actively sought, emphasizing diversity of ethnicity, culture, language, geographic area, gender and ability to represent a segment of the family support field.

#### Duties of the Board

The Board as a whole is responsible for ten roles that are essential to the success of the association. The ten roles are:

- Determine the Organization's Mission, Purposes, Values and Operating Norms
- Select the Chief Executive
- Support the Chief Executive and Assess His/Her Performance
- Ensure Effective Organizational Planning
- Ensure Adequate Resources
- Manage Resources Effectively
- Determine, Monitor, and Strengthen the Organization's Programs and Services

- Promote the Organization's Public Standing
- Ensure Legal and Ethical Integrity and Maintain Accountability
- Recruit and Orient New Board Members and Assess Board Performance

## Board Selection Process

[Customize the following paragraphs to reflect the organization's process.]

[Insert the organization's name] is seeking people who are passionate about improving the lives of children and families and who can commit a minimum of 12 hours of service per month. People with a strong personal commitment to the community with knowledge in community development, advocacy, fund development, or policy development are encouraged to apply to serve as one of the members of the Board of Directors that will guide the development of the organization.

Board members will be chosen through an open process that allows any interested person in [geographic area allowable] to apply. Applications will be reviewed by a [enter number]-person committee that will recommend a slate of candidates for appointment to the Board. [Describe the board's process for approving and appointing the recommended candidates].

## How to Apply

To be considered as a board member, please submit an application by **[day, month, date, 200X]** to:

Contact person name]  
Organization name]  
Address, city, state, zip code  
Phone: (000) 000-0000  
Fax: (000) 000-0000  
Email: address

The application form is available online at [enter web address, if available] or from the contact person listed above. Applications may be submitted by regular mail, fax or email.

**[Insert Organization's Name]  
Board of Directors Application**

The [insert the organization's name] is a [insert brief description of your organization to include: nonprofit status, mission, purpose and vision]. More information about the [insert the organization's name] is available at [insert organization website address] or by calling [contact person and phone number].

[Insert the organization's name] is seeking people who are passionate about improving the lives of children and families and who can commit a minimum of 12 hours of service per month. People with a strong personal commitment to the community with knowledge in community development, advocacy, fund development, or policy development are encouraged to apply to serve as one of the members of the Board of Directors that will guide the development of the organization.

**Please submit the completed application by [day, month, date, 200X] to:**

- [Contact person name]
- [Organization name]
- Address, city, state, zip code
- Phone: (000) 000-0000
- Fax: (000) 000-0000
- Email: address

**CONTACT INFORMATION**

Name: \_\_\_\_\_

Organization (if applicable): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**BACKGROUND AND LEVEL OF INTEREST**

How have you personally provided leadership in the field of family support, influenced resources available to families in your community or participated as a parent in family support services?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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Why are you interested in serving on the Board of Directors?

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Please list any specific goals or interests you would like to pursue by serving on this Board.

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What talents or skills can you contribute to making this association successful?

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**AREAS OF EXPERTISE** – Please check boxes next to all items where you have substantial prior experience, education or other demonstrated expertise.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Parenting and family issues              | <input type="checkbox"/> Financial management                                 | <input type="checkbox"/> Personnel / human resources              |
| <input type="checkbox"/> Participating in family support services | <input type="checkbox"/> Nonprofit income generation and resource development | <input type="checkbox"/> State or national association management |
| <input type="checkbox"/> Community engagement                     | <input type="checkbox"/> Legal matters  | <input type="checkbox"/> Startup organization experience          |
| <input type="checkbox"/> Public policy and advocacy               | <input type="checkbox"/> Marketing  | <input type="checkbox"/> Other management experience              |

**PRIOR BOARD AND STARTUP ORGANIZATION EXPERIENCE** – Please list any organizations, groups or networks for which you have previously either served on a governing board or participated actively in the creation of a new organization/group. Prior experience is not required.

1. 

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2. 

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3.

4.

5.

