

**FORV/S™**

**DNA of Dynamic  
Nonprofit Boards**



**INTERHAB**

INDEPENDENCE · INCLUSION · INNOVATION


# FORVIS



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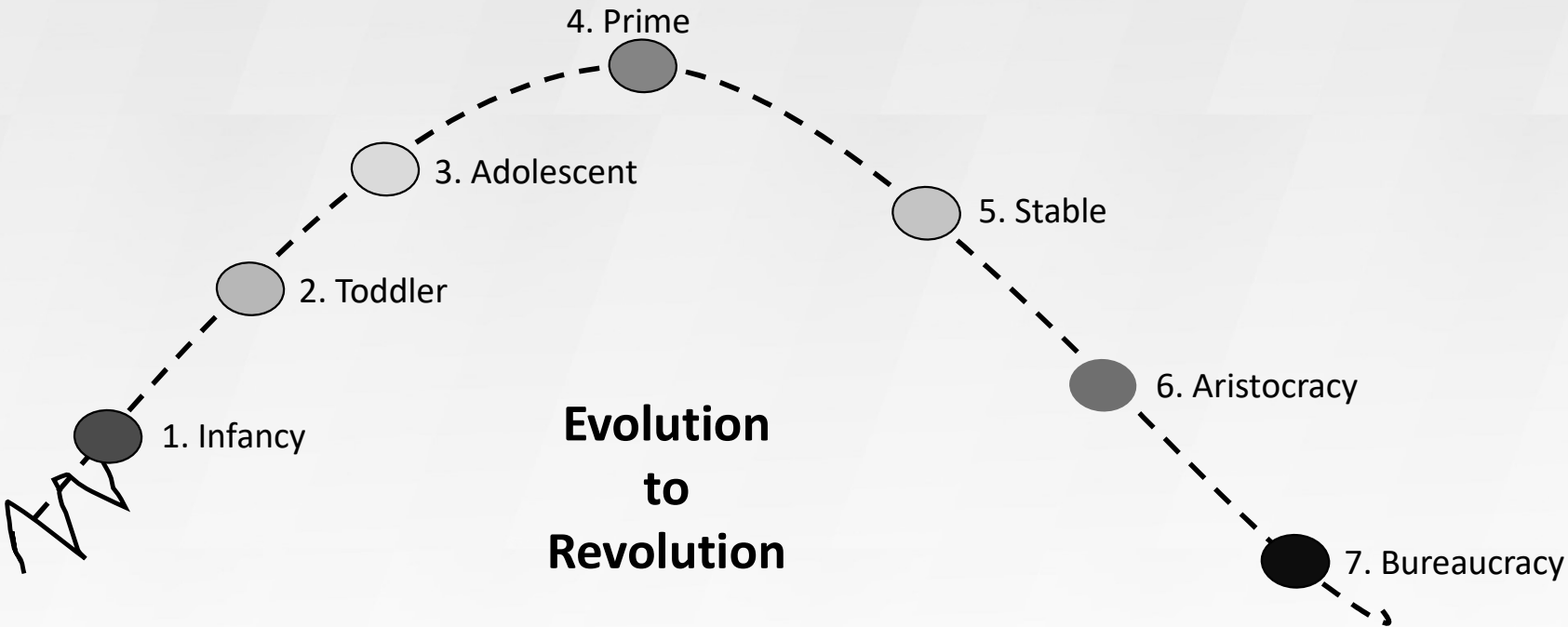
## WREN Radio



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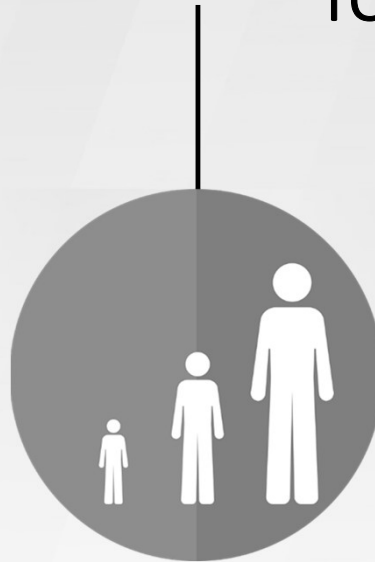
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# Seven Stages of Organizational Life Cycle



