

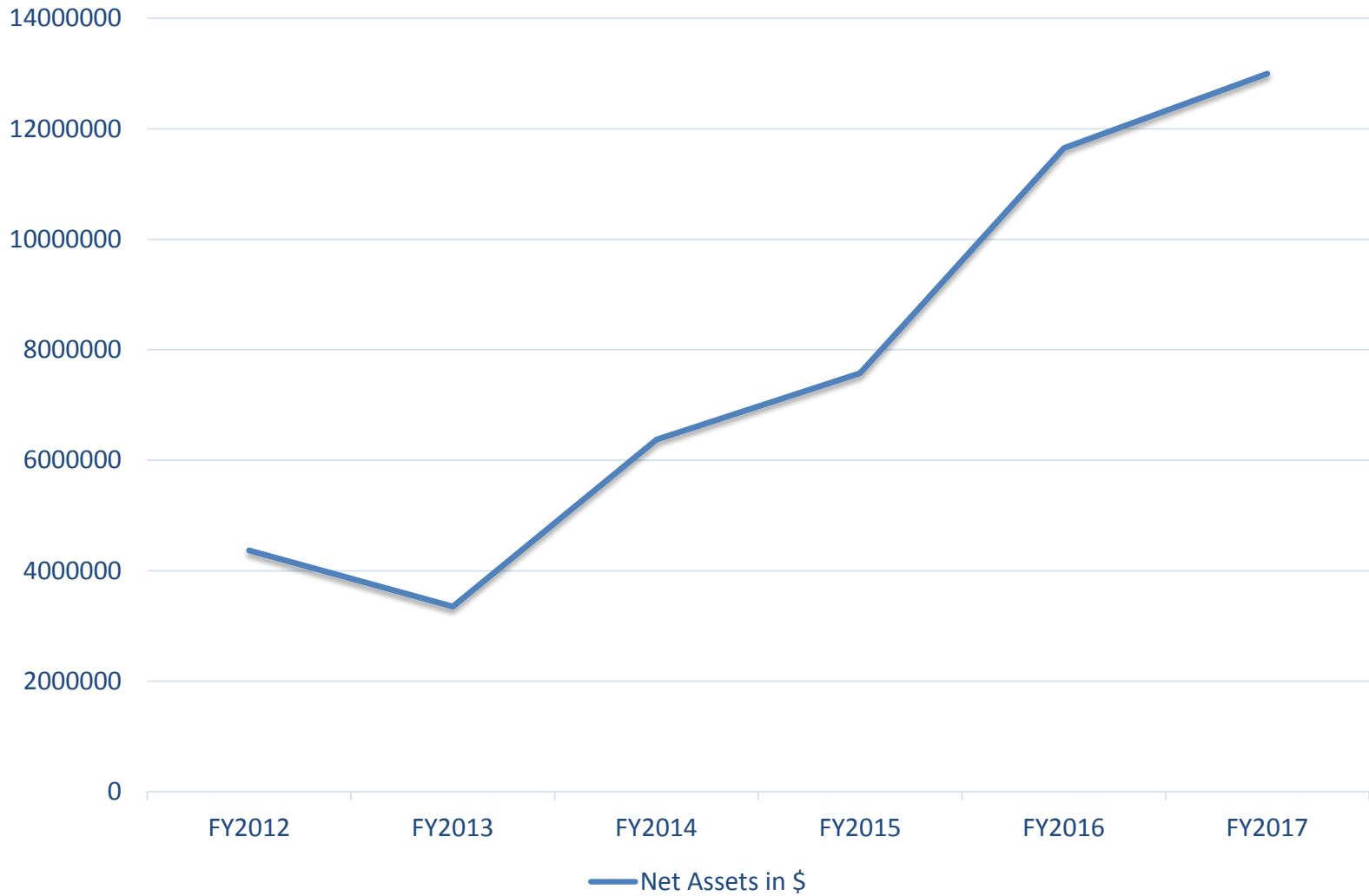


President & CEO

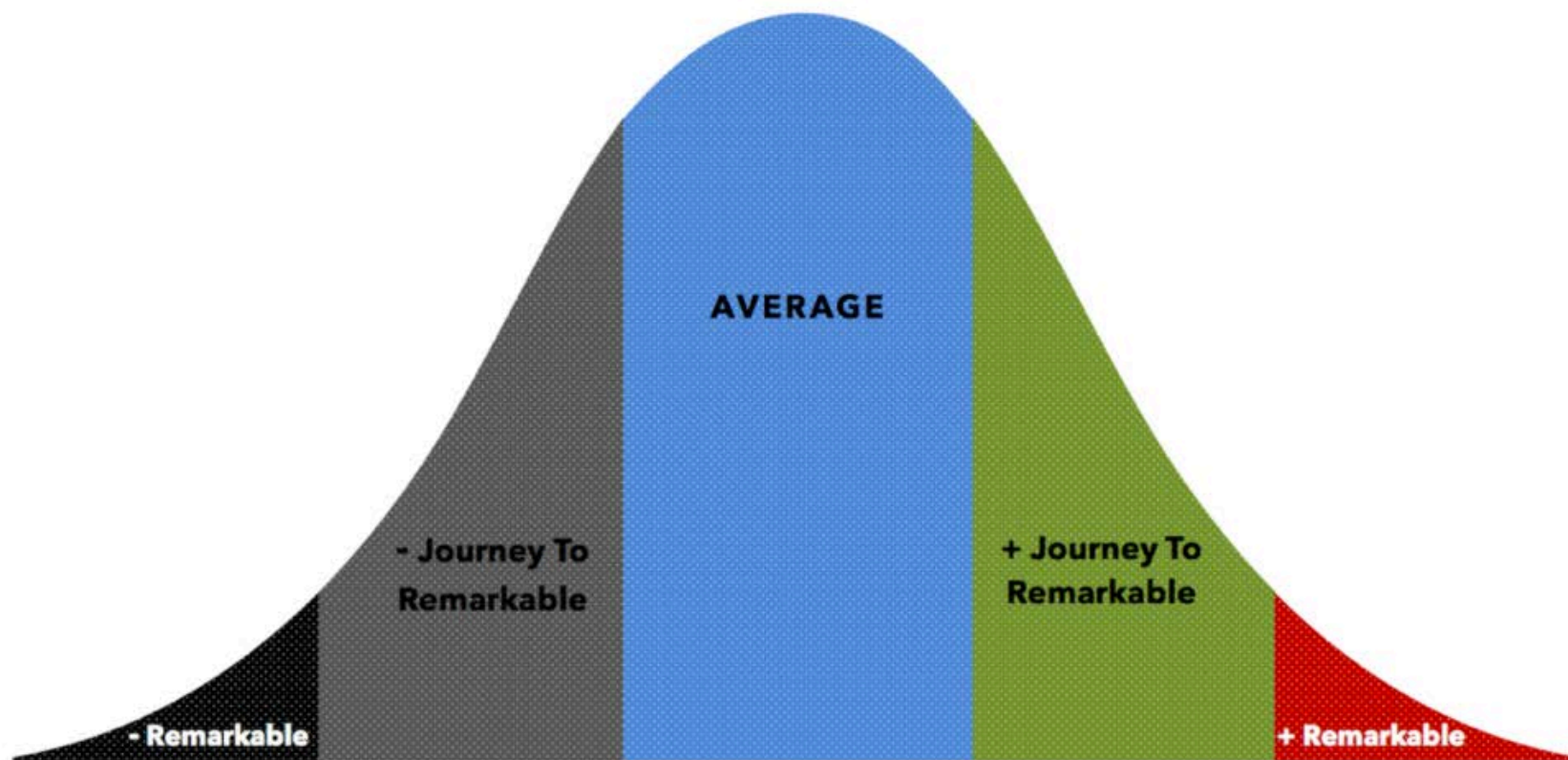
KEVIN MORGAN



Net Assets in \$



Nonprofit Board Member Distribution Curve



Board Size and Diversity





Board Member Expectations

This pledge is intended to acknowledge the shared responsibilities, commitment and conduct expected of all members of the Board of Directors of ProLiteracy. This document is not meant to be a formal contract but rather a set of expectations set forth for all existing and future board members.

As a member of the Board of Directors of ProLiteracy, I am fully committed and dedicated to the mission of increasing adult literacy rates worldwide. I pledge to help ProLiteracy carry out this mission, consistent with the functions of the office of board member as stated in the ProLiteracy By-laws.