**OTHER CHARACTERISTICS**

How many hours per month, on the average, can you commit to the activities of this Board? (please check one)

- 0-5 hours
- 6-10 hours
- 11-15 hours
- 15-20 hours
- More than 20 hours

Are you willing to travel to different locations around California for association events? (Note: you will be reimbursed for travel expenses for Board meetings and authorized activities of the Board.)

- Yes
- No

Please check all of the following characteristics that apply to you. (Note: at this time, we are specifically seeking applicants who fit one or more of the following characteristics in order to add important perspectives to the initial group of people already recommended for appointment to the Board.)

- Parent or guardian that has accessed services at a family resource center or other family support program
- Represents a diverse population
- Service Provider
- Resident of county
- None of the above

If you wish, please add any other information about yourself that you think is important in considering your application to serve on the Board. You may attach a resume or bio (note: it is optional to do so) to the application but please limit attachments to no more than two pages of additional information.

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What dates and times are you not available to meet?

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We meet every \_\_\_\_\_ of the month. Are you available? YES NO

**THANK YOU FOR YOUR INTEREST IN MAKING A DIFFERENCE FOR OUR COMMUNITY'S FAMILIES!**

## ***Appendix S: Application Review Guidelines and Rating Form***

### **How to use the Board Member Selection and Application Review Guidelines Form**

1. Insert the organization's name as indicated throughout the form by [insert organization name].
2. Customize the four categories to reflect the expertise, leadership, diversity and personal traits being sought (lists 1 through 4).
3. Disseminate instructions and rating form to review committee. Provide orientation to tool and answer any questions prior to beginning rating process.
4. Collect individual rating sheets and discuss ratings and determine recommendations.

### **[INSERT ORGANIZATION NAME]**

#### **Board Member Selection Criteria and Application Review Guidelines**

The following are criteria to guide the selection of board members.

Board members should meet at least one of the elements under Areas of Expertise OR Leadership and Credibility, as shown below.

1. **Area(s) of Expertise.** Person has solid prior experience and knowledge in one or more of the following areas:
  - Resource development (including but not limited to income generation)
  - Fiscal management
  - Legal
  - Marketing
  - Parenting and family issues
  - Family members (defined in the broadest sense) who have participated with family support services
  - Community engagement
  - Public policy and advocacy
  - Personnel
  - State or national association management
  - Entrepreneurial skills, including experience with a start-up organization and/or other management experience
2. **Leadership and Credibility.** Person offers good leadership skills and credibility at one of two levels:
  - Respected in the family support field (well recognized, visible, has credibility among family support networks and/or service providers)
  - Respected in parent groups or communities (well recognized, visible, has credibility with a broad range of families at a grassroots level)

In addition to meeting at least one of the criteria in the categories shown above, each board member should fulfill all of the criteria shown below.

3. **Diversity.** Person contributes to the diversity of the board in one or more ways, with an emphasis on:
  - Ethnic and cultural diversity
  - Geographic diversity
  - Ability to represent a segment of the family support field (e.g. networks/ individual agencies, urban/rural, large/small agencies, etc.)
  - Gender diversity
  
4. **Personal Traits.** Person has the following essential traits or characteristics:
  - Is committed to the idea of serving on the board and shows a strong personal desire to the family support field
  - Has sufficient time to commit and schedule flexibility to enable him/her to fully participate on the board, and the willingness to do the work required to fulfill the roles and responsibilities of the board
  - Is enthusiastic and energetic

Prior experience in serving on a board of directors is desirable but not absolutely required.

### **Guidelines for Review and Rating of Board Member Applications**

In order to provide consistency within the committee regarding how applications are being evaluated, following are guidelines for how to assign ratings to each category on the rating form. The rating form corresponds directly to the selection criteria shown above.

**Areas of Expertise:** Provide a rating from 1 to 10 to indicate the extent to which the person offers prior experience and knowledge in one or more of the areas sought for this board. This is based on a combination of the areas of expertise checked on the application form, the response to the question about talents and skills they can contribute to the board, their prior board and startup organization experience, and any resumes or additional information submitted by the applicant. A rating of 1 to 4 indicates the person appears to contribute no or limited specific experience/expertise relevant to this board, 5 to 7 indicates moderate to good fit with the expertise needed for this board, and 8 to 10 indicates very strong to outstanding fit with the expertise needed. As a general guideline, a person would rate higher in this category if they offer solid expertise in many areas rather than just one or two. However, you may also rate a candidate highly in this category if they offer *unique* expertise, such as being one of very few applicants that are family members that have participated with family support services or being one of very few applicants with solid legal expertise (or any other such area of expertise sought for this board).

