



The Standards for excellence

An Ethics & Accountability Program for the Nonprofit Sector

STRATEGIC BOARD MEETING AGENDAS

**A STANDARDS FOR EXCELLENCE®
EDUCATIONAL RESOURCE BULLETIN**



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PREAMBLE

America's nonprofit sector serves the public interest and plays an essential role in our society and economy. Hard at work strengthening communities across the nation, nonprofits enrich our lives in a variety of ways by creating a broad array of benefits to society in fields such as charitable, religious, scientific, economic, health, cultural, civil rights, environment, and education.

Public investment and confidence drive the success of nonprofit organizations. Individuals, corporations, foundations, and federal, state, and local governments add value to the services that nonprofits provide by investing time, resources, and funds.

The Standards for Excellence Institute aims to raise the level of accountability, transparency, and effectiveness of all nonprofit organizations to foster excellence and inspire trust. The Standards for Excellence code (Standards, or code) provides a framework and step-by-step guidelines to achieve a well-managed and responsibly governed organization.

The code builds upon the legal foundations of nonprofit management, governance, and operations to embrace fundamental values such as honesty, integrity, fairness, respect, trust, compassion, responsibility, and transparency. The code consists of six Guiding Principles in 27 topic areas with specific performance benchmarks that characterize effective, ethical, and accountable organizations. The Institute helps the nonprofit sector operate in accordance with the Standards for Excellence code by providing educational resources, assistance, and a voluntary accreditation process.

The Standards for Excellence Institute encourages all nonprofit organizations to adopt the Guiding Principles of the Standards for Excellence code. By implementing the performance benchmarks in the code, nonprofit organizations will meet the highest ethical standards for effective service in the public interest.

STANDARDS FOR EXCELLENCE - GUIDING PRINCIPLES

I. MISSION, STRATEGY, and EVALUATION

Guiding Principle: Nonprofits are founded for the public good and operate to accomplish a stated purpose through specific program activities. A nonprofit should have a well-defined mission, and its programs should effectively and efficiently work toward achieving that mission. Nonprofits have an obligation to ensure program effectiveness and to devote the resources of the organization to achieving its stated purpose.

II. LEADERSHIP: BOARD, STAFF, and VOLUNTEERS

Guiding Principle: Nonprofits depend upon effective leadership to successfully enact their missions and programs. Effective leadership consists of a partnership between the board and management, each of which plays an essential role. Understanding and negotiating these shared and complex elements of leadership is essential to the organization's success. A nonprofit's employees and volunteers are fundamental to its ability to achieve its mission.

Board members are in a position of trust to ensure that resources are used to carry out the mission of the organization. An organization's board leadership should consist of volunteers who are committed to the mission and who demonstrate an understanding of the community served. An effective nonprofit board should determine the mission of the organization, establish management policies and procedures, assure that adequate human and financial resources are available, and actively monitor the organization's allocation of resources to effectively and efficiently fulfill its mission.

Nonprofits should also have executive leadership which carries out the day-to-day operations of the organization, ensures financial and organizational sustainability, and provides adequate information to the board of directors. An organization's human resource policies should address both paid employees and volunteers and should be fair, establish clear expectations, and provide meaningful and effective performance evaluation.

III. LEGAL COMPLIANCE and ETHICS

Guiding Principle: Nonprofits enjoy the public's trust, and therefore must comply with a diverse array of legal and regulatory requirements. Organizations should conduct periodic reviews to address regulatory and fiduciary

concerns. One of a leadership's fundamental responsibilities is to ensure that the organization governs and operates in an ethical and legal manner. Fostering exemplary conduct is one of the most effective means of developing internal and external trust as well as preventing misconduct. Moreover, to honor the trust that the public has given them, nonprofits have an obligation to go beyond legal requirements and embrace the highest ethical practices. Nonprofit board, staff, and volunteers must act in the best interest of the organization, rather than in furtherance of personal interests or the interests of third parties. A nonprofit should have policies in place, and should routinely and systematically implement those policies, to prevent actual, potential, or perceived conflicts of interest. Ethics and compliance reinforce each other.

IV. FINANCE and OPERATIONS

Guiding Principle: Nonprofits should have sound financial and operational systems in place and should ensure that accurate records are kept. The organization's financial and nonfinancial resources must be used in furtherance of tax-exempt purposes. Organizations should conduct periodic reviews to address accuracy and transparency of financial and operational reporting, and safeguards to protect the integrity of the reporting systems.