The role of the board

As a board member of ProLiteracy, I have both the opportunity and the obligation to appoint and evaluate the CEO, help establish strategic direction, set broad policy, and steward the assets, all in support of the organization's stated mission. I commit to fulfilling these obligations with my time, talent, treasure and relationships.

The role of management

I understand that the President/CEO is responsible, under the board's direction, for developing the long-range plan for board approval, devising acceptable short- and medium-term objectives in pursuit of that plan, and then managing the organization's resources to meet those objectives.

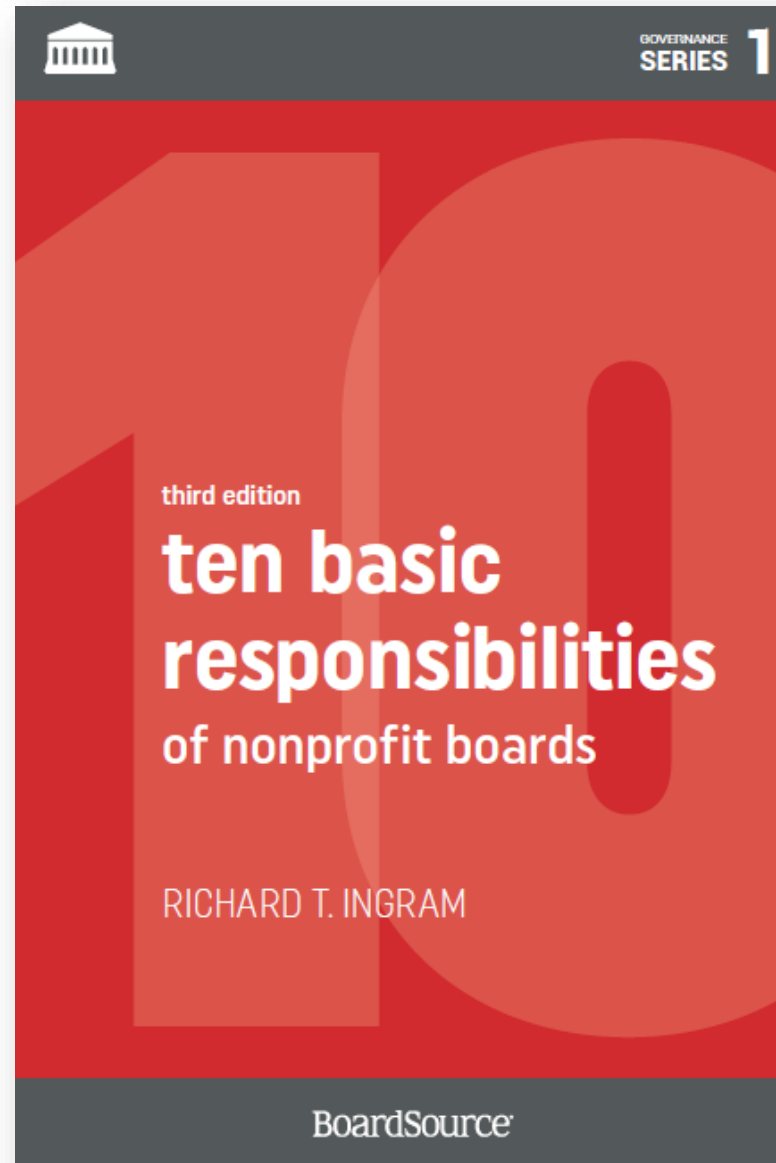
Preparation

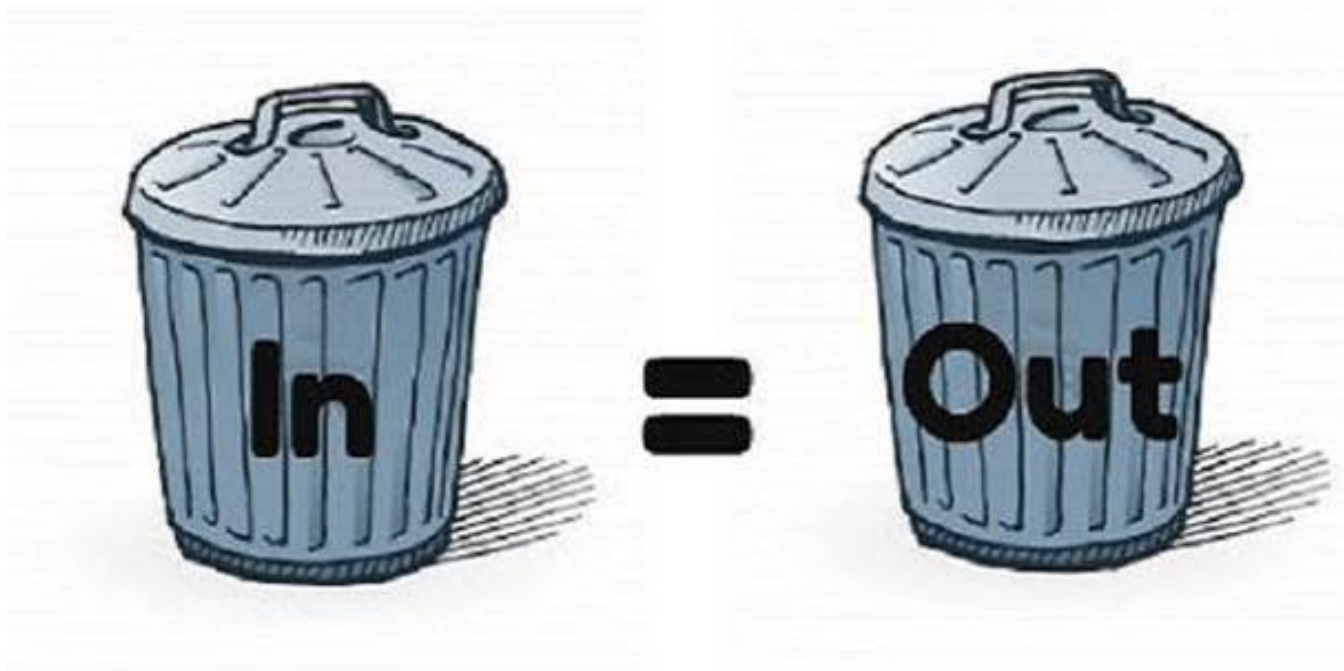