## Infancy

- Founder's vision & energy
- Few systems/policies in place
- Angel board, friends & family
- Raise money, use personal funds
- Publicity due to newness of idea



## Toddler

- Hires first paid staff
- Moves from “crisis” mode
- Focus still on activities
- People spread thin, feel overwhelmed
- See need for planning, structure

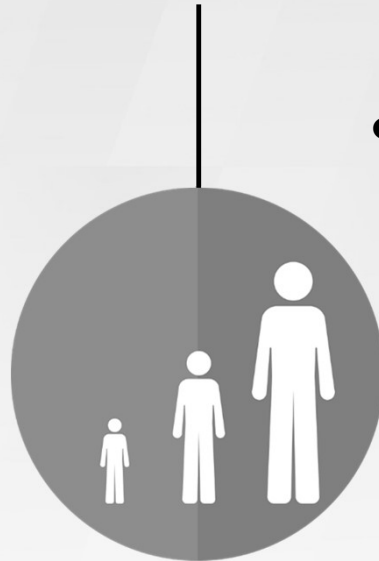
## Evolution to Revolution

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## Evolution to Revolution

### Adolescent

- Conflict: passion or structure
- Set goals, formalize system
- Threat: shift from founder
- Fundraising more organized
- Board/volunteers still lack depth of understanding for policies



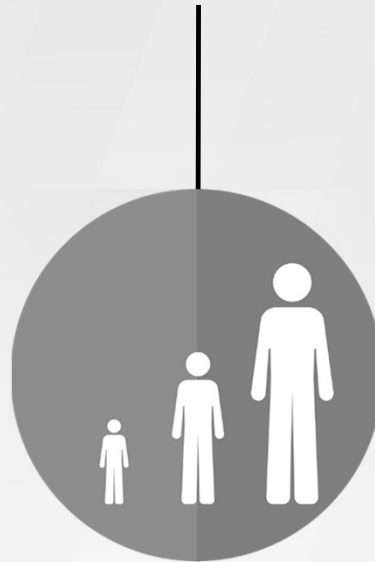
### Prime

- Staff work well, mutual respect
- Systems support growth & innovation
- Focus on results, reaching stated mission
- Decisions based on facts, risk assessment
- Development staff skilled
- Board/volunteers have needed expertise & connections

## Evolution to Revolution

### Stable

- Programs/services recognized by peers
- Widespread support through \$
- Employees take pride & satisfaction
- Employees have competitive salaries & benefits



### Aristocracy

- \$ directed to image more than services
- Focus on “how” things are done more than on “what is being done
- Endowments use to offset shortfall
- Little attention paid to lower-level gifts; focus is on top contributors only

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# Bureaucracy

- Resources drying up, decline is obvious.
- Lacks focus; becomes myopic, inward focus
- Energy spent on fighting internally rather than fighting for organization's mission.
- Staff layoffs, eventually CEO fired.
- If new leadership does not emerge, funds run out & organization eventually closes.



## Closure

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# Starting-point Truths



- There is no one-size-fits-all solution for all organizations, including Boards.
- Leading experts agree there are certain structures, policies, and practices that consistently work better than others.
- All organizations – young or old – experience a metamorphosis that requires fine-tuning and, sometimes, a major overhaul.