**Leadership and Credibility:** Provide a rating from 1 to 10 to indicate the extent to which the person appears to offer proven leadership skills and credibility with family support networks/ service providers and/or with parent networks/groups. This is based on the response to the question on the application about how the person has provided leadership, taken together with the other information submitted on the application. A rating of 1 to 4 reflects no to limited demonstrated leadership, 5 to 7 indicates moderate to good proven leadership (e.g. some good achievements but for a limited amount of time or on a limited scale), and 8 to 10 indicates very strong to outstanding track record of leadership within the field.

**Diversity:** Provide a rating from 1 to 10 to indicate the extent to which the applicant appears to represent diverse perspectives, relative to the other applicants. *As with the Areas of Expertise category, it will be necessary to review all of the applications before deciding on this rating.* The rating is based on the response to the application question about aspects of diversity the person could represent as a Board member. A rating of 1 to 4 indicates the person appears to represent few aspects of diversity, 5 to 7 indicates moderate ability to enhance how this board reflects and embraces diversity, and 8 to 10 indicates very strong to outstanding ability to enhance how this board reflects and embraces diversity. As a general guideline, a person would rate higher in this category if they appear to be able to represent multiple aspects of diversity sought for this board or if they represent a unique perspective not found among the other applicants.

**Commitment and Enthusiasm:** Provide a rating from 1 to 10 to indicate the extent to which the application shows commitment to the development of this organization and enthusiasm for being personally involved. This is based primarily on responses to the questions about why the person is interested in serving on the board and the goals and interests they would like to pursue by serving on the board. A rating of 1 to 4 indicates no to limited commitment to the development of the organization, 5 to 7 indicates average to good commitment and enthusiasm, and 8 to 10 indicates very strong to outstanding levels of commitment and enthusiasm.

**Availability:** Provide a rating from 1 to 10 to indicate the extent to which the person appears to have the time and willingness to serve as an effective board member. This is based on the responses to the questions about number of hours per month that could be committed to the activities of the Board and the willingness to travel if needed. A suggested scale is to start with a rating of 2 for 0-5 hours/month of availability, rating of 4 for 6-10 hours, rating of 6 for 11-15 hours, rating of 8 for 16-20 hours and rating of 10 for more than 20 hours, and then adjust up or down from there based on willingness to travel or other information in the application that indicates a willingness to be flexible and put in the time needed for the board (or, conversely, indicates concerns about whether the person will be able to fully participate on the board).

**Overall Rating:** Provide a rating from 1 to 10 indicating your overall opinion about how well the applicant meets the selection criteria and should be considered further as a potential board member. This is not the sum of the ratings from the other categories; it is a separate rating. As a general guideline, a rating from 1 to 4 indicates that the applicant has no or limited fit as a board member for this association and should not be considered further, ratings of 5 to 7 indicates a moderate to good level of fit (a “borderline” candidate), and ratings of 8 to 10 indicate potentially excellent fit and a candidate that definitely should be considered further.

