Improving
Board & Organizational
Effectiveness

**Sponsored by the Southern Rural Development
Center, South Carolina Association of Nonprofit
Organizations and Clemson University Extension**

SRDC

Preface

The nonprofit organization board development material in this notebook deals with the new work environment that faces our nonprofit and voluntary organization boards. This is a fresh look at practices and trends in the private and public sector of society that affects the diversity of board composition, values and effectiveness. Our population demographics are changing and the pace of social change is increasing. Everyone demands accountability. Our nonprofit organization boards must change to reflect these local interests and concerns. It is important that board members share a similar concept of the organization's vision and dream, how it plans to accomplish that dream and how it will reach defined goals effectively.

The curriculum appearing in this notebook addresses the higher standards of responsibility and accountability experienced by nonprofit organization boards. It addresses board liability and service obligations. A board member's responsibility must address conflicts of interests, regular attendance at meetings, and accurate records of board decisions. By-laws must be realistic and followed. Risk management is at the forefront of all nonprofit organization thinking. In a litigious society, all risk to board members, staff, volunteers, and constituents must be reduced. This unit addresses insurance coverage and bonding for board members and key personnel.

Board Governance is changing to meet today's community and organizational leaders' demands. Service on boards must take into consideration the members' time constraints, personal interests and service obligation links to the organization's constituents, stakeholders and customers. Board size, terms of office and recruitment are important ingredients in organizational success and effectiveness.

The curriculum outlines the typical duties and responsibilities of each of the officers of the organization, board members, organization staff and individuals responsible for volunteer supervision. The curriculum also addresses the importance of and methods to achieve positive board-staff, board-board chair, board-chair and staff and staff-volunteer relations. It touches on guidelines for dealing with fragmented boards and apathetic boards. This calls for evaluation and assessment of service goals, key personnel and stakeholders. The workshop materials address suggested time schedules for financial record audits and operational procedure assessments.

Perception is reality in the nonprofit world. Image is related to all elements of board responsibilities, marketing, fund raising, medial relations, public relations and financial management. Image and positive public relations are essential for nonprofit and voluntary organization survival. The curriculum addresses what nonprofit and voluntary organizations can do to enhance their marketing edge and place the public spot- light on the customers and constituents served.

Acknowledgements

Christopher M. Sieverdes, Ph.D.

**Professor of Agricultural and Applied Economics
and Community Development Specialist, Clemson University**

Sieverdes serves as director of Palmetto Leadership, which has been offered in 35 of South Carolina's 46 counties since 1988. Palmetto Leadership received the 2001 Most Outstanding Leadership Program Award by the Association of Leadership Educators, a premier national professional leadership association. As a community development specialist with the Clemson Extension Service, he chairs the Community, Leadership and Economic Development Initiative.

He is a Business Retention and Expansion Certified Master Consultant and coordinates the statewide program. Sieverdes received the Alumni Master Teacher Award at Clemson University as the top classroom teacher of the year. The University administration selected him for the 1996 Alumni Distinguished Public Service Award. He is a Fellow of the Strom Thurmond Institute of Government and Public Affairs and specializes in community, leadership and economic development. He serves on the Board of Directors for the Business Retention and Expansion International Association (BREI) and chaired the certification and education committee.

Sieverdes has also served several terms as chair during his seven years on the City of Clemson Planning Commission.

Erin P. Hardwick

Owner, Erin Hardwick & Associates, Columbia, S.C.; and Director of the South Carolina Association of Nonprofit Organizations

Erin Hardwick is owner of Erin Hardwick & Associates, an association management company located in the state capital of Columbia. She and her staff manage four full-service associations providing a variety of services including executive management, advocacy, meeting planning, public relations, project management and more.

Among her responsibilities, Hardwick serves as executive director of the South Carolina Association of Nonprofit Organizations (SCANPO). A statewide association for charitable nonprofits, SCANPO provides support and services for board members and staff of charitable nonprofits.

Other clients include the Lexington Medical Center Foundation, the South Carolina Association of Health Underwriters, the League of Women Voters of South Carolina, The Five Points (Columbia, S.C.) Merchants Association, the South Carolina Association for Career and Technical Education and the Alumni Associations of Leadership Columbia and Leadership Lexington County.

Before opening her own firm, Hardwick served in management positions for two professional associations — the South Carolina Association of School Administrators and the South Carolina School Boards Association.

As the founding executive director of SCANPO, she has helped the association grow

to nearly 550 member organizations in five years, bringing in more $600,000 in grants and public support to develop programs to serve the state's nonprofit sector.

Through innovative programs and a strong partnership with the SCANPO board, Hardwick has leveraged resources to enhance opportunities for nonprofits. In 2000, she received financial support from two national organizations — the National Association of Nonprofit Associations and the Independent Sector — to build SCANPO's advocacy and policy initiative. This support has resulted in a variety of programs aimed at raising public awareness of nonprofits, teaching nonprofits about advocacy and lobbying and seeking policy advances for nonprofits and their clients. In 2002, Hardwick created a major regional funding collaborative within South Carolina to provide capacity building services to nonprofit organizations in that geo- graphic area.

Hardwick is past chair of the Greater Lexington Chamber of Commerce, a growing organization with over 850 members. She is also the former president of the state chapter of the National School Public Relations Association. She is a member of the Columbia Rotary Club and chair of its 2002-03 membership development commit- tee. She has been active in the American Society of Association Executives and its South Carolina Chapter since 1991.

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In their book, *Reinventing the Board,* John Carver and Miriam Mayhew Carver (1997:3-6) make a case for preparing boards to be successful in this changing environment. The rationale used by Carver and Carver requires boards to become stronger. This means that a stronger and more sustainable board relies on modified and updated board governance. Specifically, policy governance is the theoretical framework that fosters greater efficiency and effectiveness among nonprofit organization boards.

The new policy governance model does not directly increase control by the board or the chief executive officer. Instead, it is the reassignment of areas of responsibility by making distinctions between internal organization and external organizational matters. It involves a reinvention that shifts board attention during meetings from behaviors, reports, and activities to policy formation. The theoretical model is based on a rational, decision-making framework (Carver and Carver, 1997: 4-5).

The dimensions of board attention are altered with the policy governance model. The CEO's role is to execute and administer policy. Under this reinvented model, the board addresses policy and procedures. The distinction in the new model addresses (1) the type of decision or policy and (2) the size or scope of decision or policy. Therefore, distinctions between policy and procedure, strategy and tactics, policy and administration, and goals and objectives are not as significant with the new model. The matrix is defined by function tied to internal and external linkages (Carver and Carver, 1997: 10-11).

The starting point for the policy governance model is board accountability for the organization it governs and the constituents it serves. The matter of moral and legal "ownership" is a significant enhancing factor that contributes to this sense of

accountability and responsibility. The board is the forum that expresses the linkages between clientele and effective programs to serve the clientele (Carver and Carver, 1997: 10-11).

The organization's mission must be clear and easily understood. The mission must show a direct connection to those served by the organization. The board holds the responsibility to ensure that end is realized. Thus, the board members must under- stand the principle that they have authority and accountability to serve the interests of mission specified clientele and constituents (Carver and Carver, 1997:16). The board accomplishes this through its structure including the board, the CEO or administrator, the chair of the board and the committee structure (Carver and Carver, 1997:16-17). Each of these elements is linked together to address the organization's ends through specified means (Carver and Carver, 1997:17-18).

Carver and Carver (1997:25) propose a theoretical model that identifies four quad- rants of Board Policy Making:

Board Policy Governance Model by Types of Issues

(Carver and Carver, 1997:25)

Trends and Factors to Consider

Governance Process Policies Governance Process Issues	Ends Policies Ends Issues
Board-CEO Linkage Policies Board-CEO Linkage Issues	Executive Limitations Policies Staff Means Issues

While Managing Change and Shaping Boards

Board Government Trends

Focus on Policy Formation: Boards are focusing less on show-and-tell reports about programs during meetings and more on action-oriented discussions. Board members are expected to read the reports prior to meetings and be prepared to recommend actions to implement policy during meetings. Consent agendas are likely to become a meeting and agenda management tool. This allows the board's attention to become focused on issues that matter most to the organization. In particular, the agenda of meetings addresses issues important to stakeholders and constituents.

Changing Board Focus — Activity vs. Policy: The focus on boards is changing

from operational to strategic and policy outcomes. Management of programs by the board in recent years has become too complex, too litigious and too risky. The administrators, staff and volunteers are taking on a greater operational and management role. Boards are shifting from an internal focus to an organizational and out- reach context within the community.

Regulation, Legislation and Legal Liability Trends

Focus on Efficiency: More board tasks are shifting from volunteer members to staff. The duties of treasurer, secretary and administration are becoming more formalized. The board education process is moving from mentoring and learning by watching to formal orientation, which addresses mission-related issues and board duties and legal responsibilities. Board manuals that contain job descriptions, orientation materials and copies of important documents speed the learning process and provide a base of common information for new members.

Focus on Smaller Board Size and Fewer Standing Committees: Boards are get- ting smaller. Gone are the days of 20- to 30-member boards. The recommended size of a nonprofit board is 8-12 members. Special purpose boards may contain as few as 6-7 members. This increases the level of individual responsibility and impact during decision-making. Meetings are marked by easy communication and active participation among all members. Boards are creating fewer formal standing committees and more *ad hoc* committees and time-limited task forces (Taylor, Chait and Holland, 2000; Bowen, 1994:20-68; Carver and Carver, 1997:15).

Efficiently Run Meetings — Decision Making vs. Reports: Board members and leaders are reacting constructively to the increased demands for effective time management. Board members will not tolerate long and time-wasting meetings.

Influence of Founders vs. New Constituents: The influence of founders and charter members is diminishing over time in terms of board actions and directions. This influence has changed with the addition of new members and diverse interests. Role and influence of the organization's founders are less visible. This trend also points to the gradual erosion of history, custom, tradition and past successes. The success of the past ironically may deter planning for new objectives. In short, the history and the past are less significant than current demands.

Organization Lifecycle — Early, Middle, Late or Crisis: Nonprofit organizations are always experiencing change. Board members, staff and volunteers come and go more so now than ever before. The organization is always in some stage of a lifecycle — either the organization is growing, stable or declining. The threat of decline is an on-going feature of life in any organization no matter how strong it is. Each stage has its own risks and opportunities. The current stage in the organizational lifecycle influences staff and volunteer morale, program success, community impact and perceived program effectiveness, and organizational image and fund raising.

In previous decades the organizational lifecycle underwent slow change because the tenure of membership on boards and among staff and volunteers was longer, and the pace of change was slower. Today the lifecycle process and the duration of different

phases of a nonprofit organization's lifecycle are much shorter. The composition of a board can change drastically in three years or less.

Finances, Accountability and Fund-Raising Trends

Board Members and Board Legal and Fiduciary Responsibilities: Board members must understand the level of responsibility they take on when becoming affiliated with a nonprofit board as a director or board member. There is a need for recognition to occur at two levels: (1) responsibilities as an individual serving on the board and (2) responsibilities of the board to its constituents and the public's general welfare in accordance with the specifications of the organization's charter with the state's Secretary of State. These legal responsibilities include ethical and fiduciary responsibilities. The nonprofit organization must uphold the public trust to serve its clientele.

Changing Stakeholders — Key vs. Moneyed Representatives: A significant trend seen on nonprofit boards is the process of building support through stakeholders in this increasingly competitive environment. The nonprofit organization provides services to a constituency; and, therefore, it must be financially sustainable in order to provide those services. Board membership must undergo change to reflect the need for sustainable financial support. Placement of members on nonprofit boards is now strategic. It reflects the organization's internal and external constituencies. Service on a nonprofit board must reflect the needs of stakeholders, constituents and clientele.

Build Support for Program Sustainability: A major activity of the nonprofit organization is to build support for its program delivery by aligning itself with new stakeholders and supporters. Strengths and commitments of board members are changing from respected families, key personalities and traditional community leaders to business and political and individuals with the financial means to support pro- grams or the ability to direct community assets and financial support to the organization's programs. The question today is, "Who can benefit the organization with direct financial contributions or attract financial contributions to the organization?" In short, board members have financial assets themselves or they have access to financial assets.

Focus on Program Outcomes and Results: As boards move from an operational focus to a strategic focus, greater emphasis is placed on outcomes rather than on how things are being done. The board's annual evaluation process is moving away from length of service and history among board members, staff and programs to increased accountability and measurable outcomes. The industry-based and government-service term, benchmarking, is being used as a barometer of performance. Boards are more likely to measure administrative staff performance against a job description and performance reviews.

	1936 & Before Depression WWII Generation (66+)	1937-1944 Post WWII Generation (65-58)	1945-1964 Baby Boomers (57-38)	1965-1979 Generation X (37-23)	1980 & After Generation Y (22 & under)
MAJOR EXPERIENCES	The Depression WWII Sacrifice Hard work for a better future	Transition, change, and opportunity Education Automobile access Mobility Industry	Prosperity and large size Responsive marketplace and public crunched by own size	Prosperity and smaller size High tech/high touch Competition with boomers Negative view AIDS, riots, crime, TV (Violence), 40% products of divorce Living in an era of diminished expectations	Uncertain prospects Large size Boomer & buster parents w/active grandparents High tech/high touch Latch key - 2 income families
KEY MOTIVATORS	Stability and security	Consumerism Credit access Mass media	Respect and success	Enjoyable experience (Prosperity for fun) Many options, freedom	Disposable Instant gratification Truth and team play
VALUES	Loyalty Experience is the best teacher Pay your dues Respect for Authority and institutions Patriotic Save for rainy day	Work Education Mass consumption Mass marketing Mass media Mobility Enhance opportunity	High social conscience & self-interest (do good & do well) Work as part of self-identity (work hard) Credential important Demand for involvement in decision making	Self-indulgent, soul searching, cynical Not involved in issues (keep options open) How time is spent is more important than what is being done Sense of entitlement Little loyalty to institutions	New civic community Focused on the outer world – science, math, economics, politics More self-confidence Distrustful of gov't, health care & media (determined to improve things)

Purpose of Evaluation: Since the organization exists to serve clientele, the board should use evaluation methods that help program areas measure success. The purpose of the evaluation is to enhance professional development, along with efficient and effective delivery of services designed for clientele. The evaluation is not an audit, test or system to promote criticism of the program. The board must ensure that job descriptions are in place and that achievement of program objectives are evaluated in a reliable and valid manner. The purpose of assessment is to learn and improve rather than criticize. The performance appraisal is driven by results and outcomes that are linked to defined timetables. Evaluation also provides clear measures of pro- gram outcomes and success (Taylor, Chait, and Holland; Bowen, 1994:20-68; Carver and Carver, 1997:114-124).

Ethics, Image and Public Relations Trends

Focus on External Relations and Factors: Boards are moving from an internal board-oriented focus to external relationships. This takes into account changes in the community and the private and public sectors. The Board orientation moves from informal to formal relations and structures.

Community Links — Long-Term vs. Short-Term: Strong long-term links to com- munities and institutions are threatened by shorter commitments on all fronts: board members, CEO's and administrators, staff and volunteers. The links with the com- munity at-large are more utilitarian.

Volunteer Base — Life Long vs. Situational: Boards must adapt to the changing profile of volunteers and their needs and expectations. The level of professionalism is increasing on all fronts. Volunteers, themselves, are becoming more selective when making choices to serve with nonprofit organizations and voluntary activities.

Diversity, Specialization and Collaboration Trends

Focus on Diversity: Boards are more sensitive to different forms of diversity other than gender, ethnicity and geography. Generational diversity is becoming a stronger influence in determining how boards conduct business. Board composition moves from personal connections to strategic diversity.

Change in Purpose and Audience — Clientele Driven: The board must recognize and effectively respond to changing mission, clientele and constituencies. They must change with the times. Boards are moving from stand-alone models to collaborative relationships as the focus become more client-oriented. This clarifies special functions, roles and niches in the provision of services. It also addresses overlapping interests.

Collaboration — Independent vs. Interdependent: Movement among agencies is from independence to collaboration and mergers. Similar nonprofit organizations are merging or, at the least, forming partnerships or collaborations. Organizations that

complement one another as they offer a range of interrelated services to clientele are linking efforts, sharing resources and providing mutual support for one another.

Technology and Data Management Trends

Focus on Technology: Boards are relying more on electronic mail and conference calls to communicate, disseminate and exchange information for decision-making, reports and agenda items. Equipping board members with wireless laptops will become the norm, not the exception within a few years (Hughes, 2002; Fisher and Cole, 1993:81-96).

The Potential of Generation-X for Nonprofits

Greater Impact on Society's Value System and Workplace
- Boomers are beginning to move into retirement from one career, but they will continue to work. They are 10-15 years from true retirement.
- The Generation-X group is beginning to take over politics, arts, education, media, business, etc. This will result in quicker solutions and less political maneuvering.

Different Conception of Family and Church Roles
- Gen-X shows more interest in family values, relationship commitment, later marriage, less divorce, having children late, and having fewer children.
- Gen-X members show more connection to a faith community. This may include church, new age, and increased spiritualism. A form of new morality seems to be emerging that is more naturalistic and holistic.

Greater Efficiency in the Use of Work Time
- Gen-X and Boomers demand a shorter or rearranged workweek with improved efficiency and productivity.
- Gen-X members are engaged in a wide variety of activities with a short attention span.
- The virtual business setup fulfills many time and efficiency needs of the Gen-X group.

Greater Adherence to the Business Model
- Gen-X and Boomers focus on entrepreneurship that includes few constraints
- They seek freedom, individuality, and creativity. Many find reward as specialists and consultants
- They use the franchise industry to gain wealth in a different more independent way.

Increased Diversity is Taken for Granted
- Gen-X shows greater acceptance of diversity and improved racial and ethnic relations
- As traditional political parties do not serve their interests, expect new political parties to form

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Why Plan?

- Provides a common game plan
- Sets a direction
- Helps gain commitment
- Enables managers and leaders to make informed decisions
- Determines how resources will be used

The Major Elements of a Strategic Plan
Assessment of the Current Environment
Vision and Mission
Strategy
Goals and Objectives
Action Plans
Implementation
Evaluation and Modification

"Plans are nothing; planning is everything."

— *Dwight D. Eisenhower*

Planning time is an investment in success!

"If you don't know where you're going, you might end up somewhere else."

— *Casey Stengel*

The Planning Document

Where are we now?

Where are we going?

How are we going to get there?
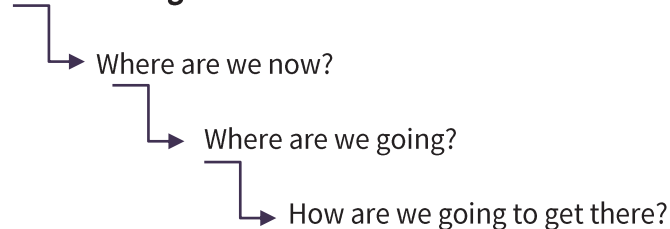
Planning: Comprehensive, Long-Range, Strategic and Tactical Plans

Most planning is based on a specific point in time or a specific location. Nonprofit organization leaders should look at planning at different levels: comprehensive, long-range, strategic and tactical. The big picture must include all institutions and time dimensions. The strategic approach is to consider the nonprofit organization as an important element within a community, region or state. The tactical dimension addresses the specific means to achieve measurable outcomes. Tactical plans address implementation in the planning process. Leaders play a decisive role in shaping public policy. The board and staff must understand the importance of citizen participation,

group facilitation, consensus building, and producing measurable outcomes that enhance community pride and quality of life. These key personnel must understand that planning is an approach to making decisions regarding the allocation of organization resources. It is an on-going process of self-evaluation and improvement.

A Framework for Organizational Development

Strategic planning has been used in the business community since the mid-1950s, growing out of their need to adapt quickly to a rapidly changing economy. This type of planning provides a disciplined approach for making decisions and taking actions that respond to the challenges and opportunities inherent in a changing environment. State and local governments go through phases when different forms of planning are considered important. Planning can occur at different levels for different purposes. The approaches can be comprehensive, strategic, tactical or action-oriented.

Strategic planning provides organizations with a systematic and disciplined way of setting goals and determining how they can be accomplished, given the opportunities and threats posed by the changing economy, and its internal strengths, weaknesses and resources. The result is the allocation of scarce resources to strategies that will be the most effective in improving the organization and its sustainability. Therefore, it is recommended that organizations use the strategic planning approach as a frame- work to guide activity in the organization. This approach allows program participants to use the knowledge in each aspect of the organization. It also can be used to identify development priorities based on a sound, reasoned and disciplined analysis of organization needs. Planning helps the organization undertake team oriented action projects that target clientele and organizational needs while making the best use of limited public and private resources.

Strategic Planning

In its ideal form, it is a broad based progressive form of planning that includes powerful stakeholders, clientele and potential constituents. Strategic planning is an integrated effort to put together institutional and revolutionary planning in the short and long term. Planning is a process in which people confer about their visions and goals, make decisions about priorities and implement policies for an improved quality of life (Forester, 1989:4).

Strategic Planning Principles

Strategic planning, to be effective and long lasting, calls for the democratic principle of direct participation in public affairs by a broad spectrum of people. Differences among parties, individuals and groups, must be aired thoroughly during the strategic planning process. Failure to observe the interests of stakeholders will only delay the implementation of a plan.

The Need for Strategic Planning

Strategic planning is a useful business development tool. It is used to promote economic

development and entrepreneurship goals. Strategic planning is distinguished from comprehensive planning, long-range, tactical planning and related forms of planning.

Strategic Planning includes these features:

1. It is a focused process that concentrates on selected issues most important to a nonprofit organization's vision.

2. It realistically assesses an organization and its strengths and opportunities, while considering other elements in the environment.

3. It explicitly considers resource availability and how resources can be used most effectively.

4. It considers major events and changes occurring outside the organization, and the impact they can be expected to have on the organization.

5. It is action oriented with a strong emphasis on implementation and achievement of practical results.

Strategic Planning Benefits

1. Planning helps to accomplish the most important things. Many nonprofit organization administrators and staff members spend a great deal of time on the day-to-day management issues and trouble-shooting. Unfortunately, this emphasis on "fighting brush fires" and fund-raising often prevents the organization's staff from addressing the issues that will have an important impact on the organization's future. Strategic planning can help the organization identify those issues and focus resources on them. This can be particularly beneficial when a wide cross section of constituents is included in the process.

2. It helps educate the members of the organization and constituents about plans and build consensus about important issues and the actions required to address them. Strategic planning brings together new data, fresh perspectives regarding trends, regulations, legal issues, ethical issues, marketing, public relations and service to clientele.

3. It can position the organization to seize opportunities. Nonprofit organizations are experiencing rapid change. Change represents opportunities as well as threats. Strategic planning can help nonprofit organizations identify these opportunities and the actions necessary to take advantage of them.

4. It can shed new light on important issues through rigorous analysis. Use of a strategic planning approach can help to produce new information about a problem or to draw attention to one that has been overlooked.

5. It helps to identify the most effective use of limited resources. Strategic planning can help a nonprofit organization to target its resources to the most important problems and opportunities facing it, and to the projects that will have the greatest positive impact on the organization and achieve the highest return on investment.

> **Keep Plans Simple!!**
>
> **The Urge Is to Make Plans Complicated.**
>
> **FIGHT THE URGE!!**

General Guidelines for Strategic Planning

There is no one process for strategic planning. However, most planning processes include the basic elements outlined below. Included are references to chapters in this manual that can help program participants in the strategic planning process.

1. **Set broad policy directions based on the values and goals of the organization.** This involves developing a shared vision of what the organization should be in the future. This serves to establish a sense of purpose and direction for the planning process. Methods of developing a vision of the future may include surveys of citizens, stakeholders, local leaders, as well as reviews of past studies. After a vision of the future has been developed, organizational goals and mission statements must be updated.

2. **Analyze global, national, and regional trends that affect the organization.** The external environment is something over which nonprofit organizations have little control. However, localities can control the effects of external changes by capitalizing on opportunities and neutralizing threats presented by a changing economy. This step in the strategic planning process involves identifying the key factors and trends likely to affect the community and its economy of the future. This information-gathering step will help the board establish the "big picture" of the organization's future and to consider the effects of social, economic and philanthropic trends.

3. **Identify local strengths and opportunities, particularly in relation to other nonprofit organizations.** In business terms, what is the organization's "competitive advantage?" What makes the nonprofit organization unique? In order to effectively identify strengths and weaknesses, the organization must gather and analyze information on current nonprofit community conditions in terms of physical, financial, and human resources.

    Asset Mapping or Asset Inventorying is an approach contrasted with needs assessment. Asset mapping emphasizes constructive, positive action that focuses attention on what is possible based on the existing circumstances. It is a process of identifying and defining comparative advantages of an organization and

setting as it examines its physical, environmental, economic, and human capacities and features. This is a positive approach that often is used to build consensus and momentum for social action. Unlike the needs assessment approach that addresses problems and concerns, asset mapping is more engaging and perhaps more motivating to achieve goals in a complex and diverse setting.

4. **Select key issues.** Based on economic trends, local conditions and a vision of the future, nonprofit organizations should identify a few critical issues whose successful resolution are essential to improvement of clientele services.

5. **Conduct further analysis of external and internal factors.** After key issues have been selected, further analysis is needed to determine the internal and external factors affecting these issues.

6. **Develop goals, objectives and strategies.** After reviewing the analysis results, the organization should develop or update goals, objectives and strategies that are designed to enhance assets and opportunities and reduce or eliminate the impact of identified problems. A goal identifies an end, a purpose, a desired outcome. It is a relatively general concept. An objective is a subcategory and measurable manifestation of a goal. An objective should be quantitative and measurable. It can be benchmarked in terms of a measurable outcome. An objective quantifies the goal within a time frame. How one achieves the objective is the tactical approach based on a tactical plan.

7. **Develop a plan of action.** After selecting strategies to achieve organizational goals, the organization board must develop a detailed work plan that indicates how these strategies will be implemented. The plan should include a specific statement describing the strategy, project or program, as well as information on the cost involved, staffing requirements, the organizations and individuals to be involved in carrying out the project, and timetables for starting and completing the project and for accomplishing major tasks. The plan should also assign specific responsibilities for carrying out the project.

8. **Evaluate, modify, and update the plan.** Strategic planning is meant to be a cyclical and continuous process. It should not result in a one-time plan. All plans and projects should be monitored to ensure they are meeting their intended purposes. If a project is not achieving its objectives, the organization should review the project elements in detail, identify the sources of the problem, and modify the project as necessary. There should also be provisions for periodically updating information upon which the plan is based and modifying the plan in reaction to changes in the external and internal environment. Because of the importance of this element in the strategic planning process, the responsibility of monitoring activities should be assigned and included in the action plan described in the previous step. Consideration should be given to asking each succeeding board or leadership group to review and update the previous plan, noting any changes that have taken place in the community in the intervening period. Do not

become paralyzed during the evaluation process and evaluation results. Evaluation by consumers can be a most anxiety-producing event. Keep evaluation in perspective. A difference exists between the effectiveness and worth or value of a service (Carver, 1997: 68-71).

The strategic planning process should be built on cooperation and community involvement. In order for the organization to be effective in improving its program and financial sustainability, the plans must have broad organization- al and community support and fulfill a vision of the future. Organizations may wish to use consultants to assist with specific tasks such as gathering data or implementing a part of the plan, but the organization's members should take the lead in the overall planning and implementation process (BoardSource, 2002; Carver and Carver, 1997: 139-141; Carver, 1997: 66-67; South Link 2000).

How to Develop and Implement a Strategic Plan Within Committee or Task Force Structure

1. Develop a Base of Information
2. Identify Major Issue Areas
3. Inventory and Map Assets Identify Favorable and Unfavorable (SWOT) Factors
4. Develop a Vision Statement
5. Prepare a Mission Statement Write a Statement of Purpose to Guide Activity
6. Prepare a Goals Statement Establish a List of Goals and Purposes
7. Develop Specific Objectives Under Each Stated Goal
8. Form Committees or Task Forces to Address Specific Objectives
9. Each Group (Task Force) Develops Tactical Strategies for Implementation of Each Objective in an Action Plan
10. Task Force Presents Report to the Whole Group, Advisory Board or Advisory Committee for Evaluation and Feedback
11. Task Force or Representatives Present Report to Key Decision-Makers in Area and the public as deemed appropriate.
12. Reports due at an appointed time in 4-6 months.

    1. Develop a Base of Information

- Re-examine briefly existing knowledge affecting the target area.

- Review the socioeconomic and demographic profile.

- Conduct environmental scan and review results.

- Conduct and asset inventory and asset map of local and regional capital: physical and social capital resources

- Review the needs assessment survey results.

- Examine the implications for community development and public policy formation

2. **Identify Major Issue Areas**

    The group will identify the major community development issues and concerns affecting the area through a group decision process. The issues selected must be those over which some decision-makers in the area have control.

    - Use Brainstorming, Fishbone, Nominal Group Process, Force Field Analysis or some other decision-making technique that allows ranking of responses.

    - The ideal size of a task force is 5-8 members.

    - Each task force should identify a facilitator, a back-up facilitator and a recorder. One of these or an additional person may serve as spokesperson.

    - Individuals with strong opinions for or against the subject of the task force should not serve in the facilitator role. They should be free to develop thoughts and make comments as one group member.

3. **Inventory and Map Assets: Identify Favorable and Unfavorable (SWOT) Factors**

    After the goal setting process is complete, in separate steps, the small groups should identify the area's Strengths, Weaknesses, Opportunities, and Threats in achieving its goals and objectives.

    - Use Brainstorm, Fishbone, or Nominal Group Process

    - The SWOT is intended to be a very open-ended, creative process where there are not "right" or "wrong" answers. Additional resource persons can be invited to add to the talent pool to consider ideas and possibilities.

    - Group Think process is encouraged to avoid "old thinking habits."

    Identify short term issues, concerns, or interests:

    Step 1. Determine Strengths:

    - Identify existing assets, resource, and competitive advantages the area has when compared to other areas.

    Step 2. Determine Weaknesses/Challenges:

    - Identify existing disadvantages, liabilities, lack of resources, and shortcomings in the area in terms of achieving the objectives stated in the mission statement.

    Step 3. Determine Opportunities:

    - Rely on asset mapping results to identify best opportunities.

    - Identify possibilities and situations available in the area that offers the potential for improvement in quality of life and economic well-being.

- The facilitator will encourage creative thinking and provide time for task force members to "dream" a personal vision.

- The task force members discuss interests and concerns. They share notions regarding their vision regarding the subject and methods of achieving that vision. "Blue Skying" is encouraged. This is a sort of "dream session" grounded in reality with a focus on possibilities and "what ifs." Ideals are stated; realism can come later.

- Ideas are placed on flip charts.

- Use the needs assessment survey results and the environmental scan exercise as tools to identify possibilities.

Step 4.   Determine the Threats:
- Identify the threats that block or threaten to block the achievement of objectives stated in the mission statement. Identify problems, challenges and barriers to achieving group objectives.

4. **Develop a Vision Statement**

A vision statement is a statement of what is possible. It is a forward-looking, future-oriented statement of where the group wants to be in terms of goals. It states the ideal objective of a future state of being. A review of the collective vision will also identify shared and diverse values held by stakeholders.

- Weigh optional and alternative futures.

- Elaborate on the mission statement with a notion of "what is possible" in the future.

- A vision statement implies an improvement in citizens' quality of life and economic independence within the context of community development

- Strategic planning must be followed by well-prepared implementation of strategies.

5. **Prepare a Mission Statement**

Write a Statement of Purpose to Guide Activity

The facilitator may ask each participant in the group to list on a sheet of paper 5-7 ideas regarding the mission statement. The program participants will break out into the same small groups and use brainstorming, fish-bone technique, nominal group process, or force field analysis to construct the elements of a mission statement. Each of the breakout group facilitators will facilitate this discussion process.

- A mission statement should be uniquely related to the purpose of the task force and the area served. It should avoid being too abstract and generic.

- The task force's statements will be recorded on flip charts.

- A mission statement should be about two to four sentences in length and express a purpose.

6. **Prepare a Goals Statement**

Establish a List of Goals and Purposes

This list of goals (or purposes) is an extension and elaboration of the mission statement. The organization's goals should follow naturally from the principles identified in the mission and vision. Goals focus on specific points and purposes reflecting the different dimensions of the mission statement.

- The task force in each issue area should form short-term, medium-range and long-range Goals.

- Short-Term Goals (Current Year)

- Medium-Range Goals (2-3 Years)

- Long-Range Goals (4-5 Years)

The task force facilitator will then ask the task force members to construct a priority list of purposes. The initial portion of this process may be brain- stormed so that distinctions are made between short, medium, and long terms goals.

Suggestion: Have all participants identify one short-term and one long-term goal to clarify the distinction between the two time periods. Some individuals may express different priorities regarding shared goals.

- It is realistic for the task force members to reach a consensus on a short list of top priority short-term goals.

- Goals should be directly linked to a principle noted in the mission statement.

- Goals should have the capability of focusing attention on features that can be measured.

7. **Develop Specific Objectives Under Each Stated Goal**

Objectives are measurable differences associated with a goal. Objectives are the concrete representation of an abstract goal. Goals cannot be evaluated or assessed unless the objectives are stated in a form to reveal measurable differences over time.

8. **Form Committees or Task Forces to Address Specific Objectives**

Individuals may volunteer or be assigned to specific committees or task groups based on personal interests and level of expertise regarding the subject. It is ideal for the group to select a chair or convener, a facilitator and a recorder. The work group should follow the general strategic planning steps as it begins to address the issue or subject. The work group should always keep the organization's vision, mission, goals and objectives in mind.

9. **Each Group (Task Force) Develops Tactical Strategies for Implementation of Each Objective in an Action Plan**

The implementation step identifies the methods of putting a plan into action. It includes the specific actions taken by task force members to accomplish the group's objectives. The committee or task force should be willing to look beyond its membership for talent, resources, answers to questions, and information. The difficult part of this process is asking the right questions. The list below includes a number of state, regional, local and institutional agencies that can assist with the implementation process of a strategic plan.

- Resources and information sources for planning and implementation include universities, community-based technical colleges, vocational centers, career centers, state agencies, civic organizations, Chambers of Commerce, economic development organizations, professional associations and others.

- Strategic Implementation Steps (Group Decision Process)

The following steps are an excellent way to manage information and keep emotions in check. Ultimately these steps deflect attention from history, built up tension, and "blame" for the problem. The focus is to find ways to address the issues. The group can move from sizing up the current situation to assessment of options, alternatives, and consequences of each alternative.

Step 1. Determine the Situation
Step 2. Identify the Goal(s): Move from Situation A to Situation B **Step 3**. Clarify the Problem(s): Determine the Methods to reach "B" **Step 4.** Develop Alternative Solutions
Step 5. Identify the Consequences of Each Proposed Solution
Step 6. Make the Decision to Present Findings to Decision-Makers
Step 7. Conduct the Evaluation and Provide Feedback

10. **Task Force Presents Report to the Whole Group, Advisory Board or Advisory Committee for Evaluation and Feedback**

This report contains the "How to Get There" plan. Dissemination of information is done with care at this point because the committee work is going "public" for the first time. This is a "final dry run of the plan" being tested for dis- closure outside the whole group or advisory board.

- The report should contain multiple alternatives and consequences. It should educate and give options, and not advocate one option. The purpose of the report is to serve as a resource tool to help decision-makers decide on complex issues.

11. **Task Force or Representative Present Report to Key Decision-Makers in Area and the Public as Deemed Appropriate**

12. **Reports Due at an Appointed Time in Four to Six Months. (Sieverdes, 2002)**

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The Three Sectors: Government, Business and Nonprofit

The nonprofit and voluntary sector is referred to as the Third Sector that is contrasted to the Public and Private Sectors. The Third Sector is contrasted to the Public Sector that contains the government with its public officials and public services paid for by the federal, state and local governments. The Private Sector includes the for- profit organizations such as business and industry. The importance of the three sec- tors is equal in our nation. Having a clear vision is a survival tool.

A factor that impacts an organization's vision, mission and achievement of goals is the location of the organization in a Lifecycle Stage. The stages can be identified as follows:

1. **Formative Stage.** This is the creative stage. It is the beginning point. It occurs when the organization is formed by a small group of committed, passionate, dedicated and energized individuals who hold a personal stake in the success of the organization. The founders are personally engaged and strongly committed

Organizational Lifecycle			
	High Creativity among Members	**Lower Creativity among Members**	
High Program Productivity, Outcomes and Publicity	GROWTH STAGE	PRODUCTION STAGE	**High Financial Security**
Low Program Productivity, Outsomes and Publicity	FORMATIVE STAGE	DECLINE STAGE	**Low Financial Security**
Board Openness	**High Risk Taking**	**Low Risk Taking**	**Board Tension**
Assessment and Renewal			

to the start-up. Some literature refers to this as the alpha stage, the entrepreneurial stage or the formation stage. Start-up is normally a very creative time and the founders or charter members are enthusiastic about possibilities, plans and the potential impact they as a group can have to benefit a certain clientele. During this stage, options are being explored and risks are taken. The organization's cash demands are defined as investments. Participants work long hours for early success. Everyone associated with the board and the organization experiences a vertical learning curve.

2. **Growth Stage.** This is the stage when the organization is operational and functioning. Exploration and novelty are still in evidence. The organization is serving clients and achieving early outcomes and the demand for services is exceeded by the ability to provide the services. New clients and markets are being sought. Financial matters are stable, but the cash flow is not large because demand for growth is high. Expansion of audiences and clientele numbers outweighs the financial considerations of net profits. Many start-up costs are now complete, but demands for increasing services is high. Marketing focus is prevalent. Promises and good intentions may be ahead of actual delivery of exceptional programs and products. Mistakes happen and the learning curve is beginning to level off as everyone in the organization gains experience. Clientele may have the upper-hand in negotiations.

3. **Production Stage.** During this stage all systems are operational. The organization is functioning successfully, the cash flow is strong, clients are satisfied and stakeholders are satisfied. The organization is enjoying positive publicity and is experiencing a strong reputation in the community for provide reliable and quality service. Clientele are satisfied and the numbers are growing. No new investment is needed except to maintain program operations. The pro- gram has continuity and outcomes are noteworthy. Recruitment of volunteers is successful and self-perpetuating. Morale is good. Evaluation perpetuates successes. Too much success can lead to complacency further down the road.

4. **Decline Stage.** The organization and programs need to be evaluated and refreshed. Some programs have outlived their usefulness. Clientele are not being served efficiently or effectively. There could be division within the ranks. The board and organization need new ideas and new approaches or programs. Products are old; methods of delivery are old. Apathy is wide- spread. Different agendas held by different individuals are causing friction or tension. Tension may be subtle and not openly expressed. The lack of communication about board and organizational matters is leading to an increase in underlying discontent. Attendance at meetings, participation by members and volunteers and funding by stakeholders is off. Positive publicity is not evident or it could possibly be negative. Turnover of staff is imminent.

5. **Assessment and Renewal.** It is time to re-examine the vision, mission, values and goals of the organization. It is time to re-capture the creativity and energy

that made the organization successful in the first place. Assets must be identified and inventoried. Needs assessments must be carried out with stakeholders, clientele, and potential audiences. Duties and responsibilities must be examined closely to ensure that they are timely and line up with the goals of the organization. This self-assessment requires honest reflection and self-examination.

Rate Your Organization

In which stage is your organization. Place mark on the chart below.

GROWTH STAGE	**PRODUCTION STAGE**
FORMATIVE STAGE	**DECLINE STAGE**
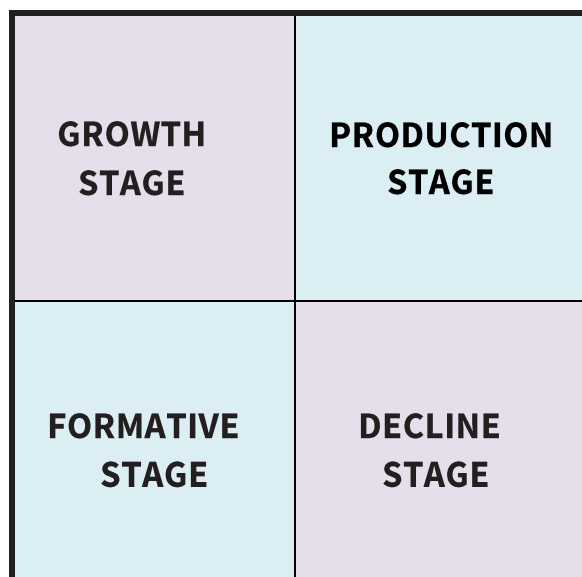
Goals and Ends

Carver and Carver (1997:17-18) state that an organization must orient itself to goals, or in their words, "ends." The ends are manifested in "ends policies" according to Carver and Carver. "Ends" describe the board's expectations about the organization's outcomes. Ends refer to the product of the organization's activities. This is a measurable outcome that can be assessed and evaluated. The end has worth that can be measured.

It should be noted that ends are not the same as "results." A "result" refers to one of three components of the "end." The three ends issues are (1) what was the good or benefit, (2) who was served; who were the constituents served, and (3) what was the cost (Carver and Carver, 1997:18)?

Goal is a term that captures the essence of what Carver and Carver mean by an "end." The term "ends," appears to have more meaning and context when it is used in con- junction with the term, "means." In simple language means are methods used to achieve ends or goals.
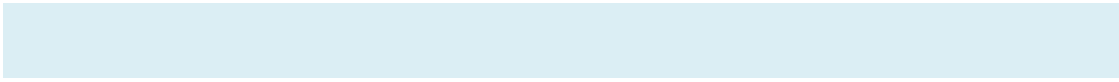
State the Key Goals, "Ends," or Outcomes Desired by your Organization:

The Key Goals or Outcomes of My Organization Are:

_____

_____

_____

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Mission

The Mission Statement

A mission statement needs to communicate the essence of your organization's purpose to its clientele, to its members, to its stakeholders and constituents, to its volunteers and to the public. This should occur in just one or two sentences. It is a statement that addresses the uniqueness of the organization's purpose.

Draw a Picture Illustrating the Mission of the Nonprofit Organization

What Should Be in a Mission Statement?

The following concepts are critical in defining "who" your organization is:

A Statement of Purpose

The purpose statement clearly states what your organization seeks to accomplish: Why does your organization exist? What is the ultimate result of your work?

Purpose statements usually include two phrases:

- An infinitive that indicates a change in status, such as to increase, to decrease, to prevent, to eliminate

- An identification of the problem or condition to be changed. An example of a purpose statement is "to eliminate homelessness."

In defining purpose, it is essential to focus on outcomes and results rather than methods: How is the world going to be different? What is going to change? Thus, the purpose of a mental health counseling agency would never be simply "to provide counseling services," for that is describing a method rather than a result. Rather, the purpose might be "to improve the quality of life" for its clients.

Take a look at your current mission statement. If you do not have it with you, write what you know about your mission statement in the space provided.

Your Organization's Mission Statement as You Recall It

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If your current mission statement does not fit into this box in a normal handwriting, it is too long and too complicated. Get ready to improve it.

Constructing the Ideal Mission Statement

Your mission statement should state the purpose of your organization and how the organization serves its purpose. It should tell the world who you are and what you do. It should be no more than two sentences. One sentence describes in a clear, concise and compelling way what the organization does — its statement of purpose. The second sentence should describe how it achieves its goals. Use strong, positive language. Name the constituent group being served by your organization. Reflect your uniqueness in the mission statement. What sets your organization apart from all other organizations and competitors?

Take a look at your organizational goals listed in the box a couple pages back. Use this information to guide your thoughts as you form you refreshed and improved mission statement.

Mission Statement of My Organization

_____

_____

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_____

If this is too laborious, then list the key words or phrases that describe your mission. Take a look at the organization's key goals or outcomes on the previous page to get some hints about the mission.

A Sample of a Wordy and Awkward Mission Statement

At the Developmental Studies Center we develop, evaluate, and disseminate programs that foster children's ethical, social, and intellectual development. While nurturing children's capacity to think skillfully and critically, we also strive to deepen children's commitment to prosocial values such as kindness, helpfulness, personal responsibility, and respect for others — qualities we believe are essential to leading humane and productive lives in a democratic society.

Often, however, organizations want to say more about who they are, what they are doing and why they are doing it. The mission statement developed by the Forest Service illustrates an example of a mission statement format. After a brief statement, the Forest Service uses three pages to elaborate its mission, vision and guiding principles.

Excerpts from the expanded statement include:

The phrase, *"caring for the land and serving the people,"* captures the Forest Service mission: *As set forth in law, the mission is to achieve quality land management under the sustainable multiple-use management concept to meet the diverse needs of people.*

It includes advocating a conservation ethic...

Vision: *We are recognized nationally and internationally as a leader in caring for the land and service people...*

Guiding Principles: *To realize our mission and vision, we follow 13 guiding principles...*

Neither approach is necessarily the "right" one for your organization. What is important about your mission statement is that one guiding set of ideas is articulated, understood and supported by the organization's stakeholders, board, staff, volunteers, donors, clients, and collaborators.

The Purpose

The purpose statement outlines the business perspective, that is the productive activities or programs, of your organization as the feature of its mission. Specifically, you must answer, "What activity are we going to do to accomplish our mission?" For example, there are many ways to work on the problem of homelessness:

- To construct housing for homeless individuals.

- To educate the public and advocate for public policy changes.

- To provide job training to homeless individuals.

Each of these is different method or way of doing business to achieve the same purpose. It is essentially a business statement. What is the business of this organization? Business statements often include the verb "to provide" or link a purpose statement with the words "by" or "through." For example: *"To eliminate homelessness by pro- viding job training to homeless individuals."*

A cautionary note: If the word "and" is in your purpose or business statement, ask yourselves, "Are we really committed to both ideas connected by the word" and, "or have we simply not been able to accept that one idea is more important?"

The example of a mission statement cited at the beginning of this response sheet includes all three elements of what should be included in a mission statement.

Adding values in a mission statement can be a little tricky and distracting to the reader. Could or should you leave out the value statement?

The Community Development Center provides educational programs that foster ethical, social, and intellectual development among neighborhood children.
While nurturing children's capacity to think skillfully and critically, we strive to deepen children's commitment to prosocial values such as courtesy, kindness,

teamwork, personal responsibility, and respect for others. These qualities create self-reliance and economic independence.

When forming or refining a mission statement, ask these questions:

- What is the problem or need your organization is trying to address?

- What are the actions of your organization?

- What makes your organization unique?

- Who are the beneficiaries of your work?

The answers to these questions could be included in the mission statement or added as elaboration of the mission statement.

How to Write a Mission Statement

There is no formula for finding the wording that best expresses the collective intention of your organization. It can be drafted by one person alone or after input gathered at leadership retreat. The most important issue is a consensus regarding answers to questions used in developing a mission statement.

One approach is to use time at a board retreat to discuss these questions and find out where the areas of consensus are and where there are differences. There is a "process" benefit to hashing over an organization's mission statement as well. In the course of discussion and debate, new members are introduced to nuances of an organization's mission and changes in the environment and old members refresh their understanding of both. As a result, the group will have confidence the mission statement that emerges (whether it is a new statement or a rededication to the old mission statement) is genuinely an articulation of commonly held ideas.

Groups are good at many things, but writing is not one of them. Have group discussions about big ideas and concepts, and then let one or two individuals draft and redraft the wording before submitting a version for the group to consider. It is important to circulate the draft mission statement a few times to board, staff and other stakeholders. Some consultants advise organizations to seek an outside opinion from someone unfamiliar with the organization to see how easily the mission statement can be understood.

Mix with passion, humanity and an eye on the big picture, and keep refining the mission statement until you have a version that people can actively support (The Alliance).

Carver (1997:196-197) points out the mission must be kept "out front." The power of a good mission statement is only effective when it is the guiding force for action by an organization. The mission statement is a fragile commodity and can quickly become "simply words" without meaning. The mission is the link that ties individuals to the "ends," the vision and the practice. Printing the mission and reminders of the mission helps to raise the consciousness of organization members about the mission and vision, but it can be fleeting in terms of its importance. The mission must be ingrained in the thinking and actions of the board (Carver, 1997:196).

Vision

People follow a vision; they do not necessarily follow other people. The leaders of the organization, the board of directors in particular, have the task of articulating the vision of the organization. The vision begins with the individual leader or core of leaders. First, a vision comes from the knowledge held by the individual. Second, it evolves from the knowledge within the organization. Third, the vision and knowledge is extracted from elements in the nonprofit or voluntary organization sector of society (Klopp, 1998, 32).

> **A vision is a guiding image of success formed in terms of a contribution to society.**

If a strategic plan is the "blueprint" for an organization's work, then the vision is the "artist's rendering" of the achievement of that plan. It is a description in words that conjures up a similar picture for each member of the group of the destination of the group's work together.

No Olympic athlete ever got to the Olympics by mistake; a compelling vision of his or her stellar performance inevitably guides all the sweat and tears for many years. The vision statement should require the organization's members to stretch their expectations, aspirations, and performance. Without that powerful, attractive, valuable vision, why bother?

> **There is one universal rule of planning:**
> **You will never be greater than the vision that guides you.**

State the Vision of your Organization in the box below.

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┌─────────────────────────────────────────────────────────┐
│            The Vision of My Organization                 │
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│  _____   │
│                                                          │
│  _____   │
│                                                          │
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Do your clientele, volunteers, staff, board and administrator understand the vision statement?

How a Vision is Used

John Bryson, the author of Strategic Planning for Public and Nonprofit Organizations, states that typically, a vision is "more important as a guide to implementing strategy than it is to formulating it." This is because the development of strategy is driven by what you are trying to accomplish, your organization's purposes. A mission statement answers the questions: Why does our organization exist? What business are we in? What values will guide us? A vision, however, is more encompassing. It answers the question, "What will success look like?" It is the pursuit of this image of success that really motivates people to work together.

A vision statement should be realistic and credible, well-articulated and easily understood, appropriate, ambitious, and responsive to change. It should orient the group's energies and serve as a guide to action. It should be consistent with the organization's values. In short, a vision should challenge and inspire the group to achieve its mission.

The Impact of Vision

John F. Kennedy did not live to see the achievement of his vision for NASA, but he set it in motion when he said, "By the end of the decade, we will put a man on the moon." That night, when the moon came out, we could all look out the window and imagine… And when it came time to appropriate the enormous funds necessary to accomplish this vision, Congress did not hesitate. Why? Because this vision spoke powerfully to values Americans held dear: America as a pioneer and America as world leader.