# Starting-point Myths



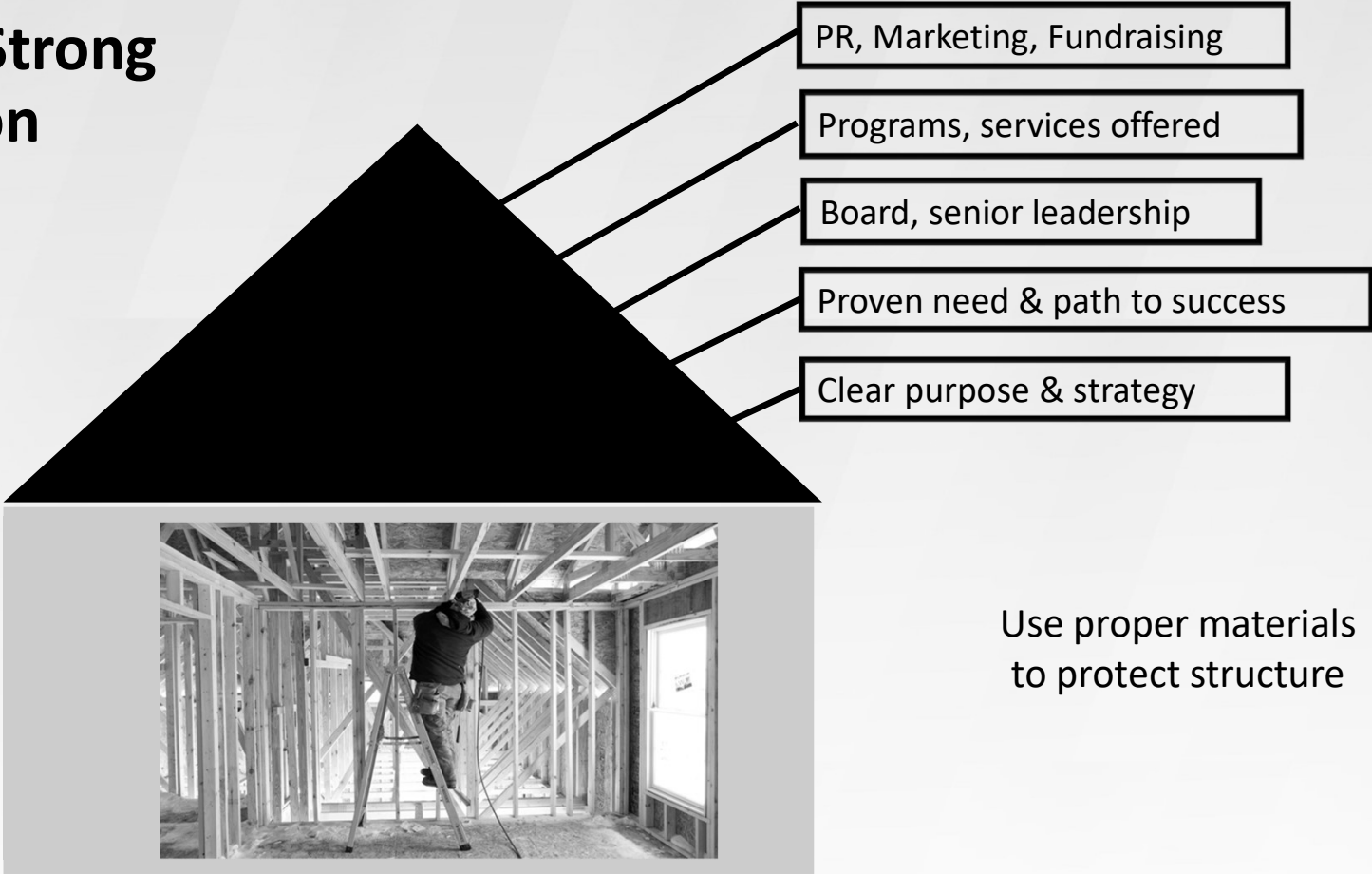
- When people join nonprofit boards:
  - They know what to do and how to do it.**
  - They know how to be good board members.**
  - They know how to be engaged.**
- Serving on a board somewhere else qualifies one to serve on this board.
- Being successful in a for-profit business or other industry almost guarantees one will be successful in helping a nonprofit.