## Sample

### Board Application Rating Form

Position: Board Member

Applicant: \_\_\_\_\_

Evaluator: \_\_\_\_\_

Date: \_\_\_\_\_

CATEGORY	RATING (0-10)	NOTES
<p><b>Areas of Expertise.</b> A rating of 1 to 4 indicates the person appears to contribute no or limited specific experience/expertise relevant to this board, 5 to 7 indicates moderate to good fit with the expertise needed for this board, and 8 to 10 indicates very strong to outstanding fit with the expertise needed.</p>	<p>_____</p>	
<p><b>Leadership and Credibility.</b> A rating of 1 to 4 reflects no to limited demonstrated leadership, 5 to 7 indicates moderate to good proven leadership (e.g. some good achievements but for a limited amount of time or on a limited scale), and 8 to 10 indicates very strong to outstanding track record of leadership within the field.</p>	<p>_____</p>	
<p><b>Diversity.</b> A rating of 1 to 4 indicates the person appears to represent few aspects of diversity, 5 to 7 indicates moderate ability to enhance how this board reflects and embraces diversity, and 8 to 10 indicates very strong to outstanding ability to enhance how this board reflects and embraces diversity. As a general guideline, a person would rate higher in this category if they appear to be able to represent multiple aspects of diversity sought for this board or if they represent a unique perspective not found among the other applicants.</p>	<p>_____</p>	
<p><b>Commitment and Enthusiasm.</b> A rating of 1 to 4 indicates no to limited commitment to the development of the association, 5 to 7 indicates average to good commitment and enthusiasm, and 8 to 10 indicates very strong to outstanding levels of commitment and enthusiasm.</p>	<p>_____</p>	
<p><b>Availability</b></p> <p>A rating of 2 for 0-5 hours/month of availability, rating of 4 for 6-10 hours, rating of 6 for 11-15 hours, rating of 8 for 16-20 hours and rating of 10 for more than 20 hours. Adjust up or down based on willingness to travel or other information in the application that indicates a willingness to be flexible and put in the time needed for the board.</p>	<p>_____</p>	
<p><b>Overall Rating</b></p> <p>A rating from 1 to 4 indicates that the applicant has no or limited fit as a board member for this association and should not be considered further, ratings of 5 to 7 indicates a moderate to good level of fit (a "borderline" candidate), and ratings of 8 to 10 indicate potentially excellent fit and a candidate that definitely should be considered further.</p>	<p>_____</p>	
<p><b>TOTAL APPLICANT RATING</b> (maximum of 60 points)</p>	<p>_____</p>	

## ***Appendix T: SEI Board Self-Assessment Survey***

### **How to prepare and issue the Board Self Assessment Survey**

1. Insert the organization's name as indicated throughout the form by [insert organization name].
2. Determine due date and insert along with name of contact person, address and methods for returning the survey.
3. Disseminate survey. Explain that responses will be used only in the aggregate and individual survey respondents will be referenced by a number (for example, Jane Doe would be #1, Sammy Smith #2, etc.)
4. Follow up as needed to encourage full participation in the survey.
5. Close survey and enter results into the analysis tool (see instructions and worksheet in next appendix).
6. Once analysis is complete, summarize findings and present at a board meeting for discussion. Include a copy of the analysis tool results.

## SEI ORGANIZATIONAL ASSESSMENT SURVEY – BOARD OF DIRECTORS

**Organization:** [insert name]

**Completed By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Please respond to the items on the survey by rating the degree to which the organization exhibits the characteristic described in each statement. Circle the number that best agrees with your assessment of the characteristic, using the following scale: 1 = this rarely or never describes the organization (less than 25% of the time), 2 = this describes the organization less than half the time, 3 = this describes the organization about half of the time, 4 = this describes the organization more than half of the time but less than 75% of the time, and 5 = this describes the organization all or almost all of the time.

EXAMPLE:        **Understanding of Mission and Vision:** All Board members have been oriented to and demonstrate an understanding of the organization's mission and vision.

1   2   3   4   5   NR

If, in your estimation, an item does not apply to the organization or you do not feel you have personal knowledge to appropriately respond, mark the No Response (NR) option.

Space is provided to right of each question for you to write comments. Comments are not required, but they can be valuable in understanding the issues and conditions that affected your ratings. Please feel free to attach sheets with additional comments if you need more room than what is provided on the survey form. Also, two narrative questions are included at the end of the survey to obtain your opinions on key strengths and opportunities for improvement.

Individual responses will be held confidential and only used in aggregate to support trends identified throughout the organization.

Please return your survey to [organization name] by **[date]** by:

Fax: 000-000-0000

Mail: Organization name  
Address  
City, State, Zip

Thank you for taking the time to complete this survey. Your input is very important!

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Use the following scale to describe the organization: 1 = rarely or never , 2 = less than 50% of the time, 3 = about 50% of the time, 4 = more than 50% but less than 75% of the time, and 5 = all or almost all of the time or circle NR (No Response).