In an amazing longitudinal study on goal setting, Yale University surveyed the graduating class of 1953 on commencement day, to determine if they had written goals for what they wanted their lives to become. Only 3 percent had such a vision. In 1973, the surviving members of the class of 1953 were surveyed again. The three percent who had a vision for what they wished their lives would become had accumulated greater wealth than the other 97 percent combined.

Great wealth, a man on the moon, brother and sisterhood among the races of the globe… what is your organization's vision?

The primary importance of the vision statement means that failure to clearly state and communicate your organization's vision can have harmful consequences,

including:

- Organization members can waste time "barking up the wrong tree".

- The organization may not think broadly enough about different possibilities if its vision statement is unclear or overly narrow.

- The organization may not realize when it is time to go out of business.

Finally, the importance of mission statements is summarized quite eloquently by Lewis Caroll through the words of the Cheshire Cat in Alice in Wonderland, "If you don't know where you're going, it doesn't matter which way you go." Indeed!

Vision

Martin Luther King, Jr. said, "I have a dream," and what followed was a vision that changed a nation. That famous speech is a dramatic example of the power that can be generated by a person who communicates a compelling vision of the future.

Management author Tom Peters identified a clear vision of the desired future state of the organization as an essential component of high performance.

Widely read organizational development author Warren Bennis identified a handful of traits that made great leaders great. Among them is the ability to create a vision.

So, What Is a Vision and How Do I Get One?

Shared Vision

To a leader, the genesis of the dream is unimportant. The great leader is the servant of the dream, the bearer of the myth, the storyteller. "It is the idea (vision) that unites people in the common effort, not the charisma of the leader," writes Robert Greenleaf in Leadership Crisis. He goes on to write:

Optimal performance rests on the existence of a powerful and shared vision that evolves through wide participation to which the key leader contributes, but which the use of authority cannot shape.... The test of greatness of a dream is that it has the energy to lift people out of their moribund ways to a level of being and relating from which the future can be faced with more hope than most of us can summon today.

The Process for Creating a Vision

Like much of strategic planning, creating a vision begins with and relies heavily on intuition and dreaming.

As part of the process, you may brainstorm with your staff or your board what you would like to accomplish in the future. Talk about and write down the values that you share in pursuing that vision. Different ideas do not have to be a problem.
People can spur each other on to more daring and valuable dreams and visions — dreams of changing the world for which they are willing to work hard.

The vision may evolve throughout a strategic planning process. Or, it may form in one person's head in the shower one morning! The important point is that members of an organization without a vision may toil, but they cannot possibly be creative in finding new and better ways to get closer to a vision without that vision formally in place. Nonprofit organizations, with many of their staff and board members actively looking for ways to achieve a vision, have a powerful competitive and strategic advantage over organizations that operate without a vision.

Perceptions of Ideal Futures: An Exercise in Forming Vision

This section outlines an exercise you may employ to assist your organization in defining its own vision. By using this exercise to develop your organizational vision, you may be better assured that the vision statement that is developed is a shared vision.

At a retreat, or even at a board meeting or staff meeting, take an hour to explore your vision. Breaking into small groups helps increase participation and generate creativity. Agree on a rough time frame — say, five to 10 years. Ask people to think about the following questions: How do you want your community to be different?
What role do you want your organization to play in your community? What will success look like?

Then ask each group to come up with a metaphor for your organization, and to draw a picture of success: "Our organization is like ... a mariachi band - all playing the same music together, or like a train - pulling important cargo and laying the track as we go, or...." The value of metaphors is that people get to stretch their minds and experiment with different ways of thinking about what success means to them.

Finally, have all the groups share their pictures of success with one another. One per- son should facilitate the discussion and help the group discuss what they mean and what they hope for. Look for areas of agreement, as well as different ideas that emerge. The goal is to find language and imagery that your organization's members can relate to as their vision for success.

Caution: Do not try to write a vision statement with a group. Groups are great for many things, but writing a vision statement in a large group is not one of them! Ask one or two or three people to try drafting a vision statement based on the group's discussion, bring it back to the group and revise it until you have something that your members can agree on and that your leaders share with enthusiasm. A group brainstorm session can yield the key values and elements that should be contained in the organization's vision statement.

The vision addresses where the organization is headed. The vision contains the dream of what impact the organization can have. It is an image of a better future state of being (Klopp, 1998, 32-34). It is a statement of confidence and pride that certain goals can be achieved. Leaders do not have to be far ahead of the organization; they just need to be ahead and anticipating the future. It is important that board members and individuals in the organization see changes and outcomes as a result of services rendered by the organization. They need to be able to make predictions about the future of the organization (Klopp, 1998, 55).

Values or Guiding Principles

Values are beliefs that your organization's members hold in common and endeavor to put into practice. The values guide your organization's members in performing their work. Specifically, you should ask, "What are the basic beliefs that we share as an organization?"

Examples of values include: commitment to excellent services, innovation, diversity, creativity, honesty, integrity and so on. Values may include beliefs such as: "Eating vegetables is more economically efficient and ecologically responsible than eating beef." This could be the contention held by the Vegetarian Association.

Marvin Weisbord writes in *Productive Workplaces* that values come alive only when people are involved in doing important tasks. Ideally, an individual's personal values will align with the spoken and unspoken values of the organization. By developing a written statement of the values of the organization, group members have a chance to contribute to the articulation of these values, as well as to evaluate how well their personal values and motivation match those of the organization.

Be sure that organization's publications, documents, and brochures are clear about the links among goals, mission, vision and organization values. Be prepared to link each of the organization's programs to an end. All elements of the mission must be relevant to the purpose of the organization and its vision. These elements are manifested in measurable program objectives.

References

Alliance for Nonprofit Management. 1899 L Street, NW, Suite 600, Washington, D.C 20036. http://www.Allianceonline.org. It is suggested that you review the actual web site for more detailed information and sources.

BoardSource. 1828 L Street, NW, Suite 900, Washington, DC 20036-5114, Telephone: 202-452-6262 or 800-883-6262, Fax 202-452-6299, E-mail BoardSource.org.   http://www.BoardSource.org/main.htm.   BoardSource   is   formerly known as the National Center for Nonprofit Boards.

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Responsibilities of Boards and Board Members

The following information applies to for-profit and nonprofit boards. A board of directors is a group of people legally charged with the responsibility to govern an organization. Legal and fiduciary responsibilities go hand-in-hand with service on public and private boards. Service on a public or private board requires the board member to uphold the public trust.

In a for-profit corporation, the board of directors is responsible to the stockholders. The board of a nonprofit organization is responsible to the stakeholders and constituents. This principle is manifested in service to members of a particular geo- graphic area, community, interest group, or public that the nonprofit organization serves in accordance with its mission.

An Obligation to Uphold the Public Trust

For-Profit Organizations have stockholders.

Nonprofit Organizations have stakeholders.

Nonprofit Organizations Are Corporations

A corporation is a legal entity. Nonprofit organizations with 501(C)(3) status are corporations. It enables a group of people to combine their energy, time, and financial resources for nonprofit activities. In order to become recognized as a legal entity, it must conform to and be in compliance with state statutes regarding incorporation and the legal attributes associated with incorporation. The corporation has unique legal identity apart from the officers and members, managers, owners, and operators. The nonprofit corporation may enter into contracts, incur debts, earn income, and pay taxes (Mancuso, 2000:1.2).

This means they are legal entities distinct from the individuals who founded them. Boards of directors cannot delegate legal and ethical responsibilities to parties external to the board. They govern nonprofit corporations in a way similar that boards of directors govern profit corporations. The directors, employees, and members have the benefit of limited liability. The corporation is subject to litigation, legal claims, and lawsuits (Mancuso, 2000: 1.2).

Under well-established principles of nonprofit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. Several states have statutes adopting some variation of these duties that would be used in court to determine whether a board member acted improperly. These standards are referred to as the Duty of Care, the Duty of Loyalty, and the Duty of Obedience. Each of these standards addresses the legal and financial aspect of service on a nonprofit board (BoardSource, 2002).

Duty of Care
Duty of Loyalty
Duty of Obedience

Duties of Nonprofit Board Members

Duty of Care — The duty of care describes the level of competence that is expected of a board member. It is commonly expressed as the duty of "care that an ordinary, prudent person would exercise in a like position and under similar circumstances." Board members must exercise due care and stewardship in all dealings with the organization and its interest. This includes careful oversight of financial matters and reading of minutes, attention to issues that are of concern to the organization and raising questions whenever there is something that seems unclear or questionable (Hughes, 2002).

> ### Duty of Care
> This refers to the exercise of prudent care, attention, and stewardship with regard to legal and fiduciary matters.

Duty of Loyalty — The duty of loyalty is a standard of faithfulness. Conflicts of interest, including the appearance of conflicts of interest, must be avoided. This includes personal conflicts of interest or conflicts with other organizations with which a board member is connected. Board members can never use information obtained as a member for personal gain. The best interests of the organization must be upheld.

> ### Duty of Loyalty
> This refers to faithfulness and avoidance of any conflict of interest for personal benefit.

Duty of Obedience — Obedience to the organization's central purposes must guide all decisions. The board members must also ensure that the organization functions within the law, both the "law of the land" and its own bylaws and other policies. The duty of obedience requires that board members be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization or legal statutes. A basis for this rule lies in the public's trust that the organization will manage funds to fulfill the organization's mission (Hughes, 2002).

> ### Duty of Obedience
> Uphold the laws and policies in conformity with the organization's mission and in compliance with legal statute.

Legal Responsibilities and Duties of Boards

Legal Responsibility

The legal duty of a board member is to act as a voting member of the board with full authority and responsibility to develop policies, procedures and regulations for the operation of the organization; to monitor the organization's financial health, pro- grams and overall performance; and to provide the chief executive officer with the resources to meet the needs of those the organization serves.

In order to gain a tax exemption for charitable reasons, a nonprofit organization must qualify under the Federal Tax Code as a charitable organization. The organization is a nonprofit corporation for a Section 501© (3) religious, educational, charitable, scientific or literary purpose that will qualify for 501 © (3) public charity status (Mancuso, 2000, 8.2).

You may call your local or regional IRS forms request telephone or the national toll- free number, 1-800-TAX-FORM (1-800-829-3676) or go on-line to http://www.irs.gov or pick up the forms in person at your local IRS office (Mancuso, 2000: 8.2-3).

- IRS Publication 557 — Tax-Exempt Status for Your Organization (Rev. November 1999)

- IRS Publication 578 — Tax Information for Private Foundations and Foundation Managers

Nonprofit organizations are chartered and registered at the state level with the office of the Secretary of State. These organizations provide continuity and standardization for the organization by setting up a corporation or legal existence. This enables the organization to represent its point of view through the interpretation and distribution of its products and services. The organization may take on an advocacy role for the benefit of a mission-specified clientele.

The board is responsible for ensuring that the organization meets legal requirements and that it operates in accordance with its mission and for the purpose for which it was granted tax-exemption. Individual board members must exercise the Duty of Care - meaning they must attend meetings, be prepared to make informed decisions by reading the information provided and requesting additional information if necessary, and carry out their duties in a reasonable and responsible manner. As stewards of a public trust, board members are responsible for protecting the organization's assets (BoardSource, 2002).

The board also has legal responsibilities regarding the hiring of employees in compliance with federal and state law. Equal Employment Opportunity policies, The Americans with Disabilities Act, and other compliance issues regarding local fire codes, law enforcement must be addressed (Di Lima and Johns, 1996: 3.13-19).

- Determine the organization's mission and purpose. A statement of mission and purpose should articulate the organization's goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission

statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

- Maintain accountability and ensure legal and ethical integrity. Except in the direst of circumstances, the board must serve as a court of appeal in personnel matters. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will reduce the risk of conflict. Provide sustainability and continuity for the organization by setting up a corporation or legal existence to manage risk. Account to the public for the products and services of the organization and expenditures of its funds, including: (1) provide for fiscal accountability, (2) approve the budget, (3) formulate policies related to contracts from public or private resources and (4) accept responsibility for all conditions and policies attached to new, innovative, or experimental programs (McNamara, 1999).

Fiduciary Responsibility

They must account to the public and interested parties for the products and services of the organization and expenditures of its funds. This includes (1) provide for fiscal accountability, approve the budget, and formulate policies related to contracts from public or private resources (2) Accept legal responsibility for all conditions and policies attached to new, innovative, or experimental programs (McNamara, 1999; Hanlon 1997).

- Practice fiduciary responsibility and manage resources effectively. The board, in order to remain accountable to its donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place. Acquire sufficient resources for the organization's operations. The board must finance the products and services in accordance with policies.

Financial Management and Sustainability

Board members are "trustees" of their organization who approve an annual budget that ensures it can meet its financial needs. In addition, board members monitor the overall financial health of their organization by reviewing annual reports of an auditor recommended by the administrator. This, however, does not mean that they should interfere with the administrator's responsibility to make day-to-day operational expenditures. As part of their fiduciary responsibility, many board members are actively involved in making sure that the organization has the money it needs.

This may include making a personal contribution; serving as an advocate with a foundation, corporation, or government entity; organizing a fund-raising event or hosting a benefit; or face-to-face solicitation of other individuals. Ensure that sufficient resources for the organization's operations as made available. The board also ensures that budgets are planned, proposed, and followed so that adequate financial resources exist to produce organizational products and services to clientele and constituents.

Fundraising must have a purpose. The board must become actively engaged in fundraising

for new products as well as continuing programs and activities. The board and a committee of the board must always keep the mission of the organization in mind when pursuing external funding. All fundraising goals must be tied to the core mission and values of the nonprofit organization. The board must ensure that project proposals are presented in written form to include project goals, objectives, methods, and budget. No fundraising effort will succeed if potential donors cannot share in the vision set forth by the organization (Di Lima and Johns, 1996: 2.1).

- Ensure access to adequate resources. One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the executive director and staff to raise funds from the community (BoardSource, 2002).

Policy Formation and Planning

Management, Oversight, Planning and Policy Formation
The Board governs the organization and guards against litigation and mismanagement by instituting and implementing appropriate broad policies and objectives in keeping with the organizational mission. Fulfilling the objectives in compliance with legal requirements and established policies goes far to protect the organization and its constituents from harm. The policies and objectives, agreed to by the administrator and staff, reduce the likelihood that organization will suffer losses through negligence. This is accomplished by self-assessment and thorough evaluation of practices and programs.

Organizational Management
The board is responsible for ensuring that the organization is well run from an over- sight perspective. The administrator is responsible for daily operations and management. The board moderates the power of management and has the power to hire and remove the chief executive, usually called the executive director or president. The management and oversight function entails assurance that meeting proceedings are reported and recorded accurately, organizational records are complete and subject to review by board members, and that meeting minutes reflect board action and policy accurately. Board members must ensure that the organization's mission is realistic statement and followed. The board ensures that the chain of command is followed.

Board members set broad policies and goals, and give the administrator free rein to implement them in the day-to-day management of the organization. Individual members of the board, however, have no authority to act independently of the full board. When they do, it can seriously damage the organization's ability to carry out its mission, board team spirit and the organization's image in the community. Board members who abuse their position this way should be disciplined or censured.

Individual board members should attend all board meetings and actively participate in them, and serve on committees or as board officers. Finally, board members have the responsibility to know and fulfill their proper role as board members and to act in the best interests of those their organization serves.

The board delegates the implementation of policy to the administrator (executive director). Select and appoint an executive director to whom responsibility for the administration of the organization is delegated. This includes reviewing and evaluating the administrator's performance regularly on the basis of a specific job description. It also includes the administrator's relations with the board, staff, volunteers, and stakeholders. The administrator shall provide leadership to the organization, pro- gram planning, policy matters, and implementation strategies. The board ensures that the administrator manages the organization effectively by offering guidance through policies. The board ensures that communication follows appropriate channels. The board determines the administrator's term of service to the organization.

- Ensure effective organizational, policy, and program planning. As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.

- Select the administrator (executive director). Boards must reach consensus on the chief executive's job description and undertake a careful search process to find the most qualified individual for the position. Select and appoint a chief executive to whom responsibility for the administration of the organization is delegated.

- Support the administrator (executive director). The board should ensure that the executive or administrator has the moral and professional support he or she needs to further the goals of the organization. Board members must develop a constructive relationship with the executive based on contracted, written job descriptions and prescribed duties. The board normally sets policy and the executive carries out the policies. The board and executive comprise the organization's leadership team.

- Recruit and orient new board members. The board must develop an organizational structure tied to stakeholders, constituents, volunteers, and community interests. These ties should attract people and encourage full participation at all levels of the organization and the community of interests (BoardSource, 2002; McNamara, 1999; Ingram, 1999).

Program and Service Delivery

Stakeholder and Constituent Representation

The board has an obligation to ensure that the organization fulfills its mission as a nonprofit organization. Through the delivery of programs and services the board meets the needs of designated clientele and constituents. Often, board members are chosen so that they can bring to the board the experience or perspective of a particular group or segment of the organization's constituency. Boards provide groups and communities that a nonprofit serves, to have a voice in its governance. However, rep- resenting a constituency or a personal viewpoint must take a back seat when voting. All board members are expected to vote with the nonprofit organization and the public's best interest in mind. Board members must be accountable to the stakeholders, constituents, and the public (BoardSource, 2002).

- Determine, monitor, and strengthen the organization's programs and services. The board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness. Provide continuity for the organization and represent the organization's point of view through interpretation of its products and services. Board members become advocates for the organization. They govern the organization by broad policies and objectives, formulated and agreed upon by the executive and possibly the staff. This includes assigning priorities and ensuring the organization's capacity to carry out programs by continually reviewing its work.

- Enhance the organization's public standing and public relations. An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy (BoardSource, 2002).

Evaluation and Assessment

Evaluate the Administrator and Programs

The board must establish prescribed methods of systematically evaluating and assessing the administration, staff, volunteers, and program delivery. Such evaluations and self-assessments should occur at least once a year. The administrator is usually an employee who is selected and evaluated by the board on a time schedule. This evaluation is a means of providing constructive feedback on a regular basis to improve performance of the administrator or executive director. Evaluation and self- assessment also applies to the functional areas of the organization including financial management, marketing plan, fundraising, programming, client services, collaboration, outreach, and program innovation. Board evaluation is an important part of evaluation also.

- Assess and evaluate board performance. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievements and reach consensus on which areas need to be improved. Discussing the results of a self-assessment at a retreat can assist in developing a long-range plan.

- Assess and evaluate the administrator's (executive director) performance. The board must assess and evaluate the executive director or administrator's performance. It ensures that the administrator has the managerial and professional support he or she needs to further the goals and mission of the organization. The administrator, in partnership with the entire board, should decide upon a periodic evaluation of the administrator's performance. The board, on a planned schedule, reviews and evaluates the executive's performance on the basis of the executive's job description. Elements of the job description should include executive-board relations, leadership in program planning, management, and implementation, and in financial and organizational management (BoardSource, 2002).

Five Basic Responsibilities of Nonprofit Boards

An Overview
Legal Responsibilities

1. Determine the organization's mission and purpose.

2. Maintain accountability and ensure legal and ethical integrity.

Fiduciary Responsibilities

3. Practice fiduciary responsibility and manage resources effectively.

4. Ensure access to adequate resources.

Policy Formation and Planning

5. Ensure effective organizational, policy, and program planning.

6. Provide procedures for organization oversight and management.

7. Select the administrator (executive director).

8. Support the administrator (executive director).

9. Recruit and orient new board members

Program and Service Delivery

10. Determine, monitor, and strengthen the organization's programs and services.

11. Enhance the organization's public standing and public relations.

12. Deal effectively with stakeholders and constituents.

Evaluation and Assessment

13. Assess and evaluate board performance.

14. Assess and evaluate the executive director or administrator's performance.

(BoardSource, 2002; McNamara, 1999; Ingram, 1999).

Principles of Ethical Behavior

1. Public Service is a public trust.

2. Members shall not hold financial interests that conflict with board duties.

3. Members shall not engage in financial transactions using confidential information to further any private interests.

4. Members shall not solicit or accept any gift of monetary values for conduct as a Board member.

5. Members shall not use their membership on the board for private gain.

6. Members shall act impartially and not give preferential treatment to any individual or corporate entity.

7. Members shall disclose any fraud, waste, abuse, or corruption to the proper authorities.

8. Members shall satisfy in good faith their obligations as board members, including just financial obligations.

9. Members shall adhere to all laws and regulations that provide equal opportunity to all individuals.

10. Members shall avoid any actions creating the appearance that they are violating any law or ethical standards (BoardSource, 2002).

Board Members' Legal Responsibilities as Board Members

Prepare for and Attend Meetings

- Attend all board meetings and activities including special events and board retreats.

- Come to board meetings prepared and informed about issues on the agenda.

- Board members must attend meetings and give proper attention to board business and the organization's purpose.

- Absence from a board meeting does not release the member (director) from responsibility for decisions made by the board. A pattern of absence may indeed be presumed to increase an individual's liability because he or she can- not demonstrate a serious dedication to the obligations of the position.

Contribute Information

- Contribute to meetings by expressing your point of view.

- Consider other points of view, make constructive suggestions and help the board make decisions that benefit organization's clientele and constituents.

- Keep the administrator informed about any concerns the community has.

Serve on Committees and in Offices

- Make a serious commitment to participate actively in committee work and serve on at least one committee.

- Assume board leadership roles when asked.

Learn the Organization and Its Members

- Become knowledgeable about all aspects of the organization.

- Volunteer for and willingly accept assignments and completes them thoroughly and on time.

- Stay informed about committee matters, prepare themselves well for meetings, and reviews and comments on minutes and reports.

- Get to know other committee members and build a collegial working relation- ship that contributes to consensus.

Public Relations

- Represent organization to individuals, the public and other organizations.
- Become an active participant in the committee's annual evaluation and planning efforts.

Finances and Evaluation

- Support the organization through a personal financial contribution. This applies only to boards of private, nonprofit organizations.
- Participate in fundraising for the organization (BoardSource, 2002).

Key Considerations for Board Members' Legal Protection

Board Members and nonprofit organizations should consider these recommendations for self and organizational protection.

- Board members must make certain the organization is operating within a legal framework.

- There is no absolute protection against someone bringing suit against you. Conscientious performance is the standard. The best defense is a good offense: strive hard to do everything right and be able to show that you tried hard, then you are much more likely to be on solid legal ground.

- Remember that the assumption in the law is not necessarily that you must make the correct decision, but that you must make the decision correctly. It helps greatly to be able to show that the board seriously considered an action before the action was taken. Board minutes should reflect this. Board members are more at risk for taking no action than for taking the wrong action for the right reasons.

- As a board member, you are legally responsible for your decisions. Accuracy of information provided to you and the integrity of sources must be weighed in your decision-making. You must use reasonable judgment. If you have special expertise, your level of reasonable judgment can be raised to a higher standard. If something smells fishy, it probably is fishy. Engage in trouble- shooting immediately and do it first-hand.

- Maintain comprehensive and up-to-date personnel policies that are reviewed by a professional, authorized by the board and well understood by management. If a manager's actions are not in accordance with a policy, courts will usually assume the manager's acts to be the official stance of the organization and to have superseded the policies.

- Schedule a presentation with a representative of your state Association of Nonprofit Organizations (i.e., SCANPO in South Carolina) to discuss in depth board liability matters and concerns. The discussion should include explanations of general liability, professional liability, worker's compensation, asset protection, and directors and officers (D&O) insurance. If you purchase directors and offers

(D&O) insurance, be sure the policy covers employee suits against the organization and the legal costs of defense in court cases.

- Review financial statements and insist on understanding them. Most boards probably should have two levels of reporting. One level should be a simplified form for monthly reports to the rest of the board supplying data that has been reviewed by the finance committee and another level that contains in-depth detail for a sophisticated finance committee.

Develop a Board Member "Agreement" What Are the Key Ingredients?

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> **Board membership is a public trust**
> **and a responsibility to be taken**
> **seriously.**

Policies and Documentation Database Checklist

1. **Statutory**

   _____ Articles of Incorporation

   _____ Form 1023: Nonprofit Application 501(c)(3)

2. **Organization**

   _____ Constitution and By-Laws

   _____ Operations Policy Manual

   _____ Employment Policy and Job Descriptions

   _____ Contracts and Memoranda of Agreement

   _____ Operations Manual

   _____ Organizational Chart

   _____ Board Officers and Members

   _____ Annual Reports

   _____ Meeting Minutes

   _____ Committee Reports

3. **Programming**

   _____ Plans: Strategic, Financial, Business, Marketing, Programs, Fundraising

   _____ Strategic Plan Amendments / Approvals

   _____ Publications, Brochures, and News releases

   _____ Technical Reports and Fact Sheets (Handouts)

   _____ Evaluation: Goals, Benchmarks, and Measurement of Outcomes

   _____ Applications (Recruitment/Solicitations)

   _____ Release Forms (liability)

4. **Financial**

   _____ Budget Reports

   _____ Proposed Budgets

   _____ Financial Flow Chart

   _____ Monthly Treasurer's Report

   _____ Operating Budget and Revisions

   _____ Contracts and Insurance

   _____ Tax Record

Common Risks Facing Nonprofit Organizations

Defining Risk

Risk is any uncertainty about a future event that threatens your organization's ability to accomplish its mission. Viable threats endanger your organization's core assets and thereby limit your ability to provide critical services. Although your "fund balance" may be minimal, and equipment may be second generation, your agency has vital assets at risk.

To prevail, a party alleging negligence must prove that:

1. A Duty Exists — An organization cannot be found negligent unless it first had a duty to exercise care.

2. The Duty Is Breached — An organization that does not meet its duty of care may be found negligent.

3. An Injury Occurred — Negligence will not be found unless someone is hurt or something is damaged.

4. The Breach of Duty Caused the Injury — In order for an organization to be found negligent, the injury must be tied directly to the entity's breach of its duty of care.

If all four elements exist in a given situation, a court may hold the organization liable for injury or damages. One of the greatest risks facing a nonprofit is the failure to provide the requisite level of care required under the circumstances. The required standard of care, however, varies with the situation, the people involved, and the community in which the incident takes place. Nonprofit organizations serving children or other vulnerable populations must exercise a higher level of care than if the agency works with animals or the environment. Many safeguards must be observed with minors.

Categories of Nonprofit Organization Assets

1. People — Board members, volunteers, employees, clients, donors, and the public.

2. Property — Buildings, facilities, equipment, materials, copyrights, and trademarks.

3. Income — Earned income, grants, and contributions.

4. Goodwill — Reputation, stature in the community, and the ability to raise funds and appeal to prospective volunteers.

People

- The Board must protect clients, staff, volunteers, and the public from harm.

- The Board ensures that resources are available to compensate individuals harmed by the organization's activities.

An organization can evaluate the risks facing it by the magnitude of the threat to its core assets. The likelihood and potential consequences of a risk materializing determine whether it is a high priority risk requiring immediate attention. The risks most common to nonprofit organizations include:

Injuries to Clients, Employees, Volunteers and the Public

The nonprofit organization's major risk or exposure is the possibility of someone getting hurt. The injury may be the result of the organization's negligence or a non-fault accident. Every nonprofit, when serving clients or raising funds for its pro- grams, must exercise a level of care necessary to protect people from harm. Injuries may arise from an automobile accident, workplace hazards, client participation in a regular program, or the sponsorship of a special event.

Nonprofit managers must understand the important concepts of liability and negligence to assess and prioritize risks. An organization is liable when it is financially responsible for its actions or failure to act. Claims made against nonprofit organizations frequently allege negligence, or the failure to act as a reasonable person would under similar circumstances.

Employment Practices

Data supplied by several insurers indicates that employment-related matters represent the largest share of claims filed against nonprofit under directors' and officers' liability policies. Coregis, a large insurer of nonprofit D&O coverage, reports that employment-related allegations account for more than 75 percent of nonprofit claims. The Nonprofit' Insurance Alliance of California (NIAC) reports that lawsuits alleging wrongful termination represent 60 percent of all suits filed against nonprofit boards. Charges of sexual harassment and discrimination are the next leading causes of employment practices claims. Nonprofit managers and boards must carefully establish and follow employment policies and procedures to reduce the risk of employment practices claims.

Employment risks arise from the existence of extensive laws regulating the employer-employee relationship. The laws apply to all aspects of the employment relation- ship — including the hiring, supervision, and termination of employees. Non-compliance can result in an employment claim and significant fees, fines or settlements.

The laws and regulations include federal, state and local requirements. Some of the issues addressed by the laws are sexual harassment, discrimination (based on sex, age, race, color, creed, national origin, disabilities, sexual orientation), wage and hour, fair labor standards, and benefit plans administration.

State nonprofit associations (i.e., SCANPO) often have model employee handbook literature for nonprofit organizations that provide guidance and information about job requirements, employee rights, fringe benefits, personnel matters, organizational management practices, policies, and operations of the organization. SCANPO dis- tributes on request a policies manual and handbook.

The board of a nonprofit can contribute significantly to managing risk by paying close

attention to hot spots -- the areas most likely to result in claims. By adopting practices that minimize the likelihood of such claims, the board places an organization on the right footing.

Property

Damage to Property

Many nonprofit organizations own property even if it is antiquated office furniture or computers. The damage or destruction of the organization's property can impair its ability to continue operations. A fire, tornado, flood, wind, explosion, vandalism, theft or electrical malfunctions can cause damage to the organization's property. The need to abandon or temporarily vacate unusable offices can severely disrupt the operations of most nonprofit organizations. The organization could face substantial costs to relocate to temporary or new offices. A property loss has both operational and financial consequences.

An organization's property can be more than its office furniture and equipment. Many nonprofit own automobiles, mobile equipment (cellular phones, two-way radios, tools), boats, and lawn or maintenance equipment. What would the impact of a major property loss be on your organization?

Many nonprofit organizations do not consider the risk of damage to property that it has borrowed or rented. Most property rental agreements assign responsibility for damage to the property to the lessee (the organization). Even if you borrow equipment without a contract, the owner may expect restitution if your organization lost or damaged the property.

A word of caution: many organizations assume that a general liability policy will cover damage to another's property. However, most general liability policies exclude damage to property owned by or in the care, custody, and control of the insured.

Income and Assets

- The board must put policies in place that protect the nonprofit organization's assets and guard against potential risks. The board shall establish long-term goals and short-term objectives for the organization's program initiatives and resources.

- The board must approve an action plan to meet the organization's goals and objectives that incorporates risk management and safeguards against litigation.

- The board must ensure the availability and proper use of funds to support administrative and program activities through active participation in fund raising programs and the development and monitoring of financial management and fund-raising policies.

Fraud

Every nonprofit is vulnerable to fraud. The theft or misappropriation of funds can have severe consequences. A single major theft of funds or equipment could jeopardize seriously a nonprofit's viability and public image. The organization may suffer a

cash flow crunch, loss of donor confidence, reduction in services and a loss of jobs. The public reporting of a loss could be devastating as media reports affect donations, the availability of volunteers and public goodwill.

According to Robert Hailstone at Australia's Criminal Justice Commission, the true costs of workplace crime in Australia totaled $10 billion in 1996. Hailstone also reports that fraud accounts for two-thirds of all crime. A study estimated the 1996 U.S. cost of workplace crime at $300 billion. The lack of effective internal controls may enable the thief to be successful. Even a small nonprofit with very limited resources could lose it all if an employee or volunteer steals or squanders its money. It is recommended that all officers and board member become bonded to guard the organization against dishonesty and fraudulent behavior.

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CASE STUDY EXERCISE
Find the Negligence
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Good Will and Public Trust

Legal Requirements

Nonprofit organizations, as holders of the public's trust, are subject to specific laws and regulations. Organizations must meet IRS requirements to maintain their tax- exempt status. The Internal Revenue Code addresses the organization's charitable mission, political and lobbying activities and proper accounting of income and expenses. Violations can lead to fines, loss of tax-exempt status or possible dissolution. Besides the IRS, every state has charitable solicitation and other laws applicable to nonprofit organizations (BoardSource, 2002).

In addition to laws regulating the operation of nonprofit organizations, many organizations must follow operational rules and regulations. Medical clinics must follow hazardous waste handling procedures and meet state requirements for a medical facility. Organizations serving children must report suspected cases of child abuse and follow other health and safety regulations. If an organization fails to comply with these regulations, the regulatory authority may impose a fine, suspend its operating license or permanently close the operation. If the media reports the incident, the adverse publicity could also affect the organization's ability to function.

To manage the risks of legal compliance, every organization must research and keep current on the rules, regulations and statutes that apply to its operations. Noncompliance can both initiate governmental action and create the basis for a liability action against the organization (BoardSource, 2002; The Alliance, 2002).

The Board's Role in Managing Risk

The primary responsibility of a nonprofit board of directors is to guide the organization in accomplishing its mission. In fulfilling this obligation, the board has a legal duty to use the organization's assets prudently. The assets of a nonprofit vary, but generally fall within one of the following categories: people (board members, volunteers, employees, clients, donors, and the public), property (buildings, facilities, equipment, materials, copyrights, and trademarks), income (sales, grants, and contributions), and goodwill (reputation, stature in the community, and the ability to raise funds and appeal to prospective volunteers). The board's oversight role empowers it to exercise tremendous influence in ensuring that the organization protects and uses its core assets solely to further the goals of the organization.

To discharge its important responsibility for insuring the health of a nonprofit, an effective board provides leadership and direction for an agency's overall risk management program. The board should pay close attention to the risks inherent in its governance activities.

Through the board's failure to act or mistakes, the directors may expose the organization's assets to losses and thus prevent the agency from achieving its mission. When the board takes the lead in protecting the organization's assets, it supports the organization's successful operation. A successful organization helps to ensure the agency's positive impact on the community for many years to come.

Following an unfavorable story in the press about an episode "mismanagement" by a nonprofit organization, the same question is always posed. Why didn't the board do something? Yet, during financial crisis, the boards of the United Way of America, Covenant House and others did not do any less than what most nonprofit boards do. The cruel reality is that some nonprofit boards are ineffective in their governing function. Only when gross mismanagement occurs does a failure at governance come to the fore (The Alliance, 2002).

The overlooked reason is that the prevailing "team" model for the relationship between boards of directors and their staff is only half of the story. "Team" members are understood to bring different skills and play different roles to support and build the organization, working toward common goals. Although board members should and do act as supporters and builders, they have another role to play as questioners and monitors of the organization. As part of the team, the board stands with their well-intentioned organization as it operates in a demanding world. In contrast, in their governing role, the board must stand outside the organization and hold it accountable to the public interest (The Alliance, 2002).

Both these roles — supporting and governing — are critical to effective work by nonprofit organizations. Rather than try to eliminate the contradictions and tensions of their governance role, boards must find techniques for strengthening their independence and creatively using this tension for the good of the organization and the purpose it was created to serve (The Alliance, 2002).

The Role of Effective Board Governance in Organizational Sustainability

The two roles of support and governance encompass different tasks. In the role of supporters, board members strive to ensure the success of the organization. Boards raise money and bring contacts and clout to the organization. Select board members may provide special legal and financial skills while all board members function as ambassadors to the community and constituents. The many books, articles and seminars on the subject testify to the emphasis on helping boards help — on strengthening organizations by means of board assistance.

The governance role, on the other hand, has as its goal protection of the public inter- est. Governance responsibilities for boards include selecting the top administrator and assessing his or her performance, reviewing and authorizing plans and commitments, ensuring compliance with legal and contract requirements, and evaluating the organization's work.

Both of these board roles are distinguished from that of management, the province of the administrator (The Alliance, 2002).

Suggested practices are outlined below:
- Carefully select the administrator (executive director). The board should make the delegation of responsibility for day-to-day management with care. This care begins with the thoughtful selection of the administrator (executive director). The board's ability to fulfill its legal duties and risk management responsibilities will largely depend upon the competence, skills, and cooperation of the administrator.

- In recognition of a range of liability concerns, the board should receive legal advice about recruiting and hiring a chief executive. In addition, if the board decides to negotiate an employment contract with its new administrator (executive director), the parties to the contract, the board and the administrator, should both seek counsel.

- Oversee employment practices. While the board's responsibility for hiring generally ends in the selection of the executive director, its overall responsibility for the employment practices of the nonprofit extend a great deal further. Employment-related actions are the largest source of claims filed against boards of directors under Directors' and Officers' (D&O) insurance policies (The Alliance, 2002).

The board's role is not to micro-manage every action taken by the executive director. Instead, the board is acting appropriately and responsibly when it questions whether the agency applies its employment practices consistently and uniformly. The board should also determine if the organization is following the board established employment policies. In addition, members of the board should ask what steps the staff are taking to prevent unlawful discrimination or other actions that could result in agency liability (for example, training of supervisory staff). Lastly, when the directors deem it necessary, they should direct the senior staff to strengthen or revisit such practices.

Oversee financial management and fund-raising policies. Nonprofit boards are often described as "fiduciaries" entrusted by the public with charitable funds. Few non- profit organization board members are financial experts in the area of nonprofit and voluntary organizations. It is not necessary for all prospective board members to have highly specialized financial management skills.

To discharge their fiduciary duties and the duty of care, board members must be committed and diligent in reviewing information related to the organization's financial position. After establishing goals and objectives and approving the strategic plan, the board should approve an annual budget. The board meets its financial management responsibility by reviewing financial statements regularly and questioning whether expenditures are consistent with the program priorities and operating policies established by the board. Is the organization on a sound financial footing? Are the staff's revenue projections realistic? Do the financial statements present a clear picture of the financial condition of the agency?

Fund-raising is one area in which nonprofit boards are most active at the operational level. Nonprofit board members' ability to raise funds or access potential donors is often considered in their selection. The board's role in managing fundraising and development-related risks includes developing policy for fundraising strategy and practices. For example, does the nonprofit organization reject unsuitable gifts? Does it have procedures in place to account for the "strings" attached to certain donations? Are policies and controls in place to ensure that funds will be spent according to the provisions of restricted grants?

Liability Insurance Coverage

Directors' and Officers' (D&O) Insurance

Ensure that the nonprofit organization has Directors' and Officers' (D&O) liability insurance. Review the level of coverage. D&O policies have evolved considerably over time to meet the needs of nonprofit organizations. While some nonprofits continue to purchase traditional corporate D&O policies, most organizations select policies that respond to the unique exposures facing nonprofit organizations. Board members should be knowledgeable about the agency's D&O coverage and request information that will enable them to evaluate whether the coverage purchased by the organization is appropriate and responsive to the nonprofit's exposures.

For example, will the insurer advance defense costs or require that the nonprofit pay counsel and await reimbursement by the company after they resolve the claim? Does the policy contain a broad definition of insured or is coverage limited to current directors and officers? Does the organization's policy manual provide broad cover- age for employment practices liability or exclude employment-related claims? Given the growing number of D&O claims (especially employment practices allegations), nearly every nonprofit can benefit from buying a D&O policy. The current competitive marketplace for D&O coverage and most nonprofit organizations' lack of a loss reserve fund also support the benefits of purchasing D&O insurance.

Adopt and follow procedures. "Good procedures, regularly followed" could be the risk management mantra for any nonprofit. Several policies and procedures can be invaluable to a board as it strives to fulfill its legal duties and risk management responsibilities. These include the use of position descriptions for board members and an annual self-evaluation process, and the adoption of conflict of interest policies, attendance policies, and board minute procedures (The Alliance, 2002).

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Introduction and Overview

Some Basic Accounting Concepts

Assets — "What you own"

Liabilities — "What you owe"

Equity — Known as "Fund balance"

Revenue — "What is earned"

Expense — "What has to be paid to stay in business"

Net Worth — Assets - Liabilities

(Di Lima and Johns, 1996:5:1-2)

> Nonprofit is a tax status, not a business plan.
>
> Anonymous, (National Center for Nonprofit Boards, 1998)

Goals of Financial Reporting

Standard financial reports of nonprofit organizations are not very different from profit companies. The basic elements are the same and are closely tied to cost, revenue and sales volume. Board members must learn to read and interpret financial statements and documents. They do not have to be experts, and they do not have to create financial reports. Accountants do that work for the organization (Di Lima and Johns, 1996:5:17).

Individuals who join the board of a nonprofit organization may think of their responsibilities in terms of how much money he or she should give or which committees he/she will serve on. They may not realize a board member's responsibilities encompass far more. Board members are responsible for the corporate survival, financial viability and program success of an organization. Most important, for purposes of this booklet, they have a fiduciary responsibility (National Center for Nonprofit Boards, 1998).

The concept of fiduciary responsibility — a trust held for the greater community — precedes modern times. Throughout history, from ancient Athens to the American frontier, individuals in the community have been selected to protect the common good — to make and enforce laws, spend public funds or care for the sick. Today's board members, as custodians of something of value to the community, have a similar role (National Center for Nonprofit Boards, 1998).

Board members must understand the issues important to financial integrity and solvency, safeguards and procedures to protect the organization, and signs of financial trouble.

Armed with this knowledge, they will be able to protect and enhance the nonprofit organization's capacity to serve the community (National Center for Nonprofit Boards, 1998).

Important Purposes of Financial Reports

1. To measure financial performance.
2. To monitor changes in financial performance.
3. To target operational changes. (Di Lima and Johns, 1996:5:172)

Board Members Must Monitor Five Areas

1. Spending
2. Profit Performance - Now
3. Profit Performance - Past
4. Profit Performance - Future
5. Cash Availability - Now and Short-Term (Di Lima and Johns, 1996:5:17)

Section I: Financial Issues Board Members Should Address

All nonprofit board members share certain financial concerns that involve the basic health and welfare of the organization. An effective board member should raise the questions listed below at least annually:

Financial Planning

Many nonprofits try to do too much. A sound strategic plan linked with a realistic financial plan will ensure the organization is using its resources effectively. As part of the planning process, the board should work with the staff to identify the organization's mission, develop a strategic plan to fulfill that mission and identify and select programs to achieve strategic goals and objectives.

The planning process should include:

- An evaluation of existing and potential financial resources;

- An examination of internal and external environmental forces affecting the organization and its funding;

- A review of the cost and effectiveness of existing programs; and

- An examination of alternatives and their financial implications.

Once the board has determined programs, time lines and basic costs, those responsible for implementing the programs should be assigned the task of developing the budgets needed to get the job done. Budgets should cover at least one year, and preferably two or more. The benefits of multi-year budgeting easily offset the time required to implement it. Given the great importance of this process, sufficient time and training should be provided to see that the job is done right. Many nonprofits allow three to six months to develop their budget. This process should not be hurried
— too much is at stake.

Questions the Board Should Ask

1. Do we have a current, functional strategic plan? If so, has it been updated in the last three years?

2. Is our financial plan consistent with our strategic plan?

3. When was the last time we reviewed the usefulness of each of our programs?

Sufficient Available Cash

The availability of sufficient cash is critical to any nonprofit operation, for cash is the fuel on which the economic engine runs. Typically, a nonprofit organization will find it satisfactory to hold sufficient cash in a checking account to pay salaries and

expenses for one month. If this is not sufficient cash in the bank, the availability of certificates of deposit or other investments that can readily be converted into cash can allay concerns. Some organizations maintain a line of credit or other borrowing ability to ensure they have enough cash available.

If an organization is short of cash, it should project the amount of cash that should be on hand at the start of each future period, how much will be received or spent during that period, and what will remain at the end of the period. Cash-flow projections are usually done on a monthly basis, although some organizations will project weekly or even daily if they are truly cash poor.

Many organizations use computerized financial spreadsheets to maintain 12 months of cash-flow projections on an ongoing basis. A nonprofit organizations' cash-flow history can help financial managers estimate the current year's cash flow more accurately.

Cash flow projections also enable the organization to plan for the purchase of new equipment and other essentials.

Questions the Board Should Ask
1. Is our cash flow projected to be adequate?
2. Are our cash-flow projections reasonable, objective, and not overly optimistic?

Satisfactory Reserves

Nonprofit organizations should monitor their financial strength to be certain they can continue to perform their important services whatever problems the organization faces or whatever happens to the economy as a whole. One gauge of financial strength is the level of reserves of the organization (National Center for Nonprofit Boards, 1998).

Reserves can be defined in different ways. The simplest definitive assets (or things of value) the organization owns, minus the organization liabilities (or debts). The remain- der is the fund balance, or reserve (National Center for Nonprofit Boards, 1998).

There are problems with this approach. Reserves are useful for such planned events as launching new programs, but they are required when a financial crisis occurs.
Inventory and fixed assets, such as furniture, equipment or buildings, while useful, usually cannot help avert a crisis. Similarly, long-term debts, such as a mortgage on a building, will not necessarily make a current crisis worse, because they are paid off over a long period of time. Also, certain funds held by nonprofits are restricted in how they may be used and will not be available in a crisis unrelated to their restricted purpose (National Center for Nonprofit Boards, 1998).

Reserves might best be defined as those unrestricted assets that are reasonably liquid, minus those liabilities that must be paid off fairly soon. Therefore, a more conservative definition of reserves would be the organization's current assets, minus inventory, less its current liabilities (National Center for Nonprofit Boards, 1998).

Nonprofit organizations can build their reserves only by running at a surplus, whether the surplus is a result of regular operations or special fund-raising efforts. An organization with accumulated reserves will have funds available to invest in equipment and property, apply to program expenses and protect the organization during periods when revenue falls below expenses. Net income builds a surplus, sometimes quickly from such events as a major fund-raising campaign, but usually slowly over time (National Center for Nonprofit Boards, 1998).

The level of reserves that is appropriate varies from organization to organization. Most experts agree that if one year's operating expenses are "in reserve," the organization is in a strong financial position. Most organizations, however, are not able to achieve this level. Each organization should take into account its own circumstances, considering cash flow, capital requirements, etc., and set a reasonable reserve level. Obviously, a foundation will require far greater reserves. On the other hand, a small or newer operating nonprofit might well be lucky to have 10 to 20 percent of a year's expenses in reserve. Practically speaking, 35 to 40 percent of a year's expenses should provide sufficient "breathing room" for nonprofits with reasonably stable sources of income. Whatever target level is selected, the organization should build to this level over five to 10 years by funding reserves as a line item in the budget (National Center for Nonprofit Boards, 1998).

Naturally, organizations that have restrictions on the use of certain funds, such as an endowment fund that allows use of only the income and not the principal, would require more substantial reserves to be able to continue functioning effectively (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Do we have sufficient reserves?

2. Has the board adopted a formal policy for the establishment of reserves?

3. If we have permanent endowments, has the board considered a spending rate policy to ensure the safeguard of the principal?

Relationship Between Revenue and Expenses

If the organization's expenses are rising or falling at the same pace as its revenue, then expenses are said to be "in line." Problems generally arise when expenses are rising more quickly than revenue; if the organization is not already running at a deficit (and consuming its reserves), then at some point in the future, it will be (National Center for Nonprofit Boards, 1998).

Similarly, certain items of expense are directly related to certain sources of income. For instance, it is important to ensure that publication expense is not running far ahead of publication revenue. Keeping an eye on related revenue and expense lines is important (National Center for Nonprofit Boards, 1998).

There are two different and valuable perspectives to keep in mind. The first is a programmatic

perspective: Does this program's income exceed its expense? This analysis can be done at a broad level (total meeting income versus total meeting expense) or at a more specific level (annual meeting income versus its expense). To be able to obtain this type of information, the organization's accounting system must be set up to pro- duce it. Be careful here because many organizations believe they are making a profit in areas where they actually are not (National Center for Nonprofit Boards, 1998).

The other perspective involves what is called "natural" items of income and expense. These items are more difficult to compare because they do not relate to a specific products or programs, but to the organization as a whole. Dues, interest income and professional and maintenance expenses are examples of "natural" classifications of income and expense (National Center for Nonprofit Boards, 1998).

Nevertheless, it is valuable to monitor the larger of these income and expense items in relation to each other. For instance, because salaries are usually one of the largest expenses for nonprofit organizations, special attention must be paid to keep them in line. A useful comparison can be obtained by dividing total salary by total income for both current and historically comparable periods. The idea is the ratio of salary to income should either improve (get lower) between periods or stay in a range appropriate to the organization (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask
1. Have we run a gain or a loss?
2. Do we have management reports that identify program and nonprogram revenue and compare them with assigned costs?
3. Are any specific expense areas rising faster than their sources of income?

Meeting the Budget

This question goes to the heart of the difference between for-profit and nonprofit organizations. A for-profit's financial success is measured by how much profit it earns — the more the better. The same cannot be said for a nonprofit organization.

Although a nonprofit does need to build and maintain its reserves, too great a sur- plus may imply that it could have provided more services or products for the good of the community, or that it needed to raise less revenue. Neither conclusion is good for the image of the organization (National Center for Nonprofit Boards, 1998).

Nonprofit organizations measure success not only by the good they do for the com- munity, but also by how well they managed to meet, or "make," their budgets.
Fulfilling the mission is the bottom line; balancing the budget makes it possible. Board members should be aware that making either more or less than the amount budgeted results from a variety of circumstances. For example, if the organization makes more than was budgeted, it is possible that it spent too little on programs or that it padded the budget with extra expenses just to be on the safe side. It can also mean, of course, that the organization was more successful than anticipated in enlisting grants or other revenue (National Center for Nonprofit Boards, 1998).

Similarly, making less than was budgeted can occur for a variety of reasons. The organization might have taken on unanticipated tasks or allowed expenses to go out of line. Both income and expenses budgeted need to be compared with actual income and expenses for the full story to be told (National Center for Nonprofit Boards, 1998).

If a nonprofit organization does not have a budget, it is difficult to determine whether it is being managed effectively, although some would conclude the lack of a budget alone is a clear indication of poor management. Simply breaking even — running at a very small gain or loss — is not enough. Expected performance (i.e., a budget) should also be projected, both to create a goal for volunteers and employees and to create a measuring device for success and failure (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask
1. Are we regularly comparing our financial activity with what we have budgeted?

2. What procedures, do we use to make sure the differences between what was budgeted and what actually happened are being appropriately addressed?

Propriety of Expenditures

Many nonprofit organizations exist at the whim and will of the public they serve. If they behave in a fashion that seems wasteful or inappropriate, the public can turn against them: Sources of funding dry up and the organization can be hurt or put out of business.

What exacerbates this situation is that nonprofits operate in a fishbowl. Their activities are open to the scrutiny of volunteers, members and the public. The federal government, through the Internal Revenue Service (IRS), requires the nonprofit make its annual reporting document (Form 990) available for inspection or duplication to anyone who requests it. Thus, it is critical that a nonprofit not only appear to be acting appropriately, but that it actually is acting appropriately (National Center for Nonprofit Boards, 1998).