I will work diligently to understand the mission, purpose, goals and programs of the organization, and I will prepare for all board and committee meetings by reviewing all related documents and materials in advance.

Fiscal and program oversight

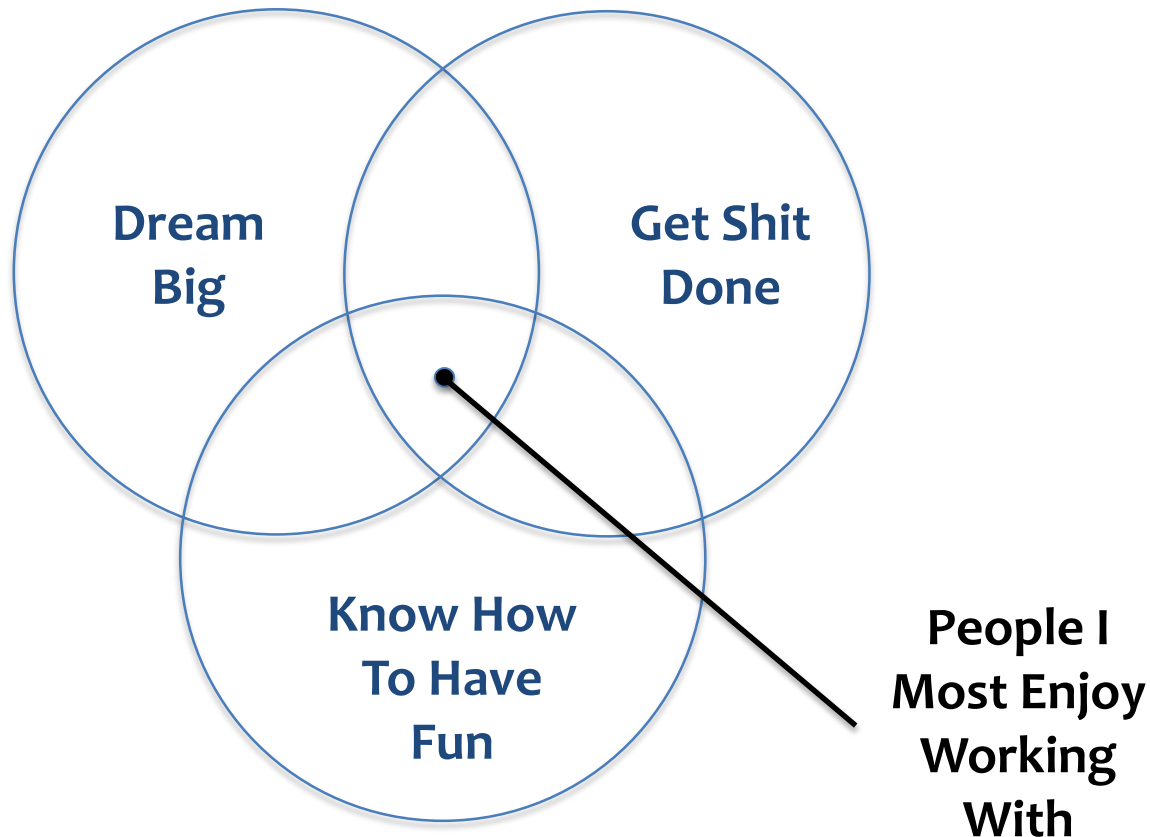
Together with my fellow board members, I am responsible for the fiscal oversight of ProLiteracy. Whether or not I am a member of the organization's finance committee, I will know what our budget is and take an active part in reviewing and approving the budget and monitoring our performance against that budget. If I do not understand an element of ProLiteracy's fiscal health, I will reach out to the appropriate board members, committees, or staff for clarification.