**Board Structure, Activities and Functioning:** Please rate the extent to which the Board of Directors exhibits the following characteristics of governance.

- |  |                  |
|--|------------------|
| <p>1. <b>Understanding of Mission and Vision:</b> All Board members have been oriented to and demonstrate an understanding of the organization's mission, vision and (if defined) core values.</p>   | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>2. <b>Alignment with Mission and Vision:</b> The Board utilizes the organization's mission, vision and values in making decisions and periodically reviews operations to ensure congruence with the mission, vision and values.</p>           | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>3. <b>Involvement in Planning:</b> The full Board and appropriate staff are actively involved in strategic planning and other forms of organizational planning so that plans reflect the best collective thinking of the Board and staff.</p> | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>4. <b>Operations Monitoring:</b> The Board has current knowledge of the services and projects of the organization and the status, strengths and weaknesses of those services and projects.</p>  | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>5. <b>Financial Monitoring:</b> The Board has a sufficient understanding of the financial status of the organization and uses that understanding to plan present and future operational expenditures.</p>                                     | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>6. <b>Financial Contributions:</b> The board is actively involved in fund raising efforts and/or is willing to make personal financial contributions.</p>   | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>7. <b>Financial Information:</b> The board is regularly given meaningful information by staff on the organization's financial condition and performance.</p>  | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |
| <p>8. <b>Board Member Recruitment:</b> The Board identifies new skills and perspectives needed on the Board, and then works with staff to locate and attract new board members as needed to fill identified gaps in Board composition.</p>       | <p>Comments:</p> |
| <p>1    2    3    4    5    NR</p>   |                  |

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9. <b>Board Succession:</b> New leadership for the Board is cultivated by both supporting current board members in enhancing their leadership roles and cultivating outside leaders even when not recruiting to fill open Board positions.	Comments:
1 2 3 4 5 NR	
10. <b>Orientation of Board Members:</b> New Board members receive a thorough orientation that covers what the organization does, its plans and conditions, duties of Board members, policies and procedures, and other relevant information.	Comments:
1 2 3 4 5 NR	
11. <b>Board Training:</b> Relevant training and information on best practices in governance is regularly provided to all Board members.	Comments:
1 2 3 4 5 NR	
12. <b>Member Engagement:</b> All Board members are consistently able to personally contribute their ideas and expertise at Board meetings, committee meetings and in other ways.	Comments:
1 2 3 4 5 NR	
13. <b>Board Culture:</b> The Board exhibits a culture of trust, mutual respect, candor and enthusiasm among its members and in working with staff.	Comments:
1 2 3 4 5 NR	
14. <b>Communications:</b> The Board has defined a process and uses it to communicate with members between meetings about changing circumstances of the organization.	Comments:
1 2 3 4 5 NR	
<b>Board Leadership:</b> Please rate the extent to which the Board of Directors exhibits the following key characteristics of leadership.	
15. <b>Decision Making:</b> The Board has an established process for making decisions that engages all Board members in important decisions. The decision making process is followed and is effective.	Comments:
1 2 3 4 5 NR	
16. <b>Board Accountability:</b> Objective criteria for what the Board is expected to do as a group and what individual Board members are expected to contribute have been defined and are understood by Board members.	Comments:
1 2 3 4 5 NR	