- The board has the **ultimate authority and responsibility** for the performance of the organization, even if it employs people in executive leadership roles.
- The board is **accountable to the community and to the people they serve.**

Topeka, KS  
2021 population 125,963  
9 City council members = 13,995



# Building a Strong Organization



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# Great Governance

Foresight

Oversight

Insight



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## 3 Legal Responsibilities

### 1. Duty of care

- ➡ Board members must use their best judgment in all dealings with the organization
- ➡ Regularly attend & participate in board meetings, attend special events/fundraisers & other activities
- ➡ Raise proper & necessary questions
- ➡ Provide careful oversight

Delegate with care, considering qualifications and performance.



## 3 Legal Responsibilities

### 2. Duty of loyalty

Confidentiality

Board members must act in good faith to advance the organization's interests

- ➡ Will not authorize or engage in transactions except those that provide the best outcomes for the organization
- ➡ Will not allow a conflict of interest, real or perceived, where they might benefit or if they are involved in multiple organizations

## 3 Legal Responsibilities

### 3. Duty of Obedience:

Board members must stay true to the organization's mission and to applicable laws and regulations.

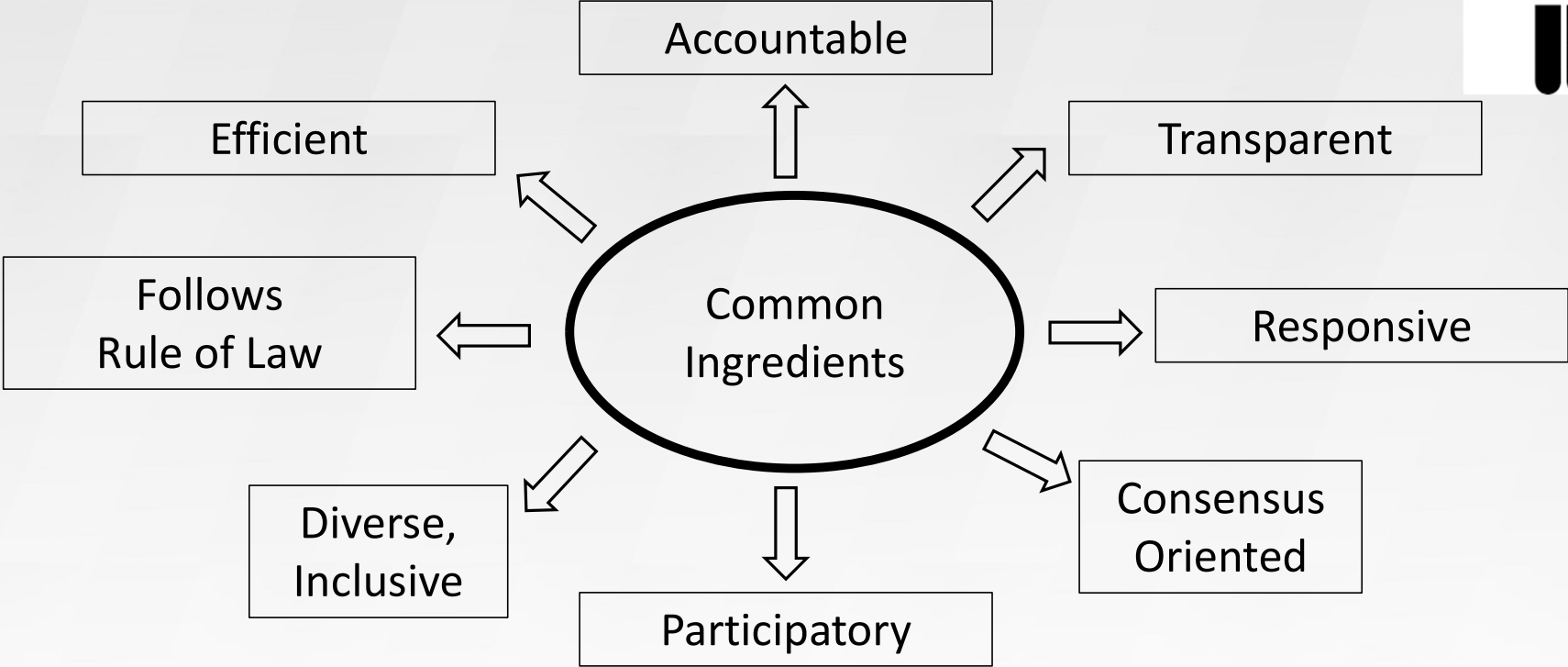
Federal & state  
laws

Bylaws



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# Great Governance



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PLEASE -  
**No Cheerleading boards!**



**LOYAL OPPOSITION**

Ask tough questions and challenge each other.