The appearance of propriety extends not only to fulfilling the organization's exempt purpose, but also to how efficiently it is perceived to be achieving its ends. Each organization must look to others in its field to determine that its operating and fund raising costs are reasonable in comparison. Although there are no true nationwide or industrywide standards, each entity can be compared to its peers (National Center for Nonprofit Boards, 1998).

Other areas of special concern invariably include compensation and benefits to senior staff, especially the chief executive and to officers and board members. (See "Avoiding Conflicts of Interest," page 10.) Due to substantial attention by the press, Congress and the IRS, there are stringent new rules in place for excessive compensation

or unreported benefits. Nonprofits must be especially careful to operate within these rules if they wish to avoid penalties and appear to be acting appropriately (National Center for Nonprofit Boards, 1998).

Benefits to officers or board members may not come as cash compensation; but may instead be hidden in such items as an above-market rental agreement by the nonprofit for property owned by the board member. This and similar types of arrangements can result in loss of the organization's exempt status and must be avoided at all costs. The damage resulting from even the appearance of such a relationship can be quite substantial (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Does the board provide oversight to safeguard against waste and fraud?

2. Does the board provide oversight of contractual agreements to ensure the organization's exempt status will not be questioned or impaired?

3. Does the board provide for internal controls over expenditures to ensure their propriety?

4. Are we acting in accordance with the IRS rules on executive compensation?

5. Are we fulfilling our tax-exempt purpose as granted by the IRS?

Insuring Against Risks

Even with the greatest vigilance on the part of the board and staff, problems may arise that threaten the financial health of the organization. Board members should make sure the organization is managing risks, either by insurance or by other means, to ensure its continued existence. The organization's assets should be insured, and everyone involved with cash and securities should be bonded. If being open for business is critical to the organization, business interruption insurance can provide income lost if the organization is forced to close for a time (National Center for Nonprofit Boards, 1998).

The National Center for Nonprofit Boards has produced several publications dealing with risk management that are available as a packet entitled The Board Member's Guide to Legal, Liability, and Insurance Issues. In addition to reviewing such texts, the board could reasonably ask for an update of the insurance the organization is carrying. If the organization has an independent auditor, the auditor could be asked for a formal or informal opinion on whether the insurance carried appears satisfactory (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Is everyone who handles cash, checks or investments bonded?

2. Do we carry appropriate insurance to ensure the organization can continue to function under adverse circumstances?

Meeting Guidelines Set by Funding Organizations

Organizations that receive funding from the federal government, foundations, individual donors or other entities must usually follow specific rules and guidelines or face suspension or retraction of funding. The board is ultimately responsible for ensuring this income is managed properly.

Recipients of private grants or contributions: Frequently, donors provide funding for a restricted purpose, such as research in a specific area, a particular project or a specific prize. These restricted funds must be spent for their designated purpose.

Nothing is more certain to damage a nonprofit organization's ability to attract funds than for it to be found using restricted funds for no restricted purposes (National Center for Nonprofit Boards, 1998).

An organization that receives restricted gifts must account for the funds carefully so it can prove these funds were used for the purpose intended. Nonprofit organizations have developed a system called fund accounting to address the need for accountability to donors and funding organizations and to ensure that gifts are spent for their designated purpose. Each fund is a complete set of accounts and constitutes a separate accounting entity, allowing the organization to report accurately to the board and to funding organizations on the status of restricted funds (National Center for Nonprofit Boards, 1998).

Recipients of federal funding: Strict rules apply to recipients of federal funds. Any organization expending $300,000 in federal funds is required to conduct a special audit of its handling of those funds. This is called an A-133 audit because it was communicated to the public in the Office of Management and Budget's (OMB's) Circular A-133. The requirements for A-133 audits vary, based on the number and amount of federal awards received (National Center for Nonprofit Boards, 1998).

OMB A-133 requires that outside auditors review and report on whether the funds provided were spent for the precise purpose intended and in a fashion appropriate to all federal guidelines. It also requires the outside auditor report on the effectiveness of the system of internal controls in ensuring compliance with federal rules and grant terms. Every nonprofit receiving federal funding is now subject to this increased scrutiny. Organizations that have not correctly complied tend to appear in newspaper headlines locally or nationally, depending on the gravity of their errors (National Center for Nonprofit Boards, 1998).

Public exposure is not the only unpleasant result of failure in this regard. The federal government has many penalties it can bring to bear, the harshest being a suspension of funding or a demand for the return of grants (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Has the board established internal controls to ensure that restricted funding received is appropriately spent and accurately accounted for?

2. Are we providing timely reports as requested by funding organizations?

Avoiding Conflicts of Interest

In our increasingly competitive environment, opportunities for conflicts of interest are growing. Nonprofit board members must remain vigilant in their efforts to avoid such conflicts. Even an appearance can cause significant damage.

Some of the clearest and most serious conflicts of interest occur when a staff member or volunteer receives an inappropriate financial gain from the organization. This type of conflict, mentioned earlier in the section on propriety of expenditures, is known as private inurement. This refers to the concept of "coming into use" or "to take and have an effect." It is tied to conflict of interest because of personal benefit gained. One example is a board member renting space that he owns to the organization at more than fair market value. The IRS looks for private inurement when it audits nonprofits. If such a conflict of interest is found, the individual receiving the excessive financial benefit must return it and pay penalties. Board members can also be assessed penalties if they knowingly approved the transaction or contract (National Center for Nonprofit Boards, 1998).

A subtler conflict of interest appearing frequently in nonprofits occurs when a board member is involved at a significant level in another competing or potentially competing organization, either for-profit or nonprofit. It is clear breach of fiduciary responsibility for a board member to intentionally, or even accidentally, convey confidential information to such an organization. If a situation presents the possibility this might occur, the board member should resign one of the board positions (National Center for Nonprofit Boards, 1998).

If confidential information or valuable services are provided to a for-profit competitor, the breach of fiduciary responsibility may be ever greater, since the nonprofit will be financially disadvantaged as a result. For example, a board member or officer might discuss plans for a conference to be given by a nonprofit with a for-profit organization that is a likely competitor. Given the risks involved, it is best for a nonprofit to refrain from commercial transactions with organizations that employ members of the nonprofit's board as staff or directors (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Do we have a policy prohibiting conflicts of interest?

2. Do any of our board members have potential or actual conflicts of interest?

3. Have we reviewed compensation packages and fee-for-service arrangements to ensure compliance with the IRS's excessive payments sanctions, which could impose severe penalties against individuals?

Section II: Systems that Protect Nonprofit Organizations

Certain systems should be in place to protect every nonprofit organization. Management is responsible for making sure the organization implements and maintains these systems, but the board should assess itself to see that management is following   board policies (National Center for Nonprofit Boards, 1998).

The most difficult internal problems to identify are those due to accretion, or gradual accumulation, rather than through gross mismanagement or malfeasance. As an organization grows, seemingly insignificant erroneous activities or behaviors tend to develop incrementally. When these activities first arise, they are too small to be important. The impact of these errors can grow with the organization, however, resulting in a major problem when the matter finally comes to light (National Center for Nonprofit Boards, 1998).

The job of a diligent board member is to make sure that management not only reviews established accounting procedures, but also to ensure the board regularly takes a fresh look at ongoing routines. All of these systems taken together provide protection, allowing the safe and efficient operation of the organization (National Center for Nonprofit Boards, 1998).

Internal Controls

Internal controls are those processes and procedures that protect the assets of an organization and promote its efficient operation. For internal controls to succeed, they must address both concerns simultaneously. For example, a process to pay bills that is efficient but occasionally pays invoices that should not be paid sacrifices too much in protection of assets, cash in this case, to achieve an otherwise valuable efficiency. A good balance is at the heart of a good system of internal controls (National Center for Nonprofit Boards, 1998).

Protection of assets is fundamental to the wellbeing of a nonprofit organization. The board, with the help of its staff, must create internal controls that will protect those assets most subject to waste or theft.

The key to good internal controls is segregation of duties. This concept requires the organization to separate incompatible elements of certain transactions. For instance, whoever is approving invoices to be paid should not be preparing the checks to pay the invoices, and whoever is preparing the checks should not be signing or mailing the checks. Separating these functions makes it much more unlikely that an organization will pay an inappropriate invoice (National Center for Nonprofit Boards, 1998).

Similarly, the person who receives cash should not be the person who records that receipt in accounts. By controlling both sides of that activity, an individual could misappropriate the cash and cover up that fact in the financial records (National Center for Nonprofit Boards, 1998).

Board members of nonprofit organizations should insist on effective internal controls. Good controls can be achieved by a procedure as simple as requiring two signatures on a check, or

can be as complicated as requiring at least five different staff members to be involved in preparing a disbursement (National Center for Nonprofit Boards, 1998).

Board members should ask if there is an up-to-date accounting manual detailing correct procedures. If the board has any doubt about the internal controls, it should address questions to the organization's auditors. If the auditors are not reasonably satisfied with the state of the controls, then the board should consider an internal control study. Such a study involves a thorough review of the controls and results in a written report delineating any shortcomings (National Center for Nonprofit Boards, 1998).

Good controls require the segregating of duties, and that requires at least two or three and preferably more staff members. It is much more difficult to achieve or maintain good internal controls in small organizations. Board members of these organizations must, therefore, work hard to gain as much protection as possible for their assets (National Center for Nonprofit Boards, 1998).

Techniques and services are available to help small organizations. Cash receipts can be best protected by establishing a policy that all receipts must be sent, not to the organization, but to the organization's bank for deposit. This "lock box" process, while it can be somewhat costly, provides excellent control over receipts (National Center for Nonprofit Boards, 1998).

Small organizations can gain enhanced control over disbursements in a number of ways. A member, officer or volunteer can provide the second signature on a check. If a second signature would unduly delay disbursement, then a copy of each check, whether valid or void, could be sent to a designated officer along with the canceled invoice that caused the check to be created. This after-the-fact review is far better than no review at all (National Center for Nonprofit Boards, 1998).

Nonprofits of every size work hard to develop whatever assets they have. Good internal controls will ensure that these hard-won assets are not lost or consumed inefficiently.

Questions that Boards Should Ask
1. Do we have the appropriate checks and balances necessary to prevent errors, fraud and abuse?
2. Are we alert to the possibility of fraud, since there has been an increase in recent years among nonprofits?

Accounting Policies and Procedures

Every nonprofit should have written policies and procedures governing how it does business. The reason for written procedures is clear: Written procedures are easier to follow, especially over time. Two specific documents are most important to have in place:

Accounting manual: This document contains the guidelines for maintaining good

internal controls. Each step in the fiscal process should be analyzed, and the best, most appropriate procedure for handling that step should be described in writing (National Center for Nonprofit Boards, 1998). The resulting document can indicate which staff members are responsible for which steps in the process, and even who is to substitute in case of absence. An accounting manual prepared or reviewed by professionals and kept up-to-date, is an essential tool for a nonprofit organization (National Center for Nonprofit Boards, 1998).

Investment policies: The most critical asset of most nonprofit organizations — after their board, leadership and staff — is cash. Organizations should have procedures for safeguarding cash, for ensuring its liquidity and for keeping it productively employed at all times. These procedures combine to form the cash management element of the organization's investment policy. A good investment policy will:

- Delineate a specific philosophy of investment management and establish parameters for investment risk and return;

- Assist the designated investment manager and protect his or her position by setting up practical guidelines and clear performance objectives; and

- Establish a process for reviewing investment objectives and strategies and reviewing the manager's performance (National Center for Nonprofit Boards, 1998).

Some policies, especially those for organizations with smaller reserves, actually indicate which specific investments are allowed. For example, a conservative investment policy might allow "only FDIC-insured bank accounts with balances under the $100,000 limit and short-term U.S. Treasuries." Policies for organizations with larger reserves might exclude certain high-risk investments or state what proportion of the reserves must be in stocks (equities) rather than in bonds (debt instruments) (National Center for Nonprofit Boards, 1998).

> **Questions the Board Should Ask**
>
> 1. Have we adequately documented our policies and procedures with respect to all of our financial activity?
>
> 2. Do we have an investment policy? If so, are we following it?

External Audits

The key role of the external auditor is to attest to the accuracy of the organization's financial statements, although it may also embrace consultation on internal controls, investment policies or related subjects. The principal purpose of an external audit is to keep the board and other key constituent groups apprised of the organization's financial position. Secondary purposes include meeting government regulations and qualifying for loans or grants (National Center for Nonprofit Boards, 1998).

To effectively perform this function, auditors must be absolutely independent of

management and must, by the rules of the profession, avoid financial inducements and resist pressure of any kind from management to alter their opinion. When auditors have failed to maintain their independence, lawsuits have followed (National Center for Nonprofit Boards, 1998).

A good audit firm will work with management, while maintaining an independent, critical eye. The firm should provide, in addition to an opinion on the financial statements, a written report (the "management letter" or "letter of reportable conditions") highlighting any major weaknesses in internal controls and other significant operational deficiencies (National Center for Nonprofit Boards, 1998).

A truly professional audit firm will maintain its perspective and independence year after year. If the board is satisfied with the audit firm's competence, independence and perspective, the board need not replace it. The audit firm's in-depth understanding of the nonprofit's operation, gained during years of auditing the organization, can be exceedingly valuable, but this insight is only valuable so long as it is accompanied by an appropriately high level of ethics and responsibility (National Center for Nonprofit Boards, 1998).

If an organization is too small to afford the expense of an annual external audit, alternative solutions are available. Some small nonprofits have an audit performed every two years. This provides the assurance that only an audit can provide, while cutting cost almost in half.

Another alternative, which provides considerably less assurance, is a "review" pro- vided by an external auditing firm. A review is much less thorough than an audit, but it does ensure the financial statements have been prepared on an acceptable basis and that this year's numbers make sense given the prior year's performance. While this service has been available for a number of years and tends to cost half the price of an audit, its inability to provide substantial assurance has made it less popular with nonprofit boards (National Center for Nonprofit Boards, 1998).

An organization with financially astute volunteers may ask those volunteers to undertake a "members' audit." Two or more members visit the organization and test its fiscal activities and records. For example, they might test the appropriateness of some of the checks written, looking at each invoice that required payment and how the payment was entered into books of account (National Center for Nonprofit Boards, 1998).

Additional member audit procedures might include an investigation of how receipts are being processed, whether key assets actually exist, or whether the payroll records are in good order (National Center for Nonprofit Boards, 1998).

The key to success in a member's audit is that no area of activity be sacrosanct. It is essential the members undertaking this effort be free to look where they please and be creative in their investigations. Some organizations using member audits have an external auditor accompany the volunteers to aid or guide their efforts (National Center for Nonprofit Boards, 1998).

Section III: Major Financial Roles in Nonprofits

The entire board of a nonprofit is legally responsible for the organization's financial success. In routine operations and governance, however, many boards delegate certain financial duties to designated individuals or committees. Nonprofits may vary in size and organizational structure, but they share certain basic financial management responsibilities. These responsibilities include protecting the assets of the organization; collecting income; paying debts once they are properly documented; recording receipts, disbursements, and necessary adjustments; and providing accurate, timely reports. Most professionals would agree that financial reports produced within 10 days of the end of the month are considered timely (National Center for Nonprofit Boards, 1998).

Financial responsibility is generally distributed among the following board and staff functions.

Board Committees

Some boards assign one committee (usually called the finance committee) to oversee financial operations. This committee's role could include regular, in-depth review of the organization's financial activity; oversight of the budgeting process; and operation or review of other activities such as fund-raising, employment practices, the audit, and investment performance (National Center for Nonprofit Boards, 1998).

In larger organizations with more volunteers, additional committees might be responsible for specific areas. These committees could include an audit committee, a budget committee, and a personnel committee.

An audit committee can be useful for a member of reasons. Its primary function is to accept and review reports provided by external auditors and to select the firm that will provide the next year's audit. The audit committee can also serve as a neutral third party to review conflicts between the auditors and management. If such conflicts arise, it is critical that the auditors have an opportunity to express their concerns in a private session with a duly designated audit committee (National Center for Nonprofit Boards, 1998).

The principal concern of the budget committee is to review and discuss the budget with management before it is presented to the full board. The initial review by the committee tends to be more in-depth and thus relieves the board of the necessity of spending an undue amount of time analyzing specific items in the budget. Once the committee has satisfied itself at a more detailed level, the board as a whole can review the estimated income and apportionment of expenditures to determine that they are in line with the programmatic and strategic goals of the organization (National Center for Nonprofit Boards, 1998).

Many nonprofits function without a personnel committee, instead leaving the work to an executive committee or the board as a whole. When a personnel committee is established, it is usually charged with the responsibility for negotiating the contract

with the chief executive, and perhaps with other senior staff as well. Other duties can involve working with the human relations staff to see that compensation, benefits, and employment-related issues are handled appropriately throughout the organization.

Financial committees of a board must exercise the same care as the full board itself to refrain from micromanaging the organization. Simply put, the board hires management to manage; the board's role is to oversee. Board attempts to actually man- age the organization waste staff time and result in substantial inefficiencies. Even where embezzlement or mismanagement has required the board to take a stronger role in management, the board should work hard to put good staff managers in place quickly and remove itself from day-to-day affairs as soon as safety will allow (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Do we have an annual external audit?

2. If we do not have an annual audit, what are we doing instead?

3. What are the key characteristics of a good audit firm?

Treasurer

The key volunteer financial management role in nonprofit organizations is that of the treasurer. In larger organizations, the staff assists the treasurer, but in smaller organizations the treasurer may well have hands-on responsibilities. In all nonprofits, the treasurer is responsible for overseeing financial operations to make certain that things are done in an appropriate fashion.

In most nonprofits, the treasurer is charged with the custody of the corporate funds and securities, keeping full and accurate account of all receipts and disbursements, and the books and financial records of the organization. The treasurer is also charged with depositing money and other valuables to the credit of the corporation in depositories approved by the board. It is the treasurer's responsibility to see that disbursements voted by the board are made and that appropriate vouchers are received (National Center for Nonprofit Boards, 1998).

In most organizations, the treasurer reports on the financial activity, often by making presentations to the board. Because the treasurer generally prepares, or has management prepare, reports for his or her use at board meetings, board reports are generally provided on a quarterly, semiannual, or annual basis (National Center for Nonprofit Boards, 1998).

The treasurer often has budget preparation duties as well. This can begin with the preparation of a preliminary statement of receipts and disbursements for the board's comment. This statement then serves as the basis for the upcoming year's budget.
Budget preparation in larger organizations is generally a staff responsibility, though the treasurer often is involved well before the board reviews the document (National Center for Nonprofit Boards, 1998).

Frequently, treasurers are required to be bonded by their nonprofit to ensure "faithful performance" and restoration of all books and records, vouchers, money, and other properties to the organization. Bonding is especially necessary in small organizations, where the treasurer's responsibilities are hands-on (National Center for Nonprofit Boards, 1998).

In larger organizations, staff will assist the treasurer. Staff involvement may be extensive, significantly reducing the actual handling of funds or processing of financial activity by the treasurer. However, whether such assistance is substantial or non- existent, the treasurer remains responsible for oversight of the organization's financial activity.

Chief Executive

When an organization has a chief executive, he or she has many of the treasurer's duties. The chief executive is responsible to the board for daily administration, including staffing and operations. The executive's principal role is implementing and coordinating programs, but he or she also has basic responsibility for the financial records of the organization (National Center for Nonprofit Boards, 1998).

In all nonprofits, the chief executive has some level of contractual capability for a wide variety of financial activities, such as making investments, entering into leases, and negotiating contracts. Frequently, there will be a cap on the level of activity that the chief executive can enter into without officer or board approval. Approval may come as a motion by the board, a sign-off by an officer, or an additional signature on a check (National Center for Nonprofit Boards, 1998).

Practically speaking, the chief executive is often responsible for presenting the budget to the treasurer or to the board as a whole. The chief executive will work with his or her staff to provide possible anticipated figures for receipts and disbursements that are as accurate as possible. In this way, the organization can best execute the programs that will fulfill its mission (National Center for Nonprofit Boards, 1998).

What Constitutes Excessive Pay for Chief Executives?

In recent years, excessive executive compensation has become an issue for many nonprofit organizations. Those who believe that the nonprofit sector has become too professional and "corporate" cite excessive compensation as an example of how many organizations are losing sight of their mission and their distinctiveness as non- profit organizations.

Because revelations of inordinately high compensation can erode donor confidence and cause increased public skepticism, board members should pay close attention to compensation decisions.

The compensation of the five highest paid officers or managers of the organization is included on the IRS Form 990; an informational tax form that most nonprofit organizations must file each year. The Form 990 is a public document that must be made available by mail or at the

organization's office when requested by members of the public including journalists. For this reason, compensation can't be considered a private matter, and all board members should be aware of its implications (BoardSource, 2002).

The compensation of nonprofit executives usually lags far behind the compensation of leaders in business and government. The real challenge many boards face is not how to reign in excessive compensation but rather how to find the resources to pay appropriate salaries.

- To evaluate the appropriateness of executive compensation, consider:
- The size and complexity of the nonprofit.
- The mission area, geographic location, and financial condition of the organization.
- The qualifications required for the job.
- Compensation at comparable organizations.

A new wrinkle has been added to the challenge of determining appropriate compensation. In 1996 Congress passed legislation that enables the IRS to impose excise taxes and other penalties on nonprofit executives who are over compensated. When deter- mining appropriateness, the IRS evaluates whether an independent board decided the compensation, if appropriate comparable compensation data was obtained, and if the basis for determining compensation was documented (BoardSource, 2002).

This new power will allow the IRS to penalize individuals receiving more compensation than their positions warrant, rather than resorting to revoke the tax exempt status of the organizations (BoardSource, 2002).

Bookkeeper, Controller, Director of Finance

Which individuals assist the chief executive in managing financial activity depends on the size of the organization. The smallest organizations might simply have a part- time bookkeeper to handle the financial record keeping. Somewhat larger organizations might have a full-time bookkeeper or controller. In any case, the bookkeeper or controller is responsible for entering the financial activity, especially receipts and disbursements, into the books and records. It is his or her job to produce timely and accurate financial statements, monthly or perhaps quarterly (National Center for Nonprofit Boards, 1998).

The bookkeeper or controller is also responsible for monitoring the cash and investment accounts, making sure that the amounts reported by the banks or investment companies reconcile precisely with the records of the organization. This staff member also usually prepares the payroll, though generation of checks and payroll tax returns are often outsourced (National Center for Nonprofit Boards, 1998).

In large organizations, the director of finance generally has several staff members reporting to him or her. For instance, a controller would be responsible for managing the financial records and tracking financial activity. The controller usually has a staff of clerks who handle accounts payable, accounts receivable, and the like. If the director of finance is also responsible for administration, he or she may supervise management information

systems, human resources, and facilities management staff (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. What financial committees do we have? What are their responsibilities?

2. Does the committee that meets with the auditor have a private session each year with the auditor?

3. Do we have the proper staff for our financial activities?

Section IV: Understanding the Financial Condition

Board members must understand the financial condition of their organization in order to serve and protect it. Financial insight is essential to making wise decisions on the vast majority of board matters.

Numerous documents are available to those who are not fully versed in reading and understanding financial reports. For example, the National Center for Nonprofit Boards has published a booklet entitled Understanding Nonprofit Financial Statements: A Primer for Board Members, which explains the basic language of finance, how to read a financial statement, and how to work with the numbers to gain insight into the organization's financial condition (National Center for Nonprofit Boards, 1998).

Unfortunately, even those skilled at reading financial statements may have difficulty understanding information offered by nonprofit organizations. Accounting for these entities is somewhat different from that for profit-making ventures, and confusion can result. If a board member is not satisfied with his or her understanding of the financial statements and explanations provided, the member should insist that the organization provide better information (National Center for Nonprofit Boards, 1998).

Better information can take a variety of forms. For example, because no one can absorb all the details in a financial report, communicating less (but more meaningful) information is sometimes better than simply providing detailed information with no explanation. The staff might write a narrative describing the highlights of the reporting period to accompany the highlights of the reporting period to accompany the financial report. Charts and graphs can point out the most important trends or relationships. Finally, because board members must have the details as well, reports should be standardized so that the board can quickly access the details and compare items with those in previous reports (National Center for Nonprofit Boards, 1998).

Each board member is responsible for gaining a sufficient level of comfort and understanding of the numbers. If any issue, large or small, is not clear, the board should seek clarification. A diligent board member will ask as many questions as are needed to lay to rest any doubt or uncertainty.

Documents the Board Should Receive

There is no single standard for all nonprofits regarding which financial statements the board should receive. The area of greatest diversity is found in the internally pre- pared financial statements.

Internally Prepared Financial Statements

Most nonprofit organizations prepare financial reports on a monthly basis. This information is certainly needed for management, but may not be necessary for the board to review. Many boards find quarterly internal financial statements to be sufficient.

In organizations with satisfactory reserves, a finance committee might analyze the

monthly or quarterly reports, while the board reviews only the annual internally pre- pared statements and the external audit. Boards with no finance committee should consider reviewing the organization's financial statements at least quarterly (National Center for Nonprofit Boards, 1998).

Audited Financial Statements

Much more consistency among boards exists on the matter of reviewing externally prepared financial statements; the board should always review year-end audited financial statements (National Center for Nonprofit Boards, 1998).

These year-end statements should include:

- A statement of financial position: Previously called a balance sheet, this statement shows the assets and liabilities of the organization at a given point in time, in this case at year-end. Whenever possible, this statement (and the statement of activities described below) should include comparative figures from the previous year, as long as there has been no change in year-end or the chart of accounts.

- A statement of activities: Previously called a statement of revenue and expense, this statement shows revenue and expenses for a specified period of time, in this case, one year, and whether there was a net gain or loss.

- A statement of changes in net assets: Previously called a statement of change in fund balance, this statement is occasionally combined with the statement of activities. It reflects the beginning net assets plus the current period's net gain or loss, and may include other adjustments to reach the ending net assets.

- A statement of cash flows: This statement is prepared in a format that focuses on where cash came from and how it was used. This statement should not be confused with the cash-flow statement discussed earlier, which is a tool for managing cash (National Center for Nonprofit Boards, 1998).

In addition to the statements listed above, every group of audited financial statements must be accompanied by certain required footnotes that help the reader understand the organization's financial situation; board members should read these footnotes carefully. The notes highlight significant accounting policies, major acquisitions or changes in operations, pension requirements, lawsuits, and other significant information, and pro- vide details on significant matters (National Center for Nonprofit Boards, 1998).

On occasion, an organization will want more detailed information than is required in the basic audited report. In these situations, the auditors will attach to the notes a separate opinion, followed by additional statements or supplemental schedule. This opinion will indicate the level of assurance the auditors are providing on these statements. Readers should be aware that the level of assurance might not be the same as for the basic audited statements (National Center for Nonprofit Boards, 1998).

There is sometimes confusion about what is being purchased when an audit is per- formed. An audit is the process by which certified public accountants are able to form an opinion as to whether the organization's financial statements fairly reflect its financial position,

the changes in its net assets, and its cash flow. It is a lengthy and thorough study of the organization's financial records and procedures that looks not only at the numbers themselves, but also at whether appropriate accounting principles were used, and, if so, whether they were consistently applied (National Center for Nonprofit Boards, 1998).

An audit does not guarantee that the financial statements are perfectly accurate, because it is concerned only with material or significant amounts. Nor does it ensure the competence, wisdom, or honesty of management.

Various opinions may result from an audit. Most organizations receive a "clean" (or unqualified) opinion, but some do not. Listed below are the different types of opinions and why they might be received.

- An unqualified (clean) opinion, the highest level of assurance the auditor can provide, is used when the auditor is satisfied with the financial statements. The three paragraphs of a typical clean opinion are provided in Appendix A. This type of opinion sometimes includes a fourth paragraph drawing the reader's attention to a particular matter. This fourth paragraph follows the opinion para- graph of a clean opinion. It does not reduce the level of assurance the auditor is expressing; it simply refers to the full disclosure of the matter in question in the footnotes at the end of the financial statements. Examples include opinions based in part on the work of another auditor, or emphasis on a matter such as the unknown outcome of a lawsuit.

- A qualified opinion is provided when the auditor expresses reservations on a specific issue. Qualified opinions frequently result when the organization is following accounting principles that are generally accepted, according to the American Institute of Certified Public Accountants. A qualified opinion should encourage board members to ask questions directly to the auditors.

- An adverse opinion is a negative opinion and is used when the financial statements are misleading and management will not correct them. These are exceedingly rare and should alert the board that strong corrective action is required.

- A disclaimed opinion indicates that the auditor is unable to form an opinion. It may arise because of a lack of independence or because of a scope limitation, meaning that the auditor has been unable to gather information to form an opinion (e.g., he or she cannot rely on the beginning inventory count because no audit was conducted at the end of the previous year). This type of opinion can also result when the organization's internal controls are unsatisfactory. When a board receives a disclaimed opinion, it should promptly investigate the cause of the disclaimer (National Center for Nonprofit Boards, 1998).

In addition to providing an opinion on the financial statements, auditors are generally required to provide a Management Letter, sometimes called a Letter of Reportable Conditions. This letter should always be distributed to the board because it provides the auditor's observations on any significant deficiencies discovered in the internal control structure of the organization. In addition, this letter may mention other matters that the

auditor believes are of sufficient import to require the attention of management. If no reportable conditions are discovered, no written communication is required (National Center for Nonprofit Boards, 1998).

Other Important Financial Reports

In addition to the audited financial statements and the management letter, other financial reports may be required of a nonprofit organization by the federal government or by state governments, grantors, donors, or affiliated organizations. The most important of these is the IRS Form 990, which provides information, to the federal government about how the organization raised its revenue and for what purpose and in what fashion it incurred its expenses. In addition, the Form 990 requires that a beginning and ending statement of financial position be provided. For charitable, educational, or scientific organizations, additional information must be provided on Schedule A (National Center for Nonprofit Boards, 1998).

Board members should consider reviewing, or having a committee review, the Form 990 before it is filed, because this document communicates to the IRS how the organization is fulfilling its tax-exempt purpose. In addition, the IRS requires non- profit organizations to make the Form 990 available for inspection or duplication to anyone requesting access to it. Thus, accurate and effective communication is essential (National Center for Nonprofit Boards, 1998).

Board members should consider reviewing the reports that result from the OMBA- 133 audit, which is required for organizations expending $300,000 in federal funds. In a series of five separate reports, the auditor is required to attest to the fact that there is "reasonable assurance that the organization or institution is managing federal awards in compliance with applicable laws and regulations," and that the organization is safeguarding the federal funds (National Center for Nonprofit Boards, 1998).

These five reports are sent directly to the Single Audit Clearinghouse. If an organization fails to meet government standards, then the grant-making agency may cut off or demand refunds of awards. Thus, attention to these reports is strongly recommended.

Whether or not the board members review other required year-end reports is largely a matter of their significance to the organization. Whenever a report involves the potential of substantially increased or reduced funding, board review is advisable.
Reviewing insignificant reports draws time and attention away from other matters, however, board members should focus their attention where it will do the most good (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Is our financial staff providing us with accurate and timely financial statements that allow us to understand the financial state of the organization? If not, how could the statements be improved?

2. Does our annual audit have a clean opinion? If not, why not and what is being done about it?

3. Do we regularly review the Form 990? Does it accurately represent or organization?

4. Are we filing on a timely basis all the reporting documents we are supposed to be filing?

Signs of Financial Distress

Certain occurrences portend trouble. Board members should be alert to the following signs of organizational distress (National Center for Nonprofit Boards, 1998).

Critical income sources declining: Every nonprofit organization relies on certain major sources of income. A membership organization may rely on dues, meeting income; education, or publications as is its key sources; a charitable organization's revenue may come entirely from contributions. These critical sources should be tracked carefully. Any significant decline in these key sources is a sure sign of trouble.

Certain expenditures increasing: Certain expenses should be watched more closely than others in nonprofit organizations. The most important of these are salary and benefits, because these represent a major portion of the organization's expenditures. Nonprofit organizations use benefits as an incentive somewhat more frequently than do for profits, and tracking these expenses, as a percentage of total expenses can be very illuminating.

One expense that tends to indicate problems is the miscellaneous expense account. If this item increases, hidden costs or less-than-adequate bookkeeping may be the cause. In either case, an inquiry is warranted. Another expense to watch is consult- ants' fees. If this expense goes up noticeably, it may reflect activity that could be better brought in house. In addition, a rise in consulting costs can signal an undisclosed major issue (National Center for Nonprofit Boards, 1998).

Private inurement: Any board member who is benefiting financially from the non- profit organization may pose a substantial threat to the organization's survival. When the IRS audits a nonprofit organization, it invariably attempts to ferret out incidents of private inurement. If it finds any appreciable amount, it can revoke the entity's tax-exempt status. The only individuals who should be gaining financially from a nonprofit organization are those who are employed by the organization, and that benefit should be only in the form of reasonable salary and benefits. All others who receive benefits should do so as a result of the organization's fulfillment of its exempt purpose (National Center for Nonprofit Boards, 1998).

Unplanned auditor turnover: Board members should be curious about an unplanned auditor change, which often signals a substantial disagreement between management and the auditing firm. The board, either directly or through its finance or audit committee, should investigate any unplanned auditor turnover. Any investigation should include a dialogue with the auditors during which management is not present (National Center for Nonprofit Boards, 1998).

Board micromanagement: One of the most serious problems a nonprofit can face is too much detailed operational management by the board. A board that is involved in many small-dollar decisions is creating enormous inefficiencies. Good board members will monitor the board's involvement in management and suggest appropriate corrections.

Questions the Board Should Ask

1. Are our key sources of income rising or falling? If they are falling, what are we doing about it?

2. Are our key expenses, especially salary and benefits, under control?

3. Have we had unplanned auditor turnover?

4. Are we micromanaging?

Section V: Dealing with the Outside Financial World

Most board members are uncomfortable when they have to make major decisions for their nonprofits on long-term financial issues. Such challenges as selecting the right bank or insurance provider, the appropriate places to invest or the right types of insurance can be a problem for those not experienced in financial matters.

Choosing a Bank

When making this critical decision, it is important to choose a sound and stable financial institution as well as one that is experienced with nonprofits and is comfortable serving them. To bankers, especially lenders, nonprofits are substantially different from for-profit organizations. Finding a bank that understands how non- profits operate is key (National Center for Nonprofit Boards, 1998).

To find such an institution, the board should consult other nonprofits in the community to find out which banks they use. Try to select a bank with a branch near the organization's offices. Many nonprofits make daily deposits, and other transactions also may require a trip to the bank.

Not all banks provide similar services, so the board should identify the organization's needs and choose a bank that can meet them. Common services, such as taking deposits and paying on checks, are available from every bank. Many nonprofits want advice on handling investments, and this type of service frequently is available from banks today. Other features to consider include lock box services and direct deposit of payroll into employees' accounts (National Center for Nonprofit Boards, 1998).

Although most banks have lending programs, some are not interested in lending to nonprofits, especially those without assets to pledge as security. This unwillingness to lend can be a problem, since nonprofits frequently have cyclical income. Cash flow may increase around the time of an annual fund-raising event, at the end of the year when taxpayers make last-minute tax-deductible contributions, or during membership renewal season. For many nonprofits, the availability of a line of credit to even out cash flow fluctuations can be critical (National Center for Nonprofit Boards, 1998).

When selecting a bank, send a request for proposals (RFP) to two or three financial institutions. The RFP should describe the services the organization needs, the aver- age balances in its various accounts, the average number of checks written per month and the average receipts per month. A copy of the most recent year-end financial statement should also be included. Give each bank at least three to four weeks to submit a proposal (National Center for Nonprofit Boards, 1998).

Be as specific as possible in your request as to the information you need and the for- mat in which you require it. Banks each have their own format in which they pro- pose to provide services. Since none of these is quite the same, the information required becomes exceedingly difficult to compare. Some nonprofits provide a computer template, or a written form, which they ask the bank to fill out and return along with their standard response format. This provides the board with at least a chance of being able to compare

apples with apples, rather than apples with oranges (National Center for Nonprofit Boards, 1998).

Nevertheless, the real challenge generally begins at the point at which proposals are received. The first order of business is to make sure the key services the organization requires are available. The next task is to evaluate the cost of those services.

Banks generally offer two alternatives: paying a fee for each transaction, or maintaining a minimum balance in a noninterest-bearing account, thus covering transaction costs. It is important to compare the cumulative transaction charges the organization is likely to incur with the minimum balance alternative. Frequently, the fore- gone interest on the minimum balance will be greater than the transaction costs. This is a way for the bank to protect itself and make extra money. Generally, if transaction costs are less than the foregone interest on the minimum balance, the bank will not charge a fee. However, should the transaction costs exceed the foregone interest, the bank will almost invariably charge for the additional transactions (National Center for Nonprofit Boards, 1998).

Establishing a good banking relationship is an extremely important step in a non- profit's financial life, especially if the organization needs refinancing of a long-term debt or a line of credit that it may borrow against from time to time. Thus, negotiate with the current bank over key services required before switching to another financial institution (National Center for Nonprofit Boards, 1998).

> ### Questions the Board Should Ask
>
> 1. Are we satisfied with the services our bank currently provides?
>
> 2. When was the last time we checked to see if our banking costs are appropriate?

Obtaining Insurance

The board also should seek insurance providers who are familiar with nonprofit organizations. The insurance requirements of nonprofits are similar to those of other types of organizations, but there are some significant differences. Insurance needs vary based on the size, wealth and types of activities of the nonprofit. A good insurance agent or broker with substantial nonprofit experience should be able to provide details about the alternatives. Other nonprofits can recommend knowledgeable agents or brokers.

All organizations large enough to have an office should have basic insurance cover- age such as that provided in the standard office liability package. Such coverage includes property insurance, which protects against loss due to damage or destruction of real property, furnishings and equipment. The policy should cover property belonging to others that may be on the organization's premises, as well as the non- profit's property when in transit. A good property insurance policy will cover dam- aged or lost property for its replacement value rather than its original cost or some other figure. A standard office

liability package also includes protection against claims for bodily injury or property damage resulting from the nonprofit's activities. Generally, this coverage applies to activity conducted on the organization's property (National Center for Nonprofit Boards, 1998).

In addition to the basic office liability package, nonprofits should consider the following:

- Bonding for employees and volunteers who handle cash or securities. A fidelity bond is relatively inexpensive to purchase and is essential for smaller organizations where appropriate segregation of duties may not be possible.

- Coverage for art or other unique items on the organization's premises. These items generally require a "floater" on the basic property insurance policy.

- Coverage for papers and records, both electronic media and hard copy.

- Convention cancellation and interruption insurance to protect against loss of income from special events or major conferences. There are well-documented incidences of earthquakes or violent storms preventing events from taking place. Without insurance, the nonprofits would have been badly hurt financially.

- Auto insurance, if the organization has vehicles. They must be insured for all drivers.

- Directors and officers (D&O) liability insurance, which protects the organization's volunteers from suits brought by dissatisfied members of their community or people outside the organization who feel the volunteers have behaved inappropriately. D&O insurance should cover legal fees and successful claims against the organization. Nonprofit organizations frequently win these cases, but the legal costs can be high (National Center for Nonprofit Boards, 1998).

To keep premiums low, the organization should consider maintaining a higher deductible. A competitive Request for Proposals (RFP) is another good way of finding the best value in insurance costs (National Center for Nonprofit Boards, 1998).

When purchasing insurance, it is absolutely critical the policies are read carefully to confirm the coverage being obtained. If no board or staff member has the expertise to understand the details of each policy, then additional assistance, either paid or volunteer, should be sought. The organization's insurance policies should be reviewed in depth at least every two years (National Center for Nonprofit Boards, 1998).

Questions the Board Should Ask

1. Have we thoroughly reviewed our operation to make sure we are appropriately insured?

2. Do we have directors and officers liability insurance?

Making Investments

A nonprofit's foremost concern in the investment area is to make sure there is sufficient cash available to operate. The initial available funds should be maintained in a Federal Deposit Insurance Corporation (FDIC)- insured bank account, usually a checking account (National Center for Nonprofit Boards, 1998).

When funds begin to accumulate, other interest-bearing bank accounts are generally the first "investment" made. Such accounts should be monitored to make sure they remain within the $100,000 range of the FDIC coverage. Given a further increase in investable funds, the next move is often to short-term U.S. Treasury bills, which are the most secure investment available. They lack some liquidity, but they provide a better yield than bank accounts (National Center for Nonprofit Boards, 1998).

With an additional accumulation of assets, the board should consider broadening the investment alternatives. The first step is to identify the operating cash the organization needs and separate it from funds for short-term or long-term investment.
Immediate operating funds should be kept in readily accessible bank accounts (National Center for Nonprofit Boards, 1998).

Short-term investments should be made with an eye toward high liquidity, since they may be needed at any time. It is important to preserve capital while seeking the best return possible, commensurate with the need for liquidity. Short-term investment vehicles include U.S. Treasury and other U.S. government agency obligations, certificates of deposit (but not in excess of the FDIC limit), money market accounts (especially those backed by the U.S. Treasury), and more exotic items such as repurchase agreements (with U.S. government obligations as collateral). All these investments are secure and reasonably liquid (National Center for Nonprofit Boards, 1998).

For long-term investments of funds, the investment goal should include growth equal to or preferably in excess of inflation. In these types of investments, fluctuations over the short-term are to be expected. Long-term investment planning frequently focuses on allocating assets among stocks, bonds and some cash. The exact mix should be expressed in an investment policy developed and approved by the board of directors, usually with the assistance of outside investment advisors (National Center for Nonprofit Boards, 1998).

There are a variety of investments to consider for a long-term portfolio. Equity investments may include both small-capitalization and large-capitalization stocks. Large-cap stocks are from corporations like General Electric, IBM and Microsoft. A small-cap stock has greater risk but greater potential for reward. Some nonprofits also include international stocks in their portfolios. On the fixed-income side, most nonprofits purchase high-quality U.S. corporate bonds. Some may add riskier, higher-yielding bonds and perhaps international bonds (National Center for Nonprofit Boards, 1998).

Diversification is a key strategy when building a long-term portfolio. The spread of investments among stocks, bonds and cash protects the organization from substantial diminution of its capital over an extended period. Generally, nonprofits avoid speculative

investments such as commodities, derivatives or on margin (National Center for Nonprofit Boards, 1998).

It is essential that no staff member or volunteer be solely responsible for selecting investments. The board as a whole should follow the investment policy it has accept- ed. It is critical that outside advisors should select specific investments if they are riskier than certificates of deposit or Treasury bills.

Questions the Board Should Ask

1. When was the last time our investment policy was reviewed?

2. Are we making sure that no board or staff member is individually responsible for selecting investments?

3. Are we satisfied with the performance of our investments given the level of risk appropriate for these funds?

Contracts with Outside Advisors

The selection of capable outside advisors or consultants is vital to the success of many activities a nonprofit may enter into. As when choosing a bank or insurance broker, an excellent place to start looking for a particular type of advisor is other nonprofits. Good, current references are also essential so the board can consult other organizations that have worked with the prospective advisor in the same capacity. It is also a good idea, and an inexpensive safety check, to contact the Better Business Bureau or local consumer affairs office when dealing with someone who is new to the organization to determine whether the individual or company is known for having problems (National Center for Nonprofit Boards, 1998).

The organization's formal agreement with the advisor identifies the elements of the relationship. At a minimum, the agreement should include statements or descriptions of the following:
- The services to be provided;
- A designated nonprofit contact;
- A time line, including milestones to measure progress;
- Costs;
- The payment procedure and schedule, including progress billing;
- The form of the final work product;
- The stipulation that final payment is predicated on the organization's satisfaction with the work performed;
- Penalties for failure to perform;
- The ability to extend the agreement if mutually desired; and,
- The termination notice period and penalties, if any. (National Center for Nonprofit Boards, 1998).

The agreement must state specifically that the advisor is an independent contractor, not an employee of the organization, and as such has full responsibility for his or her income taxes, Social Security taxes, and insurance. Draft agreements may be avail- able from the organization's attorneys. Before any agreement is finalized, have it reviewed by an attorney to ensure that the organization is well protected (National Center for Nonprofit Boards, 1998).

Question the Board Should Ask

1. Do we have appropriate contracts in place with all of our current outside advisors?

2. What procedures do we have in place to make sure that all future outside advisors will sign an appropriate contract before they begin to work for us?

Section VI: The Budget Process: Planning and Implementation Fundamentals of a First Rate Budget

Budgets are more than a bunch of numbers on a page. A well-crafted budget tells its reader your organization's story in dollar terms. It describes where your money comes from and where it will be spent. It shows those programs and projects that are your organization's core, as well as services that are more tangential to your mission. In short, a budget is a series of educated guesses about the money your organization will bring in and spend in the coming year (Soto, 2002:1).

The budget process is complex. It involves a lot of people, many assumptions, accurate data and, most importantly, a total understanding of the organization. While the number of factors that go into the budget process sometimes appears endless, I have distilled what I believe are the 10 "essentials" to creating a good budget. Get these 10 essentials right and you've given yourself the very real chance of having a budget that can help guide your organization (Soto, 2002:1-2).

1. Review the Mission

Before setting numbers to paper, the budget process involves plenty of discussion on the current state of the organization and its larger context. Did the prior year's budget come close to the actual financial numbers? What are the national and local economies doing? Has the need for your organization grown or diminished in the community it serves? Has the level of programs or projects grown in such a manner as to outstrip the available resources? Has "mission-creep" developed — that is, has the organization gone far beyond its core mission? (While there is nothing inherently wrong with mission-creep, expanding an organization's mission should happen because of conscious choices, not because of panicked pursuit of funds). These kinds of questions will help focus budget-related decision-making and assumptions down the road (Soto, 2002:1-2.

The answers to these questions are in the mission statement. An organization's mission statement lays out exactly why the organization exists and whom or what it will serve. The statement goes a long way to helping develop a coherent budget that follows the mission-set guidelines (Soto, 2002:1-2).

The mission statement should be referred to constantly throughout the budget process, if only to provide the much needed reality check of whether you should be doing this as opposed to that (Soto, 2002:1-2).

> **The mission statement should be referred to constantly throughout the budget process.**

2. Establish Budget Assumptions

Spelling out budget assumptions provides an organization with guidelines for working with the numbers. It also provides a foundation from which every member of the "budget team" can work, avoiding surprises and disagreements about fundamentals later in the budget process, when it would be harder to change. Typical assumptions that are developed during the initial budget planning phase include such things as percent-age of across-the-board staff raises, increased program or membership fees, increased or decreased staffing levels, facilities expansion or contraction (Soto, 2002:3).

An example of a revenue assumption would be an increase in the amount of money raised from individuals due to plans for an additional appeals mailing in the upcoming year. You can base realistic (that is, not too optimistic) revenue projections on the history of previous appeals' results. Concurrently, in this example, fund-raising expenses for the extra appeals campaign would also increase. This increase must be factored into that expense line item's budget cost (Soto, 2002:3).

3. Have Adequate Revenue, Cost Information from the Prior Year

Remember past is prologue. The budget numbers are not created in a vacuum. The numbers you set down as hoped-for predictions are based, in large measure, on the numbers that have happened already. This obvious point is made only to highlight the great need for accurate and detailed financial information. The adage "garbage in, garbage out" is especially true here. Management cannot make educated guesses (remember that is all any budget really is) without good numbers from the past (Soto, 2002:3).

If your organization has an inadequate accounting system (if during the year you have trouble accessing good, accurate interim financial reports that provide the level of detail needed to make good management decisions) then formulating a sound budget will be nearly impossible. It is vital that your general ledger system be maintained properly during the year so you can use its information in trying to predict the future (Soto, 2002:3).

> **It is vital that your general ledger system be maintained properly during the year.**

4. Review and Update Overhead Cost per Program

Properly allocating overhead costs is critical to understanding and measuring the costs of providing services. Often based on time sheets or square footage, overhead cost allocations are used by organizations to "spread out" the costs of those items that are shared between the nonprofit's three major functional expense areas of pro- gram services, administration and fundraising (Soto, 2002:3-4).

For example, property and liability insurance is necessary for the operation of an entire

organization. However, it is a cost that could be spread by percentage to each program or project within the major functional expense area. The same is true for such costs as rent, telephone office supplies and administrative support personnel. It is important that the organization spread out these types of costs so as to understand the nature and extent of a program or project's total costs (Soto, 2002:3-4).

5. Tie Budget Line Items to the Chart of Accounts

A common mistake in the budget process is not tying budget line items to those line items on an organization's chart of accounts. If the two are not aligned, the usability of interim budget-to-actual variance reports is diminished. This negates the most important reason for the budget — its existence as the point of reference for actual revenue and expenses experienced throughout the year.

> **Your budget is the canary in the coalmine. When financial numbers are starting to get of whack, the budget is there to tell you so.**

However, it can only do so if you can compare the budgeted numbers to the actual financial activity on a line-by-line basis (Soto, 2002:4).

The best way to tie your budget to the chart of accounts is to use the chart of accounts listing as your guide from the beginning of the budget process. For example, if the organization tracks salary expense by three different account line items called "salaries-administration," "salaries-fund-raising" and "salaries-program services," be sure to budget for each line individually. Do not simply put in your budget a single line item projected cost called "salaries." You must consider each account item as a separate cost. That way, when you see interim financial reports during the year, you will see a direct link between actual line-item costs and your projections. For more information, visit the California Nonprofit Association (CAN) website to view an example of a chart of accounts. The site is at http://www.CAnonprofits.org. Click on "OCOA" to see the sample (Soto, 2002:4-5).

6. Focus First on Income, then on Personnel Costs

Whenever I observe an organization going through the budget process, most of the discussion seems to revolve around expenses. This tendency probably happened because expenses are the one area an organization can get its arms around. Costs are, for the most part, easily predictable (Soto, 2002:5).

The same is not true about income. The hardest thing for any nonprofit to predict is how much money it will raise during the year, especially if it is an organization that depends heavily upon large foundation grants. Work long and hard to establish realistic support and revenue budget numbers. Use most of your time and energy on this and less time and energy on your costs. It is also useful to the budget process if you know and remember the hierarchy of fund-raising efforts:

- The most stable, efficient and responsive of all funding are smaller, individual donations.

- Much less stable and efficient is funding from foundations and government agencies.

- Least stable and most costly of all is revenue earned from special events. (Soto, 2002:5).

When you do look at expenses, spend the bulk of your time on personnel-related costs. Why focus on personnel costs? Well, take a look at your own payroll-related costs — I'll wager that they make up between 65 and 75 percent of your overall costs. How do I know this? Most nonprofit work is notoriously labor-intensive. It is work for and by people (Soto, 2002:5).