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<p>17. <b>Personal Accountability:</b> Board members are willing and able to personally live up to the core values and highest performance standards of the organization.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>18. <b>Enforce Standards:</b> The Board consistently expects staff and contractors to live up to defined standards of performance and quality, holding staff and contractors accountable to meeting the standards.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>19. <b>Enhance Public Image:</b> Board members are champions for the organization within the community and are effective in promoting a positive public image for the organization.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>20. <b>Strategic Thinking:</b> The Board regularly poses strategic questions and identifies and explores alternative courses of action in order to continually enhance the organization's strategic position and level of success</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>21. <b>Creativity is Valued:</b> The Board encourages and supports creativity by Board members and by employees throughout the organization.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>22. <b>Risk Taking:</b> The Board has defined calculated risks and supports said risk taking by both the Board and staff.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>23. <b>Promotes Organizational Change:</b> The Board takes steps to foster a culture of change, whereby the ability to change at an accelerated rate is highly valued rather than being a source of fear and frustration at both the Board and organizational level.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>24. <b>Willing to Change Self:</b> Board members are proactive and willing to change their mind and adapt to changing conditions.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>25. <b>Avoids "Sacred Cows":</b> The Board encourages its members and staff to challenge processes and systems, and does not create "sacred cows" that are not open to question or modification.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>
<p>26. <b>Passion:</b> The Board is made up of members who are passionate about the work of the organization.</p> <p>1    2    3    4    5    NR</p>	<p>Comments:</p>

**Board Views of Staff and Operations:** Please rate the extent to which the following selected characteristics of the organization are present.

<p>27. <b>Board-Staff Relationships:</b> The Board has a trusting, functional relationship with the chief executive and other staff with which it interacts. Relationships are based on mutual respect and trust.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>28. <b>Board Satisfaction with Staff:</b> The Board as a whole is satisfied with the capabilities and performance of the staff.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>29. <b>Engagement in Financial Strategies:</b> Board and staff members are regularly engaged in developing new ways to improve the financial position that are consistent with the mission, vision, values, goals and other strategies.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>30. <b>Organizational Culture:</b> The desired culture of the organization – the formal and informal values, norms, and beliefs that guide how individuals and groups in an organization interact with each other and with people outside the organization – has been defined.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>31. <b>Ethics Definitions:</b> The ethical practices of the organization are defined and articulated by the leadership of the organization.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>32. <b>Ethics Practice:</b> The Board has a high level of trust in the integrity and ethics of the organization.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>33. <b>Key Messages for Public Relations:</b> The organization has defined the key messages to be communicated to each target audience. All Board members understand these key messages and use them as appropriate in performing their duties.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>34. <b>Key Champions:</b> A group of community leaders, aside from staff and Board members, serve as visible spokespeople in the community for the organization and/or its services.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	
<p>35. <b>Community Affairs:</b> The organization is visible in community forums and activities, especially those related to the organization's mission.</p>	<p>Comments:</p>
<p>1    2    3    4    5    NR</p>	

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36. **Community Planning:** The organization is involved in community-based efforts to determine current and future community needs and helps develop a coordinated system of services to meet those needs. Comments:

1   2   3   4   5   NR

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37. **External Policy Awareness:** The organization stays continually informed about proposed legislative, regulatory and public policy changes that may affect its services or operations. Comments:

1   2   3   4   5   NR

---

### **Personal Involvement on the Board:** Please rate your own personal experience in serving on the Board of Directors for each of the following items.

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38. **Personal Contributions:** I have been able to consistently add value to the organization by serving on the Board through contributions of expertise, ideas, relationships, funding or other forms of value. Comments:

1   2   3   4   5   NR

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39. **Satisfaction with Organizational Direction:** I am satisfied with the direction of the organization, its position within the community, and the impact it is able to have in serving its constituents. Comments:

1   2   3   4   5   NR

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40. **Satisfaction with Personal Involvement:** I am very satisfied with my own role on the Board of Directors and believe that service on the Board is a worthwhile use of my time. Comments:

1   2   3   4   5   NR

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### **Overall Strengths and Opportunities for Improvement**

41. **Key Strengths:** Please list up to five aspects of the Board of Directors or the organization as a whole that you believe to be the strongest or most effective characteristics.

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

4) \_\_\_\_\_

5) \_\_\_\_\_

## **Appendix U: SEI Board Self Assessment Analysis Tool and Instructions**

The analysis tool is developed as an MS Office Excel spreadsheet, as shown in the picture following the instructions. The actual worksheet can be accessed on the companion CD.