Push hard to explore issues from all angles.

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## Five W's

**Want** (passionate about the cause)

**Willingness** (willing to make commitment)

**Wisdom** (smart, know cause, sound judgment)

**Wallet** (can bring resources—not just money—to organization)

**Wallop** (have influence with key people)

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# 8 Core Responsibilities

## 1. Lead the organization

Discuss, debate, review, adjust, & approve strategic direction – are we still relevant?

**Set mission, vision, values**  
Establish goals & objectives



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## 8 Core Responsibilities

# Be Guardians of the Mission

Avoiding Mission Drift



# 8 Core Responsibilities

## 2. Establish policies

Be proactive in establishing policies that will guide the operations – risk management & protection of assets

### Legal

- Separation of duties
- Delegation of authority
- Cash handling
- Conflict of interest
- Whistleblower
- HR – hiring/firing

### Technology

- User access
- System security
- Document retention
- Protecting private data

Gift acceptance





## 8 Core Responsibilities

### 3. Secure essential resources

Make sure the organization secures the resources that it needs to accomplish its mission, vision, & goals

### 4. Ensure effective resource use

Ensure the organization makes effective use of its resources



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## 8 Core Responsibilities

### 5. Lead & manage ED (if applicable)

Provide direction, support, & performance feedback



Annual reviews, consistent feedback

Training & support

Encouragement

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## 8 Core Responsibilities

### 6. Engage with community and constituents

Actively help the organization develop and sustain important relationships. Open up new circles – your office, civic groups, social clubs, church, etc.

### 7. Ensure & enable accountability

Make certain the organization has established standards & implemented systems by which to ensure that it is accountable & effective in serving the community & people it exists to serve.



**Are you LISTENING?**

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## 8 Core Responsibilities



### 8. Ensure board effectiveness (three parts)

#### A. Recruitment of members

Committee select, board approves

Identify gaps (who do we need)

Be picky!

#### B. Orientation of new members

Training

History, programs, policies, PR/marketing

Buddy system

Provide job descriptions

## 8 Core Responsibilities

### 8. Ensure board effectiveness (three parts)

#### C. Evaluation of members

##### Term limits

Two to three years – possibility of multiple terms

##### Leadership

Service of president, VP, etc.

##### Accountability – termination

We love you, but ...



What happens when board members don't do what they are supposed to do?



**Poor performers ...**

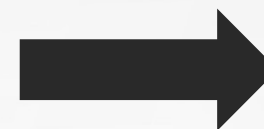
- It's not fair to other board members
- It's not fair to staff
- It's not fair to your organization



# What do we do with excellent board members who have termed out?

- Do not want to lose their valuable contribution and experience
- They have institutional knowledge and possibly are well-known

Board of Advisors,  
Advisory Council,  
or similar role.



Keep them  
Connected!

## Board member agreements:

- Will attend 75% of meetings & fundraisers/special events.
- Will Give AND Get \$\_\_\_\_\_.
- Will serve on a committee(s).
- Will represent organization in community, with my contacts.
- Will excuse myself on discussions/votes if conflict of interest.
- Will abide by set policies & procedures.