V. RESOURCE DEVELOPMENT

Guiding Principle: The responsibility for resource development is shared by the board and staff. Nonprofit organizations depend on an array of sources of financial support. An organization's resource development program should be maintained on a foundation of truthfulness and responsible stewardship. Its resource development policies should be consistent with its mission, compatible with its organizational capacity, and respectful of the interests of donors, prospective donors, and others providing resources to the organization.

VI. PUBLIC AWARENESS, ENGAGEMENT, and ADVOCACY

Guiding Principle: Nonprofits should represent the interests of the people they serve through public education and public policy advocacy, as well as by encouraging board members, staff, volunteers, and stakeholders to participate in the public affairs of the community. When appropriate to advance the organization's mission, nonprofits should engage in promoting public participation in community affairs and elections. As such, they should communicate in an effective manner to educate, inform, and engage the public.

ABOUT THE STANDARDS FOR EXCELLENCE INSTITUTE

The Standards for Excellence Institute is a national initiative established to promote the highest standards of ethics and accountability in nonprofit governance, management and operations, and to facilitate adherence to those standards by all nonprofit organizations. The Institute uses as a vehicle the Standards for Excellence program, a system of nonprofit sector industry self-regulation originated by the Maryland Association of Nonprofit Organizations and currently replicated by licensed partners in Alabama, Central Virginia, Colorado Springs, Delaware, Ohio, Oklahoma, Pennsylvania, and West Virginia. The program is also being offered to chapters of The Arc nationwide through The Arc of the United States, to the American Nurses Association, and to Catholic nonprofit organizations nationwide through the National Leadership Roundtable on Church Management.

The centerpiece of the Institute's program is the Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector. The Institute also makes available to member organizations a comprehensive system of educational tools to enable individual nonprofit organizations to improve their governance and management practices. Standards for Excellence accreditation is available to individual organizations through a rigorous peer review process in selected locations and nationwide through the Standards for Excellence Institute.

For more information about joining the Standards for Excellence Institute or to obtain additional copies of the booklet or educational resource packets visit our website at www.standardsforexcellenceinstitute.org.



The Standards for excellence

An Ethics & Accountability Program for the Nonprofit Sector

TOPICAL BULLETIN: STRATEGIC BOARD MEETING AGENDAS

As the *Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector* states:

STRATEGIC BOARD MEETING AGENDAS

Board agendas should be strategically structured around decision-making in a way that facilitates efficient, effective, and engaging meetings. Accurate minute reflecting board and committee actions should be kept and distributed to all board and committee members.

Many board members take the development of their board's meeting agenda for granted. It is just a list of the items that ought to be covered at each board meeting. Or, is it?

The Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector encourages all nonprofits to develop their board meeting agendas in a way that is strategically structured to help ensure efficient, effective, and engaging meetings.

Many nonprofits find themselves in the situation where board members spend the majority of their board meetings listening to reports made by the executive director, other staff members of the organization, or, in some instances, board committee chairs. Some organizations find that their board meetings are burdened by too much chit chat or extraneous information.

If board members themselves are not doing at least 80% of the talking at each board meeting and if the meetings traditionally include a lot of staff reports and glossy (or non-glossy!) presentations, the organization may be missing out on a real opportunity. The organization may find that it is leaving a precious resource untapped. That resource is the engagement and contributions of the board members themselves. In his book *Extraordinary Board Leadership*, Doug Eadie, suggests that tying up board and staff time with "dog and pony shows" encourages board gatherings to take on more of a ritualistic feel that detracts from the board's ability to focus on the important governance issues.¹

The *Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector* places a heavy emphasis on the board's important responsibility for long term planning for the

¹ Eadie, Doug, *Extraordinary Board Leadership: the Seven Keys to High Impact Governance*, Gaithersburg, MD: Aspen Publishers, 2001.

organization as a whole. Many organizations find that their board meetings become so consumed with information overload, that they have difficulty making time for genuine dialogue on important issues like long term strategic goals and how the board can add value to the organization. This important dialogue on the long term strategic goals is the most important purpose of your board meetings, rather than an opportunity to hear reports from staff members and the executive director.