Also, make sure you pay enough to attract and retain good people. Constantly hiring and losing and hiring again can be an unexpected drain on your income. Monitor your fringe benefits costs regularly to make sure you are doing your best to reward your staff. "For love of the work" typically will only go so far when an employee has received minimal cost of living raises for the last few years. Be sure to factor all the benefits costs into your equations. Additionally, include fringe benefits costs into your equations and into most, if not all, grant proposals. Most grantors realize the importance of benefits to the overall program costs. Take care of your personnel cost and you will have solved most of our expense-related concerns. Just as with your work on the support and revenues side, know and understand all the costs related to employing someone (Soto, 2002:5).

7. Seasonality

In order for a budget to be truly useful, it must predict the future by the economic seasons of the organization as well as by the program or project. In other words, your annual budget must try to reflect the activity as it might really occur, broken out by the 12 months of the fiscal year and within the appropriate program or project heading (Soto, 2002:5).

Do not take your numbers and simply divide by 12.

This is especially true of your support and revenues. Do not take your numbers and simply divide by 12 — that would be cheating! Take the time and effort to figure out when you expect the money to come in and get spent. Know your grantors' funding cycles, when you expect to see the results of your solicitation drives, when you begin to sell tickets to your major fund-raising dinners. Capture the ebb and flow of your support and revenue. This method will tell you when to make major new purchases or when you may need to make short-term cutbacks. As discussed above, if you are an organization that receives the bulk of your support from individual small donors, you will probably have a more even flow of support than those nonprofits that depend more heavily upon major grants and

government contracts. Factor all this information into your calendar budget (Soto, 2002:5-6).

It is amazing how much more helpful the budget is when you look at it with 12 months of variable predicted activity spread across monthly columns, especially when looking at the support and revenue members. Except for special events and various solicitation campaign-related expenses and major program start-up or shut- down costs, most expenses need to be regular throughout the year. Putting the budget into this format will make your budget-to-actual variance reports more useful and relevant to your decision-making needs (Soto, 2002:5-6)

8. Communicate Variance Reports

Just as the budget is not created in a vacuum, it should not reside only in the hands of the board and management. The proper use of the budget demands that it be communicated on a regular basis to as many staff as possible. It is not enough to ask for input from program and supporting services personnel while the budget is being created and then not include them in the interim reporting during your fiscal year. They need to know where they stand relative to what was predicted for them (Soto, 2002:6).

Of course, instituting this practice means your organization must have an accounting system that allows the general ledger to track allocated costs by program or project. Program staffers need to see these numbers and discuss the variances with management. This process makes the overall efforts of the organization that much more meaningful for everyone and will go a long way toward preventing political maneuvering and suspicion between resource-strapped programs and projects (Soto, 2002:6).

> **Just as the budget is not created in a vacuum, it should not reside only in the hands of the board and management.**

9. Minimize Budget Modifications

It is recommended that an organization make all budget modifications at the same time — mid-year — unless a major event occurs that requires sudden, unexpected expansion or contraction. Roughly five to six months into the new fiscal year, the organization should hold a mini-summit on the status of the budget as written com- pared to the actual results of the year. Any new information regarding funding or costs should be discussed. Changes to the budget should be infrequent. The importance of the variances cannot be stressed enough when comparing the budget to the actual financial numbers. These variances provide valuable information about board and management's understanding and knowledge of the organization. Erasing these variances wipes out this information (Soto, 2002:6).

Do not make changes to the budget on the fly just to avoid having to explain the differences at a board or committee meeting. The variances mean something. Being ahead of or behind the actual numbers is meaningful. It is up to the management to figure the sources and significance of the differences (Soto, 2002:6).

10. Treat the Budget Process Seriously

Finally, do not just talk a good game about the budget process — take it seriously. Set a time frame for its development and stick to it. When presenting it to the board, stress its importance. Then, once it is board-approved, sell it to the staff. They helped create it, so assure them that they will be included throughout the year in update meetings where wide variances will be discussed and minimal differences applauded (Soto, 2002:6).

A good budget can be a source of quiet confidence, allowing management to play out "what-if" scenarios, gauging different economic and operational factors. It can be used to instill trust between the board and management, and between management and employees. Most of all, a good budget can allow an organization to get the most out of its resources, in today's volatile economic world, that is no mean feat (Soto, 2002:6).

Conclusion

A functioning nonprofit organization provides services or products of such great importance that the community dedicates time and money to help it achieve its purpose. Board members are custodians not only of the organization's assets and liabilities, but also of the accumulated efforts of those who preceded them in founding and expanding the entity they now serve. Board members hold in trust the economic engine that is the nonprofit's ability to continue to serve the community. Protecting and enhancing this capacity are the true financial responsibility of board members of nonprofit organizations.

Example of an Auditor's Opinion in Letter Form

**An unqualified or "clean" auditor's opinion as recommended by
The American Institute of Certified Public Accountants:**

Independent Auditor's Report
Board of Directors
XYZ Nonprofit Organization, Inc.
City, State

We have audited the accompanying statement of financial position of the XYZ Nonprofit Organization, Inc., (the Organization), as of December 31, 2001 and 2000, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the XYZ Nonprofit Organization, Inc., as of December 31, 1998 and 1997, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Auditing Firm Name
City, State
April 21, 2002

(Source: National Center for Nonprofit Boards, 1998)

Tax and Information Filing Calendar for Nonprofit Organizations

Table 1: Federal Filings

Filing	Form	Due Date*
Initial Formation		
•Application for Employer Identification Number?	SS4	ASAP after formation
•Application for Recognition of Exemption 501(c)(3)	1023	15 months after formation
•Other than 501(c)(3)	1024	15 months after formation
Payroll Forms and Returns		
•Unemployment Tax	940/940EZ**	1//31
•Social Security and Withholding Tax	941	4/30, 7/31, 10/31, 1/31
Information Returns		
•Wages and Tax Statements	W-3/W-2	1/31
•Miscellaneous Income Statements	1099MISC	1/31
•Interest Income Statements	1099INT	1/31
•Other Income	1099 Series	1/31
•1099 Transmittal	1096	1/31
Exempt Organization Returns	990/990EZ	5/15
•Group Exemption Update	(List)	9/30 for upcoming year
Exempt Organization Business Tax	990-T	5/15
•Estimated Payments		3/15,6/15, 9/15, 12/15
Political Action Committee		
•FEC Initial Registration		
•FED Filings (Election Year)	4X	4//15, 7/15, 10/15, 1/31
•Interest Income	1120POL	ASAP after formation3/15

Employee Benefit Plans

- Pension 401(k)

Under 100 participants	5500C/R	7/31
100 or more participants	5500	7/31

- Health, Group Life Disability, or

  Dependent Care

Under 100 participants	5500/CR	7/31
100 or more participants	5500	7/31

- Group Legal Services or

Educational Assistance

Under 100 participants	5500/CR	7/31
100 or more participants	5500	7/31

- Cafeteria Plans Disability,

  or Dependent Care

Under 100 participants	5500/CR	7/31
100 or more participants	5500	7/31

*Based on tax and plan years ending December 31**501(c)(3) organizations may be exempt.

(Source: National Center for Nonprofit Boards, 1998)

Improving Board & Organizational Effectiveness

APPENDIX C

Tax and Information Filing Calendar for Nonprofit Organizations
Table 2: State Filings

Filing	Due Date*
Initial Formation	
• Combined Registration Application	ASAP after formation
• Application for Exemption	ASAP after formation
• Charitable Solicitation Registration***	ASAP after formation
Payroll Forms and Returns	
• Unemployment Tax**	4/30, 7/31, 10/31, 1/31
• Payment of Taxes Withheld	20th of month (varies by state)
• Annual Reconciliation and Report of Withholding	1/31
Personal Property Tax*	varies by locale
Sales and Use Tax*	varies by locale
Report of Unclaimed Property	11/1
Annual Corporate Report	4/15 (varies by state)
Copy of Federal Form 990	5/15 (not required by all states)
Corporate Income Tax Return	1/31
• If Organization Receives Unrelated Business Income	3/15 (varies by state)
• Estimated Payments	3/15, 6/15, 9/15, 12/15

Charitable Solicitation Annual Report*	5/15
Political Action Committee	
• State Election Reports (Election Year)	4/15, 7/15, 10/15, 1/31
• Corporate Income Tax (on Interest Income)	3/15 (varies by state)

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*Based on tax and plan years ending December 3   ***501(c)(3) only

**501(c)(3) organizations may be exempt   ****501(c)(3) may apply for exemption

(Source: National Center for Nonprofit Boards, 1998)

APPENDIX D

Financial Management Assessment Hints

Financial Management
Ask the right questions. Get price information. Read how other organizations have funded ambitious technology plans. This section will provide you some of the tools to accomplish financial goals (BoardSource, 2002).

Ask the Right Fund Management Questions
You will be able to plan more efficiently if you have all the answers. Asking the right questions will guide you through the process. This section will provide you with many useful questions to consider in budgeting for technology implementation (BoardSource, 2002).

Define Your Needs
The first step in any search effort is defining your organization's needs. If you do not know what you want, you will not find it and you will waste financial and human capital.

Key Questions to Ask Your Organization
- What are we trying to accomplish?
- What information do we need to achieve that goal?
- How much time and money do we have?

Understand the Vocabulary
The next step is to generate a list of key words and phrases to use as search terms. Take time to understand the vocabulary. Use references such as dictionaries, encyclopedias, textbooks, and handbooks to help if you are not completely familiar with the research area.

Determine Appropriate Sources for your Purchase
Find out where you can make the type of purchase. Remember different vendors use different orders of operation (BoardSource, 2002).

Cost Compare Options
Look at the costing from the different vendors. Do not just look at the bottom line. Know what each offer entails (BoardSource, 2002).

To assess district technology costs, keep in mind the following elements of your technology plan:

- Infrastructure
- Hardware
- Upkeep and Upgrades
- Software
- Professional Development

Determining Technology Costs

Technology is not cheap, but with research and full knowledge of the things you need you can cut costs. Determine your costs before investing in new technology. This section will show you what to include when determining your technology costs.

As you begin developing your funding approach, use the following questions to steer your process:

- How much money is available for technology implementation?

- How big a part of the budget should it be?

- How much is needed for equipment, restructuring, software, continuing charges, i.e. program updates or phone line charges?

- Will additional funding be needed?

- Are any monies available from grants, state aid programs, business partner-ships?

- Will it be necessary to pass community bond issue or levy?

- It is wise to conduct a market analysis when planning for expenses involving new technology (BoardSource, 2002).

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Telephone: 212-347-2070.

Jerry Soto, a certified public accountant, is an auditor with Quiqley and Miron, a Los Angeles-based public accounting firm, specializing in the nonprofit sector.

How Should the Board Be Structured?

The board's structure is typically described in the nonprofit organization by-laws. Every board has a fundamental responsibility for creating a structure, policies and procedures that support effective management. The term "board organization" encompasses a variety of tasks, from routine matters (such as preparing a schedule of board meetings) to actions with broader consequences (such as developing a policy about terms of service). Here are some of the most frequent questions board members ask about board organization:

How Large Should Our Board Be?

The organization's structure and needs are among the factors that determine board size. In considering the size of the board, keep these points in mind: Every board needs a sufficient range of expertise to accomplish the organization's mission. If a board is too small, its members may be overworked and unproductive. The board will lack diversity and effective outreach capacity. If a board is too large, every member may not have the opportunity to participate actively. Members may not show up to meetings because they do not feel they would be missed. Individual accountability is more easily lost (Bowen, 1994: 41-42).

Board Size Policy Suggestions
Public Boards are most effective with 5 to 7 members and Nonprofit Organization Boards are most effective with 8 to 12 members, but there is no magical number.

Representative public boards in the public and governmental sector may have between five and seven members. The nonprofit organization board may have between eight and 12 members for maximum effectiveness unless it is a highly complex organization with multiple functions (BoardSource, 2002; Bowen, 1994: 40- 44). There is no magical number. Justifications can be made for any size, but there is no justification for an ineffective, cumbersome or overworked board.

What Should Be the Length of a Board Member's Term?

Board members should serve defined terms with upper limits on consecutive years of service (Bowen, 1994: 68; Carver and Carver, 1997:33-38, 51-53). There are no hard and fast rules for determining board members' tenure. Many organizations do, how- ever, limit members to two consecutive terms and require a hiatus of one year before a board member may be reappointed. Many organizations also stagger terms of service so that one-half or one-third of the board are elected every one or two years for terms of two to four years. Such policies encourage institutional renewal because a board can profit from the experience of veteran board members while welcoming the

fresh perspective that new members offer. A three-year term has the benefit of a maximum of one-third new members in a given year. This promotes board sustainability in terms of tradition, continuity and an influx of new ideas and fresh energy.

Suggested Policies Regarding

Length of Terms, Terms Limits, and Service on Boards

Proposed length of a single term is three years.

Proposed number of allowable consecutive terms is two terms.

This is a two-term limit with no interruption of service.

After one year of not serving on the board, a former board member may

become eligible for selection for selection to the board.

How Do We Communicate the Board Attendance Policy?

The attendance policy should be consistent with the by-laws.

Purpose: All board members should receive a copy of this official policy. The policy should be reviewed once a year and maintained in each member's board manual.

How Do We Identify a Board Attendance Problem?

There is an attendance problem when any of these conditions are met:

- The member has two un-notified absences in a row. An "un-notified" absence occurs when the member did not call ahead to a reasonable contact in the organization before the upcoming meeting to indicate that he or she would be absent from the upcoming meeting.

- The member has three notified absences in a row.

- The member misses one third of the total number of board meetings in a 12-month period.

How to Respond to a Board Attendance Problem?

If a board-attendance problem exists regarding a member, the board chair will promptly contact the member to discuss the problem. The chair shares the member's response promptly with the entire board at the next board meeting. In that meeting, the board will decide what actions to take regarding the board member's future membership on the board. If the board decides to terminate the board member's membership, termination will be conducted per this policy or a procedure specified in the organization's by-laws. The board will promptly initiate a process to begin recruiting a new board member to replace the outgoing member.

How to Terminate a Board Member for Chronic Absences and Under Participation

1. Board chair must ensure the member has a copy of the attendance policy and by laws.

2. Board chair will call the member with the board-attendance problem and notify him or her of the board's decision to terminate the member's membership per the terms of the Board Attendance Policy.

3. Board chair shall call the member to determine board member's concerns, interests or capacity to serve on the board.

4. Letter from the board chair requests resignation from the board.

5. The response time for a response to the resignation request is two weeks.

6. Request board manual and board property from the board member as appropriate.

7. Board votes on acceptance of the resignation.

8. Chair will request a letter of resignation from the member to be received within the next two weeks.

9. Chair will also request the member to return their board manual back to the agency by dropping it off at a specified location or having it picked up from a specific location at some specific time within the next two weeks.

10. The board will vote regarding acceptance of the member's resignation letter in the next board meeting (McNamara, 1999).

Implementing a Governance Policy Board

Do not create a standing committee that mirrors a staff function.
(Bowen, 1994:96-99; Carver and Carver, 1997:80-87)

What Committees Should Our Board Have?

Much of the work that a board does is accomplished through its committees. With the exception of the executive committee, which acts on the board's behalf, committees recommend action to the full board for discussion and action. Committee structure usually parallels the administrative structure of the organization.

In the past the nonprofit organization had a large number of standing committees that were tied to the board.

Traditional Nonprofit Organization Board Standing and Special Committees

- Executive Committee
- Nominating Committee
- Finance Committee
- Fundraising Committee
- Awards Committee
- Newsletter
- Program Committee
- Long Range Planning Committee
- Special Projects Committee
- Personnel Committee
- Marketing Committee
- Public and Media Relations Committee
- Professional Development Committee
- Volunteer Recruitment Committee
- Facilities Committee
- Audit and Investment Committee

The Governance Model Committee Structure

Today nonprofit boards are taking on a more streamlined approach. The number of standing committees has been reduced considerably. A governance committee has taken the place of the executive, nominating, finance, investment, audit, strategic planning and personnel committees.

The governance committee takes care of internal organizational matters. The size of this committee is 3-5 members. The other committees may address program and facilities. Fund-raising may become an *ad hoc* committee tied to the individual project or activity being funded. Staff members may be assigned the responsibility for former committee activities related to newsletters, communications and publicity.

The Policy Governance Model: 3-5 Key Committees

- Governance Committee
- Finance Committee
- Program (Operations or Organization) Committee
- *Ad hoc* Committees and Task Groups

(BoardSource, 2002; Carver and Carver, 1997:51-52)

Making a Distinction between Board Committees and Organization Committees

Policy Governance Model: Contemporary Board Committee Structure Internally Focused Board Functions:

- Governance — includes personnel, evaluation, grievances, and nominations.
- Finance — includes budget, investments, audits, taxes, and contracts.
- *Ad hoc* / Task Forces — includes by-laws, planning, facilities, special needs, crises, emergencies, marketing to new audiences, retain membership, etc.

Externally Focused Board Functions

- Program Committee — includes the outreach function in the name of program delivery to clientele. It also includes expansion of program offerings, building clientele base, reaching new audiences, reaching audiences effectively, evaluating outcomes, publicizing outcomes, measuring impact, etc.

- *Ad hoc*/Task Forces — includes special projects that are external to the non-profit organization. This includes strategic planning, collaboration, special needs, crises, emergencies, marketing to new audiences and expanding membership, etc (BoardSource, 2002; Hughes, 2002).

Creating Board Governance Awareness

Role of a Governance Committee

Boards of nonprofit organizations have customarily used nomination committees to identify and recommend new directors (members). Often these committees would meet just a few times a year, usually in advance of an annual meeting at which new directors (members) would be elected. A growing trend among nonprofit boards is establishing committees to deal with a range of governance issues. This includes membership, legal issues, management, risk management and other organizational concerns associated with the sustainability of the board and the organization.

Purpose: The governance committee is responsible for ongoing review and recommendations to enhance the quality and future viability of the board of directors. It focuses most heavily on five internal areas noted below. Duties vary dependent upon board and organizational needs at any specific time.

What the Governance Committee Does

A. Board Role and Responsibilities

• Lead the board in regularly reviewing and updating the board's statement of its role and areas of responsibility and the expectations of individuals.

• Assist the board in periodically updating and clarifying the primary areas of focus for the board — the board's agenda for the next year or two, based on the strategic plan.

B. Board Composition

• Lead in assessment of the current and anticipated needs for board composition. The committee should determine the knowledge, attributes, skills, abilities, influence and access the board will need to consider the issues and topics that will come before the board in the foreseeable future.

• Develop a profile of the board as it should evolve over time.

• Identify potential board candidates, present as possibilities, and explore their interest and availability (i.e., establish a pool of candidates).

• Based upon the foregoing, nominate individuals to be elected as directors of the board.

• In cooperation with board chair, meet annually with each director to assess his/her continuing interest in board membership and the term of service. Work with each director to identify the appropriate post (director role) she/he might assume on behalf of the organization.

B. Board Knowledge

- Design and oversee a process of board orientation, including information prior to election as a director and information needed during the first cycle of board activity for new board members (usually a year).

- Design and implement an ongoing program of board information and education to help board members.

C. Board Effectiveness

- Lead the periodic assessment of the board's performance. Propose, as appropriate, changes in board structure, role and responsibilities.

- Provide ongoing counsel to the board chair and other board leaders on steps she/he might take to enhance board effectiveness.

- Regularly review the board's practices regarding member participation, conflict of interest, confidentiality, etc., and suggest improvements as needed.

- Periodically review and update the board's policy guidelines and practices.

D. Board Leadership

- Take the lead in succession planning, taking steps to recruit and prepare for future board leadership.

- Nominate board members for election as board officers.

How to Set the Stage for Efficient Board and Committee Work?

- **Job Description:** Prepare a written job description for individual board members.

- **Schedule of Meetings:** Develop an annual schedule of meetings, determined a year in advance.

- **Distribute Information:** Circulate clear and thorough information materials, including an agenda, to all members two to three weeks before each meeting.

- **Minutes of Meetings:** Maintain complete, accurate minutes of all meetings.

- **Stay Focused and Engaged:** Keep meetings brief and well-focused. Stimulate the broadest possible participation by members.

- **Serve and Take Action:** Ask each board member to serve on at least one board committee and take an active role. For new members, one committee assignment is sufficient.

- **Honor Accomplishments:** Acknowledge members' accomplishments and contributions in a variety of ways, including the organization's newsletter, at meetings and in minutes.

Improving Board & Organizational Effectiveness

How Should Committee Members Be Chosen?

Every board member should serve on at least one but preferably no more than two committees. Committee chairs may be appointed by the chair of the board in consultation with the governance committee. Committee size depends on the needs of the board and the organization and a common sense assessment of how many people are needed to carry out the committee's work.

Make committee assignments based on the experience, skills, interests and available time of board members. Each member must make a serious commitment to participate actively in the work of the committee. If a committee is too large, a small group of members may have a disproportionate amount of responsibility. If a committee is too small, there may not be enough people to get the job done. Board committees may include people who are not board members.

Should We Encourage Smooth Functioning Committees?

- Prepare written statements of committee responsibilities, guidelines and goals. These organizational documents, which should be approved by the board chair- person, should be reviewed every one to two years and revised if necessary.

- Make committee work assignments according to the background, expertise and schedule of each member.

- Distribute tasks among members so that everyone participates but no one is overloaded.

- Create a system of checks and balances to monitor committee members' work and assure that tasks are completed on schedule.

- Assign an appropriate staff member to work with each committee.

Should the Chief Staff Executive Be a Member of the Board?

The chief executive should be an ex-officio member of the board. The chief executive should not have voting privileges on the board. He or she is there to provide information and advice. Some nonprofit organizations decide to make the executive director an ex-officio member of the board, but some with and some without voting privileges. This decision should be made carefully. Some believe that board membership is a good idea because it enhances the executive's position of authority with- in the organization and strengthens the working partnership between the board and the executive (BoardSource, 2002; Bowen, 1994: 81-96; Carver, 1997: 102-103).

Others contend that board membership blurs the distinction between the board's responsibilities and the executive's responsibilities and makes it difficult for the board to assess the executive's performance objectively. Whatever the executive's

official status, his or her insights into the daily operations of the organization are essential to board decision making by the board (BoardSource, 2002; Bowen, 1994: 81-96; Carver, 1997: 102-103).

Carver notes the CEO's responsibility and accountability is to the board only (Carver, 1997: 105). This means the administrator is accountable to the whole board and not only officers or certain powerful individuals on the board or key stakeholders engaged with the organization (Carver, 1997: 105). Bowen does discuss the "Leader Director" model and discusses the pros and cons of the approach. He points out that ultimately the distinctions and powers held must be made clear in the by- laws and policies. Job descriptions and duties must be very clearly stated (Bowen, 1994:89).

Board-Staff Relationships

The Paradox and the Challenge
The board-staff relationship is a paradoxical one. When acting in their governing role, the board must stand above staff and be the "boss." But when acting in their supporting role, board members act to support and assist staff-led work.

Some boards become so excited about their roles as governors they mistake governance for close supervision of management and begin meddling in minor management affairs. In other cases, as boards govern more, they shirk their supporting role. The challenge is to fulfill both roles, not simply switch from one to the other.

In short, boards have some inherent limitations in their ability to govern, including lack of time, lack of familiarity with the field and lack of material stake. These limitations have been supplemented by the sector's nearly exclusive emphasis on the board's supporting role and by a human tendency to avoid conflict. A first step towards an effective board is acknowledgment of the paradox and the need to per- form both functions equally well. A failure to govern as well as support is a transgression both against clients and the wider community (BoardSource, 2002; Bowen, 1994: 81-96; Carver, 1997: 102-103).

Practical Ways to Strengthen Governance
Here are some practical ways to strengthen governance:

- Have auditors and program evaluators report to the board. Agencies frequently hire two types of independent evaluators: CPA auditors and program evaluators. But in both cases these independent professionals are typically chosen by staff (often with just a cursory approval by the board), report to staff and work as partners to staff in the staff's relationship with the board. Instead, such evaluators should make their reports directly to the board and to the staff. Auditors should be selected by and report to the board or the board audit committee.

- Hire or identify independent management evaluators. In addition to auditors and program evaluators, boards need unbiased sources of information about management as well. One of the most difficult tasks for boards is the evaluation

of the CEO. On one hand a board can't interview staff about their opinions, but on the other hand, problems are created when a board obtains all its information from the person being evaluated. An independent evaluator might interview staff, and, for example, if there were several allegations of sexual harassment, would report to the board that such charges exist.

- Make governance an explicit part of meetings. Boards should affirm their responsibilities in both support and governance. Board agendas should be clearly marked "Governance Items," and "Supporting Items." Among the qualities we should seek and reward in board members are critical thought, discernment, questioning attitude. When someone raises an objection or concern, or votes against the majority, the board president should make a point of going up to that person and expressing appreciation for the seriousness and courage to make the point.

- Consider board stipends. To give a signal about the importance and seriousness of board work, we should take another look at the corporate practice of payments for board service. Much of the nonprofit sector has summarily dismissed such stipends: Isn't the board supposed to raise money? Some large nonprofit institutions already pay board members $200/meeting, but smaller organizations could consider small stipends such as $15/meeting. Such stipends reimburse board members for expenses and demonstrate visibly that the agency places a real value on board support and governance. (Some board members may choose to contribute their stipends back to their organizations.)

- Consider a paid secretary to the board. Local government councils and commissions often have their own staff, separate from the agency staff that reports to the chief administrative officer. Boards of many nonprofit organizations have far-reaching responsibilities, and board officers may not have personal secretaries they can assign to board support. A paid board secretary, perhaps working only a few hours a week, can act as the board's facilitator, reminder and educator. Duties might include: board correspondence, obtaining information from staff or others at board request, clipping from professional journals for the board, minutes and follow-up for the board, meeting arrangements and helping new officers with their responsibilities. Having their "own" staff can help board members be better supporters as well as governors.

- Recruit governors. When recruiting, boards should seek members who are good governors as well as those who are good supporters: People who know clients as well as people who know philanthropists, people familiar with nonprofit management as well as those familiar with business, operational volunteers as well as fund-raising volunteers, people who ask critical questions as well as people who cheer. A diverse board such as this will keep the agency rooted in the world it serves as well as in the world in which it raises funds. In many cases, governors and supporters may turn out to be the same people once governing responsibilities are recognized and valued as much as supporting responsibilities are (The Alliance, 2002).

The Administrator and Board Chair: Principles of Partnership

Open and Honest Communication. This is the hallmark of any good, effective organization. The administrator and the board chair must have an open and honest relationship founded on trust, candor and mutual respect. When this is present, problems and issues get handled as they arise instead of being smoothed over or ignored. Open and honest communication must also be present between board members and between the general manager and staff.

An Atmosphere of Mutual Confidence and Respect. Trust is the foundation of confidence and respect. Both board members and staff need to trust each other and have confidence that each is competent to do their jobs or make sure people get the skills necessary to do a good job. The roles of board member and staff are different and these differences need to be respected for an organization to move forward.

Identify and Agree on the Mission of the Organization. It is important for all organizations to have a clear idea of their basic mission. This is especially true for organizations that provide a service to the public. It is easy to get caught up in the detail of managing a service and lose sight of the purpose. When the purpose (mission) is clear, difficult decisions become easier to handle because they are made with mission of the organization as a context.

Identify Responsibilities. There must be agreement on who does what and who is responsible for what. This is important. It is difficult for a person to do a good job if he/she does not have a clear understanding of job responsibilities, each job description needs to specify these responsibilities and the person in the job needs to under- stand them.

Integrity. Integrity means being honest and sincere. When people in an organization act with integrity, everything else, open communication, honesty, being responsible, cooperation and respect, falls into place. Integrity is the building block of successful human relationships. An important component of integrity is keeping your word and doing what you say you will do. Keep your word. A person with integrity is the kind of person you would trust to hold the rope for you while mountain climbing.

A partnership based on these principles will establish a solid foundation for any organization. The board will look to both the elected leader and the staff leader as symbols of the ethics and morale of the organization. When unity is built at the leadership level, it will form a catalytic force that unifies the entire organization.

The Relationship of the Board and the Staff to the Organization

Successful management and operation of any organization requires a high level of cooperation between the board and the staff of the organization. The board is important because it oversees the policy and planning activities of an organization. The staff is important because it sees to the operational activities of the organization.

Both need to work as partners in this endeavor. All of the principles noted below may not always be present, but they should be the guiding practices of a responsible organization.

The Role of the Board in Supporting the Executive Director
- Communicates openly, fairly and consistently with the executive director.
    - Coordinates its communication with the executive director and the staff to avoid confusion and conflicts.
- Be open about agenda items and do not engage in ambushes or surprises.
    - Periodically assesses the performance of the executive director in a fair and inclusive manner.
    - Periodically leads in the process of evaluating the effectiveness of the organization.
- Discusses issues confronting the organization with the executive director.
    - Reviews openly and promptly issues of concern to the board with the executive director.
- Accepts and fulfills leadership responsibilities for the board and the organization.
    - Understands its governance role and acts accordingly.
    - Understands and respects the workload of the staff.
    - Supports the organization in the community.
    - Is respectful and acts professionally in regards to the executive director and staff.
    - Return phone calls.
    - Meet deadlines.
    - Give adequate notice of meetings and special requests to the executive director and staff.
    - Announce policy changes to the executive director and staff prior to communicating them to the public (National Center for Nonprofit Boards).

Building a Partnership: Board –Staff Relations

What If Scenarios
What If…Scenario 1:

A member of the staff has concerns about the executive director's management of certain financial matters. One or two others on staff share her concerns. The staff member decides to approach a board member with whom she has worked on program matters to report her suspicions. The board member wonders what to do with this information.

What If… Scenario 2:

At a recent board meeting, a board member began to question a series of decisions made by the executive director, complaining that policy matters were involved and the board was not properly consulted. The board member has expressed his lack of

confidence in the executive director to a number of others on the board. Although most of the rest of the board feels the executive director does a good job, a number think the board should have been consulted about these particular decisions. At the meeting, they do not speak up.

What If... Scenario 3:

The chair of the board has asked to see weekly financial reports and spends at least one afternoon a week in the offices meeting with the executive director and talking to staff. The executive director is upset at the level of the board chair's involvement in the day-to-day affairs of the organization. He is unsure of what to do about it (BoardSource, 2002).

For each of the scenarios:

- Identify the issues.
- Recommend what the staff should do.
- Recommend what the board chair should do.
- Do other board members have a responsibility? What is that responsibility?

Dealing with Ineffective Board Members: A Case Study

Jennifer Bell just conducted her first meeting as chair of the Benton Retirement Community's nine-member board of directors. Now in her fourth year on the board, Jennifer headed the search committee to find a new executive director two years before. Since then she and Tom Moore, the executive director, have created a future vision for expanded services that would move it into the top ranks of elder care facilities in the region. To reach that objective will require hard work and significant new resources. At this meeting, the board authorized a new capital campaign that is the largest ever for the Benton elder care facility.

"We can't succeed unless we have far more energetic and influential board members. We have nine people on the board. Six are jewels, but three are not pulling their weight," Jennifer said to Tom as they left the meeting room. "We can't afford such deadwood."

Tom responded, "What can we do? You know even better than me, the situation with those three people." "I certainly do," said Jennifer. She paused and then spoke again. "One member of the board hardly ever attends a meeting. She happens to be the founder's granddaughter. She hardly ever attends a meeting. When she does, her ideas are archaic."

Another one of the three board members only happens to be the person who 10 years ago made the largest gift ever to the Benton Retirement Community. He has not given a nickel since. Furthermore, he never says a single word at board meetings, or between board meetings for that matter."

The third one attends the meetings and has an opinion about everything! He never shuts up and never follows through on any ideas. He is a partner in Jennifer's husband's law firm and has a great deal of information at his disposal (Board Member, March-April 1992).

Questions:

What can the board chair, Jennifer, do in the short-term to begin to resolve the immediate problems with these three board members?

What actions could be taken by the board to avoid a similar situation in the future? Will

the facility expansion become a reality?

Other comments?

How Your Board Can Govern More and Manage Less
- Develop a strategic plan and adhere to it.
- Link the current agenda to the strategic agenda.
- Monitor the success of the organization's initiatives.
- Develop clear expectations and a plan of action for the board of directors.
- Direct the executive director to prepare strategically.
- Structure meetings to direct the board's attention to matters of policy and strategy.
- Develop and use a consent agenda.
- Determine priorities and organize the agenda accordingly.
- Assess the performance of the board on a regular basis.
- Focus on policy objectives, organizational strategy, and the relationship between budgets and priorities (BoardSource, 2002).

**When shaping your board
always focus on accomplishing your mission!!**

Management and Governance Questionnaire

In the table below you will find a number of statements related to maximizing your Board's effectiveness. Register your reaction to each statement by circling one of the numbers to the right of the statement.

1= Strongly Disagree (SD)   **4=Disagree (D)**

2=Agree (A)   **5=Strongly Agree (SA)**

3=Undecided (U)

Observations About This Board	SA	A	U	D	SD
1. It has developed policies on board size, composition, nominations, and elections.	5	4	3	2	1
2. It has a policies and procedures manual.	5	4	3	2	1
3. It has a board orientation program for new members.	5	4	3	2	1
4. It has effective lines of communication with each other and the executive director.	5	4	3	2	1
5. It has established a means for recruiting new volunteers to serve on the board.	5	4	3	2	1
6. It seeks to ensure diversity in its membership.	5	4	3	2	1
7. It supports the executive director's professional development.	5	4	3	2	1
8. It holds all members accountable for their actions.	5	4	3	2	1
9. It conducts periodic assessment for their actions.	5	4	3	2	1
10. It provides opportunities for informal interactions between board members and staff.	5	4	3	2	1

Record Keeping Checklist

To ensure proper operation of a nonprofit organization, create formal policies and procedures concerning:

_____　　1. Keeper(s) of the formal minutes of board meetings.

_____　　2. Timing when minutes are to be prepared.

_____　　3. Production and distribution of minutes.

_____　　4. Examination of the minutes for relevancy and accuracy.

_____　　5. Filing of required reports.

_____　　6. Evaluation of benchmarks.

_____　　7. Client satisfaction survey for immediate feedback.

_____　　8. Evaluation of board performance.

_____　　9. Database of client information.

_____　10. Location and content of historical records (Smith, Bucklin & Associates, *The Complete Guide to Nonprofit Management*).

A Public Relations Note

- Do not assume that the organization will continue to have the respect of the community.

- As leaders, take responsibility to inform the community continually of problems, efforts to solve problems and accomplishments.

- As leaders, take responsibility to motivate the community to take responsibility for its own fate.

- Communicate with monthly press releases (BoardSource, 2002).

Corporate Memory Checklist

_____　As leaders, ensure the information important to the organization is being documented and preserved.

_____　Be concerned with memoranda, minutes of meetings, required reports, program evaluations and customer feedback.

_____　Periodically review the location and content of the organization's historical records (its corporate memory).

_____　Ensure that individuals can obtain access to the corporate memory and records.

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The Board Manual: An Orientation and Resource Tool

The foundation of a committed, knowledgeable, and effective board is orientation and education. As an essential companion to orientation and education, every organization should have a thorough, easy to use manual that board members can use throughout their terms.

Functions of the Board Manual

- Orientation handbook for new board members and staff
- Reference manual for board members, staff and volunteers

A board manual serves two functions. For the new board member, it is an orientation handbook that provides useful information about the organization, board structure and operations, and fellow board members and staff. For the balance of a member's board service, the manual then becomes an indispensable reference and resource manual. It serves as a source of information for board members, staff and volunteers. It is working tool and a central resource about the organization and the board (BoardSource, 2002).

Materials can be added and removed to create an up-to-date reference. The board manual is developed by staff in consultation with the board chair, the administrator, and members of the governance committee. It should be printed in a durable, attractive loose-leaf notebook with a table of contents and labeled dividers. It is desirable to date all materials and additions and replace material when necessary. The manual's pockets can be used to keep stationery, brochures and information items (BoardSource, 2002).

Suggestions for Developing an Easy-To-Use Working Manuel

- Do not overwhelm new board members with too much information. When several examples are available (e.g., current press clippings), include only one.
- Keep each item brief. A two-paragraph biography of the executive director is more preferable than a four-page resume.
- Use the handbook as a "textbook" during board orientation.
- Encourage board members to read and ask questions about the material.
- Ask board members to evaluate the usefulness of the manual each year.
- Revise the contents or format based on their comments (BoardSource, 2002).

Orienting New Board Members

Conducting an Orientation Session

An orientation session should be held before each new board member attends his or her first board meeting. This will help the new member participate fully on the board as quickly as possible. The session may be organized by, among others, the nominating

committee, the executive director or the board chair. Key board and staff members, such as the board chair, the executive director, committee chairs and senior staff should take part at the orientation. It is also appropriate to invite current board members to attend all or part of the orientation as a refresher and to meet the new members (National Center for Nonprofit Boards, 2000:25).

It is beneficial to hold the orientation at the organization's headquarters if convenient for board members, to give them a tour of the facility and a sense of the working environment. A quiet, comfortable location off-site is also appropriate. The agenda for an orientation session can be crafted to fit varying amounts of time ranging from an hour or two to a half-day and might include a tour and refreshments, in addition to formal presentations and time for questions from new members (National Center for Nonprofit Boards, 2000:25).

Preparing New Board Members for Board Service: The Board Building Cycle

Welcome to the Board

Orientation to the board members don't always have an intuitive mystique or skills to do the job. If this is important work, then proper training must be done. New board members need to become thoroughly acquainted with the organization as quickly as possible. Do not assume they have remembered all the information conveyed during the recruitment process.

Orientation actually begins before someone is asked to join the board. It begins when a person is first approached about the possibility of serving — or, for member- ship organizations that nominate and elect board members, it begins before potential board members decide to put their name in the hopper. The formal orientation is a continuation of that process. It should be held before new board members attend their first board meeting and should be organized by the governance committee, the chief executive and the board chair (National Center for Nonprofit Boards, 2000:25).

New board members need to become thoroughly acquainted with the organization as quickly as possible. They need to be provided with fresh information in more detail, in order to get them involved quickly. Don't assume they have remembered all the information conveyed during the recruitment process (National Center for Nonprofit Boards, 2000:25).

> **Timing Is Important**
>
> *Each new board member should receive a*
>
> *board manual within two weeks of being elected to the board*.

Each new board member should receive a Board Manual within two weeks of being elected to the board and before the orientation that introduces him or her to the organization and the board. Although some of this material may have been provided

earlier, it is helpful to have it organized and in one place. The board manual should contain the history and mission of the organization, including membership statistics, if applicable. It should contain the board member job description, legal documents such as articles of incorporation and bylaws, financial information, the strategic plan and an overview of the organization's programs. It should also contain a roster of board members, staff data and information about committees. Consider including minutes from past years' meetings as well as a board policy book. And it is helpful to have a calendar of activities, board meetings and special events (National Center for Nonprofit Boards, 2000:25).

The board chair plays a big role in the orientation, though it may be organized by the executive director, the governance committee, the board chair or all three. Key board and staff members should take part in the process. Some organizations also invite all current board members to attend all or part of orientation sessions as a refresher and to meet the new members (National Center for Nonprofit Boards, 2000:25).

It is usually best to hold at least part of the orientation at the organization's main office, if convenient and appropriate. New members should be given a tour of the facility to get a sense of the working environment. If that is not an appropriate spot, a quiet, comfortable location off-site is also fine. It could be done in the style of an off-site retreat or on-site at the organization's office or that of a board member (National Center for Nonprofit Boards, 2000:25).

Orientation is not a one-time event. It is a continuous process.

An orientation session can be tailored to fit varying amounts of time, usually from an hour or two to half a day. Subjects to be covered include the roles and responsibilities of board members, the organization's mission and programs, its strategic plan, finances, fund-raising initiatives and the structure of the board and staff. The orientation should touch on financial statements and the most recent audit, explain liability and insurance coverage and reiterate the time commitment involved. Orientation may also include showing a video on board roles and responsibilities. Video tapes are available at NCNB (National Center for Nonprofit Boards, known today as BoardSource, Inc. in Washington, DC. It is also helpful to go over committee job descriptions and goals and to orient new board members on how to be effective committee members (National Center for Nonprofit Boards, 2000:26).

Some orientations may also include an official "swearing in" ceremony at which time new board members pledge their service to the organization and formally acknowledge their responsibilities as board members (National Center for Nonprofit Boards, 2000:26).

After formal presentations, leave time for questions and the opportunity for board members to get to know each other. Orientation can also be a time for informal sharing

of stories from the organization's past. To avoid information overload, it may be desirable to schedule more than one orientation session (National Center for Nonprofit Boards, 2000:26).

One of the most valuable parts of the orientation process is to fill new members in on things that aren't written down anywhere. It should come after the first board meeting and may be initiated by the chief executive, the board chair, or the chair of the governance committee. The idea is to give new members an idea of the culture of the board as well as the organization and explain how it really works. It might deal with simple things like what people generally wear to board meetings, whether they arrive promptly, and other "insider" information-for example, that the board chair is trying to deal with a clique among board members (National Center for Nonprofit Boards, 2000:26).

Orientation is not a one-time event. It might stretch out as long as a year. During that time, the governance committee might pair up a new board member with a more seasoned member as a mentor who can befriend the new member, make him or her feel welcome, and address questions that crop up from time to time (National Center for Nonprofit Boards, 2000:26).

Several months into the new board member's term, it is a good idea to schedule a follow-up session to respond to questions, now that he or she has become more familiar with the organization. The board member might wonder about the history of leadership changes or the organization's relationship to other institutions. This is also a good opportunity to ask new members for feedback on the board's operation (National Center for Nonprofit Boards, 2000:26).

New board members may present wonderful opportunities for rejuvenating the board as they often come asking new questions and bringing fresh ideas, which can give the board a fresh perspective on its work (National Center for Nonprofit Boards, 2000:26).

Suggested Contents for Board of Directors Handbook

A. The Board

   1. Board member listing
   2. Board member bios
   3. Board member terms
   4. Board statement of responsibilities
   5. Board member responsibilities
   6. Committee and task force job descriptions

B. Historical references for organization

   1. Brief written history and/or fact sheet
   2. Articles of Incorporation
   3. IRS determination letter
   4. Listing of past board members

C. Bylaws

D. Strategic framework

   1. Mission and vision statement
   2. Strategic framework or plan
   3. Current annual operating plan

E. Minutes from some recent board meetings

F. Finance

   1. Prior year annual report
   2. Prior year audit report
   3. Chart of financial growth (sales, membership, programs, etc. for the past 5 to 10 years)
   4. Current annual budget

   5. Form 990
   6. Banking resolutions
   7. Investment policy

G. Policies pertaining to the board

   1. Policy on potential conflicts of interest
   2. Insurance policy coverage
   3. Legal liability policy
   4. Travel/meeting expense reimbursements
   5. Accreditation documents (if applicable)
   6. Others

H. Staff

   1. Staff listing
   2. Organization/team chart

I. Resource Development

   1. Case statement
   2. Current funder list
   3. Sample grant proposal
   4. Sponsorship policy

J. Information

   1. Annual calendar
   2. Programs list
   3. Current brochure(s)
   4. Website information

K. Procedures to update board handbook

The following is an overview of the information that needs to be conveyed to new board members at their orientation. The materials can be presented in person and in writing at an orientation meeting (National Center for Nonprofit Boards, 2000:27).

Board Orientation Chart

About the Organization Program
Issues: Offer new board members a feel for the work of the organization - what it does, whom it serves, what difference it makes - to get them emotionally and intellectually connected and motivated.

Presentation Options

- Tour facilities
- Observation of/participation in program activities
- Presentation by client, member, or program participant
- Video, slides, film presentation
- Verbal presentations
- Written Materials

Finances
Issues: Help new board members become informed about where money comes from, how it is spent, and the state of the organizations' financial health, including their role in fund-raising.

Presentation Options

- Presentation by chief executive, chief financial officer, or treasurer
- Background materials, (most recent audit, budget, financial statements), graphically presented, if possible.
- Presentation of the fund-raising strategy

History
Issues: Provide sufficient knowledge about the past so that the present makes sense. Also, help new board members see their own participation as part of the organization's ongoing story.

Presentation Options

- Stories told by "old timers"
- Pictures
- Written materials

Strategic Direction
Issues: Present a framework for new member to participate effectively. Clarify the mission, vision, organizational values, and goals that inform organizational actions.

Presentation Options

- Presentation/discussion by the chief executive or board chair

- Copy of strategic plan (or other documents, especially mission statement, if no plan is available)

Organizational Structure

Issues: Help new board members understand who does what and lines of accountability

Presentation Options

- Copy of the bylaws, IRS determination letter
- Organizational chart
- Introduction to key staff members

Board Roles

Issues: Endure that the new members understand the roles of the board

Presentation Options

- Presentation/discussion, preferably with the whole board involved
- Written materials

Board Member Responsibilities

Issues: Ensure that new board members understand their own responsibilities as board members

Presentation Options

- Presentation/discussion
- Signed agreement (job description), including conflict of interest and ethic

Board Operations

Issues: Help new board members understand how the board operates so that they may participate effectively

Presentation Options

- Board manual
- Board mentors
- Committee charges and member lists
- Meeting schedule

Board Members

Issues: Facilitate new board member integration with the other members

Presentation Options

- List of board members and biographical data
- Time set aside for social interaction

Skills

Issues: How to read a financial statement
Presentation Options

- Written materials
- Presentation by the treasurer or finance committee

    (National Center for Nonprofit Boards, 2000:28)

Board Mentoring

The nominating committee could pair up a new board member with a more seasoned board member and ask the experienced member to stay in contact with the new member during his or her first year on the board, answering questions about the board and helping them to feel welcome. The relationship could be structured or less formal, depending upon the needs of the new member (BoardSource, 2002).

Other Suggestions

Each new board member may be asked to serve on at least one if not two commit- tees to learn how the board carries out its work. Engaging in committee work helps the new member become more involved with a particular aspect of the organization. It is important to share committee job descriptions and goals with all board members. This orients them to the work of committees other than their own. The cross- committee comparisons help new board members become oriented to committee work and become more effective committee members in the future.

What a Board Member Should Learn from the Manual

**By the conclusion of the orientation,
new board members should have a sense of the total organization.**

The Board Manual

Prior to or at the orientation, each new board member should receive a board manual that introduces the new member to the organization and the board. Although some of this information may have been provided previously to the new board member, the board manual should contain the following written materials.

Key Components of the Board Manual

Legal and Historical Information

- History and mission of the organization
- Legal Documents including by-laws and articles of incorporation
- The organization's by-laws and rules of procedure

Fiduciary and Financial Information

- Budget reports for three years and monthly financial statements
- State of the organization's finances and assets
- The organization's fund-raising initiatives

Board Orientation Chart

Information	Issues	Presentation Options
	About the Organization	
Program Finances	Offer new board members a feel for the work of the organization - what it does, whom it serves, what difference it makes - to get them emotionally and intellectually connected and motivated. Help new board members become informed about where money comes from, how it is spent, and the state of the organizations' financial health, including their role in fund raising.	• Tour facilities, •Observation of/participation in program activities, • Presentation by client, member, or program participant, •Video, slides, film presentation, •Verbal presentations, •Written Materials • Presentation by chief executive, chief financial officer, or treasurer, • Background materials, (most recent audit, budget, financial statements), graphically presented, if possible. • Presentation of the fund-raising strategy
History	Provide sufficient knowledge about the past so that the present makes sense. Also, help new board members see their own participation as part of the organization's ongoing story.	• Stories told by "old timers" • Pictures • Written materials
Strategic Direction	Present a framework for new member to participate effectively. Clarify the mission, vision, organizational values, and goals that inform organizational actions.	• Presentation/discussion by Copy of strategic plan (or other statement, if no plan is available)
Organizational Structure	Help new board members understand who does what and lines of accountability	• Copy of the bylaws, IRS determination letter, • Organizational chart, • Introduction to key staff members
Board Roles	Ensure that new board members understand the roles of the board	• Presentation/discussion, preferably with the whole board involved, • Introduction to key staff members, • Written materials
Board Member Responsibilities	Ensure that new board members understand their own responsibilities as board members	• Presentation/discussion, • Signed agreement (job description), including conflict of interest and ethic statements
Board Operations	Help new board members understand how the board operates so that they may participate effectively	• Board manual, •Board mentors, • Committee charges and member lists, • Meeting schedule
Board Members	Facilitate new board members integration with other members	• List of board members and biographies, • Time set aside for social interaction
Skills	How to read a financial statement	• Written materials, • Presentation by the treasurer

(National Center for Nonprofit Boards, 2000:28-29)

Policy and Planning Information

- Organization's strategic plan and major goals
- The organization's strategic or long-range plan updates
- Information on committee membership, assignments and past outcomes
- Board and meeting orientation information
- Special projects and stakeholders

Personnel Information

- Board member job description
- Staff information and functional areas of responsibility
- The structure of the board and staff
- The names, addresses, and contact numbers for board officers, members and committee chairs, committee members and staff members
- Job descriptions for staff and board members
- The individual's roles and responsibilities as board members

Program Information

- Overview of programs and clientele served

Evaluation Information

- Evaluation Forms

Contents of the Board Member Manual

Introduction
Contents of board policies manuals may differ somewhat among different organizations, depending on the needs and nature of the organization. Regardless of the con- tent, manuals should be provided to each board member. This manual greatly helps to orient and train new board members and ensure efficient organization and access to these materials. The following items are certainly not required for all manuals, but provide handy reference for consideration by each organization about what to include in their manuals (McNamara, 1999).