# Committees

## All committees:

- Should have 1-2 board members, serving as committee chair
- Should have a specific task or purpose
- Can have a community rep (CAL)
- Chair should be appointed by board
- Make recommendations to the full board

# Committees

Standing Committees

PR – Marketing

Executive

Finance

HR

Program

Governance

Fundraising/  
Resource Development

Board  
Development  
aka “Nominating”

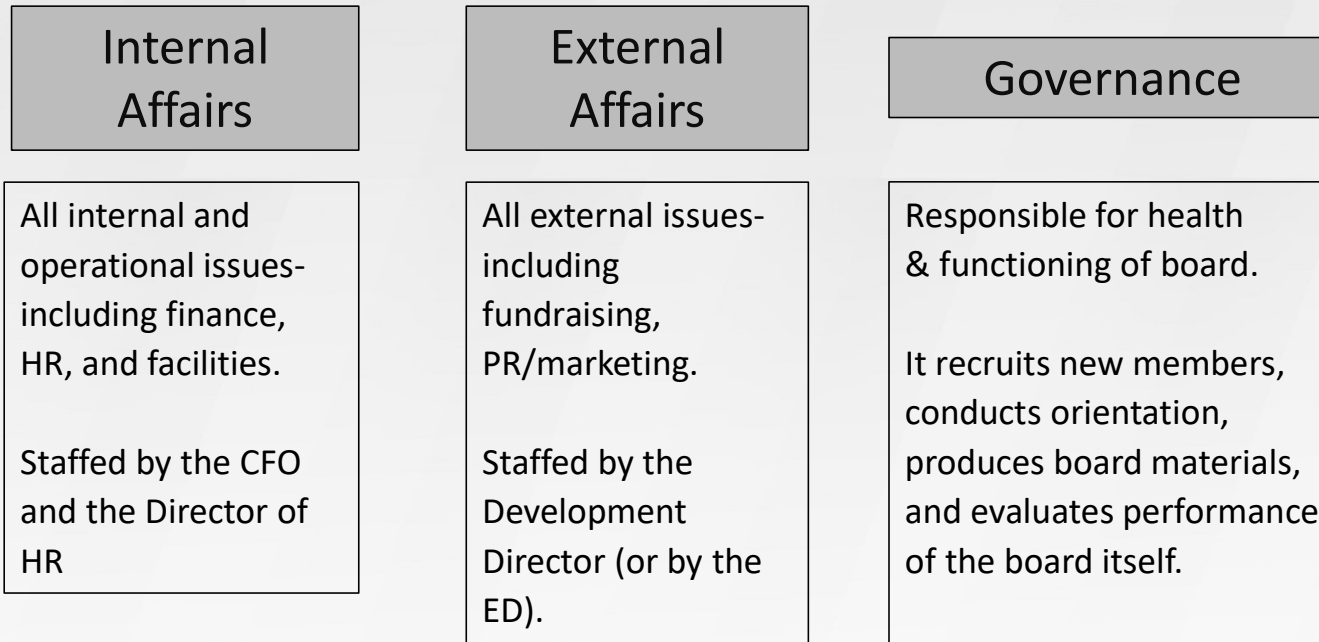
Ad-Hoc Committees

Audit

Diversity

Special Events

# Committees



**Advantages:** Each person serves 1 committee, fewer meetings, less overlap of duties – clear lines.



Owners of nonprofit reform school in Missouri charged with more than 100 counts of abusing girls