### **Entering Survey Data**

1. Make a copy of the template and give it a new name that indicates the organization being assessed (example: "Hilltop Center Survey Results.xls").
2. Individual survey responses are entered in the yellow areas under the Board Survey. To enter survey responses:
  - Select the next available unused column – the columns labeled "#1", "#2" and so on in the Individual Survey Response area. Write the survey number on the survey form so that the paper forms can be matched back to the responses entered in the workbook if necessary.
  - Enter the response for each question by entering the number circled on the survey form or NR if this is the rating that was circled. If no rating was circled for a question, enter NR for "no response" so that all survey forms are accounted for in the total results.
  - *Important note: The workbook is case-sensitive; No Response items must be entered as NR in capital letters (not "nr", "Nr" etc.).*
  - To enter written responses to the Key Strengths question at the end of the survey, select the Strengths tab in the workbook, enter the type of survey (Board, Management or Staff) in the first column, enter the survey number written on the top of the survey form per step 1 above, and enter the comments. Use a separate line for each strength written on the survey form. For example, if three key strengths are identified on a survey, use three lines or rows to enter the strengths and put the same survey number on each line. The same process should be used to enter responses to the Opportunities for Improvement survey question under the Improvement tab in the workbook.
  - Be sure to save the workbook after entering each survey so that the data you have entered is not lost in the event of a computer glitch.

The Excel workbook does not have an area to enter written comments for individual survey questions. Assessors should plan to scan through the survey forms to review any question-specific comments.

### **Analyzing Survey Results**

After all survey responses have been entered, the first step is to verify the completeness of data entry. This can be done in a global way by scanning the "Total # Surveys" column; the number should be the same for every survey question and should match the number of physical survey forms received.

The survey results are automatically tabulated by the Excel workbook. Average scores for each question are computed from survey responses that gave a rating of 1 to 5; surveys with a "NR" response or no rating selected are excluded from the average score computations.

### **Protection of Worksheets**

The worksheets in the Excel workbook are protected so that all headings and formulas cannot be modified while using the file. Basically, the worksheets will only allow users to enter information into appropriate data entry areas. If it becomes necessary to edit any formulas or protected text,

the protection can be removed by clicking on the Tools menu in Excel, selecting the Protection option, and then selecting the Unprotect Sheet option. You are strongly encouraged to make any necessary changes and then re-protect the worksheet (Tools -> Protection -> Protect Sheet) in order to avoid accidental changes to formulas that could lead to inaccurate survey results.

*Exception: The Strengths and Improvement sheets are not protected. There are no formulas on these worksheets to damage. Keeping these sheets in “unprotected” formats makes it easier for assessors to add their own notes in columns next to the survey responses and resort the strengths and improvement opportunities.*

## BOARD OF DIRECTORS SURVEY RESULTS

### Organization:

<b>Question</b>	<b>Average</b>	<b>Total #</b>	<b>Distribution of Responses</b>					
	<b>Score</b>	<b>Surveys</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>NR</b>
1. Understanding of Mission and Vision	0.0	0	0	0	0	0	0	0
2. Alignment with Mission and Vision	0.0	0	0	0	0	0	0	0
3. Involvement in Planning	0.0	0	0	0	0	0	0	0
4. Operations Monitoring	0.0	0	0	0	0	0	0	0
5. Financial Monitoring	0.0	0	0	0	0	0	0	0
6. Financial Contributions	0.0	0	0	0	0	0	0	0
7. Financial Information	0.0	0	0	0	0	0	0	0
8. Board Member Recruitment	0.0	0	0	0	0	0	0	0
9. Board Succession	0.0	0	0	0	0	0	0	0
10. Orientation of Board Members	0.0	0	0	0	0	0	0	0
11. Board Training	0.0	0	0	0	0	0	0	0
12. Member Engagement	0.0	0	0	0	0	0	0	0
13. Board Culture	0.0	0	0	0	0	0	0	0
14. Communications	0.0	0	0	0	0	0	0	0
15. Decision Making	0.0	0	0	0	0	0	0	0
16. Board Accountability	0.0	0	0	0	0	0	0	0
17. Personal Accountability	0.0	0	0	0	0	0	0	0
18. Enforce Standards	0.0	0	0	0	0	0	0	0
19. Enhance Public Image	0.0	0	0	0	0	0	0	0
20. Strategic Thinking	0.0	0	0	0	0	0	0	0
21. Creativity is Valued	0.0	0	0	0	0	0	0	0
22. Risk Taking	0.0	0	0	0	0	0	0	0
23. Promotes Organizational Change	0.0	0	0	0	0	0	0	0
24. Willing to Change Self	0.0	0	0	0	0	0	0	0
25. Avoids "Sacred Cows"	0.0	0	0	0	0	0	0	0
26. Passion	0.0	0	0	0	0	0	0	0
27. Board-Staff Relationships	0.0	0	0	0	0	0	0	0