Legal Matters

Charter Documents
- Articles of Incorporation
- IRS letter granting 501(c)(3) status (other exemptions from taxes)
- Business licenses, permits, and certificates

- Registration for Solicitation

By-laws
- Board By-laws
- Resolutions and Procedure Changes
- Code of Ethics and Code of Conduct (including conflict-of-interest policy)

Insurance Documents
- Directors and Officer's Insurance
- Bonding Certificates
- Fire and Flood Insurance
- Liability and Damages
- Vehicle Insurance

Financial and Fundraising Matters

Financial Management
- Fiscal Policies
- Internal Control Policies (bookkeeping controls)
- Collections for Accounts Past Due
- Tracking In-Kind Donations (nonprofit-specific)
- Tracking Volunteer Hours (nonprofit-specific)
- Travel Reimbursements
- Other Reimbursements

Financial Records and Data
- Yearly Budget
- Budget Narrative
- Cash Flow Reports
- Program Budgets
- Financial Statements
- Financial Analysis
- Audit Reports

Fund Raising
- Fund-raising Plan
- Lists of Sources
- Lists of Donors
- Fund-raising Reports

Policy and Planning Matters

Board Organization and Management Policies
- Board Meeting Attendance Policy
- Guidelines for Recruiting, Orienting, Informing and Removing Members
- Guidelines for Evaluating Board

- Guidelines for Evaluation Chief Executive Officer

Board Organization and Membership
  - Organization Chart of Board
  - Roles and Responsibilities of Board
  - Job Descriptions of Board Officers and Other Members
  - Board Committees and Charters
  - List of Board Members (their organizations, contact information, etc.)
  - Board Member Biographies

Board Operations
  - Board Calendar
  - Work Plans ("to-do" list for each Board Committee)
  - Board Meeting Agendas and Minutes
  - Committee Meeting Agendas and Minutes
  - Reports from Chief Executive

Personnel and Personnel Policy Matters

Staff Organization and Data
  - Organization Chart
  - Job Descriptions
  - Staff Address List
  - Staff Information Form

Personnel (Staff) Policies and Procedures
  - Benefits and Compensation
  - Code of Ethics and Code of Conduct
  - Conference Room Layout / Reserving Rooms
  - Diversity Plan
  - Dress Code
  - During Chief Executive's Absence
  - In Case of Fire
  - Forms to Check Out Keys
  - Use of Kitchen Area
  - Large Mailings and Copy Lists
  - Office Forms
  - Office Supplies
  - Performance Management Policies (performance appraisal, firing, etc.)
  - Receptionist/Program Assistance Advance Notice
  - Snow Days
  - Special Recognitions
  - Telephone Coverage
  - Time Tracking
  - Vacations

Strategic Plan Document
- Mission, Vision and Values Statements
- Goals and Strategies
- Action Planning (objectives, responsibilities, time-lines, etc.)
- Status Reports

Programs and Service Delivery Matters

Description of Programs, Products and Services
- Descriptions
- Service Objectives
- Income Objectives
- Evaluation Results

Marketing and Promotions
- Marketing and Promotions Plan
- Market Analysis
- Positioning Statement
- Brochures, articles, etc.

Community and Public Relations
- Interview Guidelines
- Scripts (for reference during interviews)
- Listing of Major Stakeholders and Contacts
- Public Event Planning

Evaluation and Assessment Matters
- Forms and Procedures to Evaluate the Administrator (Executive Director)
- Staff Evaluation
- Board Evaluation
- Board Member Evaluation (McNamara, 1999)

A Board Member Profile Form should be used to outline key board-related information such as experience and background in the nonprofit field, other board member- ships. The profile may also call for personal information such as telephone numbers, e-mail addresses, home address, spouse's name, and special areas of interest. Use of this information should be limited to the administrator (executive director) and the Board or Governance Committee Chair (Nelson, 1999).

Board Manual Contents Checklist

A thorough board manual should include most or all of the following materials. Avoid placing large bulky reports in the manual. The purpose of the manual is to serve as a quick, reliable reference.

General and Legal Information

_____ History, Purpose, and Administration

_____ Mission statement

_____ Articles of incorporation (corporate charter)

_____ Organization by-laws and codes of procedure

_____ Organization fact sheet (brief history and summary of current programs)

_____ Organizational chart

Financial Information

_____ Finance and Fund-Raising

_____ Current financial statements and budget for the current fiscal year

_____ Most recent audit report (3 years is recommended)

_____ Most recent treasurer's report (last 12 months' reports are recommended)

_____ List of donors for two fiscal years

_____ Description of board members' liability insurance

Policy and Planning

_____ Current strategic plan (or a summary)

_____ Annual calendar or program schedule

_____ Annual report

_____ Selected press releases and articles

_____ Board and Committee Minutes including most recent minutes

_____ Description of individual board member's responsibilities

_____ Committee job descriptions

_____ Current annual calendar of board and committee meetings

Program Information

_____ Program descriptions and outcomes

_____ Promotional material (membership brochure, information brochure, advertisements, etc.)

_____ List of suggested resources (publications and organizations) related to the organization's area of interest

Personnel Information

_____ Up to date list of board members' names, professional titles, addresses, and telephone numbers

_____ Roster of officers, committee chair, and members

_____ Telephone tree for use to call members in case of emergency

_____ Biographical sketch of executive director and a short profile of the board members

_____ Board Member Information Forms

How Do We Keep Board Members Informed?

Designing a Board Information System

Good governance depends on enlightened decision-making. Board members, in turn, need to be knowledgeable about the organization's status and needs if they are to make sound decisions that advance its mission. But boards often say the information they receive hinders rather than facilitates good governance and strong leadership. They protest they are overwhelmed with large quantities of irrelevant information, they don't get enough information, or they receive material too late to devote serious attention to it. An effective board information system should focus decision-making, stimulate participation, and support an appropriate balance of responsibility between board and staff.

Types of Board Information

Management consultant John Carver describes three types of board information:

- Decision information is used to make decisions, such as establishing selection criteria for the chief staff executive. It looks to the future and is not designed to measure performance.

- Monitoring information enables the board to assess whether its policy directions are being met. It looks to the past and provides a specific survey of performance against criteria. An example is an annual review of an organization's strategic plan.

- Incidental information is for the general information of the board and not related to board action. Committee reports are frequently in this category.

Too often, board information is primarily incidental information. Although such material is useful for maintaining an overall impression of the administration of the organization, it is not usually specific or substantive enough to help board members make decisions or monitor the organization's success at carrying out its mission.

Establishing a System

Establishing and maintaining a board information system is the joint responsibility of the board chairperson, board members, the chief staff executive and staff who work with the board.

The board should discuss:

- What information it needs to do its job

- How often it wants this information

- In what form it needs the information

- Given this board feedback, the staff can establish the content, format, and frequency of information they will provide the board.

- Characteristics of good board information

Guidelines for Developing Effective Board Information

Barry S. Bader, a consultant, author, and specialist in hospital governance, identifies seven guidelines for developing effective board information.

Seven Guidelines for Developing Effective Board Information

1. Concise. Is the information communicated as quickly or as briefly as possible?

2. Meaningful. Is the information presented in relationship to a significant factor, such as a goal set by the board, past performance or comparative data?

3. Timely. Is the information relevant to the current agenda?

4. Relevant to Responsibilities. Does the information help the board or board committee discharge its responsibilities?

5. Best Available. Is the information the best available indicator of the situation or condition being described? Can better information be provided?

6. Context. Is it clear why this information is important?

7. Graphic Presentation. Could the information be presented better graphically than in words?

Basic Ingredients of a Board Information System

Every board must decide for itself exactly what information it needs. For most organizations, however, the following checklist is a starting point.

Getting Ready for the Meeting

Things to Do and Review Two Weeks before Each Board Meeting

- Prepare agenda
- Gather information about issues for discussion, when appropriate
- Financial information
- Committee reports

At Least Two Weeks before the Board Meeting at which it is Discussed

- Annual budget
- Audit report
- Strategic plan

After each board meeting

- Minutes
- Notice of next meeting

Monthly:

- Financial report
- Significant published articles about the organization

Quarterly:

- Financial report

Regularly, when appropriate

- Memo from chief staff executive summarizing current activities, accomplishments, and needs
- Updated material for board handbook
- Advance copies of publications, brochures, or promotional material
- Annual report (BoardSource, 2002)

Sample Board Meeting Agenda

Bountyland Red Cross Chapter Board
Room - Red Cross Building July 1,
2002 — 10:00 a.m.-Noon

1. CALL TO ORDER

2. MINUTES: Approval of the minutes of previous meeting. After approval of the minutes, the secretary signs the minutes as having been so certified by the board on this date.

3. MONITORING AFFIRMATION: Board members individually affirm that they have received and read all monitoring reports since the last meeting. Members shall have read the reports prior to the meeting in preparation for decision-making.

4. ENDS: Meeting with the Awards Banquet coordinators to discuss area wide coordination of banquet and awards activities on the same evening as the county council public session.

5. GOVERNING PROCESS: Decision on the number of guests to be invited to the Awards Banquet and evening entertainment options.

6. CONSENT AGENDA: The board approves the list of award winners to be recognized at the Awards Banquet and the budget associated with the banquet and awards. The actual budget details are in the executive director's hands so long as the budget items and amounts are consistent with the budget policy. The Awards Committee made the recommendation to the board and submit- ted a report that has been reviewed by board members prior to the meeting.

7. NEXT MEETING: The board begins preparations and plans for the next meeting consistent with the annual schedule of activities. Time, date, and location of the next meeting is made clear.

8. SELF-EVALUATION: A selected board member will compare the functioning

and operation of this board meeting with the Governance Process Policy stated in the manual and provide an assessment. One board member does this for each meeting. The member is selected by round-robin process.

9. ADJOURNMENT: A motion is moved to adjourn.

(Carver and Carver, 1997:46)

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Sieverdes, Christopher M. 2002. *Community and Leadership Development: Skills and Models.* Palmetto Leadership. Clemson, SC: Clemson University Extension.

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The Alliance: Raising the Bar on Quality. http://www.allianceonline.org.

Sample Board Application Form

The sample document should be reviewed and modified by the organization according to its nature and needs.

Name _____

Phone _____

Address _____

Telephone_____Fax_____E-mail _____

Relevant Experience and Employment (attach a resume if relevant)

_____

_____

Why are you interested in our organization?

_____

_____

How you can contribute and provide expertise to our organization.

_____

_____

Other volunteer or work commitments.

For Board Use

__ Nominee has met with board member(s)   Date_____

__ Nominee reviewed by the committee.   Date_____

__ Nominee attended a board meeting.   Date_____

__ Nominee interviewed by the board.   Date_____

__ Action taken by the board   Date_____

The Duties and Responsibilities of Contributing Board Members

General Expectations and Board Membership Responsibilities

- Know the organization's mission, purposes, goals, policies, by-laws, programs, services, strengths and needs.
- Make certain the organization is operating within a legal framework.
- Suggest nominees for the board.
- Serve in leadership positions or undertake special assignments willingly when asked.
- Follow trends in the organization's field of interest.
- Bring a sense of humor to the board's deliberations.
- Learn to separate people from issues.

Legal and Ethical Responsibilities

- Avoid conflicts of interest. Avoid even the appearance of a conflict of interest and disclose any possible conflicts to the board chair in a timely fashion.
- Serve the organization as a whole rather than special interest groups in the community.
- Maintain independence and objectivity. Do what a sense of fairness, ethics and personal integrity dictate to remain above reproach.
- Never accept or offer favors or gifts from or to anyone who does business with the organization.

Fiduciary Responsibilities

- Exercise prudence with the board in the control and transfer of funds.
- Faithfully read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility.
- Protect the assets of the nonprofit organizations.

Fund-raising Responsibilities

- Review, understand and sanction informal agreements made by the board.
- Give an annual gift according to personal means.
- Assist the organization by implementing Fund-raising strategies through personal influence with others such as corporations, foundations and individuals.
- Ensure that all employment and income taxes are paid. Understand the distinction according to the IRS regarding the definition of an "employee" and an "independent contractor."

Meetings, Attendance and Preparation Responsibilities

- Prepare for and actively participate in board and committee meetings and events.
- Read minutes and make sure they are correct.
- Ask timely and substantive questions to gain information for decision-making.
- Maintain confidentiality of the board's executive sessions.

- Speak on behalf of the board when asked to do so by authorized persons.
- Suggest agenda items periodically for board and committee meetings, to ensure that significant policy related manners are addressed.
- Record objections and ensure a debate on controversial or difficult issues.
- It is your duty to review plans and policies and how they are carried out, not to be accommodating to people because they have been around for a long time in the organization and are doing their best.

Administrator and Staff Relationship Responsibilities

- Counsel the executive director as appropriate and offer support.
- Avoid asking for special favors of the staff with proper clearance from the board.
- Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures (BoardSource, 2002).

Job Descriptions of Nonprofit Organization Personnel Administrator (Executive Director)

Purpose: The administrator, with the support of the board, manages the day-to-day operation of the organization; formulates and carries out the short-term objectives to advance the board's long-range plan; establishes operating procedures (in compliance with local, state and federal laws, and policies set by the board); and supervises the hiring, firing and evaluation of all staff members.

Administrator (Executive Director) Duties and Responsibilities

Manage Meetings

- Attend all board meetings and board committee meetings.
- Be directly responsible to the board.
- Work with the Board Chair to prepare the agenda for regular board meetings.
- Take part in board and committee meeting discussions.

Policy Formation and Implementation

- Initiate and direct the development of policies for board approval.
- Provide the board with adequate information to help it reach sound decisions and establish policies.
- Supervise the implementation of all board policies.

Staff and Administration

- Supervise the hiring, firing and evaluation of all staff members.
- Direct administrative staff members in their assignments and duties.

Budget Preparation

- Prepare an annual budget and submit it to the board for approval.
- Provide adequate information to the board about the financial status of the organization.

Public Relations

- Represent the organization in all dealings with other organizations, individuals and the public.
- Promote a positive image of the organization in the community through good public relations.

Strategic Planning

- Work with the board on the organization's long-range plan.
- Develop short-range (one-year) objectives to meet the goals of the long-range plan.
- Report regularly to the board on progress toward organizational objectives and other issues of concern to the board.

Rationale: The administrator is hired by the board to manage the day-to-day operation of the organization. His or her responsibility is to carry out policy made by the board and set objectives to meet the board's long-range goals.

Words can be used interchangeably in this section. The top administrator of an organization may be called the President, Executive Director, Chief Executive Officer, Chief Operating Officer or Administrator. This person is the primary executive or administrator of the nonprofit organization or agency. This person often serves at the pleasure of the board or council. It is recommended that this person not serve as the chair of the board or even serve on the board except in an ex-officio capacity.

The difference in the functions between the top administrator and the board of directors or council is that the board creates policies that the administrator executes and enforces in the daily management of the organization. The board sets the guidelines and procedures and makes policies. The administrator makes all decisions about the enforcement of policies that affect individual departments, programs, staff members and volunteers in the organization. The board makes decisions that affect the entire organization as a whole. The administrator serves on the front-line of the organization.

The Administrator's (Executive Director) Role in Developing the Board

- Maintains a strong relationship with the chair of the board or council and helps him or her do the job effectively.
- Cultivates and maintains strong, balanced relationships with each board member.
- Works closely with the board governance committee to identify, recruit, orient new board members and continuously develops Board members.
- Supports the work of committees by personally staffing them or assigning senior management staff to work with the committees.
- Understands the board's governance function and helps the board act accordingly.
- Prepares reports and provides information for the board which will allow it to think and act strategically and to fully exercise its fiduciary responsibilities.
- Encourages board self-assessment and assists in its implementation.

Administrator (Executive Director) Assessment Checklist

_____ 1. What are the major objectives of the organization?

      _____ A. Short Term (1-2 years) Objective?

      _____ B. Long Term (5-10 years) Objectives?

_____ 2. How well are these objectives being realized?

_____ 3. Does the Executive Director have the necessary knowledge and skills?

_____ 4. Does the Executive Director have the necessary personal characteristics?

_____ 5. Does the Executive Director recruit and supervise a good staff?

_____ 6. What are the Executive Director's strengths?

_____ 7. What are the Executive Director's weaknesses?

_____ 8. What external factors interfere with the Executive Director's ability to achieve organizational goals?

_____ 9. Is the board a positive, negative, or neutral force in achieving organizational goals?

_____ 10. What specific decisions and actions are necessary to:

      _____ A. Strengthen the Executive's Director's performance?

      _____ B. Clarify the proper role of the board?

      _____ C. Enhance the contribution of the organization?

(John W. Nason)

Comments:

- Encourages the executive director's performance assessment.
- Assists in setting the agenda and planning board meetings and retreats.
- Is open and honest with the board, fosters and models communication and respect.
- Shares planning, expectations and evaluations with the board on a regular basis.
- Plays a major role in orienting new board members.

Board Chair

Rationale: The board chair's main responsibilities include a range of activities that include group facilitation, group leadership, board management, offering possible direction or guidance to board members and to serve as the presiding officer at board meetings. To effectively run meetings, the board chair must work with the administrator to prepare an agenda, keep meeting discussion and debate focused on the issues and move board members to a decision in compliance with organization policies and procedures.

The board chair is responsible for appointing board members to committees and other groups. To do this, he or she must know board members' skills and interests in order to match them with the program areas. The board of directors grants authority to the executive director. The chair may speak publicly on behalf of the board as the key officer of the board. As a representative of the board, he or she must reflect the board's consensus and final outcome of votes in the majority. The board chair should never give his or her personal opinion about a board decision to the public or the news media (BoardSource, 2002).

Purpose: To supervise board members as the principal elected officer of the board.

Board Chair Duties and Responsibilities

Leadership and Management

- Serves as a member of the board and key volunteer of the organization.
- Provides leadership to the board. The board sets policy that becomes the basis of board and executive direction actions. The ED is accountable to the board.
- Functions as a partner with the executive director in achieving the organization's mission. The chair develops a positive working relationship with the administrator.
- Develops the agenda with the executive director and chairs the board meetings.
- Presides over meetings of the board and governance committee.

Committee Structure

- Appoints the committee chairs in consultation with board members.
- Serves ex officio as a member of committees and attends their meetings when invited.

Policies and Issues

- Facilitates the board's decision-making and role in strategic planning.
- Reviews issues that are of concern to the board with the executive director.
- Helps guide and mediate board actions with respect to organizational priorities and governance concerns.

Communication

- Establish communication between board members and the administrator.

- Act as official spokesperson for the board when asked by the ED and board.
- Foster a sense of cooperation and team spirit on the board.

Governance and Orientation

- Oversees the search for a new executive director or administrator as needed.
- Coordinates the new board member orientation with the executive director.
- Works with the nominating committee to recruit new board members.

Financial

- Monitors financial planning and financial reports.
- Plays a leading role in fund-raising activities (nonprofit only).

Evaluation

- Coordinate and participate in the executive director's annual performance evaluation.
- Informally evaluates the effectiveness of the board members.
- Evaluates annually the performance of the organization in achieving its mission.
- Establish and enforce guidelines for disciplining board members (BoardSource, 2002).

The executive director should not serve as board chair. The organization by-laws should be explicit in defining the titles, job descriptions, functions, and powers of board positions and officers. In most organizations, the board elects the officers. Normally the chair of the board selects committee chairs with the advice and con- sent of board members. When new board members are elected annually, new appointments of standing committee chairs are made (BoardSource, 2002).

Board Vice Chair

Purpose: The vice chair maintains leadership continuity by performing the duties in the absence of the board chair. The chair-elect of the board is a board chair in training." He or she becomes chair in the event the current board chair resigns or the position of chair otherwise becomes vacant. He or she then serves the former board chair's un-expired term, as well as the full term to which he or she was elected.

Board Vice Chair (Chair-Elect) Duties and Responsibilities
- Attend all board meetings.
- Know the organization and the board chair's duties.
- Be prepared to perform the board chair's duties when called to do so.
- Serve on the governance committee.
- Chair at least one important committee.
- Work closely as a consultant and advisor to the board chair.
- Develop rapport and a close working relationship with the administrator and board chair.
- Carry out special assignments from the board chair.

Rationale: The board vice chair's (chair-elect) main responsibility is to provide

continuity of leadership in the absence of the board chair. To prepare for this role, he or she could serve on the governance committee, chair at least one important committee and work closely with the administrator and board chair. The vice chair (chair-elect) is an active player on the board leadership team and should encounter no real surprises when assuming the duties of chair. The chair-elect must be familiar with the board's various projects and the work of its committees in the event that he or she must take over the duties of board chair unexpectedly.

Remember: Just like the board chair, the board vice chair (chair-elect) acts only on the authority of the board. This position is typically successor to the chair position.

Board Vice Chair (Chair-Elect)

1. Is a board member.

2. Performs chair responsibilities when the chair cannot be available.

3. Reports to the Board's Chair.

4. Works closely with the Board Chair and other staff.

5. Participates closely with the Board Chair to develop and implement officer transition plans.

6. Performs other responsibilities as assigned by the board

    (BoardSource, 2002; Hughes, 2002).

Board Secretary

Purpose: To maintain all board records and ensure their accuracy and safety.

Board Secretary Duties and Responsibilities

- Attend all board meetings.
- Make sure that board members are notified of the times and dates of all meetings.
- Maintain records of the board and ensure their safety.
- Review board-meeting minutes for accuracy
- Keep a register of board members' addresses and phone numbers.
- Assume the duties of chair in the absence of the board chair, chair-elect, or vice chair.
- When necessary, obtain information from records and minutes to help board members in the decision-making process.

Rationale: The role of the secretary of the board is to function as any other secretary would for a boss" — in this case, though, his or her boss is the board. The board secretary keeps track of the board documents and records, ensures the accuracy of meeting minutes and keeps the board posted on meeting dates and times.

Just like any other board member, the board secretary should participate fully in board meetings. That's why it's a good idea for the board secretary not to record the minutes of meetings. Depending on the size of the organization, a staff member or volunteer may actually perform this task as a representative of the elected board

secretary. In this situation, the board secretary's responsibility is to see that it is carried out in a professional manner.

Board Secretary

1. The secretary is a member of the board of directors.

2. Maintains records of the board

3. Ensures that effective management of organization's records takes place.

4. Manages minutes of board meetings.

5. Ensures minutes are distributed to members shortly after each meeting.

6. Is sufficiently familiar with legal documents (articles, by-laws, IRS letters, etc.) to note applicability during meetings (BoardSource, 2002).

Board Treasurer

Purpose: To help ensure the fiscal integrity of the organization by providing over- sight of its financial activities and ensuring the accuracy of all financial records.

Board Treasurer Duties and Responsibilities

- Attend all meetings.
- Using the proper chain of command, work with staff to review and submit full and accurate financial data to the rest of the board.
- Review the organization's annual audit and answer any questions other board members may have about it.
- Ensure that the board's financial policies are being followed.
- Give regular reports to the board as to the financial health of the organization.
- Chair the finance committee (if requested to do so by the board).
- Assist the administrator in preparing the organization's annual budget.

Rationale: The role of the board treasurer is to ensure the financial integrity of the organization. He or she accomplishes this primarily through a review of an independent audit performed by an accounting firm the administrator has chosen.

Under no circumstances should the board treasurer become involved in the day-to- day management of the organization's finances. Neither should he or she approach staffers who have been delegated this responsibility without being directed to do so by the administrator.

Staff members, with the approval of the administrator, will keep the board treasurer informed regularly on the organization's financial condition.

Board Treasurer

1. Is a member of the Board.

2. Manages finances of the organization.

3. Administrates fiscal matters of the organization.

4. Provides annual budget to the board for members' approval.

5. Ensures development and board review of financial policies and procedures (BoardSource, 2002).

Committee Chair

Purpose: To supervise the work of the board committee, delegate responsibilities to accomplish its goals and report findings to the board.

Committee Chair Duties and Responsibilities
- Attend all meetings.
- Call and preside over meetings of the committee.
- Set the agenda for committee meetings.
- Record decisions and recommendations made by the committee.
- Serve on the governance committee.
- Report the committee's activities and recommendations to the governance committee or the board.
- Invite the administrator and board chair to attend committee meetings.
- Work with the administrator and board chair to decide committee membership.
- Delegate responsibilities to committee members and encourage full participation.
- Evaluate the work of the committee with other committee officers, the board chair and administrator.

Rationale: The job of the committee chair is to facilitate the work of the committee by helping members stay focused on the issues, reach decisions and make recommendations. He or she needs to work closely with the administrator and board chair, and should invite the administrator and board chair, as ex-officio committee members, to attend all meetings.

The committee chair calls meetings, sets the agenda, encourages member participation, and delegates responsibilities and tasks. The committee chair monitors progress on committee goals and reports its final recommendations to the board.

Board Committee Chair
1. Is a board member.

2. Sets tone for the committee work.

3. Ensures that members have the information needed to do their jobs.

4. Oversees the logistics of committee's operations.

5. Reports to the board chair.

6. Reports to the board on committee's decisions/recommendations.

7. Works closely with the executive director or administrator and other staff as agreed to by the administrator.

8. Assigns work to the committee members and sets the agenda.

9. Runs the meetings, and ensures distribution of meeting minutes.
10. Initiates and leads the committee's annual evaluation (BoardSource, 2002).

Governance Committee

Purpose: To act in the name of the board when it is not in session, or to deal with emergencies that require immediate attention. The governance committee replaces the executive committee in as much as it includes key officers and possibly the chair of the program committee.

Governance Committee Guidelines
- The governance committee is delegated the powers and the authority of the board when the board is not in session.
- The chair of the board is the chair of the governance committee.
- Members of the governance committee may include the vice chair of the board, other board officers, the chief administrator and chairs of important committees.
- All actions of the governance committee are subject to approval by the board.

Most organizations make provision in their bylaws for a governance committee, but a governance committee is far more functional and adaptable to the changing issues that must be addressed external to the organization. This committee includes the officers of the organization. The governance committee strengthens the position of the board chair, and transacts routine business between meetings of the board and acts in emergencies. In many organizations, the board chair, with the approval of the governance committee, appoints committee chairs, unless otherwise prescribed in the by-laws. All business transacted by the governance committee shall be reported to the board at its next meeting (BoardSource, 2002).

Governance Committee Duties and Responsibilities
- Keep the board informed about the Governance Committee's activities.
- Oversee the annual strategic planning process (unless a planning committee is designated for this purpose).
- Make sure the board performs an annual self-evaluation.
- Conduct the administrator's annual performance review (unless the board, a special *ad hoc* committee or board chair handles this responsibility).
- Oversee board development and training.
- Make recommendations to the board on hiring a new administrator.
- Make recommendations to the board for authorization of no budgetary expenditures.
- Review and recommend approval of the organization's operating budget.
- Recommend to the board the annual campaign goal based on the organization's requirements and a realistic appraisal of the community's fund-raising potential unless the fund-raising committee is charged with this responsibility. *
- Assign and monitor the work and recommendations of standing committees.
- Meet in the event of an emergency.
- Make decisions when the board is not in session (BoardSource, 2002).
    *Not all boards are responsible for raising funds.

Rationale: The governance committee handles routine board business when the board is not in session. This saves time and allows the board to concentrate on major issues, like long-range planning, policy-making and new funding. The board is responsible for approving decisions made by the governance committee.

The governance committee meets when an emergency needs to be dealt with immediately, and the board can't be convened. The governance committee also delegates responsibilities to the board's standing committees and monitors their work. In many organizations, the governance committee performs specialized functions like administrator or board evaluations.

Remember: The board is liable for all actions taken by the governance committee. The governance committee should always keep the board informed of its activities.

Nominating Committee

Purpose: To nominate qualified candidates for the board and board officer positions. Only boards of private, nonprofit organizations nominate candidates for the board.
Boards of public organizations, whose members are elected, can seek out and encourage qualified individuals to run for office.

Nominating Committee Duties and Responsibilities
- Anticipate vacancies on the board.
- Evaluate board members' participation in board activities, consider time served and benefits to the organization when placing names on the ballot for election.
- Communicate to all board members the candidates' biographical sketch.
- Regularly ask the board to submit the names of good candidate prospects.
- Ask board member candidates to complete applications for board membership.
- Determine level of commitment of potential board nominees.
- Screen applications for board membership and submit the names of finalists to the board.
- Recommend individuals to fill board vacancies that occur during the year.
- Nominate and present a slate of board officer candidates.

Rationale: The nominating committee plays a key role in the organization's success because the people it chooses will influence the board long after their terms expire. To perform its job effectively, the nominating committee must know what skills board service requires. The committee should be made up of some veteran board members who are familiar with the organization, and the administrator. Committee members should look to the future of the organization. For a private, nonprofit board this means concentrating their efforts on recruiting prospective board members whose skills fit in the needs of the organization's long-range plan. For a public board, it means seeking out and asking individuals who have these skills to run for office.

The nominating committees of both private and public boards need to work closely with the ED and board chair to propose a slate of qualified board officers.

Finance Committee

Purpose: To ensure the organization's financial stability by providing oversight on its budget and investments.

Members: Board chair, treasurer of the board, administrator, staff business manager or chief financial officer and other board members appointed by the board chair.

Rationale: The primary role of the finance committee is to provide the expertise needed to assure the board that the organization is on sound financial footing. To perform this role effectively, committee members need to work as a team with the administrator, business manager, as well as accountants, auditors, bankers and other financial professionals. A finance committee does not relieve other board members of responsibility for the financial wellbeing of the organization. Members of the finance committee, however, should not interfere with the administrator's job of managing the day-to-day expenditures of the organization.

Caution: In private, nonprofit organizations, the finance committee should not raise money independently of the board. This is the responsibility of the fund-raising committee and the board.

Finance Committee Duties and Responsibilities
Budget Formation and Information

- Work with the administrator to develop an annual budget and seek approval of the budget from the board.
- Personally and actively support the budget to funding sources, provide needed figures and lobby for funding approval.
- Keep the board regularly informed of the organization's financial status.

Budget Management

- Monitor reports on the organization's overall expenditures by reviewing financial data provided by the administrator.
- Review monthly financial statements and financial analyses.
- Review and approve key financial and operating policies, goals and objectives.

Investment Policy and Strategy

- Establish an investment policy to maximize the organization's income and allow the administrator to implement the policy.
- Ensure that generally accepted accounting principles (GAAP) are practiced.
- Report the results of an annual audit by an independent auditing firm chosen by the administrator to the board.
- Present to the board recommendations on matters related to financial institutions, including loans, investments, bank accounts and specific funds established by the organization as recommended by the administrator.
- Provide financial perspective and advice on issues addressed by board committees.
- Provide advice and consultation to the business manager and administrator.

Long Term Financial Planning and Implementation

- Review all proposals that require a long-term commitment of the organization's resources and make recommendations relevant to the adoption of such policies.
- Write and regularly update a long-range financial plan for the organization.
- With the approval of the Board Chair, organize and establish sub-committees as needed to fulfill the finance committee's duties and responsibilities (BoardSource, 2002).

Fund-raising Committee

Purpose: To lead the board in efforts that attract money and services needed to carry out the mission of the organization. This applies only to the boards of private, non- profit organizations. This committee may be divided into subcommittees that work together to achieve this goal.

Fund-raising Committee Duties and Responsibilities

- Work with the administrator to define the short-term and long-term funding needs.
- Plan funding activities for the board.
- Review the funding plan to ensure progress toward annual and long-range goals.
- Contribute financial support and encourage others to do so.
- Identify and recruit local leaders to serve with boards on fund-raising committees.
- Educate the board on the techniques of planned giving, lobbying, marketing, seeking grants, and soliciting corporations and individuals.
- Encourage the participation of the board in fund raising.

Rationale: Every member of a private, nonprofit board has the responsibility to ensure the organization's financial health by contributing personally and raising money from outside sources. The role of the fund-raising committee is to set direction for the rest of the board, plan fund-raising activities and train board members in fund-raising techniques.

Public Relations Committee

Purpose: To assist the administrator in his or her responsibility to maintain a positive image of the organization in the community by planning for and monitoring public relations and publicity activities. The committee may be divided into sub- committees that work together to reach this goal.

Public Relations Committee Duties and Responsibilities

- Assist the administrator by helping with a year-round public relations program.
- Work closely with the administrator to plan all publicity and promotion in sup- port of the organization.
- Help the administrator plan and develop marketing efforts that support the organization's services and programs.
- Serve on the organization's speakers' bureau and explain the organization's services and programs to groups in the community.

Rationale: Every board member has the responsibility to project a positive image of the organization both in his or her public and private dealings. The role of the public relations committee is to help the administrator in his or her responsibility to set for- mal direction and provide opportunities for the rest of the board to carry out this important duty (Di Lima and Johns, 1996: 1-13).

Board Committees

Purpose: A small group can often deal more effectively with a board responsibility or issue. The committee can efficiently formulate recommendations for board review. Committees can focus activity and provide important guidance, leadership and action items.

Board Committee Duties and Responsibilities
- The chair of the board appoints each committee chair.
- Each committee is accountable to the board for establishing and meeting measurable goals and objectives.
- Each committee shall contribute to the efficient operation of the organization.
- The committee makes recommendations to the board and provides information the board needs to make a sound decision.
- Committees should not meet when there is no business to complete or when the work of a committee is complete.

Rationale: The purpose of committees is to free the board from having to deal with specialized or complex issues, so it can concentrate on its broad policy-making responsibility. Committees are also a good proving ground for potential board leaders and can be a catalyst for board member involvement. To keep board member interest and commitment, however, committees should meet only when there is business to accomplish. It's also a good idea for the board to reorganize committees on an annual basis. If the board decides that a committee has served its purpose or accomplished its specific goals, it should be disbanded. Most boards have two types of committees, standing and *ad-hoc*.

A standing committee is established by the board's by-laws and is made up of board members only. This type of committee deals with an ongoing function necessary for the operation of the board and organization. Examples of standing committees are finance and governance committees. An *ad-hoc* committee is established to deal with a specific task or issue and disbands once its work is completed. The board chair appoints *ad-hoc* committees and designates their responsibilities. The life of an *ad-hoc* committee can range from several days to a year, depending on the nature of the issue or project it was set up to deal with. An example of an *ad-hoc* committee is one established to plan a special event like an annual meeting.

Standing committees are usually committees named in the by-laws to function throughout the year. These committees are given responsibilities to further various programs. A vote should be taken on most questions. The standing committee chair usually does much of the talking, but should encourage all members to express their

opinions. The chair should not dominate discussion and decision-making. The chair votes on all questions. If a chair is absent or fails to call a meeting of his or her committee, any two members may issue the call, but a majority of the committee should be present before any action is taken (BoardSource, 2002).

A committee should not involve the organization in any way or incur debts unless given the authority to do so by the organization. These committees are expected to submit reports, when desired. In submitting a report, with a recommendation, the chair of the committee should move its adoption before taking his or her seat. This does not require a second since it is a committee report or proposal. The presiding officer should state there is a motion on the floor to accept the committee report or proposal. A vote will follow discussion on the motion.

Special and *ad hoc* committees: Special or *ad hoc* committees and task group are appointed or selected at a business meeting of the board. Normally such a committee is formed on the basis of a motion to commit or charge a group to accomplish a task. This special committee or task force may be asked to engage in fact-finding, investigate a situation or personnel matter, or plan a special event. The group will be asked to provide a report and possible recommendation to the board within a given time.
These temporary committees usually cease to function when they have completed their assignments and made a report.

When it is intended to give the committee full power without referring it back to a board meeting, the words "with full power" should be added to the motion to commit or charge the committee. They may be asked to refer the issues to a standing committee of the board. The assembly takes no further action on the motion until the committee reports (BoardSource, 2002).

Board Member Consultant

Purpose: To help the organization by volunteering in a capacity other than required by the role of board member, i.e., by contributing skills and expertise.

Consultant Duties and Responsibilities
- Provide specific skills or talents as a pro bono contribution to the organization.
- Follow the established line of authority.
- Maintain open communication with the administrator.
- Seek approval of the administrator for all activities while serving as a board consultant.

Rationale: When asked, board members with expertise in some specialized area should support the administrator with their consulting skills. By offering their services, they can save the organization money that would otherwise by paid to an outside consultant. When acting as consultants, however, board members should realize that they are like any other volunteer in the organization. As such, they are under the supervision of the administrator.

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Board Profiling

Committee

Profiles Board

Assessment Board

Recruitment

Board Orientation of New Members

What is Your Board Profile?

Who Is Serving On Your Board?

Who Will Serve On Next Year's Board?

**How Do You Locate the Appropriate Expertise
and Resources for Board Service?**

The Importance of the Nonprofit Board Assessment

Board Profiling
Using a worksheet, build the ideal board for your organization.

1. What is the current composition of your board?

2. What characteristics, skills, experience, and background does your board need now?

3. What gaps does your board need to fill in the future?

4. What are the priorities for identifying and recruiting new members?

5. What other attributes or qualities are important for your board members to have?

Recruiting and Retaining a Skilled and Diverse Board

1. Be prepared to devote time, attention, and consistent effort to board recruitment and retention.

2. Be honest in discussing the issues.

3. Build relationships that foster trust and alliances.

4. Look for skills as well as attributes in prospective board members.

Board Profile – Demographic and Expertise Assessment

This process can be used to quickly describe both your current and your ideal boards.

Characteristics	Current Members	Potential Members
Age		
Over 60		
45-60		
Under 45		
Gender		
Female		
Male		
Diversity		
Regional or Geographical Representation		
Race/Ethnic Background		
Area of Expertise		
Administration/ Management		
Public Relations		
Finance		
Fundraising		
Business/Economics		
International Affairs		
Government		
Law		
Other		

Board Committee Member Profile Assessment Discovering Committee Needs for Expertise, Skills, Resources and Diversity		
Committees An inventory of committee members by expertise, skills, resources and diversity	**Current Members Number and Expertise**	**Prospective Members Number and Expertise**
Governance or Executive		
Nominating		
Finance		
Program		
Development		
Fundraising		
Investments		
Audit		
Building and Grounds		
Public Relations		
Communications		
Other		

5. Engage new board members in meaningful activities based on their skills, talents, and interests.

6. Follow sound development practices to create a positive working climate for all board members.

Guidelines for Recruiting New Board Members

The following guidelines should be modified as necessary to conform to the particular culture and purpose of the organization.

It's very important to keep the perspective that your board deserves highly skilled and involved board members. Do not erode your goals and believe that you are lucky to get anyone at all.

When you set out to recruit new members, the most important consideration is knowing what kind of skills are currently needed by the board. Consider the nature of issues and goals currently faced by the organization, for example, if you're struggling with finances then seek a member with strong financial skills. It's highly useful to use a Sample Board Recruitment Grid.

How To Find New Board Members?

Start by thinking about the organization's mission and outreach programs. Consider who has an interest in fostering that purpose in the community or service area. Use this information to identify individuals with a vested interest in the success of your programs and start your talent search at that point. They can be a source of invaluable information and a possible candidate for board service themselves. Think about the organization's constituency, clientele, or audiences served by the organization's programs.

Maintain an up-to-date list of potential board candidates including the experience, particular skills and resources they can bring to the organization. The administrator, board chair and the governance committee often maintain an unofficial list. On a more formal level the nominations committee is often charged to update the list and actively recruit individuals to serve as directors or officers (Board Source, 2002).

Use a worksheet to assess the profile of the seated board member's expertise, skill, talent and resource base that contributes to the board and nonprofit organization in a meaningful and constructive way. Create a database of this profile information.

Have the board members engage in a self-assessment during a work session of the board with the profile worksheet. This will give them a clearer perspective of the importance of their own roles and an appreciation of where gaps exist. It is an excel- lent planning device for maintaining a fresh and diverse board with actively contributing members. Distribute the data to board members for continuous feedback and improvement. A form is included in this module.

The worksheet assessment form can be used to promote an objective and realistic review of board and organizational needs.

Have new members on the board complete the worksheet. Brief discussion with

other members of the board can speed active engagement with and contribution to the board and organizational activities and programs. The "start-up" phase for new board members can be shortened considerably with this orientation exercise.

The worksheet and assessment process sets the stage for recruiting new board members.

Criteria for Selecting Board Members

Identify what skills would be highly useful to the board, e.g., if new people will be hired, the board may desire people with human resource skills, etc. Maintain an up- to-date assessment of individual board members' strengths.

Refer to the list of potential candidates to recruit for board membership and ask to meet with them.

Solicit information from potential new members or use references to identify the prospective new member's level of expertise, skills, and resources that would be useful to the board and organization. Ask for biographical information, reasons why they want to join the organization's board, what they hope to bring to the board, and what they would like to get from the board membership. Answer any questions they might have or refer them to the appropriate individual with the information.

Determine a Match Between the Potential Members' Profile of the Organization's Mission and Needs

Arrange a meeting with a board representative, executives and prospective board members.

Present an overview of the organization and provide relevant materials describing the organization's products or services and a board member application form. The prospective new member should hear about how the organization orients new members. Provide names of several board members whom the prospective new member might contact with any questions.

Identify if there are any potential conflicts of interest with the candidate. Determine if he or she on the board of a competing organization, a vendor of the organization, or other interest that could be misconstrued as unethical. Image and public perception are important.

In some cases, a board representative can invite a prospective new member to a board meeting. Notify current board members that a potential new member will be attending. Consider using nametags to help the potential new member become acquainted with board members. Introduce the member right away in the meeting and at the end of the meeting and ask the potential new member if he or she has any questions. Thank the prospect for attending the meeting.

The Board's Future Profile of Skills, Expertise and Resources
An Assessment Plan to Fill Vacancies on the Board

This matrix helps to identify gaps and desired characteristics on your board at this stage of your nonprofit organization's life. Whether this tool is reviewed by a single individual or by a nominating committee, mark the grid with a check mark for each characteristic that is filled presently by one or more board members. After that, you can more easily identify gaps that need to be filled. Please note that each number represents a seat on the board.

Categories to Consider An inventory of board seats by expertise, skills, experience, resources and diversity	No. of Current Board Members with Trait (check box)				No. of Prospective Members with Trait (check box)			
	1	2	3	4	1	2	3	4
Organizational Management								
Financial Management								
Organizational Management								
Special program areas (education, health, child care, public policy, etc.)								
Administration								
Business/Corporate								
Finance								
- Accounting								
- Banking and Trusts								
- Investments								
Fundraising (professional and those with leverage in getting funds)								
Government Regulations								
Government Representative								
Law								
Marketing								
Personnel								
Physical Plan (architect, engineer)								

Categories to Consider An inventory of board seats by expertise, skills, experience, resources and diversity	No. of Current Board Members with Trait (check box)				No. of Prospective Members with Trait (check box)			
	1	2	3	4	1	2	3	4
Strategic and Long Range Planning								
Public Relations								
Representative from Volunteer Base								
Representative of Key Stakeholder Agency								
Rep. of Clients Served by Nonprofit								
Other: _____								
Age: Under 35								
From 35 to 50								
From 51 to 65								
Over 65								
Gender Women								
Men								
Race/Ethnic Background: Asian								
African-American								
Hispanic/Latino								
Native American								
Caucasian								

Categories to Consider An inventory of board seats by expertise, skills, experience, resources and diversity	No. of Current Board Members with Trait (check box)				No. of Prospective Members with Trait (check box)			
	1	**2**	**3**	**4**	**1**	**2**	**3**	**4**
Other: _____								
Location: City or Inner City								
Suburbs								
State								
Regional								
National								
International								
Financial Position								
Self employed								
Salaried								
Philanthropic Reputation								
Prospective Major Donor								
Length of Past Board Service								
More than ten years								
5-10 years								
2-5 years								
Less than 2 years								
Length of Board Service with Related Boards								
More than 10 years								
5-10 years								
2-5 years								
Less than 2 years								

Basic Responsibilities of Nonprofit Organization Boards

Legal Responsibilities

Determine the organization's mission and purpose.
Maintain accountability and ensure legal and ethical integrity.

Fiduciary Responsibilities

Practice fiduciary responsibility and manage resources effectively.
Ensure access to adequate resources.

Policy Formation and Planning

Ensure effective organizational, policy, and program planning. Provide procedures for organization oversight and management. Select the administrator (executive director).
Support the administrator (executive director).
Recruit and orient new board members

Program and Service Delivery

Determine, monitor, and strengthen the organization's programs and services. Enhance the organization's public standing and public relations.
Deal effectively with stakeholders and constituents.

Evaluation and Assessment

Assess and evaluate board performance.
Assess and evaluate the executive director or administrator's performance. (Board Source, 2002; McNamara, 1999; Ingram, 1999).

Hallmarks of a Responsible and Effective Board

I.   Legal Responsibility

- Recognize the board's legal responsibility to the organization and constituents.
- Uphold the public trust.
- Plan, manage and take steps to reduce risk to the organization, its personnel, and its constituents.

II.   Fiduciary Responsibility and Financial Management

- Understand the board's fiduciary responsibility.
- Maintain a financially sustainable organization.
- Maintain financial assets in compliance with legal codes.

III.   Policy Formation and Planning

- Focus the board's attention on issues that matter most to the organization in the short-term and long-term. Focus time and attention on issues important to stakeholders and constituents. Restructure board work to address policy matters and implementation.

- Ensure that the board has the appropriate information needed to make informed decisions about key issues in a timely manner.
- Ensure that the board, administrator, and staff work in partnerships and follow principles of effective teamwork. Ensure that board members work together as an effective corporate unit.
- Has the confidence to take risks or allow risks to be taken by staff.

Identify Board Needs

- Identify skills, knowledge, perspective, connections, etc., needed to implement the strategic plan. What do we have? What is missing? Identify sources of board members with the needed characteristics.

Recruit, retain and renew board members

- Describe why a prospective member is wanted and needed. Describe expectations and responsibilities of board members, and don't minimize requirements. Invite questions and elicit their interest to serve.

Diversify board members

- Establish and use term limits. Do not automatically re-elect board members for an additional term; consider the board's needs and the board member's performance. Explore advisability of having inactive members resign. Develop new leadership.

Cultivate potential board members

- Get prospective board members interested in your organization and keep them informed of your progress. Invite them to events and meetings.

Orient and educate new board members

- Give new board members an orientation to the organization and its programs, history, bylaws, pressing issues, finances, facilities, and organizational chart. Give the new members recent minutes, committee membership lists, a summary of board member responsibilities, and a membership and key staff roster.

Educate the board

- Provide board members with information concerning different program areas outside their own sphere of activity. Promote exploration of issues facing the organization. Do not hide difficulties. Celebrate accomplishments.

Engage all board members

- Discover their interests, talents and availability. Involve them in committees or task forces. Assign them a board "team partner." Solicit feedback. Hold everyone accountable. Express appreciation for work well done. Recognize victories and progress, even small ones. Appreciate individual contributions to the board, the organization, and the community.

IV.   Program and Service Delivery

- Ensure that board representation reflects program and service delivery goals.
- View board composition as strategic in order to accomplish the organization's mission.
- Require the engagement of the organization's internal and external constituencies.
- Reflect the needs and interests of stakeholders, constituents and clientele.

V. Evaluation and Assessment

- Use an assessment and evaluation process to learn and improve rather than criticize.
- Ensure that results and outcomes are linked to defined timetables and benchmarks.
- Ensure that job descriptions have been given to each staff and board member.
- Personnel evaluation must be geared to the job description and defined objectives.
- The board must identify clear measures of program outcomes and success.
- Annually evaluate the board and individual board members. Engage the board in assessing its own performance. Identify ways in which to improve. Encourage individual self-assessment (Board Source, 2002; Taylor, Chait, and Holland; Bowen, 1994:20-68; Carver and Carver, 1997:114-124).

Annual Board Evaluation

Directions: Every board member should complete this form. Take time to consider your responses. A special meeting will be held to discuss results. Check "yes" if the item is true all of the time. Check "some" if the item is at least partially true. Check "no" if the item is never true.

Behavior, Item or Subject to be Evaluated	Yes	Some	No
Policy and Planning: Board activities are confined to policy, not management results			
All management activities are delegated to the administrator.			
The board annually reviews by-laws and the policy manual.			
Board activities focus on the mission statement.			
The board has written a long-range plan - updates at least once a year.			
Roles and Responsibilities: Each board member has a copy of his or her job description.			
Board members understand their legal responsibilities as trustees.			
Board members have no conflict of interest as part of board service.			
Board member understand their fiduciary responsibilities as trustees.			
Board members participate in fund-raising activities.			
Board members make personal financial or pro bono contributions.			
Board members talks positively about the nonprofit in public.			
The board holds yearly self-evaluations.			
Committees meet only if they have work to do.			
The full board approves the annual evaluation of the administrator.			
Board needs are clearly communicated to the administrator.			
Board members are recruited for their knowledge, skills and influence.			
New board members receive orientation.			
Each board office and committee has a job description.			
Board members receive in-service training at least every six months.			
Board members understand that communication with staff should be channeled through the administrator.			
Meetings: Board meetings follow a system of parliamentary procedure.			
Board meetings stick to the agenda and are businesslike.			
Board meetings start on time and end on time.			
Board members arrive on time for meetings.			
Board meeting last two hours or less.			
Board members participate in discussion at board meetings.			

Self-Appraisal Form Regarding Personal Board Service

Using the following guide, please indicate your appraisal of each item.

1=Never a Problem 2=Seldom a Problem 3=A Growing Problem 4=A Definite Problem

Behavior or Perception to Be Evaluated	**1 2 3 4**
Do I fulfill the legal responsibilities of board service?	_____
Do I fulfill the fiduciary responsibilities of board service?	_____
Do I fulfill the policy and planning responsibilities of board service?	_____
Do I fulfill the program & mission-related responsibilities of board service?	_____
Do I fulfill the evaluation responsibilities of board service?	_____
Am I able to attend regularly scheduled meetings?	_____
Do I arrive on time for meetings?	_____
Is my schedule flexible enough to attend emergency sessions?	_____
Does my career conflict with my position on the board?	_____
Am I able to discuss controversial topics effectively?	_____
Do I review support materials prior to all meetings?	_____
Am I tense and hostile during candid exchanges of opinion?	_____
Do I work easily with other board members and our administrator?	_____
Am I able to keep an open mind on issues?	_____
Do I confine my discussion to agenda items only?	_____
Do I make at least one positive contribution to each board meeting?	_____
Do I have a high level of commitment and interest in our organization?	_____

Comments:

(Struck, 1994 in Di Lima and Johns, 1996:7:15)

A Rating Scale for Boards

Board Characteristic	How the Board Rates 1=Excellent 2=Good 3=Average 4=Fair 5=Poor				
Rating Scale:	1	2	3	4	5
1. The board is made up of effective individuals who can supplement one another's talents.					
2. The board represents the interests that should be consulted in formulating policy.					
3. The board is large enough to carry all necessary responsibilities, but small enough to act as a deliberative group.					
4. The basic structural pattern (board, board officials, committees, executive, and staff) is clear.					
5. An effective working relationship exists between the board and the executive and staff.					
6. The members of the board understand the mission of the organization and how the organization achieves the mission.					
7. The board has a feeling of social ease and rapport.					
8. Each board member is interested and engaged in the work of the organization.					
9. The board formulates specific goals to guide its work.					
10. Decisions on policy are made only after full consideration by all parties concerned with decision.					
11. The board maintains effective community relationships.					
12. The board has a sense of progress and accomplishment.					

Assessment of the Nonprofit Board

Assessment of the Board	SD	D	U	A	SA
1. Members of the board work to ensure the mission is carried out.					
2. Every member of the board is concerned with maintaining fiduciary responsibility.					
3. Members of the board do whatever they can to contribute to the organization's bottom line.					
4. Without exception, each member of the board is careful to maintain confidentiality of board matters.					
5. Every member of the board is sensitive to possible conflicts of interest.					
6. Members of the board try to maintain appropriate lines of communication with the organizations support staff.					
7. Members of the board recognize the need for separate roles and the need to maintain separate roles with appropriate responsibilities.					
8. Members of the board trust and respect one another.					
9. Each member of the board is committed to enhancing the public image of this organization.					
10. Every member of the board is continually on the look-out for individuals who can be recruited to serve as future board members.					