Nonprofit ranch for boys near Branson

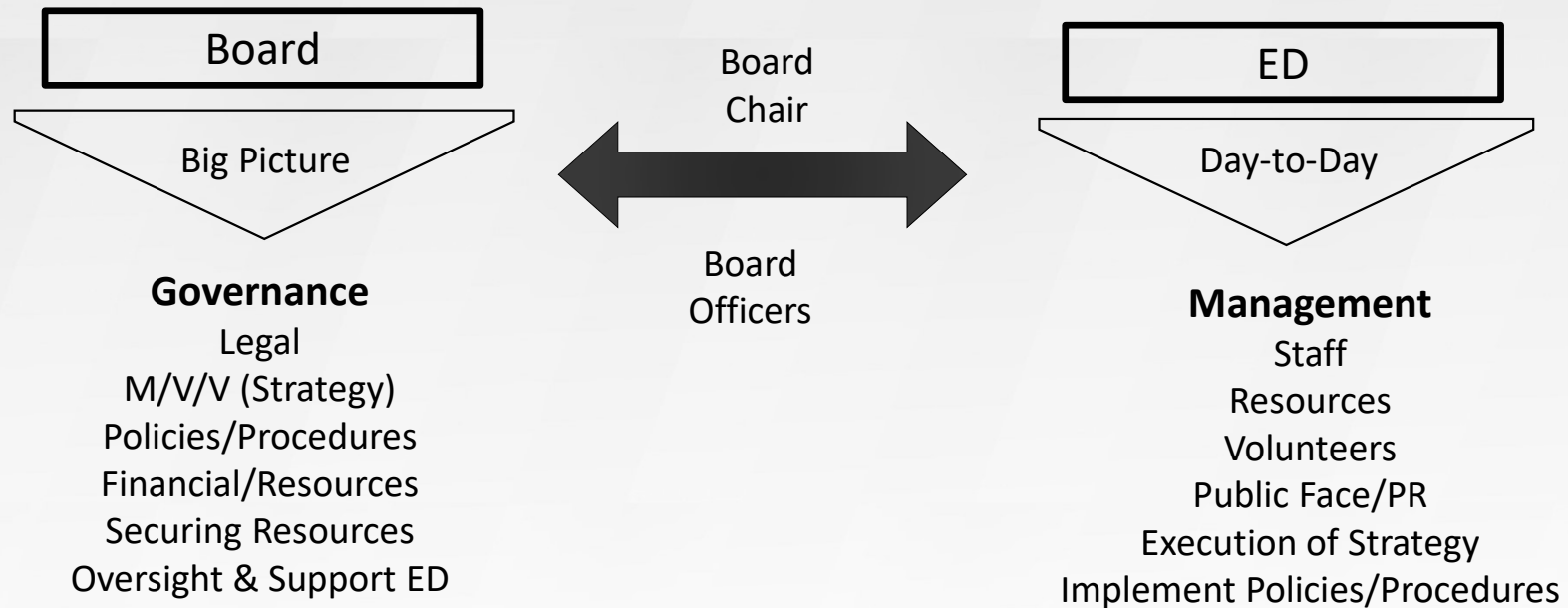


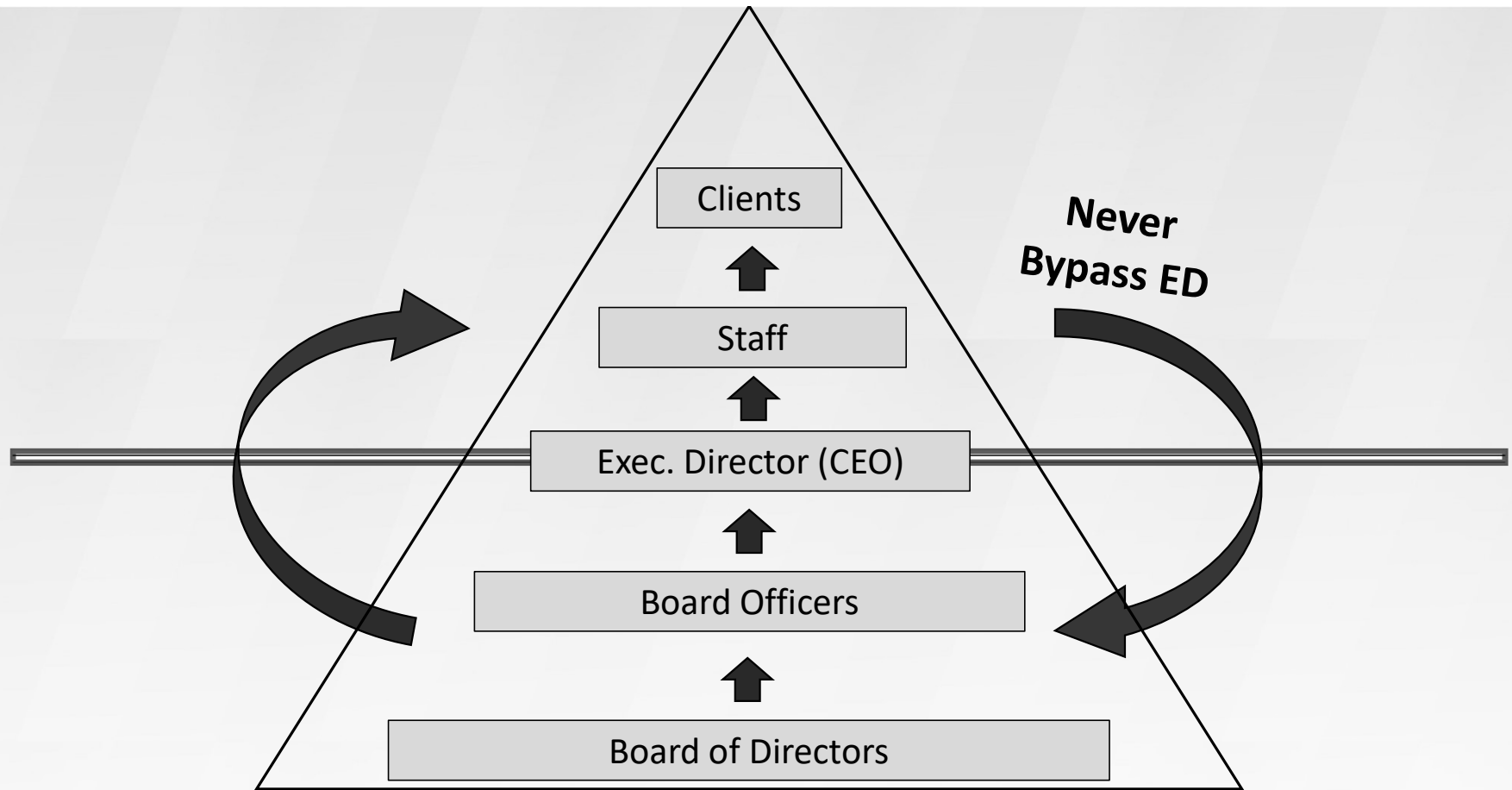
Missouri boarding school doctor charged with three felony sex crimes



# Role Distinction

Clear distinction between these roles is key to good governance





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# Board Meetings

## All parties should come to the meeting:

- ➔ On time
- ➔ Prepared to discuss issues (read and researched)
- ➔ Undistracted (no emailing or texting)
- ➔ Withholding unrelated communications (no rabbit trails)



**Create a professional,  
safe environment where differing  
ideas are welcomed.**

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# Fundraising

How many of you like to ask for donations or gifts for your organization?

(No hands go up)

How many of you like to tell the story of your organization and are willing to tell that story?

(Nearly every hand goes up)

**Remember, it's not just about "the ask."  
It is about story telling.**

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# Fundraising

## High Net-Worth Individuals, HNWI

- 9 out of 10 dollars come from individuals
- About 50% of giving is from HNWI
- 66% give to same organizations every year
- 43% have an established will that includes a charitable provision

People give to People. Well, not exactly.



People give to the Right People.



Actually, People give to great causes,



but give appointments to the Right People.

**It's really NOT about asking.**

**It's about telling the story and opening doors.**

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## Six Traits of Engaged Boards

1. Understand the Case for Support (they get your story, your message, have excitement about it, understand the programs enough to talk about)
2. Are willing to give time and resources (including \$).
3. Are educated on development and trained in making the ask.
4. Are active in planning, execution, and evaluation of development efforts.
5. Take time to identify, cultivate, and recruit donor prospects and new board members.
6. Know that fundraising isn't just a staff function (but rather are active and involved as well).

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# Dysfunctional Boards



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# Questions?

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Assurance / Tax / Advisory

# Thank you!

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