Active participation in board meetings











THANK YOU

Non-Profit Board Governance

Jeffrey B. Scheer, Esq.
Bond, Schoeneck & King, PLLC



Commitment • Service • Value • Our Bond

Jeffrey B. Scheer, Esq. – Practice Scope

- Practice Groups
 - Business and Transactions
 - Trusts and Estates
- Scope of Services
 - Representing small to mid-size companies from start-up through succession
 - Representing public charities and private foundations including formation, tax-exemption applications, registration with New York attorney general, compliance matters and board governance.

Board Governance

- What Does it Mean?
 - Board Responsibilities
 - Being an Effective Board Member
 - Fiduciary Duties

Board Responsibilities

- The Board Sets the Destination
 - Understanding the Mission
 - Hiring, evaluating, and supporting the CEO or Executive Director
 - Approving high-level organization goals and policies (e.g., annual budget, merger, change in policies, etc.).
 - Discussing matters core to the mission of the organization
 - Overseeing organizational performance and assessment

Board Responsibilities

- The Board must act as a whole, not as individuals:
 - Board must act as a body through motions passed or adopted by a majority
 - A Board must rely on collective decisions
 - Individual Board members have no more right to act than any other Board member
 - Look to Certificate of Incorporation, Bylaws, Conflict of Interest Policy, Whistleblower Policy and other Board policies for guidance
 - Understand Roberts Rules of Order and parliamentary procedure

Being an Effective Board Member

- Financial and Legal Oversight
 - Monitor financial health and ensure financial controls
 - Ensure independent audits, manage key risks and oversee corporate and regulatory compliance
- Executive Director and Board Oversight
 - Review performance, set compensation and ensure orderly succession of executive and Board
- Adherence to Mission
 - Understand the Mission and refer to the Mission when making strategic and financial decisions

Leveraging Your Board Members

- Utilize the resources of the Board Members
 - Fundraising
 - Decision-Making
 - Relationship Capital
 - Professional Experience
 - Social Media Networks
 - Previous Non-Profit Experience
 - Relationship Mapping (“6 degrees of separation”)
 - Public Appearances

Fiduciary Duties

- What is a fiduciary?
 - Person with responsibilities to the organization:
 - Administration
 - Investment
 - Monitoring and distribution of property
 - Managing the charitable and public assets of the organization
 - Managing the organization's intangible assets such as reputation and role in the community

Fiduciary Duties

- **Duty of Care:**

Requires officers and governing board to carry out responsibilities in **good-faith** and using that degree of diligence, care, and skill which **ordinarily prudent persons** would reasonably exercise under similar circumstances in like positions.

Board member must act in a manner that he or she reasonably believes to be in the best interests of the institution.

Fiduciary Duties

- **Duty of Loyalty:**

Requires officers and board members to act in good-faith and in a manner that is reasonably believed to be in the **interests of the organization's purpose** rather than their own interests or the interests of another person or organization.