In their book, *Governance as Leadership: Reframing the work of Nonprofit Boards*, the authors (Chait, Ryan and Taylor) debunk the commonly held beliefs that if board members better understood their roles they will perform better. The authors found that the issue of board member engagement is deeper than that. It isn't that most board members don't understand their roles, it is that many are unsatisfied with their roles.² Board members often do not feel fully engaged nor that their talents are being tapped to their full potential.

One remedy is to help create more situations for board members to lend their creativity to the organization through meaningful dialogue at board meetings about the strategic direction of the organization.

The following are some practical tips to energize your board meetings:

1. Lighten the Routine Agenda: In order to make room for more strategic discussions at the board meeting, seek ways to minimize large information downloads and routine reporting. Instead, utilize a consent agenda for approval of routine items such as minutes, contracts, vetted policies, etc. Limit the amount of time for committees reporting out orally (in some cases written reports or committee meeting minutes may be appropriate to provide in the board packet).³ When compiling the consent agenda, always include contact information for the staff or board member who can best respond to inquiries about each consent agenda item. Also, even if an item would traditionally be part of a consent agenda (such as meeting minutes), if discussion is anticipated, you will want to pull the item from the consent agenda (either before the meeting or during the meeting) so that the item can be discussed and addressed appropriately. Instead focus on committees bringing recommendations for action items to the board. Attachment A provides more information on how to create and use a consent agenda for maximum impact.

2. Reframe Executive Director Reports: The report from the executive director should come to the board in writing, in advance of the meeting. The report should be formatted according to the main strategic goals and evaluation efforts of the organization, with bullet points for what has been accomplished for each goal since the last report. One or two pages (maximum) should be sufficient. This allows the board to monitor progress on the mission and strategic plan on an ongoing basis, and also drives the board to focus regularly on

² Chait, Richard, William P. Ryan, and Barbara Taylor, *Governance as Leadership: Reframing the Work of Nonprofit Boards*, John Wiley, 2011.

³ In their article, "A Better Board Will Make You Better" in the Stanford Social Innovation Review (Spring 2014), Kim Jonker and William F. Meehan III offer that committee work should be kept off the agenda and provided in written report form ahead of time, thus allowing the board to focus on strategy discussions with board meetings that are not a "staff-driven, pre-baked exercise."

strategic goals as they provide input to the executive director. The report should also include any major staffing changes, grants received or declined, and any other announcements to keep the board informed.

At the board meeting, there should be "questions only" about the executive director's report. This helps avoid common tendencies of board members to wade into operations when they hear operational updates verbally from the executive director. In addition, this also encourages board members to come to meetings more prepared and having read the report(s) ahead of time. More time can be spent at the board meeting on strategic and governance questions, and can keep the board out of the details.

3. One Strategic Goal on Each Board Meeting Agenda: If your organization has four or five main strategic goals, and the board meets six times per year, this provides a great opportunity to have a "deep dive" discussion of each strategic goal at least once per year. Other board meetings can be focused on the audit, executive director evaluation, and other critical board business.

For the discussion of a strategic goal at the board meeting, staff or board committees (such as the fundraising committee or finance committee) may prepare briefings in advance on the organization's progress in the goal area. Then allow for at least 45-60 minutes of pure dialogue among the board members on some or all of the following questions:

- How well are we achieving this strategic goal? What are the metrics we are using or should use to track our performance in this area? From whom are we receiving feedback?
- What is the value-added of the board in this area? What more can board members do to advance this goal?
- Are the objectives and activities for this goal still appropriate? Are they aligned with our mission? Do we need to adjust the goal?
- Have we resourced this goal sufficiently? How much do we spend on achieving this goal and what is our plan for next year's budget?
- Do we have up to date policies and procedures related to this goal area?
- Who are our partners?

4. Arrange Your Board's Entire Agenda Around the Strategic Goals of Your Organization: An organization's strategic goals may be inter-related and, in this case, it may make sense to arrange the entire agenda around the strategic goals. Instead of an agenda that is organized around old business and new business, consider an agenda with major headings associated with the handful of topics and goals of your organization's strategic plan.

Some organizations find that they have problems keeping the discussion focussed on mission-critical topics. Organizations facing this situation may decide that it makes sense to appoint one board member (or more than one) to remind the board to bring the discussion back to the mission, asking "How will this circumstance help us do a better job achieving our mission?"

5. Carefully Consider the Scheduling of Board Meetings: You'll want to consider whether moving to a more strategic board meeting agenda may place your organization in a better position to have meetings less frequently. Perhaps more efficient meetings will offer your board an incentive to meet less often. The Standards for Excellence code encourages all organizations to hold meetings at least on a quarterly basis.