Self-Assessment of Board Fulfillment of Basic Responsibilities

All nonprofit boards have specific responsibilities. Rate the level of success in terms of how well the board performed in these five major responsibility areas. Place a number in each space next to the item.

1=unsatisfactory   2=poor   3=average, acceptable   4= very satisfactory   5=excellent

Legal Responsibilities

_____ Determine the organization's mission and purpose.

_____ Maintain accountability and ensure legal and ethical integrity.

Fiduciary Responsibilities

_____ Practice fiduciary responsibility and manage resources effectively.

_____ Ensure access to adequate resources.

Policy Formation and Planning

_____ Ensure effective organizational, policy, and program planning.

_____ Provide procedures for organization oversight and management.

_____ Select the administrator (executive director).

_____ Support the administrator (executive director).

_____ Recruit and orient new board members

Program and Service Delivery

_____ Determine, monitor, and strengthen the organization's programs and services.

_____ Enhance the organization's public standing and public relations.

_____ Deal effectively with stakeholders and constituents.

Evaluation and Assessment

_____ Assess and evaluate board performance.

_____ Assess and evaluate the executive director or administrator's performance.

Comments: Provide additional evaluation comments, suggestions, concerns or issues to be addressed.

Do not sign this form. Turn this form in to the administrator or board chair in the envelope provided for your convenience.

Self-Assessment for Nonprofit Boards

All nonprofit boards have specific responsibilities. Rate the level of success in terms of how well the board performed in these five major responsibility areas. Place a number in each space next to the item.

1=unsatisfactory   2=poor   3=average, acceptable   4= very satisfactory   5=excellent

_____   1.   Determine the organization's mission and purpose

_____   2.   Select and support the executive, and review his or her performance

_____   3.   Approve and monitor the organization's programs and services

_____   4.   Raise money

_____   5.   Ensure effective fiscal management

_____   6.   Engage in strategic planning

_____   7.   Carefully select and orient new board members

_____   8.   Understand relationship between board and staff

_____   9.   Enhance the organization's public image

_____   10.   Organize itself so that the board operates efficiently

_____   11.   Ensure sound risk management policies

_____   12.   Maintain relationships with affiliated organizations or members

_____   13.   Understand the relationship between board and service volunteers

_____   14.   General assessment: planning-issues, board organization and performance

_____   15.   Individual board member self-evaluation (Board Source, 2002)

Comments:

Orientation of New Members on Nonprofit Boards

Using an Important Resource Quickly and Efficiently

Engaging New Board Members

Involve new members in board committees and board

tasks Seek feedback and opinions from new members

Encourage all members to ask questions

Hold every member accountable/expect participation and follow-

through Express appreciation for work well done

A Sample of Board Development Activities

A board self-assessment process that enables the board to comment on the strengths and weaknesses of its own performance and establishes common ground.

A periodic review of the mission statement to promote mutual understanding on the board and effective communication.

Special board training workshops on topics such as fund-raising, planning, and finances. Ensure access to information to all board members.

A well-planned discussion on a facet of the board's work, such as the committee structure, the content and conduct of board meetings, or how to increase board diversity.

Presentations by outside consultants or staff experts on trends in the organization's mission area.

A well-planned and carefully scheduled board orientation and retreats.

Special governance workshops offered by local and national management assistance providers.

Board Member Orientation Guide for New Board Members

Orientation of: _____

(Board Member)

Date Orientation Began:_____

(Write date completed in space below)

Describe the Organization to the New Board Member: _____

    1. Whom We Serve
    2. What We Do
    3. Other:

Explain and Discuss with the Board Member: _____

    1. Meeting Attendance for Board and Committees
    2. Committee Assignment or Selection

Tour of Offices, Facilities and Programs: _____

    1. Board Room and Administrative Offices
    2. Other Facilities
    3. Program Sites

Deliver Important Information to New Board Member: _____

    1. Letter of Welcome from the Administrator
    2. Mission Statement
    3. By-Laws
    4. Board Manual
    5. Annual Report and Auditor's Report for Past 3 Years
    6. Current Budget and Other Financial Reports
    7. List of Board Officers with Addresses, Contact Points
    8. List of Committee Memberships Including Chairs
    9. Calendar of Meetings for the Year
    10. Special Events and Other

Introduce the New Board Member To: _____

    1. Chair of the Board
    2. Chair of the Assigned Committee
    3. Other Board Members
    4. Staff
    5. Key Officials Linked to the Organization (optional)
    6. Others:

(Gillis, 1995 in Di Lima and Johns, 1996: 7:6)

Board Orientation for New Members: All About the Organization

Information	Issues	Presentation Options
Program	How to give new board members a feel for the work of the organization - what it does, whom it serves, what difference it makes; to get them emotionally and intellectually connected and motivated	• Tour of facilities • Observation of/participation in program activities • Presentation by client/member/ program participants • Video, slides, film, verbal, written materials
Finances	How to help new board members become informed about where money comes from, how it is spent, and the state of the organization's financial health	• Presentation by ED, CFO, or treasurer • Background materials (latest audit, budget, latest financial info.) graphically presented, if possible
History	How to help new members get sufficient knowledge about the past that the present makes sense. Also, to help them begin to see their own participation as part of the organization's ongoing history	• Stories told by "old timers" • Pictures, written materials
Strategic Direction	How to provide a framework for new members to participate effectively and to be clear about the mission, vision, and organization- al values and to be aware of the goals that inform organizational actions	• Presentation/discussion led by the executive and/or the board chair person • Copy of the strategic plan (or other documents, especially the mission statement, if no such plan is available
Organizational Structure	How to help new board members understand who does what and what the lines of accountability are	• Copy of the bylaws, IRS • Determination Letter Organizational chart • Introduction to key staff members

Board Orientation for New Members: All About the Board

Information	Issues	Presentation Options
Board Roles and Responsibilities	How to assure that new members understand the responsibilities of the board, their own responsibilities as board members, and that they are informed about how the board operates	• Presentation/discussion - preferably with the whole board involved • Written materials
Board Member Responsibilities	How to assure that new board members understand their own responsibilities as board members	• Presentation/discussion • Signed agreement listing board member responsibilities, including reference to avoidance of conflict of interest and commitment to ethical operations
Board Operations	How to help new board members understand how the board operates so that they may participate effectively	• Board manual • Board mentors • Committee lists, with committee charges and member lists • Meeting schedule
Board Members	How to facilitate new board member integration with the other members	• List of board members • Board member biographical info • Time set aside for social interaction

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Module 9
Meeting Planning and Management

Introduction

Three objectives of this session:

1. To create an awareness concerning the needs, motivations, and functions of individuals in groups.

2. To develop a clarification and understanding of leadership skills and techniques.

3. To provide an objective basis for using these skills and techniques in a satisfying style of leadership for you and for the other members of the groups to which you belong.

Meeting Planning for Participation

- The Analogy of a Trip -

Most group needs and problems should be the responsibility of the entire membership rather than of its elected leaders only. The elected leaders should coordinate and guide members as they seek solutions for their problems.

These materials are designed to assist community leaders with meeting planning and management to achieve strategic objectives of formal or informal groups. They have been developed with informality and flexibility foremost in mind. Public officials and special-interest groups must provide the opportunity for the development of capable and informed leadership. Our development of leadership may depart from its usual focus as we believe the members must take an aggressive role in-group leader- ship if the group is to be successful.

Most group needs and problems should be the responsibility of the entire membership rather than of its elected leaders only. The elected leaders should coordinate and guide members as they seek solutions for their problems. This requires not a trained but an educated leadership-membership. Animals are trained; people are educated. Training is a means to an end — education. Thus, these materials are aimed at education.

Although the origin of the following illustration has been lost through numerous adaptations written to fit specific problems, it summarizes the important relationship of each member to the group.

The Effective Use of Time for Meetings

Start on Time

End on Time

Run on Time

Honesty is the Best Policy

Starting on Time, Ending on Time

All the planning involved in program and meeting management can be spoiled if the meeting is not run properly. You may have the room set up, the speakers briefed, and the projectors in place, and then find that the person running the meeting would like to wait ten or fifteen minutes in case more people arrive. Each person establishes his or her own reputation for starting on time. Once people get used to your habits, they will act accordingly. If you call a meeting for 7:30 but really plan to start at 8:00, the people won't show up until 8:15 because they know you won't start on time. If, however, they know by your past performance that you mean 7:30, they'll be there on time.

How many people don't come because they know you are running the meeting; that it will not start on time, will not run on time, and will not end on time?

What are some tips for starting on time? If the meeting is called for 9:30 a.m., serve coffee from 9:00 to 9:30 a.m. Let people know that coffee is available for those who arrive before 9:30. They'll be there and you won't need another break before lunch. Before a sit-down dinner, have a fellowship hour. Serve the first course during this time. This procedure has several effects. First, it does get people there on time.
Second, it gives people a chance to visit. (Remember, after they are seated they will have only five people within talking range.) Third, it gets the first course over with little effort. And fourth, it provides time for other activities such as registration or ticket sales.

Running on Time

Just as important as starting on time is running on time. How? Have an agenda. Let people know the time schedule. Build in extra time in case of problems and then stick to the schedule. Often the meeting manager doesn't want to be committed to a schedule, because he feels there is more flexibility without one. However, there must be some commitment to the audience. After all, you're working for them.

Even with an agenda, it's often hard to keep speakers within their allotted time. One way to help this situation is to tell the audience, when introducing the speaker, how long he or she is to speak. Then end the introduction with the hope that the speaker will try to cut it short because the audience may have questions. In doing this you have reminded the speaker of his or her allotted time; and you have told the audience. It is difficult for a speaker to resist this public reminder. However, you may occasionally have to stop a speaker who is running overtime. Once again, you are working for the audience and not for the speaker, no matter how important he or she may be.

Committee reports should also be kept within time limits. If 10 committees have to report, it is simple arithmetic to realize if each takes ten minutes, you will have an hour and 40 minutes of reports. IF you don't really have the time for this, have the reports mimeographed. If reports are to be given during the meeting, announce the ground rules and appoint a timekeeper. Each reporter will have equal time, and no one will feel he or she was treated unfairly.

Arithmetic also comes to play at meetings of public officials such as planning commission hearings or supervisor's meetings where the public is invited. Ask how many people want to be heard. Then ask how long the discussion should last so that people can get home at a good hour. If 30 people want to speak, and there are only two hours to hear them, obviously each may have only four minutes. Once time limits are deter- mined, each speaker knows the ground rules and should be willing to stick to the allotted time. Perhaps small group discussion can facilitate everyone having his or her "two-cents worth" when time is limited. Or several people with the same viewpoint will join under one spokesperson so that a better presentation can be made. This helps both the public and the officials who are holding the hearing.

Honesty is the Best Policy

Another important part of running a meeting is being honest with the audience. If something goes wrong, admit it and continue. If a speaker is late, tell the audience, and then give them a choice of alternatives. "Our next speaker just phoned from the airport to say he is on his way. We all know it takes 20 minutes to get here. Now we can take a 20-minute break, we can go back to the discussion we had to cut short this morning, or, since the next speaker is here and prepared to go on, we can jump ahead without hurting the program. You realize that with the first two alternatives, we will be 20 minutes late ending the meeting. What is your pleasure?" Given these choices, the audience will decide, and right or wrong, it's their choice. Be sure to give the audience alternatives, or chaos will result from a "What do we do now?" type question.

While there are many difficult situations in running a meeting, most of the routine problems can be solved. If two people insist on carrying on a private conversation during a presentation, you may have to act like a grade school teacher and ask them to stop or continue outside. This may sound drastic, but after the meeting people will come up to you and thank you for your action. After all, the conversationalists were disturbing everyone.

What about the person who monopolizes discussion? You may have to establish some system of recognizing speakers, or put the talkative person on a study commit- tee for recommendations. You may have to ask someone bluntly to let others speak. Sometimes when this is done the rest of the audience cheers. You have done what they wanted to do.

Of course, meetings should also end on time. People may have driven from a distance and have over an hour's drive to go home. You owe these people the opportunity to leave at the announced time. So stop the meeting, even if you have to interrupt the speaker, and announce, "I promised you the meeting would end at 10:30. Some of you came from quite a distance. If you feel you would like to leave, get up, get your coats, and go. Those who would like to stay to hear the rest of this interesting talk are welcome." Or, if it is during an interesting question or discussion period, you might state that the speaker will stay a few minutes after the meeting for those

who have more questions. Remember these two points: when you stop a meeting during a good discussion, people will want to come back another time, and no one ever complained because a meeting ended early.

Who Makes the Group a Success?

A group may be likened to my typewriter. It is an old model, but it works quit well except for one of the keys. Many times, I have wished that it worked perfectly. It is true that there are forty-six keys that function well enough, but just one key not working makes the difference.

Sometimes it seems to me that my groups are somewhat like my typewriter — not all the key people are working together.

You may say to yourself, "Well, I am only a member — one person. I won't make or break the group." But it does make a difference because a group to be effective, needs the active participation of every person.

So the next time you think you are only one person — a member — and that your efforts are not needed, remember my typewriter and say to yourself, "I am a key person in the group, and for it to function effectively, I am needed very much."

The Regular Meeting

In this section we will look specifically at regular meetings — the usual type of meeting scheduled for regular intervals. All members have a part in this type meeting. Purposes of regular meetings usually include transacting business, presenting information directly or through discussion and providing recreation or entertainment.

People involved in regular meetings may be categorized according to their jobs: pro- gram planners, meeting managers, program performers or other participants.
Sometimes in smaller meetings, all functions are performed by the same group. Everyone should participate in evaluating the effectiveness of the meeting.

Program planners take the lead in pre-meeting planning and again during follow-up. Program planners may include officers and committee members, program commit- tee, and social committee.

Meeting managers are responsible for the meeting site, equipment necessary for smooth presentations, and other arrangements such as meals, tours, and publicity. In addition to officers and committee members, others may be called upon to assist with special skills.

Program performers are "out front" at the meeting itself. They include all the people who are assigned to special jobs such as giving reports, speaking, leading games, or other activities that keep the meeting going.

Participants, like program performers, take an active part in a successful meeting. Participants play many roles during the meeting including planning a program or

Table 1. Types of Meetings

TYPE	HOW LARGE?	HOW OFTEN?
Regular Meeting	All members, often 25-100	Regularly, monthly, weekly
Board of Directors of Executive Committee Meeting	Usually small, 5-15	Monthly or quarterly
Special or Standing Committee Meeting	Small group, 3-9	Variable — may or may not have regular time
Special meeting	Any number	Only once

event, performing in a skit, setting up the room and equipment, evaluating the business meeting, and the recreational, social and educational programs.

Groups must work together, and often the same person performs two or more jobs to insure coordination between the program and arrangements committees.

Planning Before the Meeting:
- Plan the Program
- Know Your Group
- What is the Purpose of the Meeting?
- How to Handle the meeting
- Build your agenda.
- Plan for business and education.
- Plan for celebration and recreation.

Three Guidelines for Direction
Three guidelines help improve meetings: plan before the meeting; meet to carry out plans; and follow up after the meeting. Let's see how these guidelines help make a meeting successful.

Three Guidelines for Meeting Direction

Plan before the meeting Meet
to carry out plans Follow up
after the meeting

Planning Before the Meeting

Plan the Program

Planning is one of the important steps toward better meetings. During planning, the program planners take the lead. Those who will be program performers at the meeting also have to plan what they will do. And all the participants are in the picture, too.

Know Your Group

So you're on the program committee. What do you do?

First, get your bearings. Read your bylaws. Ask outgoing officers, committee members and group members for suggestions about things that have been successful in the past. If information is kept in a folder and passed on, it will save many false starts. It is time well spent when a new program committee thinks through questions such as: What are the long-range objectives of our group? What makes a good pro- gram? How does a good program differ from a poor one? How can each member of this committee help build a program? Who knows the library well? Who has time to telephone? What else can we do?

Now, start planning for the year's activities and in turn for each meeting. In planning each meeting, ask these basic questions: What is the purpose of the meeting? How should the meeting be handled? What specific plans must be made for business, education, and recreation? Who should do what?

What is the Purpose of the Meeting?

Long-range group objectives must be broken down into goals for the year. Some annual goals may be related directly to long-range objectives. Others may be indirectly related, but still important. For instance, if you need more money for a club- house, you may find that first you must build up membership.

The year's goals, in turn, must be made "bite size," with plans for each meeting. Remember to include those things that help keep the group together along with activities chosen by the group.

Time at a regular meeting is limited. Use it for activities that cannot be done well in other ways. Use the regular meeting for transacting business already thrashed out in committee meetings. A regular meeting also is needed if all members will benefit from participation.

Remember, though, that not everything has to be done in regular meetings. Some goals may require hours of committee meetings, but only minutes in a regular meeting.
Don't clutter regular meeting time with things that can be done just as well outside.

How to Handle the Meeting

Build your agenda. Before a meeting you need an agenda. Usually the president or chair prepares the agenda, since he or she will preside. But days before the meeting the chair should check with officers, committee chairs and members who may have items of business to bring up. An outline guide is helpful in drawing up your agenda.

The agenda should indicate time available for major items — especially if you think they may drag. Many groups find a good balance of meeting time to be about one-quarter each on business, presentation of a topic, discussion, and recreation. But each meeting will vary. Sometimes the whole meeting is for fun.

Note the built-in cushions. Too often the agenda is so jammed that very little time is available for discussion and questions. If the keynote speaker or the windup speaker runs over by five or 10 minutes, no great harm is done, but there is less time for questions. Note also that time is allotted for housekeeping details, such as going from one workshop to another picking up materials and getting ready for lunch.

It is not necessary to start with business every time. The educational part of the pro- gram can be first. Recreation can be first or mixed in throughout the program.
Flexibility, not rigidity, should be the key work in preparing an agenda. Finally, announce this agenda, including items to be considered, order of consideration, and time available for each item, to the group.

Plan for business. Plan the business part of the meeting to check on group progress and to set policy. Out-of-meeting activities are also reported in the business portion of the regular meeting.

A smooth business meeting evolves from two instruments of planning: agendas and committees.

Committees meet between regular meetings to make minor decisions. They also study and make recommendations for major decisions, to keep time-consuming details from cluttering the business meeting.

Plan for education. Within the broad goals for the year, planners must choose topics for each meeting (perhaps following a theme for the year). Then they must consider ways to handle topics.

You'll find many sources of meeting topics: (1) What topics are suggested by the group's objectives? (2) What are members interested in? Part of a meeting may be devoted to "brain-storming," a time when everybody throws in any idea, however farfetched. Or short questionnaires might be sent to members for program suggestions. (3) What have been the programs in recent years? Should you dig deeper into some topic or consider something new? (4) What is of current importance?
Exchange program ideas with people from other organizations. Watch the newspapers for ideas. (5) What ideas are suggested by outside "resource people?" Their training and experience are resources to you; use them!

There is no one "right" way to handle topics. Choose a variety of ways to suit different occasions. Research shows that people learn little by hearing someone speak.
They learn most by hearing, seeing and talking about the subject themselves. So plan to illustrate what is said. There are many visual aids to choose from — pictures, blackboards, live animals. Plan also to give everybody a chance to take part in discussion, as well as to hear and see.

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Sample Agenda
                    All Day Conference or Meeting
                             Location
      9:00      Coffee and juice for early arrivals
      9:15      Welcome from convenor
                   • Explain reason for meeting
                   • Provide instructions for workshops
      9:30      Speakers or panels
     10:10      Question and discussion period
     10:20      Break
     10:30      Breakout sessions:
                   • Form small groups to discuss plans 11:00
                Reports from small groups (3 minutes each)
     11:50      Break
     12:00      Lunch
      1:00      Workshops in Rooms A, B, C
      2:30      Break: Coffee and juice in vicinity of meeting
      2:50      Concluding speaker
      3:30      Questions and discussion
      3:45      News release or announcements
      4:00      Adjourn
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Plan for celebration and recreation. Recreation, like business and education, can serve the group's long-term objectives. Plan for activities that build group spirit while serving members' individual interests. Poorly planned entertainment may drive members away.

You may want to have celebration and recreation at several different points in the program:

- •A mixer as the group assembles.

- •A stretcher — a welcome break when everybody has been sitting for a long program.

- • A recreation feature — the main part of the recreation program.

- •A closer to "sign off" — something to pull the group together.

Since the needs of each group differ, you must consider these needs when planning recreational activities. Make a special effort to: (1) Plan for the group. Have some- thing that interests different members. Use local talent when appropriate. (2) Plan for the occasion. Recreation may carry out the theme of the meeting. (3) Plan for variety. Draw up a calendar of varied recreational activities for meetings. (4) Plan for a feeling of participation by all.

Plan with the Performers

The planner's role involves spelling out jobs and helping people understand and prepare for these jobs. Here are just a few of the jobs to be assigned: presenting a topic; arranging for a meeting place; getting props (projector, easel, chalk); and handling publicity before and after the meeting. Distribute jobs among members, not just among the planners. This keeps people interested and is easier in the long run.

Let's take a closer look at how program planners work with performers, then discuss the role of other members in planning for the meeting.

Orient your speaker. Suppose you have chosen a meeting topic and have invited a speaker who knows the subject and can present it well. You can make the meeting more productive if you help the speaker plan and put him or her at ease.

Know your speakers. Ask the speaker for personal information to be used in publicity and introductions. This information should include the speaker's name and position, experience that qualifies him or her to speak on this subject, and title of the talk.

Reach a clear understanding on financial arrangements. Will your group pay the speaker or meet travel expenses? If so, how much?

Plan with the Performers

- The planner's role involves spelling out jobs and helping people understand and prepare for these jobs.

- Distribute jobs among members, not just among the planners. This keeps people interested and is easier in the long run.
  Orient your speaker. Know your speakers. Draw in all members.

Speakers often complain because they lack facts about a forthcoming meeting. Audiences complain because a speaker didn't know who he or she was talking to and was too elementary. Speakers need information to do their best at your meeting. Only you or someone close to your group can tell them about your group's broad objectives, the purpose of the meeting, the audience, the anticipated program, and the facilities available. These are things you would like to know if you were the speaker. Describing the audience — their knowledge, skills, and attitudes — helps the speaker avoid stereotyping the group. For example, if you tell the speaker only that the audience is a group of farmers, he or she may think, "they'll all be wearing bib overalls, smelling of manure, chewing on straws, with few of them educated beyond the sixth grade." You owe your group more than this sort of treatment.

You should also tell the speaker the subject you would like him or her to speak about. If you say, "Come tell us what you think we want to hear," the speaker will give you talk "32b," and no one will go home any wiser. You cannot expect to learn anything new unless you challenge the speaker to give it to you. In addition, let the speaker know what facilities are available. If the talk depends on slides or other projected visuals, and the room cannot be darkened, the speaker should know it ahead of time.

The Information Sheet for Speakers will assist you with this part of your meeting management responsibility. Fill out this sheet for each speaker and send it well in advance of the meeting. Notice the three divisions — audience, program and facilities for sight and sound. Fill out the audience portion with relevant information. For example, under topic relevant subgroups, list only those that might have a bearing on the conduct of the meeting. If there is a faction within the expected audience which will probably react negatively to the speaker of the topic, the speaker should know this. Under problems and interests, list only those that deal with the topic with which the speaker is concerned.

Draw in all members. Create interest before the meeting. As you ask members for program ideas, you are also helping them see this as their meeting, and not just the program committees.

Let members know at a previous meeting: major items of business, topics and how they will be handled, what's planned for fun and fellowship, and what members are expected to do — sort of a pre-agenda to build interest.

Some meetings should be publicized widely, especially if they are for the general public. In addition to newspaper announcements and radio spots, you may need posters and announcements at meetings of other organizations.

Use Resource People
How can you make the best use of a resource person who is not a member of your organization? Usually we invite a professional person to come and speak. This may be interesting and informative but often is not the most effective way to use such a person.

In many cases it is more effective for a resource person to sit in as a group discusses. He or she can make comments when asked, suggest ideas and perhaps summarize. These comments will be to the point, because the resource person sees the trend of the group's thinking.

Another effective device is to have a resource person participate with the program planners. Your meetings will be richer because of this special competence and shared ideas.

Plan the Meeting Management
Meeting management, a relatively new term, is the art of planning and running meetings. This guide was prepared to assist the meeting manager, the person who has agreed to gather facts from the program chairman and others, plan all arrangements, and see that they are carried out. (Others should have already asked such questions as "Should there be a meeting?" or "Can this job be done better another way?"

Meeting Management — A Function of Leadership
Nowhere are leadership attributes more tested than in planning and running meetings. You must organize effectively, make decisions, listen to others, delegate responsibility and see that plans are carried out. This is a visible job. If you blow it, people know it, and they know who is responsible.

Check Your Meeting Plans

Make your own list of the main things that must be planned. Write down names of persons responsible, and check off when each job is completed. Double check a couple of days before the meeting to make sure nothing has been neglected. Try this check list as a guide.

Organization for Meeting Management

An effective meeting manager simplifies the job by putting someone in charge of each major responsibility. This procedure uses others' talents and gets more people (who will ultimately attend the meeting) involved. The following sample organization plan can be simplified or expanded, depending on the particular meeting:

It may not be necessary for the meeting manager to appoint someone to be in charge of each function. The committee chair or sub-committee chair should be given this job. For small meetings one person may take charge of all tasks including those of program and budget chair.

The Meeting Manager's Checklist

The following checklist can be used when planning large meetings, or adapted for smaller meetings by omitting items not relevant to the particular meeting. Start by gathering the facts. This includes considering major questions such as: How many people are coming? Do you want publicity and thinking of minor matters: Will a coffee break help?

Once all the facts are known, the planning can begin. In front of each item are two boxes labeled NEED TO DO and DONE. A checklist may be used for each meeting, or if the group plans to meet for more than one day, a new list can be used each day.

After examining items on the check list, assign tasks to the committee chair in charge of that section. Be sure to go over each chair's section with him or her so that he or she will know what is expected. Chairs may suggest other items to check.
Make sure you each have a copy of the chair's portion of the checklist.

After this, see that each chair follows through. Do not nag!! Treat each person with respect and assume he or she can do the job. After all, you selected this person. Set a regular time for reports so that each chair will know when he or she is expected to have certain jobs completed. As each report comes in, check that item in the DONE column.

Tips Regarding Meeting Arrangements

Meeting place. This is the most important part of meeting management. Your choice may be limited to available community facilities. Or you may have an entire county, region, or state to meet in. Since the availability of adequate facilities will strongly influence which site is chosen, consider the facilities when choosing a site.

Meals and breaks. Whether the group is eating together at a luncheon or banquet, or just going to the same diner, plans should be made.

Housing. Hotels or motels can usually take care of housing details. However, if the group is to use private homes, extra planning is needed.

Registration, materials and printed matter. Registration is important if there are meals, rooms, special events, memberships, and other reasons to know who is there. Registration is good way to greet people and make them feel welcome. It may also be the only chance to see that all pay any fees connected with the meeting.

Promotion, publicity and public relations. Assume that people do care about your meeting. Find out from the local newspaper editor how to submit news items. Some newspaper editors may prefer to gather their own news, as may radio and television news directors, who may want a tape, written item, interview, or telephone call. It is good public relations to get to know these people personally and to let them know who you are and what your group does. Consider also the use of photography. Find out if the media people want pre-meeting news, post-meeting news or both. Should a press room be set up? Is there reason for a press conference? Learn what makes good news copy and include in the meeting newsworthy items such as well-known speakers, awards, and other recognitions.

Tours. Nothing can get so fouled up as a tour without pre-planning. If anything can go wrong, it will, because you have to rely on many unpredictably factors such as traffic. crowded restaurants, and people's need to stretch and explore. Allow extra time and tell people in advance where you will stop.

Entertainment. This may be a "home-grown" program, a simple film or group singing. If it is professional, remember to treat the performers as artists, not hired hands. You will probably get a better performance.

Exhibits. The person responsible for the exhibit should be aware of potential difficulties. There may be many regulations, from "don't use cellophane tape on the wall" to complicated electrical and fire ordinances. Find out if draperies and furniture will be supplied by a particular contractor. Tell exhibitors ahead of time what they are expected to bring and what will be furnished.

Room Set-Up

The value of planning is evident in a well-run meeting. An area that deserves extra discussion is room set-up. Room set-up includes not only the elements to be set up but the positioning of these elements within the room. It also includes seeing that everything works and checking out details in advance. For example, there might be an excellent public address or audiovisual system in the room, but only the house manager is allowed to operate it and he or she will not be available the day of the meeting. Make no assumptions.

Start from Scratch

When first entering the meeting room, look at it as so many square feet of space. Decide which direction the audience should face. Don't be misled by the way the room is already set up. (Of course, your choice may be limited by a stage or a projection booth.) Where are electrical outlets? Switches? Extra bulbs? Circuit breaker?

Meeting Manager's Check List

A. Business (Whose Job? Done?)

_____ 1. Prepare officers' and committees' reports.
_____ 2. Mimeograph and mail out reports.
_____ 3. Send members notice of important items for forthcoming discussion.

B. Education

_____ 1. Choose topic (related to year's program).
_____ 2. Consider best way to handle topic (panel, film, speaker).
_____ 3. Plan with persons on program.
_____ 4. Prepare to introduce program.
_____ 5. Decide on visual aids; preview films or slides.
_____ 6. Plan for audience participation.

C. Recreation

_____ 1. Plan recreation to suit varied interests of members.

_____ 2. Designate persons to lead recreation.

D. General

_____ 1. Draw up agenda.
_____ 2. Send invitations.
_____ 3. Post greeters at a door.
_____ 4. Play host to special persons arriving.
_____ 5. Assign follow-up jobs: thank you(s), return props.
_____ 6. Prepare announcement of meeting to follow.

The plugs for microphones and other audio devices? Draw a diagram showing these important locations, since it is easy to forget them afterward. Where are the windows? Can they be darkened? Make sure neither audience nor speakers have to face uncovered windows. Help the speakers keep good eye contact with the audience by arranging the audience inside a 90 percent viewing angle.

Determine how many people the room will hold. For a typical meeting with visual aids the formula is:

$$\text{Number of people} = \frac{\text{Usable length x Usable width}}{6}$$

Notice the term "usable." No one should sit farther away from the screen than six times its width. Therefore, if the screen size is 6 feet, the last row should be no more than 36 feet away. Conversely, if the room length is 60 feet, there should be a 10- foot-wide screen. In addition, no one should sit closer than two times the width of the screen. Any aisles or walkways should be subtracted from the suable space. So

in a room that is 30 feet by 40 feet with a 6-foot screen, the following calculations will determine the number of people that room can hold:

40' (length of room) - 12' (2 x screen width) - 4' (aisle at back) multiplied by 30' (width of room) - 12' (aisles at side and center) divided by 6 (number of square feet needed per person)

$$\frac{24' \times 18' = 72}{6}$$

No one in an audience watching projected visuals should be seated farther than 30N off the perpendicular of the screen.

In the above diagram it would be better, if possible, to place the screen at the short dimension of the room rather than the long. If the room is to be set up for a workshop, divide the number of people in half because you'll want tables and they take up space.

Once you have decided how the room is to be used, indicate on your diagram where you will place the essentials, i.e., chairs, tables, audio-visual equipment, speaker's tables, and other items listed in the checklist. Place visual display devices as high as possible so they can be seen from the back row. Screens should be hung from the ceiling, or in the case of portable screens, raised as high as possible. To test for visibility, have a friend sit in front of you and note how far down on a screen or easel pad you can see above the friend's head (see diagram). A stage or platform adds to the visible area. Note the diagram of an ideal meeting room and try to meet the essential requirements if possible from the standpoint of facilities for sight, sound, and comfort.

Further Considerations for Meeting Planning and Management
- Use Resource People
- Plan the Meeting Management
- Engage in Meeting Management: (A Function of Leadership)
- Check Your Meeting Plans
- Organization for Meeting Management

Essentials
These items are essential for meetings with a professional touch:

- Electrical outlets conveniently placed on several circuits
- Adequate house lights plus spot lights for display room
- Light switches where they will be used, such as in the room entrance, stage, or projection area
- Remote controls for projectors
- PA system with at least 4 microphones and 2 phone inputs, with permanent link to projection area for sound projectors; microphone and phono inputs where they will be used.
- Complete heat and air conditioning controls
- Blackout shades for windows
- Large enough screen for room (1/6 room length)

- Other display devices at hand: Projectors, easels
- Raised area for speaker and visual display devices
- Restrooms, parking, chairs, tables

Frills

These items are helpful but not absolutely necessary:

- Dimmer switches for lights
- Projection booth
- Outlets for telephone and television
- Kitchen, coat rooms, and storage areas
- Flags, pianos and other amenities
- Dressing rooms
- Stage lighting and curtains
- Room dividers

Be a Talent Scout

Who should run meetings? We often pick the person for the wrong reasons. Some people are unable to run meetings properly. Some groups assume that the president of the organization should run all the meetings. Others have a program chair or a lecturer perform this task. Still others pick the person for political or publicity rea- sons. Any one of these reasons is valid, provided the person can run the meeting. Many presidents who realize their shortcomings simply open the meeting and after the business session turn it over to the meeting manager or someone else qualified to run the meeting.

A qualified person will, when the speaker asks, "How much more time do I have?" answer "Five minutes" rather than "Oh, take all you want." This person is flexible to take problems and turn them into opportunities, honest enough to let the audience know it is their meeting, and courageous enough to be both flexible and firm.

Members Participate

A major key to success in meetings is getting wholehearted member participation. Participation is equally necessary for a democratic business meeting, for meaningful education, and for satisfying recreation.

Not all members will be equally talkative. There is no reason they should be, but all must have equal opportunity to talk and to take part in others ways. To encourage members to participate, program performers must do two things. First, they should create an informal atmosphere. People must know that they are permitted to say what they think, no matter how different it may be from others' ideas. Secondly, performers should ask questions of the audience. Create an expectation of an interesting meeting.

Business

The chair follows the list of agenda items, including a time for unanticipated questions.

Part of the business meeting calls for decisions to be made. Some sort of traffic rules must be clearly understood in making decisions. Many groups use some form of parliamentary procedure, such as Roberts' Rules of Order or a modification of them.

Others use different traffic rules, such as getting consensus on decisions but not voting.

In general, the larger the group or the hotter the issue, the more important it becomes to follow a carefully planned procedure in making decisions.

Use rules to get things done, not to "gum up the works." The trend today is to make parliamentary procedure more flexible. Some groups are finding that it helps to discuss a question informally and come to general agreement, or at least come to an understanding of the problem before a formal motion is made. In such cases a motion can be disposed of quickly.

Education

The educational feature puts the program performers up front. People in supporting roles are ready to see that the program is successful. Those on the program should do four things: Prepare the audience, present information, encourage members to participate, and summarize.

Prepare the audience. State clearly the purpose of the program and the procedure. If special persons are on the program, introduce them in an interesting way. This is usually done by a program committee member.

Present information. New facts or insights must be made clear and interesting. Watch to see that information is understood by the whole group. Tactfully indicate the time limit to a speaker by announcing it to the whole group. This helps keep the program on schedule.

Encourage member participation. Participation will be easier if you have planned an appropriate method for handling the topic. Someone must be responsible for leading the discussion and keeping it on the track. During the question and answer portion of the meeting, ensure that questions are really questions, not speeches. Announced agendas, together with time limits, help here.

Summarize. Give a summary of major points from the discussion as well as the presentation. If any follow-up is called for, make clear what is to be done and get people to commit themselves to act.

Encourage Everyone to Take Part

Stop each activity while the group is still interested. Don't let them get tired of it.

> *Remember, a good closing is just as important as a good beginning.*

Stand by for Emergencies

Program planners are in the background but alert during the meeting. At least one program planner should: (1) Watch the meeting and see that it is going smoothly. Check whether all can see and hear. (2) Adjust the program as needed. Shorten or lengthen items, or call for a break if necessary. (3) Be ready for emergencies. If plans fall through, step in with something else.

Follow-up

Here is the last guideline to ensure better meetings. After the meeting the program planners should ask for help from those who performed and all who participated.

Pick Up the Pieces

Planners should see that several things are taken care of immediately after the meeting: (1) Express "thank you(s)" to those who had major responsibility. (2) Return props and equipment in good order. (3) Publicize timely and interesting items in ways to reach the right people.

How Did it Go?

A major job of program planners is to look back at the meeting and ask, "How did it go? How could it have been better?"

There are a number of ways to evaluate a meeting. Keep your eyes and ears open for comments at the meeting and discuss them at a program committee meeting after- ward. Pass out a simple check sheet at the meeting, asking members to write their frank opinions. (See the sample check sheet.)

At the end of the meeting, briefly discuss how it went and get suggestions for improvement. This might be done in small groups, with each small group reporting to the entire group. Designate one or more persons as "silent observers" of the meeting. Toward the end of the meeting, let them "feedback" what they have observed. The emphasis of such observations is on how, not what the group discusses. As the observers report, the whole group can join in to analyze the way the meeting has developed. Program planners can use a checklist to evaluate the meeting after gathering reactions in other ways.

Checklist for Meeting Evaluation

Subject	Check One			Comments
	Good	Medium	Poor	
A. Business				
1. Were details worked out in advance, so they could be handled smoothly?				
2. Were "traffic rules" used effectively to expedite business?				
3. Was discussion clear and to the point?				
4. How well did members take part in discussion?				
5. Was minority opinion given a fair hearing?				
6. Was it clear who should carry out decisions?				
B. Education				
1. Was the topic interesting and clearly presented?				
2. Were audio-visual aids used effectively, or did they detract?				
3. Did all have an opportunity to participate in discussion?				
4. How well did discussion get at important issues?				
5. Was a follow-up required? If so, was someone given responsibility?				
C. Recreation				
1. Did the recreation interest all of the members?				
2. Did all take part?				
3. Did it add to the meeting?				
D. General				
1. Did the meeting start and end on time?				
2. Were arrangements satisfactory?				

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Consensus and Team Building

Successful teamwork is distinguished by a synergistic blending of human resources directed to achieve shared objectives (Harrington-Mackin, 1994:xi).

Every team requires individual commitment to shared goals, acceptance of rules that support common values and beliefs, and communicated dedication to responsible behavior.

Teams develop their own code of conduct. Team leadership determines the content of the code.

> **Empowermenthappensthroughteamsandteamwork**
> **creates change. Start with vision!!**

Characteristics of an Effective Team

- A sense of commitment.
- A high degree of communication within the group and with people outside the group.
- A healthy degree of disagreement and creativity.
- Agreement through consensus.
- A sense of empowerment.
- A sense of shared trust and respect (Weiss, 1993:10).

The Role of Teams and the Team Development Process

Teams are the means, not the ends, of an organization's process of achieving goals and changing to meet the needs of its constituents (Harshman and Phillips, 1996:52). Change starts with the individual and gets its first tryout within the context of a small group of trusted members. The small group can serve as the testing ground and proving ground for significant change. The closer the team is to the firing line, the better and more effective the organization will be to respond quickly and constructively to constituent needs.

Desirable Behaviors for Members

- Learn to speak up in meetings or groups.
- Take responsibility for own thoughts and actions.
- Learn to state an opinion constructively.
- Receive and express positive and negative feelings.
- Say no without harm.
- Respond to criticism constructively.

- Make requests of authorities.
- Negotiate for something desired
  (Harrington-Mackin, 1994:55).

Desirable Behaviors for Team Leaders
- Be willing to share power and responsibility.
- Propose ideas for discussion.
- Ask appropriate questions.
- Listen to others with respect.
- Remain open-minded.
- Promote an atmosphere of trust
  (Harrington-Mackin, 1994:56).

Desirable Behaviors for Committee Chairs
- Have the courage to resist recommendations that are not beneficial.
- Accept decentralized decision-making.
- Believe that everyone has good ideas.
- Be willing to implement team suggestions whenever possible.
- Recognize team accomplishments.
- See teams as a long-term effort (Harrington-Mackin, 1994:56).

> **"Organizations are like elephants — slow to change."**
>
> **(Belasco, _Teaching the Elephant to Dance_. 1990:2)**

Team Members' Rights
- We have the right to support members emotionally while disagreeing with them intellectually.
- We have the right to criticize ideas, but not people.
- We have the right to say what we think, whether others agree or not.
- Conflicts will occur. We have the right to try to learn and grow from them.
- We have the right to expect others to try to overcome avoidance and to deal with conflicts.
- We have the right to expect members to try to participate and to work to become more involved.
- We have the right to expect we are all equal members; no one member's ideas are any greater than another's and all will be subject to the same scrutiny.
- We have the right to expect that people will leave their "power" and "position" outside the team.
- We have the right to express our feelings without being told we "should" feel a different way.
- We have the right to expect that the process will take a long time and that periodically we will make mistakes
(Harrington-Mackin, 1994:56-57).

Strategies to Discourage

What are you <u>most</u> likely to do?

Twist arms. Pull
rank.
Give "I'll get you later!" look.
Hurl sticks and stones.
Give the cold shoulder. Makes
other pull teeth. Create a
nonverbal drama. Cheerlead.
Interrupt.
Be a naysayer.

Strategies to Encourage

What are you <u>least</u> likely to do?

Accept opposing views.
Clearly communicate.
Listen completely.
Criticize ideas, not people. Accept
criticism.
Share your ideas.
Invite everyone to participate. Stay
on the subject.
Thank people.
Leave disagreements in the room.

(Harshman and Phillips, 1996:88)

Good Communication:

Is goal-oriented.
Is clear and understandable.
Conveys respect for listener(s). Is
open and allows response(s).
Is consistent with and uses emotion.
Avoids "games" and hidden agendas.
Seeks mutual understanding.
Includes "I" statements and ownership.
Avoids assumptions!!
(Harshman and Phillips, 1996:89)

Consensus Includes:

Pooling opinions
Effective listening
Discussing ideas and differences
Not getting all you want
Agreement to the point that everyone "can live with it."
(Harshman and Phillips, 1996:67)

Consensus Does Not Include:

Voting
Majority rule
Minority rule
One-person rule
Bargaining without acceptance.
(Harshman and Phillips, 1996:67)

How Consensus and Team Building Works

Each Team Member Should:

- Prepare your position.
- Express your position.
- Listen to the opinions and feelings of all other team members.
- Avoid using "win-lose" techniques.
- Alter the solution.
- Take the time you need to listen, consider other views, develop your own perspective, and be reasonable in reaching a group decision.
- Remember that decision by consensus is difficult but worth every effort (Harshman and Phillips, 1996:68).

Helpful Hints to Reach Consensus

- Overcome barriers by stressing the possible, not the impossible.
- Treat each problem as a new one. Solutions that worked before may fail because circumstances are different.
- Encourage creative discontent and channel it toward the issue, not toward other group members. Accept responsibility for hearing and being heard.
- Be sure all participate without allowing any one person to dominate. Silence is not necessarily agreement. Silent members may be an indication the team has not tapped all its resources.
- Encourage and explore differences. Do not force consensus, even under the pressure of time.
- While the consensus process values each and every person involved, do not let a single stubborn person hold the team up forever. Provide constructive alternatives and allow the process to move forward.
- Do not confuse consensus with unanimity.

> A unanimous decision is one in which everybody supports everything fully (100% agree 100%).

> Consensus is more like everybody supporting 70% of the proposal and being satisfied they can live with it.

> *(Harshman and Phillips, 1996:69).*

Consensus is achieved when every member can say...

"I have had the opportunity to express my views fully, and they have been thoughtfully considered by the group.

Even though this solution may not be the one I believe is optimal, I think it will work and I support it."

(Harshman and Phillips, 1996:66)

KEY ISSUES FACING THE GROUP:
HIGH AND LOW CONSENSUS ON ENDS AND MEANS

	HIGH CONSENSUS	LOW CONSENSUS
ENDS **Goals and Objectives to be Achieved**		
MEANS **Methods to be Used to Achieve Goals and Objectives**		

LOW CONSENSUS ISSUES AND CONCERNS EXAMINE ENDS AND MEANS WITH POSITIONS AND INTERESTS

	STATEMENTS MADE, POSITIONS TAKEN AND POSITIONS HELD	THOUGHTS NOT EXPRESSED AND THE INTERESTS BEHIND THE THOUGHTS
ENDS **Goals and Objectives to be Achieved**		
MEANS **Methods to be Used to Achieve Goals and Objectives**		

Team Building
Boards: A Good Place to Practice Teamwork

Teamwork Elements: Synergy and Trust

- Teamwork results in synergy.
- Trust is a reliance on the integrity and sense of justice displayed by a person or members of a group.
- Synergy is the principle of the whole being greater than the sum of its parts.

Essential Elements of Team Building

- A clear goal or purpose for working together.
- Each member must have something to contribute.
- Each member must perceive some benefit by being in the group.
- A team needs to be accountable as a functioning unit.
- The team must allow itself time to do the job
  (Buchholz and Roth, 1987).

Teamwork . . .
When this occurs, creativity is enhanced, innovation is sparked,
effort is focused, and others marvel at what they enjoy
while accomplishing so much.

Primary Advantages of Working in Teams

- Decisions made by teams usually reflect a wider variety of facts and knowledge than do individual decisions.
- Team interaction usually results in more alternatives being considered before decisions are made.
- Recommendations from teams usually have a higher level of accuracy than do individual recommendations.
- Teamwork encourages the widespread ownership of a community problem.
- Team decision-making causes group members to be better informed and more knowledgeable about the decisions reached.
- Team members develop a team spirit.
- One mixed blessing has been said to occur in teamwork
  (Buchholz and Roth,1987).

Primary Disadvantages of Working in Teams

- Sometimes teamwork may take more time than can be spent to do the task. Sometimes, group leaders can depend on teams so much that they stop functioning as the leader. They look to the team to make every decision.
- Team decisions can result in compromise decisions that are not always the most useful or beneficial.
- Teams are usually competitive, with a desire to win. The emphasis of the competition must be on winning as a team, not winning at the loss of a team member.

Characteristics of an Effective Work Team

- The atmosphere tends to be informal, comfortable, relaxed.
- There is a lot of discussion in which virtually everyone participates, but it remains pertinent to the task of the group.
- The task or the objective of the group is well understood and accepted by the members.
- The members listen to each other!
- There is disagreement.
- On the other hand, there is no "tyranny of the minority."
- Most decisions are reached by a kind of consensus in which it is clear that everybody is in general agreement and willing to go along.
- Criticism is frequent, frank and relatively comfortable.
- People are free in expressing their feelings as well as their ideas both on the problem and on the group's operation
  (Buchholz and Roth, 1987).

Factors that Promote Good Working Relationships

- Team meeting - with agenda and sufficient time to discuss
- Knowledge of others' responsibilities
- Criteria for evaluation
- Trust
- Loyalty
- Respect for others in spite of professional differences
- Courtesy
- Respect for professionalism regardless of person's sex, age, race
- Recognizing talents of the others
- Giving credit
- Recognizing a job well done
- Pride in work of total team
- Understanding and supporting others' programs
- Agreed upon priorities
- Circulation of pertinent information
- Willingness to talk over problems
- Cooperation
- Sincere caring for others with a respect for privacy
- Constructive criticism (Buchholz and Roth, 1987)

Factors that Hinder Working Relationships

- Lack of understanding of others' jobs and responsibilities
- Lack of concern about total team efforts
- Disregard for feelings of others
- Unwillingness to compromise
- Poor communication
- Competition among team for individual prestige and recognition
- Negative and destructive criticism

- No involvement in administrative decisions
- Lack of leadership
- Over-sensitivity
- Disregard for talents of others
- No opportunities for team meetings
- Gossip, rumors
- Putting off decision making
- Lack of trust
- Lack of common goals and philosophy
- No evaluation and/or feedback from supervisors
- Limited understanding of total program
- Holding a grudge
- Lack of confidence in fellow workers
- Prejudice, racism, sexism
  (Buchholz and Roth, 1987)

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"There has to be a willingness to meet each other halfway . . .
. . . a flexibility to put egos and protocols aside."

Jeanne Jehl. New Beginnings
(Source: Melaville and Blank with Asayesh, 1993:28)

"Collaboration is a mind-set that says, of course I'm going to
need the help of others to do my job well!"

Sidney L. Gardner
(Source: Melaville and Blank with Asayesh, 1993:23)

"It is imperative that partners develop trust—the kind of trust that enables them
to present a united front against inevitable obstacles.
The camel's back must be strong enough to withstand even the last straw."

Richard "Jake" Jacobsen. New Beginnings
(Source: Melaville and Blank with Asayesh, 1993:35)

"Turfism" — What is it?

"Turfism" is the non-cooperation or conflict between organizations with seemingly common goals or interests. They would normally be expected to work together in a given situation.

The term "turf issues" is borrowed from street gang terminology. Every gang has its neighborhood or "turf" in which it operates, and it defends this area against other gangs (usually violently). This idea has its parallel in animal behavior in the idea of "territoriality." In this version, individual animals have their "home base" around their mating, feeding or nesting grounds they defend against other animals, even those of the same species (Adapted from Siek and Haque, 1992, 1).

Turf Protection: Why Does It Happen and When?

Conflict usually involves perceptions of incompatible goals or threats to relation- ships (Ross and Ross, 172).These perceptions lead to "turf protection" as organizations decide to "defend" their domain rather than share with another organization. Every time two organizations interact, they establish boundaries through "exchange" relationships (Zald, 1969).

The basic factor in triggering a "turf battle" is the degree of power surrendered or gained by the organizations involved. "Power" as used here is the ability to control or manage resources to accomplish a goal. If both organizations feel they will gain by working together or having access to an equal degree of power, cooperation continues. But if one organization feels it has too much to lose by continued cooperation, it begins to defend its "turf" (Adapted from Siek and Haque, 1992:1).

Why Turf Battles?

These "turf battles" can take place for three fundamental reasons, all related to the perceived effect on power:

- If one organization perceives the other as a direct and regular competitor for resources that are not likely to be shared;

- If one organization perceives a "marginal cost" to the proposed cooperation in money, time or energy greater than perceived benefits of collaboration;

- The degree to which the organization feels it is flexible to change its goals, tasks and philosophy to adopt the course of action being proposed.