Fiduciary Duties

- **Duty of Obedience:**

This is the duty of board members to ensure that the **organization is operating in furtherance of its stated purpose** (as set forth in its governing documents) and is operating in compliance with the law.

Questions?

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BOARD DEVELOPMENT, BEST PRACTICES AND RESOURCES

Peter Dunn

Central New York Community Foundation

www.cnycf.org

January 9, 2018



CENTRAL NEW YORK
COMMUNITY
FOUNDATION, INC.

Things That Drive Me Crazy . . .

Meeting Management and Content

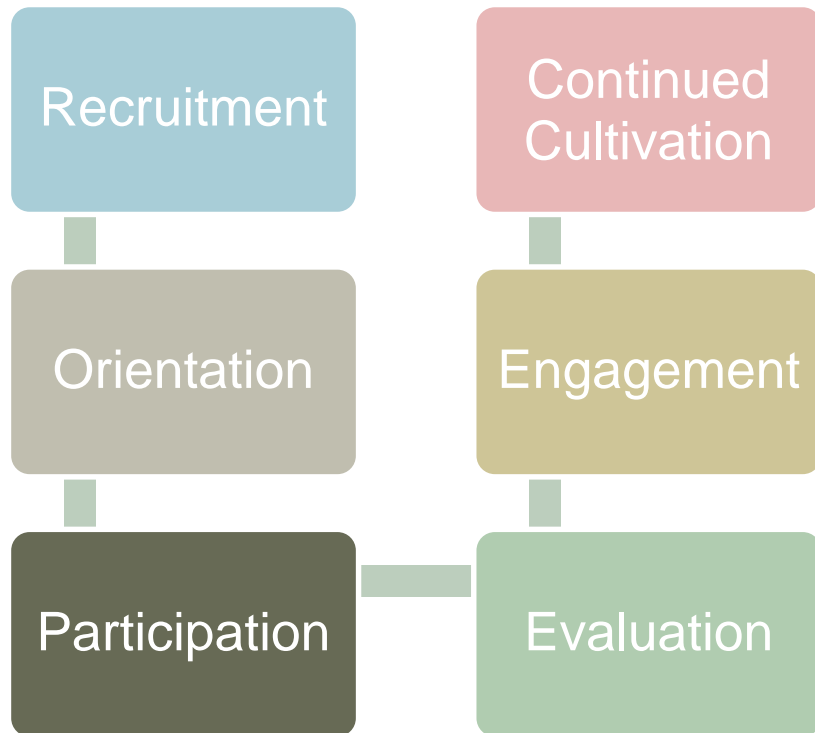
- ☐ Board Materials are Distributed with Little to No Notice
- ☐ The Biggest Issues are Left to the End of the Meeting
- ☐ Key Issues are Buried in the Materials with Little Explanation
- ☐ A Meeting Consists of Nothing but Committee Reports
- ☐ A Lack of Opportunities for Orientation or Learning

Best Practices for Boards

- ☐ Board Members Engage in Meeting Dialog
- ☐ Meetings are Well Run, Predictable and Sensibly Organized
- ☐ 100% of Members Support the Organization Financially
- ☐ Members Strive to Understand the NPO Business Model
- ☐ Time for Current Issues and Long Term Planning
- ☐ Terms and Turnover



Accountability and Training



- What Mechanism Do You Use to Orient New Members?
- Can Board Members Readily Articulate Your Mission?
- How Are They Held Accountable?
- Can Some Members Serve as Mentors for New Members?
- Is There a Role for Emeriti/Former Members?



Resources for Nonprofits and Boards

Resources for Boards

- **CNYCF**
 - Nonprofit Essentials Workshop Series (NEWS)
- **BoardSource**
 - Board Self-Assessment
- **NYCON**
 - Governance Matters
- **Nurturing Tomorrows Leaders(NTL)**
 - Gifford Fdn and CNYCF

www.CharitySTRONG.org

- Created by NYS Atty. Gen.
- Free Online Resources that Advance Effective Board Governance
- **DirectorsU**
 - Online Core Course on Nonprofit Board Member Duties and Roles
- **OnBOARD**
 - Online Matching Service Between NPOs and People Seeking Board Service