Board chairs and executive directors may find it a little unsettling at first to make a dramatic shift in the board meeting format. People may be used to more predictable and routine board meetings. When board members creativity and dialogue gets maximized, you may risk having too many "pop-up" priorities or adding things to the staff to-do list when you are already overwhelmed. That is why having a board-approved strategic plan is so important to make these kinds of engaging and energizing board meetings possible and practical. The board and staff must have an agreed-upon set of priorities to ensure all discussions are focused and don't lead to mission creep. Utilizing the strategic plan for reporting and board meetings is also a good way to ensure the strategic plan is used as an ongoing guiding force in the organization.

Moving to a more strategic board agenda format may help you find that the organization can be more effective and strategic since the board has become more engaged.

SELECTED RESOURCES

- Chait, Richard, William P. Ryan, and Barbara Taylor, *Governance as Leadership: Reframing the Work of Nonprofit Boards*, John Wiley, 2011.
- Eadie, Doug, *Extraordinary Board Leadership: the Seven Keys to High Impact Governance*, Aspen Publishers, 2001, Gaithersburg, Maryland.
- Jonker, Kim and William F. Meehan III, "A Better Board Will Make You Better," *Stanford Social Innovation Review*. Spring 2014.
- *The Consent Agenda: A Tool for Improving Governance*, BoardSource, 2006.
http://www.uic.edu/cuppa/gci/programs/profed/online/courses/bd/week3/consent_agenda.pdf

ATTACHMENTS

- Attachment A: Consent Agenda Quick Tip
- Attachment B: Sample Strategically Structured Board Agenda
- Attachment C: Meeting Minutes Board Room Quick Tip

Board Meeting Consent Agenda

ATTACHMENT A

On the question of board meeting efficiency:

Do your board meetings go on and on?

Do your board members consistently file in late? Could it be they feel nothing “important” happens for the first half of the board meeting?

Do board members get “into the weeds” asking too many inappropriate detailed questions of committee chairs and staff when they present their report at board meetings? Could it be they did not read the report(s) they received in advance with the pre-meeting packet?

Do you feel obligated to go over your finances at every board meeting even if little has changed?

If you answered yes to any or all of these questions, the efficiency and effectiveness of your board meetings may be improved through the use of a consent agenda.

The “**consent agenda**” is a single agenda item typically addressed first after convening the board meeting and establishing that a quorum is present. The consent agenda encompasses all the routine, pro forma and noncontroversial items that a board needs to vote on. A single unanimous vote can efficiently dispatch what could have been hours of unnecessary repetitive reports and approvals. But, it does require you do things differently.

What can be included on a Consent Agenda?

Anything that your board can vote to accept without discussion or deliberation, such as:

- Minutes of the last meeting
- Staff reports
- Committee reports
- Working group updates
- Financial statements, if they are routine and nothing of note occurred since the last full review (which should occur at least quarterly)
- Routine, noncontroversial decisions that can be adequately explained in writing in advance.
- Educational materials
- Updated or tweaked policies and procedures
- Executive committee minutes
- Authorizing recurring actions required by the bylaws
- Renewal of contracts

Cautionary notes

Be aware that this will require a shift in board “culture.”

This is NEW and something that you should discuss with your board prior to implementation. Explain the benefits and how consent agendas will require “renewed” attention to materials they receive in advance of every meeting. If you want a positive result, get board members to buy into it - don’t just subject them to it.

Committee chairs and staff need to know their work is still just as important, even if routine reports are not presented in person. Reports which include background information and/or information on process may be approved as part of the consent agenda. The presentation, discussion and approval of recommendations would remain an item on the full agenda, when needed.

If board members need to abstain from a vote for any reason (such as a conflict of interest), they must remember to ask to have the item removed from the consent agenda.

Individuals must be willing to submit reports sufficiently in advance of the board meeting to be disseminated with the consent agenda packet. They must be able to write their reports in a manner that is easily understood.

Board members should be encouraged to seek answers to any questions they have that are part of the consent agenda in advance of the board meeting.

Implementation tips

The consent agenda and all reports and background materials should be sent out sufficiently in advance of the board meeting to allow for thoughtful review.

Board members should be encouraged to tell the meeting chair in advance if they wish for something to be removed from the Consent Agenda. That will allow the chair to allocate time for discussion in the full agenda.