> **If one organization feels it does not have much in common with the proposed partner, it is less likely to feel the mutual benefits of the proposed action.**
>
> *(Adapted from Siek and Haque, 1992:2)*

Another reason for turf battles is the lack of knowledge or mistrust of the other organizations. If the target group or constituencies of two groups seem to overlap to a high degree, there is more likely to be cooperation.

Turf battles also can result if one party in a proposed relationship feels the exchange will be unequal. This could happen in one of two ways. One organization may feel the proposed course of action is unilateral, that they have no real voice in deciding what or how it will happen. An organization also can feel the exchange would be unequal. It might feel that it would cost too much in resources compared with the proposed benefit, or that another party stands to gain more resources than other partners (Levine and White 1961; Adapted from Siek and Haque, 1992, 2).

Building Trust and Reducing Turf Protection

- Partners develop a base of common knowledge by learning as much as possible about each other's beliefs, goals, objectives, cultures and working constraints.

- Partners define a shared vision and goals.

- The collaborative agencies should develop a mission statement and begin to establish their places in the community.

- Partners reflect on their work and celebrate their accomplishments.

(Adapted from Melaville and Blank with Asayesh, 93:35).

How to Avoid "Turf Battles"

Long term it is better to avoid turf battles than to have to deal with them. Before initiating or becoming a member of a partnership, there are certain things to remember (Adapted from Siek and Haque, 1992: 3):

1. A group's goals are never 100 percent compatible with the goals of each organization or person involved. The "domains" are not likely to overlap totally. Accordingly, each member must be prepared to compromise or modify his or her commitment to specific goals and to help other members adjust as necessary.

2. Enough time should be spent at first to clarify shared goals and develop each member's commitment to them. The group should establish a consensus on the "domain" of action for the collaborating group, and how the resources of members might relate. The higher the sense of common purpose, the higher the probability of harmonious relations between members.

3. Clearly relating the needs discussed to the potential available resources can help build early momentum and cooperation. It can avoid tackling a large, vague problem and create a positive climate by being capacity-centered or resource-centered rather than problem-centered. This can be especially important in collaborations designed to operate in a small geographic area (McKnight and Kretzmann, 1991).

4. Knowing the relationship between the members' personal goals and the group's goals can suggest potential sources of agreement and disagreement and show results.

   Organizations should think twice before inviting groups that have only a partial or marginal relationship to the partnership's mission to join the group.
   Doing homework by consulting newspaper files, and interviewing organizational representatives and residents can be good sources of basic information. (Center 1988). It also can suggest future avenues of positive involvement for some members.

5. Large groups usually have an advantage in the information giving and "brain-storming" phases of problem solving. Still, they can be a potential disadvantage when consensus needs to be reached. Between-meeting communication before a proposed action with major parties helps avoid surprises and helps make meetings more productive.

6. Structured subgroups may eliminate the disadvantage of limited interaction time between members of large groups who might need more clarification of points.

7. Negative feedback (whether verbal, nonverbal, a combination of both or silence) should not be permissible, especially when there is no attempt to

First Step in Dealing with Turf Problems

The first step in deciding how to best handle a "turf" battle is to identify whether it is a substantive (task-related) or affective (personal) conflict over turf.

compromise or come to consensus. Effective listening and speaking skills will eliminate misunderstandings. Raising questions versus stating one's opinion(s) will help reduce disagreements (Hague).

An Overview of Conflict Patterns

Conflict comes in many forms. It can be a simple disagreement over the meaning of a particular policy. It can be an argument over priorities. Sometimes it involves get- ting people together for a "common cause" to overcome the teachings of the past, which may have been "do unto others before they do unto you" (Adapted from Keller, 1991:77).

Before one can manage conflict or deal with conflict in social change, one must understand that it is a natural and sometimes desirable social process. The assumption is that conflict is going to occur and that it can be managed.

Positive Outcomes Include the Following:

1. Better ideas can be produced.

2. People have to search for new approaches.

3. Long-standing problems may be resolved.

4. People are forced to clarify their views.

5. Creativity and interest may be generated by the tension that is produced.

6. People have a chance to "stretch" their capabilities.

(Adapted from Keller, 1991:77.)

Also, there are times when conflict can be used to advantage. For example, suppose one wants to improve the community's drug awareness. It may be necessary to cause conflict in

Five areas of Conflict
(Less to More Complex)

Facts of Data Goals
and Interests
Relationships and Structures
Methods and Strategies
Values

the community in order to bring about community awareness and legal changes. Understanding how conflict works is essential for effective conflict management.

Although the initial reaction to the word "conflict" is usually negative, a closer look

at the phenomenon might make one aware of both its inevitability and its potential value.

The Nature and Sources of Conflict and Distrust

It is important to resolve potential conflicts and enable its leaders to diagnose and resolve conflicts as they arise. In order to do this, one must come to recognize how conflicts arise. In conceptualizing a potential conflict, individuals (or groups) usually find themselves in one (or more) areas of conflict.

The Cycle of Conflict Stages

1. Tension Development occurs when some person or group feels blocked from satisfying some concern.

2. Role Dilemma involves answering the question, "What's the problem? What is expected of me?"

3. Injustice Collecting is a form of cognitive dissonance.

Some Guidelines for Building Trust:

1. Respond positively and constructively to the need for collaboration in an environment of increasing competition for resources.

2. Recognize healthy self-interest. Healthy self-interest provides the energy for collaboration. To omit examination of this self-interest, or to treat it as illegitimate, risks the loss of enthusiasm for a project. (Adapted from Morton, 43.)

3. Provide structure to reduce uncertainty:

- Recruit members with prestige and competence.
- Complete some tasks together and build trust.
- Develop a situation where renegotiation and adjustment are possible.

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4. Confrontation often occurs when individuals have incompatible methods, goals, or values that do not appear to be subject to compromise.

5. Adjustments could include compromises on the actions taken and/or the feelings of the individuals involved, but the adjustments that are made within the conflict cycle lead back to tension development.

Collaboration and Turf Protection

The "domains" of organizations can overlap in several major ways:
- Over Goals
- Over Resources
- Over Geography
- Over Methods

- Over Personalities
- Over Identity or Public Perception

Will Collaboration Work? Key Questions To Ask

- Will the benefits of collaboration outweigh the costs?

- Is there a history of communication and cooperation and a foundation of trust among the various entities involved in possible collaboration?

- Is each of the potential partners stable enough to withstand the change that integrating services would introduce?

- Do all of the key players have enough financial and staff leeway to commit some of their resources to collaborative activities, or are they overextended in their day-to-day operations?

Continuum of Inter-Organizational Efforts

Cooperation	Coordination	Collaboration
I		I
I	I	I
Independence		Interdependence
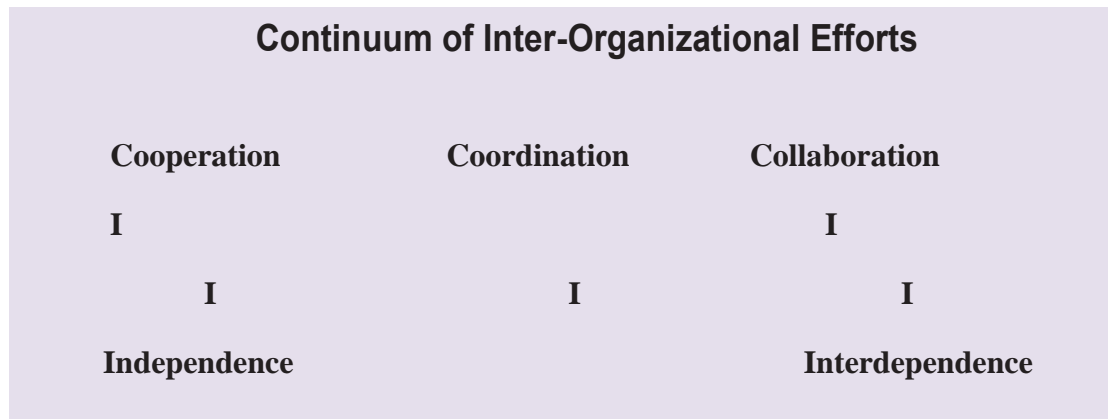
some of their resources to collaborative activities, or are they overextended in their day-to-day operations?

- Are partners willing to explore ways for key players such as grassroots organizations operating on limited budgets to participate.

(Adapted from Melaville and Blank with Asayesh, 1993:30)

Setting Ground Rules: Decisions To Be Made

Collaborators need to decide:

- Where, when and how often will partners meet?

- How will partners share responsibility for organizing and leading the meetings?

- Who prepares and contributes to the agenda?

- What rules should guide the dialogue?

- Will partners make decisions by majority rule or consensus?

- What can partners do to ensure that decision-making occurs inside the group

and not behind the scenes?

- What happens if there is a problem or conflict?
- How will partners handle logistical arrangements?
- Under what circumstances should there be a third-party facilitator.

(Adapted from Melaville and Blank with Asayesh, 1993:32)?

Advantages and Disadvantages of Collaboration

Collaboration with other public and private sector organizations in communities can be an effective and rewarding method of reaching young people. But, collaborating with other groups is a double-edged sword with both advantages and disadvantages.

Advantages of Collaboration	Disadvantages of Collaboration
More effective and efficient delivery of programs Professional development Improved communications Elimination of duplication Increased use of programs Improved public image Better needs assessment Consistency of information Increased availability of resources Formation of bonds and support networks	Turf protection and mistrust Slow decision-making Limited resources Diverted resources from priority issues An assumed position contrary to policy Decreased level of cooperation among collaborators during a crisis. *(Adapted from Jackson and Maddy, 1992:2)*

Both should be weighed before entering a collaborative effort. If the benefits don't outweigh the costs, collaboration should not take place (Adapted from Jackson and Maddy, 1992:1).

The advantages of entering a collaborative effort may be immediate or long term, direct or indirect. Some partners may benefit more than others. It is essential that each partner recognize that the benefits will outweigh the costs of participation (Dluhy 1990; Adapted from Jackson and Maddy, 1992:1).

Turf protection and mistrust are complex issues that must be overcome. If a collaborator does not trust his or her partners, he or she will not be as open and receptive to new ideas. There will not be a willingness to share resources and burdens (Adapted from Jackson and Maddy, 1992:2).

If the group must reach a consensus to act on an issue, it may take time. Many partners may not be able to go forward without approval of a higher authority or more study. Depending on how well the group communicates or how often it meets, decision by consensus could make acting on a problem slow and ineffective (Adapted

from Jackson and Maddy, 1992:2).

Due to limitations of resources, some groups who would be valuable partners are unable to cooperate. Devoting resources to a collaborative effort may take away from other high priority projects (Adapted from Jackson and Maddy, 1992:2).

Sometimes a coalition may take a position that is inconsistent with the policy of one of its partners. This may cause the partner to be uncooperative, ineffective or to withdraw from the coalition (Adapted from Jackson and Maddy, 1992:2).

During a crisis with a partner or the coalition, cooperation among members may decrease. Member organizations are sometimes faced with changes within their organization such as budget cuts, changes in administration or other short-term changes that affect their commitment (Adapted from Jackson and Maddy, 1992:2).

Land Mines to Avoid When Groups Work Together

- Waiting to convene a group until everyone is at the table. The enthusiasm of a wisely selected and enthusiastic core group can cool while others are being brought in. Do not waste time!

- Not taking the time to involve key players who could easily block what the collaborative hopes to do. Whenever possible, try to make allies out of adversaries.

- Allowing one partner to assume control of the group instead of establishing the expectation of shared leadership. Collaborative power grows when equals share authority and responsibility.

- Allowing the media or political pressure to direct the collaborative agenda.

- Neglecting to reflect periodically on milestones and land mines.

- Failing to establish clear ground rules.
  (Adapted from Melaville and Blank with Asayesh, 1993:33).

Options for Taking Action

Partnership Building. The structure of a network may have many shapes and different levels of responsibility. Structure may refer to the form by which the collaboration accomplishes its mission. The people who lead, participate in and eventually implement the activities of interagency initiatives, affect the growth and development of joint efforts (Adapted from Smith and Bell, 1992:1).

The partnership is essentially a mechanism for increasing the power or leverage of groups or individuals. The object is to get more out of the partnership than is put into it (Adapted from Smith and Bell, 1992:1).

Situations, although difficult or impossible for the individual to overcome alone, can be dealt with simply and rapidly by acquiring the right allies. This is partnership. (Adapted from Smith and Bell, 1992:1).

A collaborative partnership should be structured to:

- Involve all key players.
- Choose a realistic strategy.
- Establish a shared vision.
- Agree to disagree in the process.
- Make promises that can be kept.
- Build ownership at all levels.
- Institutionalize change.
- Publicize successes.

Land Mines that Block Trust and Perpetuate Turf Battles

- Acting before partners establish a sense of trust and ownership in a shared vision.

- Losing momentum by not knowing when it is time to move on. Building a base of common knowledge, for example, can continue as the process moves forward.

- Failing to celebrate the trust, ownership, victories, and shared vision that have been built.

- Avoiding conflict and glossing over disagreements in an effort to reach a quick consensus. A critical sense of ownership and common purpose grows out of the struggle to use conflict and differences of opinion constructively.

- Not seeking input from constituents when conducting community assessments.

- Compiling indicators that do not reflect the performance of all the partners.

- Achieving only compliance with the vision, rather than commitment to the realization of a shared vision.
  (Adapted from Melaville and Blank with Asayesh, 1993:45).

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Building Stronger Organizations through Participation

Our business is training volunteer leaders to build stronger communities. A strong community is an end in itself; it's also an attraction to industry, retirees and other residents to help small towns survive and grow. One of the most important things that community leaders do is to identify, recruit, train, support and reward volunteers in working to build better communities. With declining federal funding for local pro- grams, how good a community is really depends on whether it is able to tap volunteers to meet its needs in private organizations and in local government, schools, the arts and other areas.

Volunteers — An Asset to the Nonprofit

There Are Numerous Ways Volunteers Can Help A Nonprofit

- **They save money.** A volunteer is a walking subsidy whose contributions would otherwise have to be paid for by the nonprofit, the people it serves and the organizations that fund it (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- **They are conduits to the community at large.** Volunteers often have a wealth of valuable contacts that can translate into donations of goods, services or money to the nonprofit (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- **They are natural goodwill ambassadors.** When volunteers find service at a nonprofit rewarding, they tell others. The community support volunteers generate can be amazing. In addition to serving as goodwill ambassadors, volunteers can be valuable allies if the nonprofit becomes embroiled in a public controversy. Their reassurance can help avoid a potentially explosive situation. Keep in mind that volunteers can just as easily spread the "bad word" about the non- profit — if volunteering is a negative experience. Be sure to make it a positive and rewarding one (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- **They enhance the nonprofit's services.** Those who use the nonprofit organization's programs and services are always pleased when their needs are met. This satisfaction can only increase when caring volunteers make the programs and services even more effective (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- **They lighten the staff's load.** When volunteers are an extra pair of hands at the nonprofit, they are making life easier for paid staffers — something that should not go unrecognized (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- **They bring needed expertise.** A volunteer's occupational experience just might include the expertise the nonprofit needs at the moment. For example, a journalist might be ideal for training the staff or service recipients in the intricacies of desktop publishing (Stratton, 1994 in Di Lima and Johns, 1996:3:76)!

Volunteers themselves benefit from volunteering. They often pick up valuable skills and experience they can use in some future line of work. More intangibly, through,

what they get back from their contributions of time, talent and energy is the satisfaction they are helping others (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

The Tasks of Volunteer Leadership

1. Identify — where and who are the potential volunteers? Why do people volunteer?

2. Recruit and place — where do we look for volunteers? How do we get the right pegs in the right holes?

3. Train — letting them know what's expected, where the resources are, and how to do the job.

4. Support — keeping volunteers is the hardest part of the task of leadership.

5. Reward — letting them know you appreciate them. We

will take a closer look at each of these tasks.

Identification of Volunteer Sources

In years past women who did not work outside the home have provided the pool. We have lost most of that pool. Potential sources of volunteers include:

- Teens, although many are employed part-time even while going to school.
- Retirees, most of whom are healthier and more affluent than ever.
- Men and women who have always done volunteer work in many areas.
- Empty Nest families that may include Super Moms who formerly volunteered for activities that involved children. This is a talented pool.
- Newcomers interested in establishing meaningful ties to the community.
- College students engaged in service-learning. They can develop lifelong habits of community service and civic involvement.

Who Volunteers?

- 52 percent of American adults and 53 percent of American teenagers.
- 76 million adults volunteer an average of 100 hours per year.
- Upper socio-economic groups are more likely to volunteer: 63 percent of people with annual household incomes of $20,000+ volunteered.
- 63 percent of people with some college education volunteered.
- Employed people are more likely to volunteer than people who are not working.
- The annual value of volunteer work is estimated at $65 billion.
- Generally, the following groups are slightly more inclined to volunteer:

    — Women
    — People under the age of 55
    — People with children still at home
    — Suburban and rural residents
    — People living in larger households

- Volunteer areas:

  — Religion 19%
  — Education 12%
  — Health 12%
  — Recreation.....................................7%
  — Informal volunteer activities.........................23%

- 91 percent of all volunteers made charitable contributions.
- 31 percent of those who volunteered spent a minimum of 2 hours/week;
- 10 percent spent 7 hours or more.

How Did They Become Involved?

- Someone asked them personally..........................44%
- A friend or family member was already involved. 29%
- Through participation in group or organization. 25%
- Sought the activity on their own.........................25%
- Volunteered because they had seen an ad or some
  information about volunteer activity in the media............6%

On Volunteering

80 percent of those who did not volunteer listed as the primary reason for
not volunteer is:

THEY WERE NOT ASKED!

Where Are Volunteers Active?

%	SUBJECT AREA
23	Informal ways or alone
19	Religion
12	Health
12	Education
7	Recreation
6	Citizenship
6	Community Action
6	Work-Related Areas
6	Politics
6	General Fund-Raising
5	Social Welfare
3	Arts/Culture
1	Justice

Recruiting and Placement

Some Good Places to Look for Volunteers:

High schools, student organizations
Churches
Service clubs
Parents
Retirement communities

People volunteer to:

- Be sociable
- Develop or express particular skills;
- Experiment with new roles;
- Acquire experience;
- Build communities or serve causes they believe in;
- Support the development of their children;
- Reach out to others in need;
- Express religious or moral values;
- Bridge the transition to new life stages
- Replace activities that have been lost
- Round out a retirement lifestyle

Having speakers available on your volunteer program who are enthusiastic and informed is a good way to raise your visibility. Ultimately, however, recruiting is a labor intensive, one-on-one effort.

The hardest part of the process is placing volunteers in the right job. Every community needs someone who is a volunteer matchmaker — the kind of person who may be recruiting soccer coaches when he or she runs across a perfect Meals on Wheels person and knows how to make the connection.

Once the volunteer has been recruited, how do you find their slot? You can have them fill out forms that identify various volunteer jobs to determine what is right for them, interview volunteers, let them try some roles, move them around; someone needs to keep an eye on the process until the volunteer has found a niche. Many communities, even some fairly small ones, have addressed the recruit-and-place problem by establishing a Volunteer Center that works with organizations and individuals to locate and place volunteers.

In the process of finding and placing people, be careful of two half-truths:

1. Ask a busy person. True; these are people with energy and organization that will serve you well. But you may be overlooking some low-visibility people that need some encouragement and development so that they, down the road, will also be observed as a "busy person."

2. It's easier to do it myself. Often true, especially for small job. But if your real talents are in recruiting and placing, you are wasting your valuable talents and denying someone else the opportunity to contribute and learn.

Putting Volunteers to Work

In the past, most volunteers performed the same duties the same hours each week. Today's volunteers are different. They often work odd hours on the job and, at the same time, try to juggle the demands of work, day care and family activities. To attract and retain these volunteers, the nonprofit organization has to be flexible and adapt itself to their schedules (Stratton, 1994 in Di Lima and Johns, 1996:3:76). This should not have to be a burden. It is possible to discover a range of services volunteers can perform. Here are some examples:

- Direct hands-on work with clients: These are the volunteers who read to and play games with clients, bathe people, transport those who are unable to get around or serve the lunches — just to name a few activities (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- Support functions: Volunteers can perform a variety of jobs that staffers often have a tough time catching up on, like typing, filing, stuffing envelopes and photocopying. Two very reliable sources for this kind of volunteer assistance are church organizations and independent living complexes for the elderly (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- "Outside the nonprofit" volunteer work: Do not think of volunteers only as those who put in six hours a week at the nonprofit. They could be people who bake cookies or other treats once a month for clients, or they could be high school kids who run errands after school. Volunteers can also be trained to do speaking engagements, which can lighten staff responsibility. In addition, this is effective public relations because volunteers who donate their time and talents enjoy a special credibility within the community (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- Contributions of goods and services: Volunteers are often generous with their material possessions when they perceive an unmet need (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

- Professional and technical services: Skilled or professional people often have a specialty that can help the nonprofit. For example, the volunteer services of a marketing executive can do wonders for the nonprofit's public relations efforts. To take another approach, a volunteer advisory committee made up of business professionals can help the nonprofit's bottom line. Ask as many as 12 volunteers to serve on the committee and recommend how the nonprofit can best manage its finances. Turn to accountants, vice presidents of banks and companies, and others with demonstrated business acumen (Stratton, 1994 in Di Lima and Johns, 1996:3:76).

Training

1. Volunteers need job descriptions so they know what they are supposed to do. Someone needs to take the time to teach or show them. They need to know what they are to do, whom they are to work with, how they get resources and

where to go for help. Teamwork is important for integrating new volunteers, especially for teen or student volunteers (Fisher and Cole, 1993:97-118).
Remember, we learn from each other and the social aspects of volunteer work are an important motivating factor.

2. Other techniques that may be helpful are orientation sessions; retreats or workshops that build teams of old and new volunteers while providing an orientation; or handbooks that explain the structure and operating procedures of the organization and the functions of various committees or groups, as well as the volunteer's specific assignment (Fisher and Cole, 1993:97-118).

3. An important aspect of training is to develop volunteer leadership through a hierarchy of jobs of increasing independence and responsibility (Fisher and Cole, 1993:97-118).

4. If possible, offer the volunteer the opportunity to acquire some special skills or attend workshops that are relevant to what he or she is doing or will be doing (Fisher and Cole, 1993:97-118).

Invest in volunteers. There are volunteer conferences and all kinds of specialized training — CPR, computer skills, working with children — offered through technical and community colleges, the extension service and other sources. Provide a sitter; pay part or all of the cost. Good volunteers are worth the investment (Fisher and Cole, 1993:97-118).

Support
Support is a critical and often neglected leadership task. Let your volunteers know that they are appreciated and give them the resources and the help that they need (Fisher and Cole, 1993:97-118).

We need to work at correcting disruptive leadership styles:

- Negative
- Critical
- Effusive
- Do-it-yourself
- Neglectful
- Over structured
- Detached or uninvolved

We need to work at developing good leadership styles:

- Self-effacing
- Enthusiastic
- Observant
- Involving others and sharing roles
- Organized but flexible.

Resources are critical — materials, assistance and partners, copying, whatever. Providing resources lets volunteers know that you think what they do is important.

<u>Feedback</u>, both positive and negative but strong on the positive, is also important. There are a lot of problems in evaluating volunteer workers and volunteer jobs, but it needs to be done.

Reward

Why? They deserve it; it keeps them going. There are never enough good ways to say thank you. Give them pins, plaques, dinners, award programs. Put their names in the newsletters. Acknowledge their contributions at every chance. Remember, volunteers don't get a paycheck, so they are more likely to walk away if they are poorly placed, unsupported, unrecognized or frustrated. We can get by with bad personnel management in business to some degree, but bad management is the death knell of an organization that depends on volunteers. Investing in volunteer management is the most important thing that you can do (Fisher and Cole, 1993:58-77).

Volunteerism involves a lot of specialized skills. The most important skills are leader- ship skills. In addition, however, managing volunteers involves some specialized skills in working with business, fund-raising, motivation, supervision and evaluation
— the kinds of personnel management skills that business persons need but adapted to the unique circumstances of volunteer organizations (Fisher and Cole, 1993:58-77).

Volunteer-Business Partnerships: What Do We Have to Offer Each Other

Your volunteer organization is seeking help from local business firms. What is the best way to approach them? Here are some guidelines for getting help, cooperation and support from business firms in your area.

The first rule in preaching, teaching and any other communication is to start where they are — speak their language. Buzzwords like efficient, cost-effective, multipliers and management by objectives will establish a common framework. Read Tom Peters and Peter Drucker to get the mindset. Not only will your prospective supporter respond better, but you will gain some insights into management skills and perspectives that are good for your organization.

Asking for Money and Equipment

Never approach a business or a businessperson without a concrete proposal. Know what you need, how much time it takes, how much it costs, who will benefit and how. Do not say we need help with our accounting system. Say we would like some- one to donate 4-6 hours to work with our bookkeeper to set up a better record-keeping system on the computer for incoming funds and we need a person like you or someone from your company because you have a similar kind of income (Fisher and Cole, 1993:42-43; 97-118).

There is a basic economic premise every time we ask for help in voluntary organizations, namely that we need to find ways to ask that result in benefits to both parties. Translation — what's in it for me? Try to figure out who in the company has the skills and can give what you want at the lowest cost/highest benefit.

What's in It for Them?

Generally, for the firm, building a stronger community increases the success of their business; more specifically, volunteer work provides them with business contacts, customers and good will. In addition, owners and managers of business firms are also individuals, interested in opportunities to work in a different setting, to show off what they can do, to build a different set of skills, or to try on new roles without fear of failure. Sometimes there is a tax write-off; sometimes there is a payoff in employee morale and retention if they support employee efforts in volunteer work.

Matching Needs and Resources

Volunteer organizations need money, resources (space, equipment, transportation, other in kind), volunteer time and training or loan of specialized skills. Individual business leaders and firms have those things, but they need to be matched up with the right organization and they need to know what's in it for them.

If I were promoting Habitat for Humanity, I would offer door logos and other means of visibility for hardware stores and other housing related businesses. Theater groups are great at giving visibility to their sponsors, such as programs thanking patrons and donors. Other groups need to develop methods of promotion, for example: ads, bumper stickers that read "I support..", etc. Ask a sporting goods store to sponsor Y programs; ask a bike shop to donate for the PTO or Parent's School Improvement Council raffle because they cater to kids.

This can be fun, matching businesses to volunteer organizations. So the first step is to find a business that has some logical tie to the service you offer — like the Winn Dixie and Salvation Army Even It Up program that provides food for the hungry.

Whether asking for money or time, it helps a lot to make the donation visible; plaques, acknowledgments and a photograph of presenting a check. Think about the tax aspects of what you are asking. Can they give you space, let you use equipment, give you old equipment they are replacing and get more in tax deductions than they could in the sale price? (This approach is especially good for acquiring computers, but make them show you how to run it!)

Using Business Leaders As Resources

In building business-volunteer partnerships, we need to build on the strengths and compensate for the weaknesses of both parties. Start with some caricatures.

The Business-Based Volunteer Profile. Business professionals tend to be hierarchical, task-oriented, performance-minded, competitive, individualistic and specialized. They are good at getting things done, meeting deadlines, innovating, managing resources and evaluating. They may have shortcomings in some people skills, willingness to cooperate, and seeking broad input. They are goal oriented and display strong patterns of day-to-day continuity, planning and methods of doing things that can sometimes stifle creativity.

The Traditional Volunteer Profile. These individuals are normally more people and service oriented. They tend to be loosely structured, cooperative, community-oriented

and skilled at a wide variety of tasks. They are good at making people feel needed and wanted, good at carrying out isolated events, and often willing to seek and implement suggestions for improvement. Their shortcomings tend to be lack of availability to the organization on an extended continuing basis, relative absence of resources to support activity, and managerial or planning skills. High turnover rates of volunteers provide many new ideas and creative opportunities, but it also brings inefficiencies and "reinvention of the wheel." These qualities are essential to delivery of human services.

Like learning styles, different approaches and different sets of skills are useful for different sets of tasks. When we work with volunteers and volunteer managers, we find it hard to generate interest in such applied and managerial topics as fundraising, financial management, communications and publicity. Yet these are essential tasks and essential skills.

A businessperson who gets deeply involved with a volunteer organization to the extent of adopting some of its cooperative, people-oriented outlook and values will probably change management style in some positive ways, and hopefully some of those Type A, management by objectives ideas, will rub off on the organization.
There is also a risk of a conflict in styles. Many of the tasks of a volunteer organization are suited to the typical people-oriented team style, but some are not. Business type activities include budgets, publicity, calendars, bylaws, communications, job descriptions and committee functions.

Some Ways to Involve Volunteers

Recruit them as volunteers or board members and assign them to what they do best. If you do, get others to work with them for balance and for mutual learning. Most volunteers don't like to be assigned to do something I know how to do well all by myself. They know when they leave the task may be is lost, and they like teamwork, and they like to train others to do it too. Furthermore, a good committee needs a mix of right-brained and left-brained types, people-oriented and task-oriented, systematic and creative (Fisher and Cole, 1993:26-41, 81-96).

Recruit volunteers as trainers, teaching people in the organization by setting up a bookkeeping system or label printing system or layout for newsletter. This approach is attractive to single commitment, short term, busy types; or an opportunity for those working their way up, looking for contacts and experience. Want to get some- one to teach you fund-raising? Try one of your retired executives, or someone in insurance sales. These people know how to motivate, set up teams and build self- confidence so that most of your volunteers can learn to raise money (Fisher and Cole, 1993:81-96).

Use volunteers as a sounding board and source of ideas — an advisory board that meets quarterly or even semi-annually, picked partly because of their interest but also because of their mix of skills with the chair on the working board. Or get them to conduct in-house workshops on management concerns periodically (Fisher and Cole, 1993:26-41, 81-96).

A Volunteer's Bill of Rights

I am a volunteer. I build communities, make things happen, and help to provide the glue that holds society together. I reach out to those in need as a part of a team working to create a better world, starting in my local community.

As a volunteer, I have a right to the information I need to do my job.

As a volunteer, I have a right to know what is expected of me and how much freedom I have to adapt the job to my own style and abilities.

As a volunteer, I have a right to the support of the organization, its paid staff and its volunteer leadership.

As a volunteer, I have a right to make choices about how I want to make my contribution.

As a volunteer, I have the right to use my time effectively and wisely.

As a volunteer, I have the right to have adequate resources with which to do my assigned task.

As a volunteer, I have the right to undertake tasks that will give me a sense of achievement and help me to grow as a person.

As a volunteer, I have the right to be recognized for my contributions.

Worksheet for Business-Volunteer Partnerships: What My Organization Needs and Where to Find It

Help with newsletters and other communications
- Whom to ask:
- What to ask for:

Help with external public relations
- Whom to ask:
- What to ask for:

Board training and leadership development
- Whom to ask:
- What to ask for:

Financial organization, budget preparation, audit
- Whom to ask:
- What to ask for:

Help with fundraising
- Whom to ask:
- What to ask for:

Help with organization — committee structures, job descriptions, bylaws, conduct of meetings
- Whom to ask:
- What to ask for:

Support for clerical functions - space, copying, etc.
- Whom to ask:
- What to ask for:

Help computerizing mailings and records
- Whom to ask:
- What to ask for:

Direct financial support
- Whom to ask:
- What to ask for:

Rights of Volunteer Board Members

To be fully informed about responsibilities, time commitment, organization, etc., before accepting the position of board member.

To have opportunities for orientation and continuing board training which will assist the board member to function effectively.

To be kept informed through accurate financial reports, management reports, regular and thorough briefings by staff, etc., about the operation of the organization.

To expect that volunteer time will not be wasted by lack of planning, coordination, or cooperation within the organization or within the board.

To be assigned jobs that are worthwhile and challenging, with freedom to use existing skills or develop new ones.

To be able to decline an assignment if it is felt that the match of skills and interests is not appropriate.

To have successful job experiences that provide opportunities for personal growth.

To be trusted with confidential information that will help the board member carry out assignments and responsibilities.

To know whether or not the volunteer work is effective and what results have been obtained; access to an evaluation process which will measure performance based upon measurable, impartial standards.

To be recognized at appropriate times for one's work and involvement as a board member (Maui United Way in Di Lima and Johns, 1996, 7:9).

Motivating Volunteer Staff:
Why I am Not a Volunteer
(A not-so-tongue-in-cheek confession of a former volunteer)

SOMEHOW, I get the feeling that NOT to be a volunteer in someone's program today is to be uncivilized. But, like many of my peers who "sit-out," I have rea- sons for letting opportunity pass me by. You, the program administrator and professional, have supplied me with them. Do you really want to know why I am not a volunteer?

For a long time I never knew you wanted me. You communicated quite well, "I'd rather do it myself, thank you." You are articulate in expressing your needs in dollars and decimals. Your silence on services, I figured, was your last word.

Once you did call for help, and I stepped forward. But you never told me how to get started. I later thought that maybe what you actually said was, "Why don't we have lunch . . . sometime?'

I persevered, however, I reported for duty. You turned me over to a department head and he, in turn, sent me down to the section chief. He was out and the secretary did not know what to do with so rare a species as a volunteer, so she suggested that I get in touch next Tuesday. I called, but my message got lost.

I might have overlooked the runaround. People cannot be blamed for doing the best they can, and the worst and best are hard to distinguish in the emptiness of a vacuum. For some reason, I thought you, as their leader, would have given a bit of thought beforehand to what you would do with me, a volunteer, or at least to let someone else know I was coming and give the worry of organizing the situation.

Come time for the spring mail-out, and my neighbor and I appeared on the scene. We worked: for two days we licked stamps and envelope flaps, until the steak at supper tasted like tongue. Then I learned from the slip of a clerk that before our coming you had turned off the postage machine. I really cannot blame you; if you had not gone out of your way to make work for us, what would a couple of volunteers have done for two whole days?

I tried again, a number of times. But you really did not expect much of me. You never trained me, nor insisted on standards for my work. A particularly tough day was coming up for the crew, and I cut out—it was a perfect day for golf. On my return, you said nothing about my absence, except to ask about my score. I never learned if my truancy made any difference.

In spite of all, I think I made a contribution. The only real thanks I got was a letter from you a form letter. I know how "demanding" this letter was on you. My neighbor had typed the master copy, I had copied it, and together we had forged your name, stuffed the envelopes, sealed, stamped, and mailed them.

Rate Yourself as a Volunteer Supervisor

INSTRUCTIONS: Answer each of the following questions, then rate your performance in each area on a 1-10 scale (10 best) and mark the five areas you will work on for improvement during the next week. (Circle item number)

• When did you last have an exit interview with a volunteer and said thank-you?

The kind of recognition isn't as important as the fact that you systematically recognize your volunteers for their work. Recognition should be appropriate for the situation. The best recognition is still a sincere thank-you when a job is well done.

Supervising Volunteers:

Are You on Target?
Do you . . .
Support and fight for volunteer and professional staff?
Explain deadlines in advance?
Admit your mistakes?
Delegate to volunteers and staff?
Give credit where credit is due?
Give people a chance to prove themselves?

Give complete and specific job instructions?
Provide adequate materials and equipment?
Make prompt, clear-cut decisions wherever possible?

Are You Slipping?
Have you . . .
Criticized volunteers or staff in front of others? Shown
favoritism to any member in your work group? Blamed
others for your mistakes?
Found fault with everything a volunteer or staff member does?
Gossiped about one of the volunteers or staff with others in the work group? Made
it obvious that you are the boss?
Over-supervised or tried to watch everything they do?
Treated volunteers or staff as inferiors? (Fisher and Cole, 1993:119-137)

Major Causes of Low Volunteer Productivity

Possible reasons for low volunteer productivity or morale:

1. Boredom: too much routine
2. Discontent: personality differences
3. Idleness: fluctuating workload, inefficient staffing structure
4. Lack of interest in the work
5. Ill-defined assignments
6. Inadequate supervision
7. Misunderstanding of policies and their purposes
8. Resentment, overload, or unrealistic deadlines
9. Poor communication within work team
10. Emotional stress and personal difficulties

Possible remedies suggested:_____

Evaluation
Volunteer FeedbackForm

Date: _____

Project _____

Job Assignment(s)_____

Supervisor/Telephone:_____

Hours Donated: _____   From _____   To_____

Please rate the Volunteer Services program by checking the box most closely describing your experiences. Add any notes or comments you wish.

	Very Helpful	Somewhat Helpful	Not Helpful
1. Was the experience you received in your volunteer job(s) helpful to you?	_____	_____	_____
2. Did you feel your contribution was helpful?	_____	_____	_____
3. Was the supervision you received adequate to meet your needs?	_____	_____	_____
4. Was the training you received adequate to meet your needs?	_____	_____	_____
5. Would you be willing to repeat this assignment if you had the opportunity?	_____	_____	_____
6. Are you interested in learning about other volunteer opportunities?	_____	_____	_____

Do you have any questions that might help us improve the program?

Additional comments:

Volunteer signature (optional)_____   Date _____

Evaluation Categories and Suggested Criteria for Performance

Professional and Interpersonal Skills

- Establishes measurable goals/objectives in planning work.
- Uses resources prudently and effectively.
- Plans and conducts programs suited to organization's and client's needs.
- Works effectively with other volunteers.
- Solves problems effectively.
- Communicates effectively with all staff about program-related matters.
- Communicates effectively in writing and speaking.
- Devotes the time necessary to carry out his/her part in it.
- Understands organization's mission and his/her part in it.
- Contributes, when appropriate, to program planning, implementation and evaluation.

Organizational Relations Skills

- Works with organizations and individuals as a team member; leadership in program development.
- Supervises other volunteers effectively.
- Encourages and facilitates open communication.
- Delegates effectively.
- Makes appropriate and objective decisions.

Specific comments on strengths and improvements needed:

- How well were responsibilities of the position description met?
- Other Aspects of Evaluation (overall evaluation by immediate supervisor).

Rating (Check one):

_____ This person is outstanding. He/she is an exceptional team member, maintains excellent relations with the organization's several publics, and is recognized widely in the community/county/state for his/her expertise.

_____ This person exceeds expectations of the position by demonstrating innovative approaches and working with other volunteers and staff.

_____ This person meets all of the expectations of the position.

_____ This person needs improvement; he/she has not met the expectations of the position.

(List specific area for improvement) _____

_____

_____ This person should seek placement elsewhere. He/she has not responded adequately to prior counseling.

_____   _____
Signature of Supervisor / Date   Signature of Volunteer / Date

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Never think you need to apologize for asking someone to give to a worthy object . . .

— John D. Rockefeller

Fund Raising by the Nonprofit Board

Nonprofit organizations live by the grants and donations of their supporters. Unlike business firms and government agencies, philanthropic organizations — schools, colleges, churches, hospitals, welfare agencies, museums, theaters, advocacy groups — are all sustained by voluntary contributions. Although many receive important income from revenue-producing programs — tuition, ticket sales, charges for services, insurance reimbursements — nonprofit institutions are fundamentally supported by those from whom they seek contributions and grants, that is, by fund raising (National Center for Nonprofit Boards, 1998).

As federal government underwriting of social services is greatly reduced or shifted to the states and local governments, and as corporations tighten giving practices, the burden on charitable organizations mounts. Incomes may have risen in recent years — some gigantically — but so have the number of organizations needing charitable support. Individuals have more choices than ever before in charitable giving, and competition has increased for the philanthropic dollar. All of this adds up to a mounting challenge for boards of nonprofit organizations to be more creative and aggressive in their approach to raising necessary funds (National Center for Nonprofit Boards, 1998).

How ironic and unfortunate it is, then, that the very people most closely associated with the governance of nonprofit organizations, especially board leaders, so frequently are heard to say, "I'll do anything but fund-raising!" A recent survey reveals that fund raising is the most frequently cited weakness of boards (National Center for Nonprofit Boards, 1998).

For some board members, asking for a contribution is simply distasteful; they see it as begging or putting pressure on friends. Others genuinely believe they are not good at fund raising, or because leadership, coordination or staff support is missing, are unsure how to proceed. Some are actually fearful: they find fund raising scary (National Center for Nonprofit Boards, 1998).

Still others choose to concern themselves only with the programs. Particularly unhelpful are those who serve on a board only for the prestige it brings; they are unwilling to get involved. Occasionally someone suggests, "With all those fund-raisers out there, why don't we just hire a good one to raise money for us?" (National Center for Nonprofit Boards, 1998)

How a nonprofit organization deals with this reluctance is critical to its well-being and its survival. So what do you do about it? Here is what you do. You make sure that every board member recognizes five key principles of fund raising. Every board member should fully understand, accept, and, to be a truly useful member, give full attention to these five principles (National Center for Nonprofit Boards, 1998).

Five Key Principles of Fund Raising that all Boards Should Know

PRINCIPLE #1. The board is ultimately responsible for attracting funding resources to ensure the financial viability of the organization and its programs.

The board is responsible for governing the organization and ensuring that it succeeds in its mission. That responsibility includes seeing to it the organization has the required funding resources. An effective board member understands this responsibility for fund raising is inescapable (National Center for Nonprofit Boards, 1998).

To help meet this responsibility, a board may find it useful to appoint a development committee to bring focus and force to its own efforts and to work with and oversee the staff. Development committees can be helpful in motivating fellow board members and in planning and assigning tasks. But board members should never be seduced into believing they can turn over the entire fund-raising task to the commit- tee, any more than they could do so to staff or to an outside agency (National Center for Nonprofit Boards, 1998).

Ensuring the board's overall responsibility is clear is one thing. Determining who does the work is a separate matter. Sometimes, although rarely, a few board members can go out into the community and, virtually unassisted, raise major donations to sustain the organization or build a building. More likely, however, the board will depend on the work of all its members and on the work of a tireless supporting staff (National Center for Nonprofit Boards, 1998).

The division of labor between board and staff, and between a chief executive and a development staff, will vary with each organization — young or old, large or small, strong or weak. Most organizations, quite properly, expect staff to undertake much of the initiative and carry the major workload in fund raising. Formulating the fundraising program, making recommendations, drafting proposals, preparing pamphlets, composing correspondence, keeping the lists and records — these tasks are principally for the staff, but the board is still responsible for making sure the job is done and done well (National Center for Nonprofit Boards, 1998).

The staff can play an even more demanding role. Stimulating and guiding board members to complete their tasks is an altogether fitting function for key staff members, so long as no misunderstanding arises on the part of either staff or board as to who holds the ultimate responsibility (National Center for Nonprofit Boards, 1998).

PRINCIPLE #2. Asking for and giving money are natural processes and need not be viewed as something to be avoided.

People give money because they want to. This concept is basic. Asking people for money is not an act of arm-twisting; you are not forcing people to do something they don't want to do, nor are you begging. You are inviting willing cooperation (National Center for Nonprofit Boards, 1998).

Think of your own giving: You give to your church, your alma mater and your own

selection of charities because you want to give. When you decline to give to an organization you don't want to support, you don't resent those who solicited your gift.

Asking and giving, therefore, should not generate confrontation or antagonism. In a very real sense, when you ask an individual, a foundation or a company to support an institution, you are offering the potential donor an opportunity to do something that can give pleasure and be rewarding — an opportunity the donor can, without feeling imposed upon, accept or decline (National Center for Nonprofit Boards, 1998).

This is especially so if a person is asked "to consider" a contribution. No one can take offense at being asked to consider a proposal. Accordingly, all requests for contributions or grants — addressed to government agencies, corporations, foundations and especially to individuals — should be couched in terms of "considering." In that form, the asking cannot hurt either the asker or the giver (National Center for Nonprofit Boards, 1998).

People don't give unless they are asked. You cannot sit back and hope that, because your organization is known and liked, the money will flow in. You have to ask.

Equally important, people don't give large donations unless they are asked to con- sider large donations. Nor do prospective contributors resent being asked to consider a specific, named amount; indeed, they may be flattered. They may not give the suggested amount, but they certainly would not give in that dimension unless they had been asked to consider it. And their ultimate contribution will almost surely be greater for having been asked to consider giving a larger amount (National Center for Nonprofit Boards, 1998).

People give money to people. Never underestimate the personal equation in asking and giving. The personal touch, the person-to-person relationship, underlies most philanthropy. This personal factor is naturally present in asking for contributions from individuals; it also plays a key part in corporate, foundation and even government grant-making. Of course, a prospective donor must be interested in an organization and what it does, but then the people involved — those who asks for the gift, those who run the organization and those who support it — count most. Personalities are at the heart of asking and giving (National Center for Nonprofit Boards, 1998).

Contributors give for many different reasons: for public recognition, to assuage guilt, out of gratitude or to gain a tax advantage. But the most powerful motive underlying contributions is to make a change for the good. Whether the contribution is 5 dollars or 5 million dollars, donors want their money to go to an institution that seeks to make a difference, to make a change, to make something better. Institutions asking for money must constantly put themselves in the contributor's position and show they fill a community need, they address a "focus problem," and they can make the world better, happier or more livable (National Center for Nonprofit Boards, 1998).

People give money to success, not to distress. Everyone likes a winner. Everyone wants to help someone who is achieving, doing something positive, making that "change for the good." Contributors give to opportunities; they don't give because an institution needs money. Need and opportunity are often opposite sides of the

same coin. An organization may see its own "need" for a new building or a new pro- gram, while a prospective contributor may see a change to achieve some good purpose by helping the organization acquire a building or mount a program. Above all, an organization's appeal should show the success or the achievement and not plead for help to meets its own need. Raising the distress signal wins few supporters (National Center for Nonprofit Boards, 1998).

The basic message is simple but important: asking for money is not something to be seen as hurtful and unpleasant. You are not pressuring or invading someone's personal domain when you ask for support for your organization. You should not think of it as an unpleasant task. If you do, you will fail (National Center for Nonprofit Boards, 1998).

PRINCIPLE #3. Board members should help in preparing the "case," which is the rationale for supporting the organization, and be able to explain the case persuasively to prospective donors.

The case is critically important to successful fund raising. It is also where many — one could almost say most — organizations fumble. Although staff will play a major part in formulating the case, board members should be involved in the process. The case is too important to leave entirely to others (National Center for Nonprofit Boards, 1998).

The case interprets and explains the mission for the prospective donors. Where the mission statement is an internal document defining the purpose, programs, plan and priorities of the organization, the case looks at the organization from the perspective of the supporter: It presents reasons why the donor prospect would want to contribute. It articulates the underlying concept of why people should support the organization. It is the prospectus for investment. The case is usually not a single statement, a one-time document for all donor prospects. Rather, it formulates the message for proposals, pamphlets and brochures, promotional activities and individual solicitations (National Center for Nonprofit Boards, 1998).

It is surprising to see how many institutions make their approach to potential sup- porters by pointing out how old and respected the organization is, or how many students, patients or beneficiaries it has. But those are not the reasons people give.
Most people don't give because of a record of accomplishment; they give to make that "change for the good." So the case for support must be based first and foremost on what in the community needs doing, what is missing and what the "focus problem" is. Only then should the case describe what the organization is doing to meet the problem and for how long it has been doing so (National Center for Nonprofit Boards, 1998).

The aspect of the focus problem is the WHY of the case: Why is the organization in business at all? Why is the organization essential to meeting a societal need "out there?" Setting forth that big WHY must come first. Only after identifying that focus problem does the case turn to WHAT: What the organization does to meet the need. Then the case goes on to say HOW the organization goes about meeting the need. Finally, the

case comes to the WHO: Who the organization is and how well it has served its constituency and the community (National Center for Nonprofit Boards, 1998).

A focus problem exists for every institution, large and small. Harvard University and an independent secondary school in San Antonio, a Chicago Symphony and a string quartet in Spokane, Wash., a national Wildlife Federation and an anti-pollution group in Pensacola, Fla. — though so varied in every way — each has its own reason for being, its own focus problem in the community. Each is trying to make something better. That is WHY that must be underlined first in the case for support (National Center for Nonprofit Boards, 1998).

Such a statement of the WHY must be more than superficial. Simply to say the institution is there to educate, or to entertain or to give spiritual help is not sufficient. The case must elucidate the WHY that underlies the purpose and the very existence of the organization (National Center for Nonprofit Boards, 1998).

Building the case for support is board-member business, not a job only for staff. Members must see the case is strong. Members must themselves come to grips with its formulation if they are to represent the organization in the community and are to solicit support for it (National Center for Nonprofit Boards, 1998).

PRINCIPLE #4. Every board member can do something useful to support the fund-raising effort, employing his or her own skills and interests.

Board members are likely to think of their role in fund raising solely as asking for money — going to a friend or acquaintance to solicit a contribution. Many quite understandably resist this role. Board members, however, can assist significantly in fund raising without ever personally soliciting a donation (National Center for Nonprofit Boards, 1998).

No one would dispute that board members should solicit major gifts to an organization. Prospective donors considering a large donation want to talk with a board member, often with the president or the chairperson. These people are their peers. Prospective supporters are understandably put off if, by speaking only with staff, they gain the impression their gift is not of great importance to the leadership. Some board members are skillful at such "asking" and quite enjoy it — especially when success crowns their effort. For a number of different reasons, however, others fight shyness of asking for money contributions even when fully aware that "people give money because they want to." It is critical, therefore, for board members to know of other ways in which they can assist in fund raising (National Center for Nonprofit Boards, 1998).

The first way is to give oneself. Making an annual contribution — presumably to the full measure of capability — is an act of commitment. It underlies the will to support the organization. Not to give is simply to declare indifference. Helping the institution in fund raising starts with making a contribution. Every organization should expect 100 percent participation from its board (National Center for Nonprofit Boards, 1998).

Second, board members can help staff in many ways to prepare for the actual solicitations. Successful fund raising, most professionals agree, is 90 percent preparation

and 10 percent asking. This axiom applies across the full spectrum of development programs — annual giving, memberships, mass mailings, fund raising events, capital campaigns, planned giving — and especially in seeking large individual donations. It applies to raising money from all sources of support — government, foundations, corporations, churches, associations and individuals (National Center for Nonprofit Boards, 1998).

To help their organizations raise money, board members should exhaust all of the contributed support options available to them:

- **Individuals.** The primary source of charitable contributions to most nonprofit organizations is individual giving. Individuals contribute through annual giving and memberships, fund-raising events and benefits, and bequest trusts.

- **Business.** Nonprofits receive gifts from companies, either directly or through corporate foundations. Businesses give with annual grants, with support to specific programs, and with in-kind contributions. They give to benefits and occasionally to capital campaigns.

- **Government.** Grants (not to be confused with earned revenue from fees, con-tracts and service reimbursements) are available from some federal, state and local government agencies.

- **Foundations.** Major sources for nonprofit organizations are independent and community foundations. They make unrestricted institutional grants, specific program grants and occasionally grants to capital campaigns.