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<u>Question</u>	<u>Average Score</u>	<u>Total # Surveys</u>	<u>Distribution of Responses</u>					
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>NR</u>
28. Board Satisfaction with Staff	0.0	0	0	0	0	0	0	0
29. Engagement in Financial Strategies	0.0	0	0	0	0	0	0	0
30. Organizational Culture	0.0	0	0	0	0	0	0	0
31. Ethics Definitions	0.0	0	0	0	0	0	0	0
32. Ethics Practice	0.0	0	0	0	0	0	0	0
33. Key Messages for Public Relations	0.0	0	0	0	0	0	0	0
34. Key Champions	0.0	0	0	0	0	0	0	0
35. Community Affairs	0.0	0	0	0	0	0	0	0
36. Community Planning	0.0	0	0	0	0	0	0	0
37. External Policy Awareness	0.0	0	0	0	0	0	0	0
38. Personal Contributions	0.0	0	0	0	0	0	0	0
39. Satisfaction with Org. Direction	0.0	0	0	0	0	0	0	0
40. Satisfaction with Personal Involvement	0.0	0	0	0	0	0	0	0

## ***Appendix V: Required Activities, Filings, and Reports`***

Following is a list of required activities, filing and reports for nonprofit, 501(c)(3) organizations. They are organized by month. The list is provided as guidance and should be integrated into each organization's calendar after verifying that the timelines are congruent with the organizations management structure (in addition to regulations).

### January

- W-4 forms - obtain new Form W-4, Employee's Withholding Allowance Certificate, from each employee who claimed exemption from withholding the previous calendar year.
- W-2 forms – complete and distribute to all employees, with copies filed with IRS; validate that all other annual payroll-related federal and state regulatory returns have been completed and filed.
- Form 990 - File Form 1099's with the IRS on payments to independent contractors and any other payments required to be reported per IRS regulations and send the 1099's to the contractors; this form is available online at: <http://www.irs.ustreas.gov> or by calling the IRS at (800) 829-3676
- Form 1096 - file Form 1096 to summarize and transmit each category of payments covered by the 1099's.

### February

- File quarterly Workers' Compensation Insurance Payroll Report with the State Fund and make premium payment as needed.
- File Statement by Domestic Nonprofit Corporation (Form SO-100) with the California Secretary of State to report the current officers of each organization.

### April

- Verify all quarterly filings with state and federal regulatory agencies have been completed (e.g., quarterly 941 report to the IRS and DE-6 report to the Employment Development Department); obtain copies of all filings/tax returns for accounting files.

### May

- Form RRF-1 - file form RRF-1 with the California Department of Justice to update the charity registration information
- File quarterly Workers' Compensation Insurance Payroll Report with the State Fund and make premium payment as needed.

### July

- Verify all quarterly filings with state and federal regulatory agencies have been completed (e.g., quarterly 941 report to the IRS and DE-6 report to the Employment Development Department); obtain copies of all filings/tax returns for accounting files.

### August

- File quarterly Workers' Compensation Insurance Payroll Report with the State Fund and make premium payment as needed.

### October

- Verify all quarterly filings with state and federal regulatory agencies have been completed (e.g., quarterly 941 report to the IRS and DE-6 report to the Employment Development Department); obtain copies of all filings/tax returns for accounting files.

### November

- Final due date (November 15<sup>th</sup>) to file Federal annual information return (Form 990) with the IRS and related California annual information return (Form 199) with the Franchise Tax Board, or else file for a six-month extension.
- File quarterly Workers' Compensation Insurance Payroll Report with the State Fund and make premium payment as needed.