When an item is removed from the consent agenda at the meeting, that item should be added to the end of the full agenda (or wherever it is most appropriately discussed in the agenda) and not addressed at the time it is removed. Typically, the consent agenda is one of the first items of business - so you do not want what is likely a routine item to take on disproportional importance or take up valuable time at the beginning of the meeting.

As a practical matter, the vote to accept the consent agenda should be unanimous. If something was controversial it should not appear in the packet or be removed prior to the vote.

It should be noted in the minutes of the meeting: if any items were removed from the consent agenda for individual consideration, and that the balance of the agenda was approved unanimously. Copies of supporting documents should be attached.

ATTACHMENT B
ABC Nonprofit

Board of Directors Meeting Agenda
DATE TIME LOCATION

I. Welcome and Call to Order

Board Chair

II. Consent Agenda

Please Contact with any questions:

A. Dashboard

Name and contact

B. Public Policy

Name and contact

C. Minutes from the Last Meeting

Name and contact

III. Chair's Report

IV. President's Report

V. Big Questions:

1. What should ABC Nonprofit accomplish in 2014/15?

President/CEO

2. How might we measure success?

President/CEO

3. What can we as a Board do to support these priorities?

Board Chair

VI. Finance Report

Treasurer

VII. Special Task Force Report

Staff Person

VIII. Board Development

Committee Chair

IX. Meeting Calendar

X. Feedback & Discussion

Board Room Quick Tip

A Series for Board Leadership

Meeting Minutes

ATTACHMENT C

Are your board and committee minutes a help or a hindrance to your board?

Let's face it, very few people relish the thought of taking, preparing, distributing, and/or reviewing meeting minutes. However, if done appropriately for your organization's needs, meeting minutes can be a USEFUL tool in keeping your board focused and on task.

Minutes are:

- The official corporate record that must be maintained permanently.

Minutes are not:

- A verbatim transcript of what transpires at the meeting.
- Always in the exact order as the business of the meeting.

The attached minutes outline contains components you can use to increase the usefulness of your minutes. Keep in mind there are no "laws" on the type of format you use. However, you should check your bylaws to see if your organization has opted to follow a particular meeting protocol such as Robert's Rules of Order.

Sample Meeting Minutes

Name of your organization

Date and time of meeting

Location of meeting

Members Present:

Members Absent: (some groups track annual board meeting attendance on minutes)

Staff Present:

Guests:

Meeting was chaired by:

Meeting agenda

You can either include the agenda in the text or attach a copy. The agenda can serve as a quick table of contents when looking for something at a later date.

Approval of consent agenda

The consent agenda can include those items received and reviewed by board members in advance of the meeting that do not require any substantive discussion or action.

These items can include the minutes of the last meeting, committee and staff informational reports, etc. A copy of reports should be placed on file with the minutes and do not need to be included in the text of the minutes.

Motions and board actions

Check your bylaws and see if you have opted to follow a particular meeting protocol. In keeping with parliamentary procedure, you should note the final wording of any motions and the final disposition: adopted, failed, tabled. You should note any abstentions and/or dissents, if requested to do so. No matter what protocol you follow the minutes should clearly note any board actions or decisions.

Reports

If any reports are presented at the meeting, minutes should include highlights of the report being presented, as well as key points in the review and discussion.

Issues discussed (can be arranged as new and old business)

This section should have a separate paragraph for each topic with the topic either in bold or underlined for easy reference later. The minutes should record the major points brought up in discussion. The personalities involved in the discussion do not need to be noted if the board is comfortable with recording minutes in that manner. You should also note if there was a disclosed conflict of interest which led to a board member recusing him or herself from a discussion and/or vote.

Executive session

If you have an executive session it is appropriate to note that it occurred and that staff and guests were asked to leave. You could include the topic such as “executive evaluation” or “lawsuit discussion,” but include limited detail. Any decisions made in executive session should be noted in the board executive session minutes.

Follow-up

Many boards have adopted a format that re-states items to be followed up before the next meeting. This makes it easier for board members to find their assignments when the minutes arrive for their review.

Minutes as a tool

Distribute the minutes of the meeting as soon after the meeting as practical. This allows board members to use them as a tool to remember what they said they would do, while there is still time to do it.

Minutes that arrive just prior to or at the next meeting are not generally helpful. Minutes should always include who prepared/submitted them.

MLW 3-18-14