- **Nonprofit organizations.** United Ways are nonprofit grant making organizations. Some other organizations, such as churches, professional associations, service clubs and labor unions, make donations to other nonprofits even if grant making is not their primary mission (National Center for Nonprofit Boards, 1998).

Although staff will normally assume the major load in the details of research and preparation, the participation of all board members is essential. Prospects must be sought out, selected and evaluated. The most favorable approach to each must be carefully worked out. Introductions must be arranged to enhance the personal element in an asking. Cultivation of the prospect may be important. Acknowledgeable and follow-up are essential. This area is where all board members can participate and assist significantly in the fund-raising effort (National Center for Nonprofit Boards, 1998).

- Mailing lists, critical to the periodic asking for contributions and to the distribution of cultivation communications, must include every current and prospective member, associate, subscriber and friend. Board members are a key source of new names and likely prospects for the mailing list. They can supply names from their personal and business address books, their clubs and their churches. Board members receiving appeals and invitations from other organizations can pass on to staff the names of other community leaders who are potential donors.

- In annual appeals, experience shows over and over again that if a personal note accompanies or is even scribbled on the formal letter of request, the chance of a positive response increases manifold. Is this asking your friends for money? In a way it is, but in a way it is only supporting the institutional asking. It is hard to see that a simple note — "I do hope you will (again) consider helping our organization, which does such fine work in the community" — is pressuring a friend.

- In the solicitation of major gifts from individuals, research and preparation are particularly important. When asking for a large contribution, it is critical to select the right person to do the asking (not necessarily the first to volunteer), and to request the right amount, for the right reasons and in the right way. No one is in a better position than a board member to get these "rights" in order, and to assist in the selection and evaluation of prospects to ensure the ultimate success of the solicitation process.

- Often some cultivation of a prospect is appropriate: This effort might consist of inviting the prospect to events and social gatherings of the organization, or arranging for an opportunity to discuss the organization's mission and case for support. Who better than a board member for such cultivation activity?

- Corporate giving often depends on the personal contact. Not only must corporate prospects be selected and evaluated through research, but also a board member's introduction to the appropriate company officer may become the key to success.

- In approaching corporations and foundations, nothing is more impressive than having a board member accompany a member of the staff. The presence of a director or trustee is evidence of leadership involvement.

- For individuals, foundations and corporations, a personal note from a board member in support of a request, or in acknowledgement of a gift, can cement a relationship and increase the chances of the first contribution and others to follow (National Center for Nonprofit Boards, 1998).

To spur on board members, some institutions use a Fund-Raising Checklist, an example of which appears at the end of this paper.

PRINCIPLE #5. Motivation of board members is the most critical and the most difficult task of all.

How do you get board members active to fulfilling their responsibilities for fund raising? This question is the most frequently asked in nonprofit organizations (National Center for Nonprofit Boards, 1998). The answer is not simple. Much hinges on leadership, and leadership is an elusive quality. Few would doubt that two principal features characterize all good leaders: The ability to attract and select good people to work with, and the ability to motivate associates — peers and subordinates (National Center for Nonprofit Boards, 1998).

Nonprofit boards should devote much attention to the selection process so their membership will be composed of persons of prestige in the community, as well as people who have the manifold skills the mission of the organization requires and who will demonstrate a high level of involvement. For that reason, many effective boards believe the nominating committee — the group that selects new members and officers — is the most important of its committees, and ensures that it is chaired by a strong, prestigious member. The board chairperson, too, should be actively involved in the recruitment process (National Center for Nonprofit Boards, 1998).

An equally crucial quality of leadership involves the ability to motivate, John Gardner, in his widely acclaimed series of papers on leadership, sponsored by INDEPENDENT SECTOR, says:

More than any other attribute, this {capacity to motivate} is close to the heart of the popular conception of leadership — the capacity to move people to action, to communicate persuasively, to strengthen the confidence of followers (National Center for Nonprofit Boards, 1998).

Another key element of a strong board is enthusiasm. Board members and staff need to be keen about the purposes of the organization and show eagerness to be involved. No organization can expect to raise money if it lacks a good measure of enthusiasm within the board and throughout the organization. Indifference will not raise money (National Center for Nonprofit Boards, 1998).

Yet it is doubtful the qualities of leadership can be taught. One can analyze leader- ship, as Gardner has so comprehensively done. One certainly can recognize strong leaders, and some techniques in fulfilling leadership positions perhaps can be taught. However, one cannot expect a school or a book to turn someone into a strong leader. Careful selection is the key (National Center for Nonprofit Boards, 1998).

Training cannot instill enthusiasm. On the other hand, well-selected leaders can take steps to stimulate a board's participation in fund-raising activities. High on the list of such steps is full, clear communication, with new and old board members alike, about the responsibility board members hold in fund raising. No dissembling. No excusing (National Center for Nonprofit Boards, 1998).

A development committee can help to concentrate the attention of members and staff on the important aspects of fund raising. It can motivate other board members and find ways in which even the most reluctant member can help in the fund-raising effort. It can ensure that adequate budgetary support is given to the fund-raising effort. Of special importance, the development committee can see that a realistic appraisal is made of the potential for getting support (National Center for Nonprofit Boards, 1998).

Involvement is a core element of motivation. For board members or other volunteers to participate in fund raising, they must be involved in the organization. The more people participate in the planning, the public relations, or any aspect of the organization's programs, the more likely they are to involve themselves in the fund-raising effort and make generous contributions (National Center for Nonprofit Boards, 1998).

By far the most effective way to motivate board members is to work with each one of them individually. Many chairpersons, chief executives, development officers and development committee member go astray on this. It is quite true that for some activities, and for some causes, "group dynamics" help; people can sometimes generate enthusiasm when they meet and get steamed up over a subject. Not so, however, in attacking the key tasks in board responsibility, especially fund raising. General appeals at board meetings or in memoranda, seeking to inspire members to support the fund-raising effort or to participate in a particular fund-raising project, simply do not work (National Center for Nonprofit Boards, 1998).

If the board wants to get its members active in fund raising, it will need to deal with them individually. The chairperson, the chief executive or the development officer should go to each member and ask for support on specific tasks. In that way, a positive response can be elicited where a general appeal, no matter how evangelical or insistent, fails miserably (National Center for Nonprofit Boards, 1998).

In getting people involved and in working with each one individually, staff particularly must be ever aware their board members, whose support they seek, are busy people. To avoid scaring them off, staff must go to each member with limited tasks and be thoroughly prepared so that no time is wasted (National Center for Nonprofit Boards, 1998).

Accepting the Challenge

Board members are slow to accept the fact that fund raising is an essential element of their responsibility and perhaps even slower to learn that it need not be an unpleasant task. Patience is therefore absolutely essential. Members must be led slowly along the path, encouraged to take the small steps first and moved on to greater and greater involvement. Let members start by doing what they enjoy most and are good at — evaluating prospects, drafting letters, organizing lists, hosting cultivation events. Thus nurtured and led, most board members can come to accept their responsibility for and overcome their resistance to fund-raising activities (National Center for Nonprofit Boards, 1998).

As each board member comes to realize that fund raising is indeed his or her responsibility, that the natural process of giving and asking does not present forbidding hazards and that a board member can do so many things to support the fund-raising effort, he or she will become more active and committed. Indeed, many will find they enjoy the challenge of raising funds to support their organization. And as in fishing, once a board member lands a big gift, there will be no holding back (National Center for Nonprofit Boards, 1998).

Fund-Raising Checklist

Check If Yes

- ☐ Do I understand the plans and program for fund raising?
- ☐ Do I fully understand and endorse the case why someone should contribute?
- ☐ Do I myself contribute to the fullest measure within my means?
- ☐ Do I continually offer my additions to the mailing list?
- ☐ Do I assist staff in identifying and evaluating prospects including individuals, corporations, and foundations?
- ☐ Do I share in cultivating key prospects?
- ☐ Do I make introductions for others to make a solicitation visit?
- ☐ Do I accompany others in solicitation visits?
- ☐ Do I write follow-up and acknowledgement letters?
- ☐ Do I write personal notes on annual appeal letters?
- ☐ Am I prepared to make a solicitation myself?
- ☐ Do I do what I say I will do?

    (National Center for Nonprofit Boards, 1998)

Nonprofit Organization Fund Raising Is Business and Entrepreneurship

Nonprofit organizations are in the sales and promotion business. They must compete successfully for dollars and support with other nonprofit organizations and the for- profit sector. Fund raising and promotion refers to activities that help sustain the nonprofit organization financially. I, a sense, it is "selling" the organization and its services to the public. This may be accomplished on an individual basis or through mass marketing and promotion.

A Few Ideas and Thoughts

Remember that giving is getting. Give away attractive brochures or items at public events. The materials should identify points of contact for additional information about the services or the purpose of the nonprofit organization.

The flier or brochure is effective. For pennies, each you may get long-term constituents, volunteers and donors. Be prepared to explain the services rendered. Keep the brochure simple: One page, folded or not. Again, the key is to sell your benefit. Brochures can be distributed in a variety of locations: Posted on community bulletin boards, handed out at special events or at high foot traffic areas, placed under car windshields (with approval of the parking space owner), made part of your regular

mailings, placed on the counters and windows of other organizations.

Your fax cover sheet can also be a form of flier. Make your business card a miniflier/brochure by using both sides of your business card; on the back state the benefits of your product or service.

Volunteers are spokespersons. Some of the commonly used promotion activities are fund-raisers aimed at the organization's constituencies and stakeholders: group activities, sponsorships, field days, special events, hosting forums, displays, brochures, video presentations and training materials. The objective of the promotions might be to seek donations, identify potential volunteers, identify service projects and public relations to promote an image in the community (Corman and Lussier, 2001).

Promotion activities are used to stimulate interest in volunteer activity, donations or use of services. Promotions can be aimed at the constituency that uses the services or at stakeholders who can assist with fund raising and financial sustainability of the organization and its programs.

Constituents (also known as "consumers of services"): Some of the commonly used sales promotion activities aimed at final consumers include sales literature- brochures, banners, streamers, free samples, calendars, key chains, magnets, point- of-service materials, aisle displays, contests, coupons and gifts. These activities usually try to increase demand or enhance public image in the community. The store- front location of the agency and other public meetings are commonly used places for promotional material and literature (BoardSource, 2002).

How Much Money Should an Organization Spend on "Overhead" or Fund Raising?

Because most donors want to ensure their gifts are well spent, many are concerned about the level of expenditures on overhead and fund-raising. In other words, how much money is spent providing programs and services and how much is spent on renting an office, paying staff and sending out fund-raising appeals.

The question is obvious and important. The answer is far from simple for several reasons: First, there is no universal formula for calculating overhead. The chief executive's salary is a good example. Many people would consider it overhead; others would argue that since the chief executive deals primarily with program-related issues and is essential to the success of the organization, the executive's salary is a program expense. Second, there are no generally accepted standards for what levels are acceptable. Many organizations boast that they spend only 5-6 percent of their funds on overhead. Other well-known and effective nonprofit organizations spend 25 to 30 percent on overhead (BoardSource, 2002).

Cost-effectiveness is an important consideration for all nonprofit organizations.

Additional Factors to Consider When Evaluating Overhead and Fund-Raising Expenditures

What is the mission of the nonprofit? Some activities, such as employment counseling or collecting and distributing blood, are labor-intensive and require a high level of staffing. It is not necessarily more efficient to use volunteers to provide such services, since volunteers require management and supervision. When evaluating effectiveness, it's important to understand the organization's nature and purpose. An operating foundation, for example, may look hopelessly inefficient at first glance, until you realize that it exists to carry out programs, not to give away money.

What environment does the organization operate in? Two organizations with identical missions might have very different cost structures if one operates downtown and the other serves a distant suburb.

Does the organization's level of overhead expenses seem reasonable given its location, the number of people it's serving and the manner in which it's providing services?

How does the organization raise money? Some methods of fund raising are simply more expensive than others. An organization that raises most of its money through direct mail or special events may have higher fund-raising costs than a nonprofit organization that relies primarily on large grants. In evaluating fund raising effectiveness, keep in mind that some activities are important for their educational value and their ability to involve greater numbers of people with the organization — intangible benefits that won't show up on a balance sheet (BoardSource, 2002).

Fifty-three Ways for Board Members to Raise $1,000

All good fund-raising plans have one thing in common: They show a diverse number of sources for their income. The board of directors plays a crucial role in selecting, implementing and evaluating fund-raising strategies. In addition to other ways that board members may participate in fund raising, they individually commit to raising and giving a certain amount of money, or commit to working by themselves on specific strategies with no financial goal attached (Klein, p. 25).

It is a good idea for board members doing fund raising on their own to put their plans in writing. The effort by the board must be coordinated and clear to all involved. A written plan is a "contract" and allows staff to know when they might be called on to help. It also ensures that solicitation events do not happen on the same day or that the same donors are not solicited by more than one board member simultaneously. It also helps to remind board members of their commitments (Klein, p. 25).

In order for this method to work, the organization or the board fund-raising committee should think of many specific ways board members could actually raise money by themselves. The 53 suggested below are not an exhaustive list, nor will they all work for every group. Few board members could use all 53 ways, but almost any board member should be able to use two or three of them. Different volunteers have used all of these methods in a wide variety of organizations. Some methods are much more popular than others. Some depend on access to certain resources (Klein, p. 25).

Presenting board members with 53 ways that would work for your organization helps counter the excuse, "I would help but I just don't know what to do." Having each board member write out a plan, with goals and a timeline, also gives them a sense that if they do their best with this plan, they will have helped significantly. Many board members feel that fund raising is never ending, and that no amount of effort is enough. "Whatever I do, I could have done more and probably should have," they say. This feeling of inadequacy leads to high turnover, burnout and resentment in boards. Specific fund-raising contracts can help avoid that result (Klein, p. 25).

Following the description of the 53 ways board members can raise funds, there is a suggested format for a contract and examples of some completed contracts (Klein, p. 25).

1. Give it yourself. This is the easier way for those who are able, although if you are able to give this much money you should be helping to raise much more than $1000.

2. List all your friends who are interested in your organization or similar organizations. Decide how much you want to ask each one for. If you are not sure of an amount, use a range. Write to them on your own stationery; include a brochure from the organization and a return envelope. Phone those people who don't respond in two weeks. Some people will need 10 friends to give $100, and some people need 50 friends to give $20. Most people will need a combination of gifts of $100, $50 and $25.

3. Give part of the $1000. Then ask your friends to join you in giving $50, $100, or whatever amount you gave. This is most effective because you are not asking them to do anything you haven't done.

4. Set up a challenge campaign. Challenge gifts can be quite small. Tell people you'll give $5 for every $25 they give, or will match every $50 gift up to ten gifts. For added suspense, make this challenge during a fund-raising event. You or the host can announce, "We now have the Dave Buckstretch Challenge. For the next five minutes, Dave will give $5 for every new member that joins Worthy Cause."

5. If your organization has several grassroots fund-raising strategies in place, use them all:

   Sell 100 raffle tickets (@$2)..$200
   Give $200...$200
   Sell 10 tickets to the annual event (@$25)..$250
   Buy two gift memberships (@$25)..$ 50
   Get 12 friends to join (@$25)..$300

6. Help with your organization's phone-a-thon. Bring the names of people you think would like to join and call until you have raised $1000. Or trade names with someone in the organization and call their friends until you have reached $1000. This is particularly effective for people who are shy about asking their own friends for money but are not afraid to ask people they don't know.

7. Acquire mailing lists for your organization. If you belong to another group, perhaps you can set up an exchange, or perhaps you have access to a list of members of some other group. You can ask all your friends to give you the names of 10 to 15 people they think would like to join. You would need to recruit about 25 members at an average gift of $40. Depending on how "hot" your list is, you might need as few as 200 names (to do a bulk mailing) or as many as 1,500-3,000 (if you expect a 1-2% response). You would have to have a greater response if you wanted the mailing to pay for its costs and also generate $1,000.

8. Give the organization something they need that is worth $1000, such as a new computer, filing cabinets, couch, software program, etc.

9. Pledge $28 a month, and get two others to do likewise.

10. Teach a seminar on a topic you know: fund raising, knitting, organic gardening, organizing, proposal writing, environmental impact reports, gourmet cooking, dog grooming, starting your own business. Charge each solicitor with a goal of $50-$75 per contact and work toward a goal of contacting 15 to 20 people. The organization should either absorb the cost of promotion or have enough participants to cover it.

11. Give some or a lot of things to your organization's garage sale, making sure they are worth $1000, and then help to sell them all.

12. With four or five friends, have a spaghetti dinner at a temple, church or union hall or other big room with a large kitchen. Charge $10 per person and feed more than 100 people. You can charge extra for wine or garlic bread, or for dessert.

13. Have a fancy dinner at your home or a regular dinner at someone's fancy home. Serve unusual or gourmet food, or have special entertainment. Charge $40 or more per person, and have 25 guests or more.

14. Get three friends to help you have a progressive dinner. Start at one person's home for cocktails and hors d'oeuvres, progress to the next person's house for soup or salad, the next person's for the main course, and the last person's for dessert. Either charge by the course or for the whole package. To make it extra special (and much more expensive), get a limousine for the evening that carries guests from house to house, or have live music at each site.

15. Host a house party. Do not charge admission and invite as many people as you can. During the party, give a short talk about your organization and ask everyone to consider a gift of $25, $50, $100, or more (depending on the crowd). Either pass out envelopes and ask people to give then, or after the party. Contact every- one individually who came and ask for a major gift. Indicate that you have given, and, if appropriate, how much you have given.

16. Get your gambling friends together. Charge a $5 entrance fee and have a poker evening, asking that every "pot" be split with the organization. Individuals win and so does the organization. You can charge extra for refreshments, or include

one or two glasses of something with the price of admission. (Watch the laws in your community on this one. In some communities it is illegal to gamble, even in your own home).

17. Do one fund-raising event every other month. This might look like:

Poker Party..$200
Fancy dinner (8 people x $50)..$400
Sell 50 raffle tickets @$2 ....$100
Book sale...$200
Recycle newspapers $100

18. Solicit small businesses, churches, synagogues or service clubs for $1,000. If you are active in a church or you own your own business and are involved in business organizations or service clubs, this can be very effective. You can often raise $200-$1,000 with a simple proposal and oral presentation.

19. Take a part-time job in addition to your present work and give everything you earn up to $1,000.

20. Ask five-10 people to save all their change for three to five months. You save yours. Count it at the end of the prescribed time and use one of the other methods to raise the rest. (You may not need to).

21. Ask two to five friends to help you put on a bake sale, book sale, or garage sale. You and your friends bake the goodies or get the books or the other stuff required for the sale, staff it and clean up afterwards. This is an excellent way to get people involved in fund raising without ever actually asking them for money.

22. For the fairly rich: Give your organization $10,000 as an interest-free loan for a year. They invest it, earn 8 percent, and at the end of the year, they give your $10,000 back.

23. Sell your organization's materials, buttons, T-shirts, bumper stickers or whatever else they have for sale. Also, help distribute these to bookstores or novelty shops.

24. The Farming Out Method: Entice five friends to sell 100 raffle tickets at $2 each, or invite 10 friends to raise $100 however they like. Share this list of suggestions with them. Give them a nice dinner at the successful end of their efforts (or a bottle of good wine, or a weekend away).

25. Get a famous or popular person to do a special event. Watch the costs on this, or you may lose money.

26. Invite people to your birthday party and ask that in lieu of gifts they give money to your organization.

27. Conduct a volunteer canvas. For one evening, you and a group of friends take literature to all the neighborhoods around you and ask for money at the door. Be sure to comply with city and county ordinances.

28. Lead or get someone to lead a nature walk, an architectural tour, a historic tour, a sailing trip, a rafting trip, or a horseback ride. Charge $15-$25 person, or charge $35 and provide lunch. Advertise the event in the newspaper to draw in people from outside your organization.

29. Start a pyramid dinner or a chain dinner. Invite 12 people and charge $12 each. Get two people of the 12 you invited to invite 12 people at $12, and two people from each of those dinners to have 12 people at $12, and so on. Here's the income:

   Your dinner $12 x 12 ....$144

   From your dinner $12 ($12 + $12)..$288

   From those dinners $12 x ($12 + $12 + $12 +$12) $576

   From those dinners $12 x (12 x 8) etc.

   Twelve is used in this example because it worked well for the Nuclear Freeze Campaign in California, which was Proposition 12. In many communities, most of the income for the campaign was generated by 12 x 12 dinners.

30. Collect cans for recycling. Ask all your friends to save their cans and bottles for you and turn them into a buy-back recycling center.

31. Sell your frequent flyer miles to friends or donate them to the organization for a raffle. Watch the rules of the airline on this, but some airlines let you give away miles, and you may be able to sell your miles as long as you don't go through a mileage broker.

32. If you live in a nice house or own a getaway cottage in a beautiful place or an expensive city, rent it out for a week or a weekend two or three times during the year and give the proceeds to your organization. Or rent a room in your home for much less than the cost of a hotel room to people needing a place to stay while they are on business in your city. You may even make a new friend in the process.

33. Organize a service raffle. Get four people (one can be you) to donate a simple but valuable service that many people could use and sell raffle tickets for $10-$25 each. Keep the price a little high so you don't have to sell so many and so that the buyers have a higher chance of winning. Services can include childcare for a weekend or for any weekend night two weekends in a row; one day of housecleaning; yard work; house painting (interior or exterior), etc. Sell the tickets to neighbors, work mates and to other board members. Encourage people to buy several by offering discounts for multiple purchases, such as one for $10, 2 for $20, but 3 for $25, 4 for $35, 5 for $40. If you are really bold or live in a more affluent area, or have few friends, sell the tickets for $50 each. A full day of housecleaning for $50 is a real bargain, and buyers have a high chance of winning with fewer tickets sold.

34. Offer to do something your friends and family have been nagging you to do anyway and attach a price to it. For example, quit smoking on the condition that your friends donate to your group, or get your friends to pay a certain amount for every day you don't smoke for up to 30 days. Agree to match their gifts at the end of thirty days if you didn't smoke and to give them their money back if you did. (This method could be applied to other healthy behaviors, such as exercising or not eating sugar).

35. Find out what items your group needs and try to get them donated. This is good for people who really hate to ask for money but who don't mind asking for things that cost money. Items that one can sometimes get donated include computers, office paper and other office supplies, office furniture (second-hand from banks and corporations as they redecorate), fax machines, adding machines, food, and even motor vehicles.

36. If you or someone you know owns a small business that has regular customers who receive a catalog or announcements of sales, write them an appeal letter for the organization. Your letter can say something like, "You are one of my best customers. As such, I let you know about sales coming up and good things happening in my store. Today, I want to tell you about another good thing — what I do when I am not minding the store." Then go on to describe the group and ask for a donation.

37. Similar to #36, post this letter on our Web site. Link to the organization's Web site and ask people to donate.

38. If the organization doesn't have a Web site or doesn't keep their Web site up, ask all your techie friends to donate $100 each and hire a Web Master.

39. Give it yourself. (This is so good I have to say it twice).

40. Strategy with a long-deferred payoff (we hope); leave the group a bequest.

41. With similar hopes as above, get friends to include the group in their wills.

42. Ask friends who belong to service clubs, sororities, antique collecting groups; support groups, bridge clubs, etc., to discuss your organization in their group and pass the hat for donations. A once-a-year sweep of even small groups can yield $100 from each.

43. For the church-going: ask if your organization can be a "second collection." The church passes the plate for its own collection and then you or someone from your organization gives a brief talk (or sometimes the whole sermon) about your group and the plate is passed again; the proceeds go to your group.

44. A variation on the above is to organize a "second collection Sunday" and get as many churches as you can to take up a second collection for your organization on the same Sunday. Someone from your group will need to be at each service and give a brief talk. Second collection Sundays can be very lucrative; the Catholic Campaign for Human Development collects as much as $20 million on one Sunday in all the participating Catholic churches in the United States.

45. If, as a child, you collected something avidly that you now store in a basement, consider selling it. Coins and stamps are particularly valuable and have usually increased in value over the years. But your collection of rocks, toy ships, or rockets, arrowheads, or dolls can also be valuable. When you donate the income from the sale, you can deduct that amount from your taxes—an added bonus of this strategy, since you probably paid little or nothing for the items in the collection.

46. Have a sidewalk sale or garage sale for your whole neighborhood or building. Go around to your neighbors and tell them you will take their stuff outside and sit with it all day to sell it if they will donate half or all of the proceeds to your group. Since this is stuff people want to be rid of anyway, it is a good deal for them. In one apartment building with ten units participating in donating stuff, an organization netted $3,000 in one day. Three people from the organization helped with the selling. With a few high-ticket items, such as a washer/dryer or some nice lamps, you can make good money.

47. If you have an artistic bent, offer to design greeting cards to specification for organizations or individuals for a fee. If you are good a calligraphy, sell your skills to schools for graduation announcements, friends for classy but low-cost wedding invitations, or just fun certificates such as "World's Greatest Dad" for Father's Day or "Outstanding Friend." Create unique Halloween costumes or masks. Donate the proceeds from your artistry.

48. Create a take-off of the "adopt-a-highway" technique by naming budget items of your group as available for adoption. You could develop a flyer that reads, "The following items have been found near death from negligence and abuse. Won't you help? $25 per month will ensure that our computer is maintained. $100 per month will release our photocopy machine from toiling with no toner and a drying motor. (We can lease a new one)."

49. An idea for people who live in border towns: Get permission to place a large container in stores or even at the airports of towns near national borders. Have a sign that asks people (in several languages) to throw in any coins or paper money they have not exchanged. Many times people leaving Canada or Mexico don't have time to exchange all their money or cannot exchange their loose change. Multiply this times hundreds of shoppers or travelers and you can make a lot of money. UNICEF does this in many European airports.

50. Hold an "I'm Not Afraid" Auction. You can do this with just a few friends or hundreds of people if you have enough items to auction. You survey a few people (and use your own common sense) about what things need to be done in their home or office that they are afraid of or would really rather not do. This is different from a service auction—there has to be an element of dread in the activity. For example, some people cannot wash their windows because their apartment is too high or the second story of their house is too high and they suffer from vertigo. If you are not afraid of heights, you can sell your window-washing service (bring a sturdy lad- der). This goes for drain cleaning, minor roof repairs, antenna fixing, etc. Or, if you are unafraid of cockroaches or spiders, you can offer to clean out that dark

corner or garage or basement for a small fee. Snakes can be found in gardens and woodsheds, but maybe that doesn't bother you. The problem doesn't need to be as serious as phobia. How about allergies to dust, pollen, weeds? If you don't have them, you can mow, sweep, and clean for a fee. By marketing it as an "I'm Not Afraid" Auction, you also have the option for people to name something they need done to a group of volunteers, and then have a volunteer say, "I'm not afraid to do that." In that case, you will need a set fee for service.

51. Similar to the suggestion above is the" Details Auction." This is for all your friends whose desks are overflowing with papers or who can't get their receipts in order to give to the tax preparer or who complain they can never find any- thing. If you are a well-organized person, offer to clean up their desk, get their Rolodex in order, file their papers, etc. If you like to shop, sell that to people who don't and do their holiday shopping for them, or buy birthday, baby shower or niece/nephew presents for them. Anything that people feel they cannot control is the organized person's fund-raising dream come true.

52. Find out which of your friends (perhaps this is true for your work also) work in corporation with matching gift programs. Then ask them to donate and get their gifts matched for your organization, and ask them to ask their co-workers to donate and get their gifts matched.

53. Think of a store or service related to your organization or where a lot of your members shop. Ask the store to donate a percentage of profits for a certain day or week, or even forever. You can also explore this with mail-order firms. Then you advertise widely to friends, family and members that Joe's Florist will give 2 percent of each sale during Valentine's weekend to anyone identifying them- selves with your group (Klein, p. 25-29).

As you can see, almost all of these strategies involve asking for money and giving money yourself. These are the basic premises of fund-raising—you must ask, you must give. Everything after that involves creativity, imagination and a sense of fun.

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Suggested Readings

Carter, Hodding (moderator). "The Board's Role in Fund Raising." (40-minute videotape). Washington, DC: The Association of Governing Boards of Universities and Colleges, 1988.

> Although produced especially for college and university boards, the video-taped discussion among higher education and corporate foundation leaders offers helpful advice to other nonprofit boards on preparing board members for their fund-raising responsibilities, identifying and cultivating donors, and budgeting for fund raising.

Howe, Fisher. Foreword by David Rockefeller.1991. *The Board Member's Guide to Fund Raising: What Every Trustee Needs to Know About Raising Money.* San Francisco, CA: Jossey-Bass Publishers. Available from BoardSource formerly known as the National Center for Nonprofit Boards.

> The book, which includes a foreword by David Rockefeller, highlights the need for board understanding and responsibility in fund raising. Key elements of a successful fund-raising program are featured, such as various techniques and procedures in seeking funds, capital campaigns and planned giving, prospect cultivation and proposal writing, ethics, and cause-related marketing. The book focuses on board leadership and describes how members can be effective in fulfilling this aspect of their role.

Lord, James Gregory. 1983. *The Raising of Money: Thirty-Five Essentials Every Trustee Should Know.* Cleveland, OH: Third Sector Press.

> If one is to read only one book on trustees and fund raising, this should be it. Although its focus is principally on capital campaign fund raising, it is a thoughtful, lucid and informative review of almost all the fundamental aspects of giving and asking. This book is short and readable. All board members should read it and read it often.

National Center for Nonprofit Boards.1996. *Speaking of Money: A Guide to Fund Raising for Nonprofit Board Members.* (30 minute videotape), Washington, DC: National Center for Nonprofit Boards.

> In this video, real board members for a variety of organizations discuss fund-raising basics, successes and critical considerations. Issues discussed include fund raising as a basic responsibility, working in partnership with staff, creating a strong case, stages of the development process, personal contributions and the skill of asking for a gift. This videotape is suitable for viewing at a board orientation session, development committee meeting, or board retreat. A 20-page user's guide accompanies it.

O'Connell, Brian. 1988. "Fund Raising." *Independent Sector: Nonprofit Management Series*, Number 7, Washington, DC.

> Written especially for board members of nonprofit organizations, this paper offers a solid introduction to the variety of fund-raising activities that any non- profit should consider.

Seltzer, Michael. 1987. *Securing Your Organization's Future.* New York, NY: The Foundation Center.

> For the board member or staff member who wants to get deeply into the forms and procedures of fund raising, this is the handbook and reference of choice, replete with cases and worksheets.

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> Lavender/Howe and Associates is a management and fund-raising consulting firm for nonprofits.

Managing Your Organization's Image

Managing Information and Publicity

Imagine you are the publicity coordinator for your organization. You have a vital and challenging responsibility. By following a few basic steps, your efforts will be more rewarding for you, your organization and interested persons in your community. A top-notch performance can mean much to the achievement of your organization's goals.

What is the image of your organization?

What is the image of your organization from the inside?

What is the image of your organization from the outside?

What is the image of your organization with the stakeholders in your future?

Organizational Image: Different Perceptions?

This offers basic guidelines for planning publicity and working with key contacts on newspapers and radio or television stations. No attempt is made to turn you into a professional newspaper reporter or editor, a radio or television announcer, or video or digital camera operator.

Be aware of the many ways you can keep people informed. You will probably find that you can use several ideas discussed here. After a self-assessment of your needs and potentials for publicizing your message, you will choose approaches that best fit

your program. Do not become overwhelmed by the alternatives. Make only commitments that you can fulfill. Remember to tailor your publicity program to your own background and the time you have available.

Keep in mind that the work around newsrooms is "no news is bad news." However, a poor job of planning and reporting also may be "bad news" for your organization's public relations.

In some situations you may work alone with the title of reporter, information officer, or something similar. If publicity needs are extensive, you should be chair of a publicity committee. Try to find committee members with experience and interest in news and publicity work. Make assignments that will best use their capabilities.

As publicity representative for your organization, You will want to remind all other members that everyone is a public relations delegate for the organization. An accumulation of many small and favorable experiences brings understanding and good will.

What is Newsworthy?

Newspapers, radio stations, television stations, and magazines aim to provide coverage that will interest and affect the largest number of readers, listeners, or viewers. Look for and offer items that will attract general attention. You do not have an audience until they select you?

List Newsworthy Items that Went Unreported Outside the Organization in the Past Year:

1.

2.

3.

4.

5.

Look for information that is newsworthy to persons outside your organization. Avoid writing routine reports with few details. Build a reputation for providing newsworthy material. Research studies indicate that "knowing news value" is the key to getting news releases used. If your media outlets develop faith and confidence in you, they will get in the habit of using your material.

Your releases should follow two basic approaches — spot news of timely happenings, and feature items that treat a subject in depth and with warmth.

Promptly providing the facts is the key to successful spot news reporting. News quickly becomes history. Use most recent developments first to catch attention.

Feature material can be developed over a period of time, often in close cooperation with a reporter. Features stress the "story behind the story."

If your organization becomes involved in some unflattering news, work with your key leaders to provide facts promptly, frankly, and completely to your media contacts. Although many things are better left unsaid, most reporters will treat a delicate situation with discretion if they are fully and honestly informed.

Here are some events and activities that are likely to be newsworthy:

- Advance information on prominent speakers
- Follow-up of basic points given in talks
- Key organizational or policy decisions at meetings
- Resolutions of matters of public interest
- Pertinent anniversaries and milestones
- Visible progress on community projects
- Information on fund-raising or membership drives
- Election of officers
- Announcement of awards
- Annual report details of general interest
- Representation at national and regional meetings
- Recognition programs and special awards received or given
- Special entertainment
- Special interest and hobby shows: craft, fashion, bazaar
- Participation in parades
- Dramatic presentations
- Field trips
- Group outings
- Poster contests

Know Your Own Organization

Start your job by becoming thoroughly familiar with your organization — its membership, its objectives, and its past accomplishments. You have been acquainted with all of this as a member, but take a serious look from the standpoint of your new responsibilities. A deeper insight into your organization will make you a better publicity chair or coordinator.

Arrange to get copies of the meeting minutes and important committee reports. To make your job easier, suggest to officers and committee chairs that they might use committee work charts. If available, get copies of recent annual reports. Find out from previous publicity chairmen what successes they have had and problems they have encountered.

Obtain a list of members with their complete names and addresses correctly spelled. You may wish to go a bit deeper than this. Each member's responsibilities and special assignments might be noted. Biographical sketches on key members should be available. It will be helpful to have several 2- by 3-inch head-and-shoulders glossy photographs of each. This basic information about your organization can be most helpful. You may find it practical to put material you have gathered into a loose-leaf notebook. Make notes of any ideas gained while gathering the material, so they can be developed later.

Your notebook will give you readily available background material. Weave this information into reports of organization accomplishments. Look for tips on other aspects of activities and plans that can be expanded. Use it as valuable background data in any of your stories.

Learn about Potential Outlets

After you have learned all you can about your organization, the next step is to study media outlets in your area. Find out who in your organization has been in contact with the media representative. Determine who the two contacts were previously. The outlets include daily and weekly newspapers, radio stations, television stations, and cable outlets. Look for additional potential outlets. Plan to find out why these have not worked with your organization previously.

When you have determined your media outlets, plan to visit each local office. If a particular person on the staff has been handling news from your organization, con- tact him and make an appointment. Otherwise, arrange an appointment with the per- son you should see.

Get to know what kind of material each outlet is using. Learn about their policies and general needs by asking questions and listening to persons with experience. Know what you have to offer that will interest the outlet and be prepared to discuss it. Planning ahead will help you get maximum mileage out of your visit.

While discussing possibilities with your media contact, learn how you can best meet his needs. Learn when material should be submitted to meet deadlines. You will find that some outlets want your information provided in a form to fit their procedures.
Be sure to find out whether

you should phone in spot news, provide notes on a preprinted outline sheet, work with a reporter on the scene, or write copy that can be finalized in the newsroom.

Learn how pictures should be supplied. Before you leave, obtain the full name of your outlet contact, exact title, telephone number, and mailing address. Provide your name, address, telephone number, and e-mail address to the representative of the publicity committee. Limit the number of people from your organization who approach the outlets. It's confusing for reporters when several persons from one organization are calling with different points of view and possibly conflicting information.

When making plans for a major event or an informational campaign, consider including

some media representatives on your planning committee. They can provide sound advice on effective approaches and will serve as liaison with their own outlet.

When you are thoroughly informed about the specific needs of the daily and weekly newspapers, radio stations, television stations, cable TV units and magazines in your area, Organize and summarize this information. Get it down on paper for future reference, and add it to your loose-leaf notebook. Are there outlets outside your immediate area that you may serve? Regional, state, and national magazines particularly devoted to your organization's type of activity may offer a good opportunity. For major events or outstanding features, approach regional television stations and major circulation newspapers distributed in your area.

Prepare a Publicity Plan

Use all of the information gathered and digested to prepare a comprehensive and workable plan for your term of office. Carefully consider newsworthy material you have, media outlets you can use, public relations needs of your organization, schedule of activities, and people you want to inform. Consider the time you and fellow committee members will have for the job. Blend all of this together. Plan realistically so you can obtain maximum value for time devoted to the work.

Decide on the advantages and disadvantages of each outlet for different public relations purposes. Consider how to rotate news stories fairly among media outlets. Be sure you are following suggestions of the contact at each outlet so the unique requirements of each medium are satisfied.

Your publicity plan may include other activities as well as working with the mass media. You might look into potentials of direct mail to selected persons and the use of window displays and exhibits, posters, handbills, outdoor advertising, publications, or speaker for your organization. These activities might be part of your committee's responsibility or be handled as a special assignment.

It's your job to plan what can be done. After you have organized your ideas and put them down on paper, review these suggestions with your president, secretary, pro- gram chair, meeting manager, and key committee chairs. Discuss specific potentials with media contacts. Work out the most practical ways of carrying out the plan.

When launching an ambitious program, you should discuss with the leaders of your organization the possibilities of help from other members.

Take into account the potentials of using material from a regional or national head-quarters if your organization has one. Establish and maintain contact with appropriate persons in headquarters. Available materials can lighten your burden and help you tie in with approaches your audience can readily recognize.

Consider continuous evaluation as part of your plan. Do not be satisfied just to have your material used. More important is asking whom did it reach and did your effort accomplish its intended purpose? See how your material is polished. Check with those in your intended audience. Finalize your publicity plan, write it down, put copies in your notebook, and distribute copies to officers and key chairmen.

Remember that this plan is only a guide and you should feel free to adapt it as the need arises.

Gathering Facts

Selecting the information requires more self-discipline than any other part of the writing job, because you must think selectively and make decisions. You have to consider fully what is going to be of greatest interest to your audience.

Frequently, the information in your notebook will provide you with a sound start. Then You will need to dig into facts related to your specific item. Be sure to answer the fundamental points — who, what, when and where. More and more emphasis is now being placed on why and how. Your audience appreciates these facts.

Opinions should be direct quotes.

Be sure the opinions are significant to your story.

Do not be afraid to ask questions to be sure you have all the facts and that they are accurate. Urge club officers and members to volunteer useful information. Plan to have additional background information to provide reporters upon request.

When you are using information provided from a national or regional headquarters, be sure to adapt it to your local situation.

If you are alert to possibilities, you can anticipate needs, and have ready most vital information for follow-up coverage while an event is taking place. Effective publicity chairmen often obtain highlights of a talk from the speaker in advance. You can have your story ready early and send it to outlets under a specific release time or date. Or you may want to hold the story to circulate after the event. Then if some- thing does not happen as planned, you can adapt your story accordingly.

Whether you are writing the material yourself or providing the basic information for someone else, never forget the **fundamental** questions:

- Who is the person or organization concerned?
- What happened or will happen?
- When did or will it happen?
- Where, exactly, did it happen?
- Why did it happen?
- How did it all come about?
  (Di Lima and Johns, 1996:8:8-11)

Feature Articles

Features go a bit deeper than spot news. You can elaborate, particularly on the why and how. look for facts with human interest. Be sure to saturate yourself with pertinent

details so you or whoever prepares the copy will have more than enough information to provide an accurate, complete, and interesting feature.

Be very careful with names. They are personal property. Double-check the spelling. Be sure that persons, organizations, and places are fully and accurately identified. Do not confuse Mrs. Robert N. Jones with Mrs. Robert A. Jones, Mrs. Robert N. Jones or Miss Roberta N. Jones.

Readable Writing

Worthwhile writing takes effort, but it is rewarding. You know from your writing experience that there is no formula for a successful story. There are many things to avoid, but there is no one right way to write (Di Lima and Johns, 1996:8:8-11).

If you have followed the necessary planning steps, either formally or informally, you should now be ready to write. There are several things you can keep in mind. Have a thorough idea of your specific audience. Tailor your writing to the unique requirements of the medium. Use basic facts that will fulfill the needs and interests of readers or listeners. Help longer items flow smoothly by having an outline with points developed in logical order. Plan your approach to get desired action from your target audience (Di Lima and Johns, 1996:8:8-11).

Use plain language — "so" rather than "for this reason." Keep a conversational tone — "let's go" rather than "it is agreed that the organization depart now." Selective active verbs — "members planted flowers," not "flowers were planted by the members." Go easy on adjectives and adverbs, especially in spot news.

Make every word work for you and your reader. It is not enough to write so you can be understood. Write so you cannot be misunderstood (Di Lima and Johns, 1996:8:8-11)!

You must get your reader's attention. So, put considerable effort into getting a strong start. Arouse interest and curiosity in your message. Put the most important points in the lead paragraphs, elaborating as your message develops. Although feature stories are designed to work toward a climax, they still begin with an attention-getter. News stories that have to be cut to fit into a newspaper will most often be cut from the bot- tom, so facts should be arranged in order of descending importance (Di Lima and Johns, 1996:8:8-11).

Try to get your first draft down with as few interruptions as possible. Temporarily pass over information that is not at your fingertips. After the draft is completed, add specific details that were by-passed, check for complete sentences and correct spelling. If possible, put copy aside for a while. When you go back, it will be easier to see flaws that you overlooked. Read copy aloud. What you hear may show the need for some refinement (Di Lima and Johns, 1996:8:8-11).

Now polish rough spots. You may add a few thoughts to round out your message. See that the copy flows from one point to the next. Test your article on others whenever time permits. Best of all, pretest it on a person from your audience. Others may see where you have written over the heads of the audience, explained things from your

point of reference instead of the reader's, or insulted your audience by over-simplifying. All of these pitfalls should be avoided (Di Lima and Johns, 1996:8:8-11).

Be sure you have adequately considered your reader's interest in the message. Will your story get the reader's attention and hold it until the finish? This is basic no matter how long or how short your message is, or which medium you use. For maxi- mum effectiveness in different media, apply what you learned from your media contacts about specific adjustments in content, approach and style.

Pictures Add Impact

Remember the value of pictures in telling your story. You can use pictures to illustrate, clarify or document your material. They are vital in helping attract attention.

When cameramen from media outlets are able to give you coverage, work closely with them. Advise them on potentials, help them get storytelling shots, and write down detailed information about the photographs or video tape they are taking. Be sure to provide left-to-right identification of any persons in the picture.

Whether you take pictures or hire a photographer, get the shots that will be most interesting to persons outside your organization. Your contacts at media outlets probably suggested that you pose no more than four persons in a picture. Arrange believable situations that will attract interest. Beware of cluttered or distracting back- grounds; they can make a photograph confusing. Move in as close as possible to your main point of interest. Focus carefully to be sure your pictures are sharp and clear. When taking pictures while an event is in progress, avoid interruptions. Often you can set up a better picture by waiting to pose subjects after the actual event.

Never settle for one shot when you have a camera and good subject matter at hand. Try both vertical and horizontal shots. Take several angles and arrangements. Place the object in the center of the shot.

Tape or paste picture captions or other information to the bottom or back of any photograph you submit for publication. Never use paper clips or stables, because folds and scratches will reproduce. Do not write on the photo, because impressions will show. If it is necessary to make marks, use a grease pencil on margins. Most outlets prefer photographs with a glossy finish. When possible, provide pictures that can be cropped to the column size of the newspaper or magazine. This makes it easier to prepare photographs for printing (Di Lima and Johns, 1996:8:8-11).

Potentials in Mass Media

Newspaper and Magazine Tips

Newspapers. Timely news stories for daily and weekly papers will be a major outlet for most of your information. If dailies get your stories first, try to give weeklies a new angle. Explore possibilities with Sunday papers distributed locally. Investigate potentials for newspaper feature articles. Most papers have special sections that will focus greater attention on your organization's activities. If your organization is involved in something with a broad impact, discuss the possibility of an editorial

with your newspaper contact. Follow the editor's suggestions. Letters to the editor can be another way of reaching readers. Many media interviews are with members of the print media—editors of and reporters from local or metropolitan newspapers (Harrison in Di Lima and Johns, 1996:8:4).

Advantages: The medium allows for in-depth coverage. The interviewee has time for full explanations (Harrison in Di Lima and Johns, 1996:8:4).

Disadvantages: Coverage is not immediate. It may appear in the next day, or it may be held for several weeks. Several editors revise the typical copy (Harrison in Di Lima and Johns, 1996:8:4).

Reporters/editors work throughout the process of developing several different kinds of stories:

- Hard news: These are timely, breaking stories (Harrison in Di Lima and Johns, 1996:8:4).

- Issues and trend pieces: These are stories that stay in the news for a period of time. They are bigger than a single story or affect many fields (e.g., medicine, education, psychology, religion) (Harrison in Di Lima and Johns, 1996:8:4).

- Often reporters search out experts from many different professions and perspectives to get background information for these kinds of stories. Sometimes the quotes are used, sometimes not. It is beneficial to be positioned strongly in these articles because it builds the nonprofit's reputation as an organization of recognized experts in a specific field (Harrison in Di Lima and Johns, 1996:8:4).

- Roundups and features. Features look at the news from a more personal point of view. Roundups focus on a general activity within a certain field or geo- graphical area, sometimes written on an annual basis (Harrison in Di Lima and Johns, 1996:8:4).

Tips to keep in mind when working with print media include:

- Be aware of deadlines. Different stories have different kinds of deadlines. While the newspapers and other print media work on somewhat less stringent deadlines than the broadcast media, they are still under time pressure. Hard news has the fastest deadline. Reporters need immediate responses (Harrison in Di Lima and Johns, 1996:8:4).

- Trend pieces and features tend to have longer lead-time. Often, however, the reporter does not realize a vital piece of information. Often, however, the reporter does not realize a vital piece of information is missing until he or she is in the writing process. For the nonprofit's spokesperson, that means quick deadlines, again (Harrison in Di Lima and Johns, 1996:8:4).

  Ask the reporter for the deadline and make sure it is met. There is no quicker way to turn off a reporter than by promising information and failing to deliver on time (Harrison in Di Lima and Johns, 1996:8:4).

- Know the media. Before an interview, read the publication — several issues, if possible. Find articles written by the reporter and analyze his or her reporting style. This provides a basis for the interview and can be something interesting to talk to the reporter about in the beginning (i.e., "I noticed in your piece on . . . ") (Harrison in Di Lima and Johns, 1996:8:4).

   Reporters note that they never hear from their readers unless they are calling or writing to complain about a story or want them to cover something. It does not hurt to contact the reporter to comment positively on a story, especially if the nonprofit is mentioned in the article. This rapport will prove helpful when the reporter needs a source in the nonprofit's area of expertise (Harrison in Di Lima and Johns, 1996:8:4).

- Know the kind of story being written. If it is hard news, the reporter may want only a comment or two. If it is an issues piece, brush up on the latest developments. A trend piece requires a broad perspective, with some local insight and examples. Features provide the opportunity to project your personality to a greater extent (Harrison in Di Lima and Johns, 1996:8:4).

- Know the subject. Be prepared. Review, if necessary, and prepare potential questions and answers. Plan for the print interviewer to spend more time and delve deeper into the subject matter than the television or radio reporter. Be careful to answer questions thoroughly and completely. Make sure that the inter- viewer understands the context in which you are taking. Avoid being quoted out of context (Harrison in Di Lima and Johns, 1996:8:4).

Radio Tips

What Characterizes Radio?
Radio Stations. Provide material to your radio contact as you were asked to do when you visited the station. Your outlets pride themselves on being alert to community needs and are on the lookout for worthy items. Possibilities include lecture stories, spot announcements, guest interviews at the station or on beeper phone, discussion programs, and on-the-spot coverage of events by station reporters or announcers (Di Lima and Johns, 1996:8:3).

Advantages: It is timely and events are often reported live or taped and aired within the hour (Harrison in Di Lima and Johns, 1996:8:3).

Disadvantages: Presentation is audio only. Coverage is extremely brief (Harrison in Di Lima and Johns, 1996:8:3).

Radio news operates on even tighter schedules than television. The average radio interview lasts just a few minutes and, of that, les than a minute will probably be used on any one newscast. Quotes should be in 15-20 second news nuggets (Harrison in Di Lima and Johns, 1996:8:3).

Radio features or talk shows (which would be more appropriate to nonprofit expertise)

tend to run somewhat longer, usually from ten to 15 minutes. Even so, brevity and clarity are important (Harrison in Di Lima and Johns, 1996:8:3).

Most radio interviews are conducted by telephone. For engineering reasons, the interviewer sometimes has to tuck the mouthpiece under the chin, so his voice sounds somewhat remote. Resist the impulse to speak in a half-shout as with a genuinely bad connection (Harrison in Di Lima and Johns, 1996:8:3).

Do not be concerned about the sound of your voice. Speak clearly and concentrate on making interview sense. A benefit to phone interviews is that the format permits having research and key messages spread out in front of you in your office (Harrison in Di Lima and Johns, 1996:8:3).

How To Meet the Needs of This Medium
- Be brief. Responses should be no more than 30 seconds or about 120 words on any subject (Harrison in Di Lima and Johns, 1996:8:3).

- Emphasize the main point. Editing is the rule. So isolate the main point at the beginning of your answer. Expect everything to hit the cutting room floor unless it is especially exciting or entertaining. "The most important point is …" (Harrison in Di Lima and Johns, 1996:8:3).

- Do not overlap the interviewer's questions. Start to answer only when sure the interviewer is finished. This lets the editor cut the interviewer out and insert another reporter's voice (Harrison in Di Lima and Johns, 1996:8:3).

- Be relaxed and natural. Avoid jargon and speak enthusiastically and persuasively (Harrison in Di Lima and Johns, 1996:8:3).

- Stand up. To help keep in mind that this is an interview where being alert is important, try standing during telephone interviews (Harrison in Di Lima and Johns, 1996:8:3).

Television Tips

How Does Television Differ from Other Media?
Television Stations. Possibilities may be limited, but do not neglect local television stations or cable TV outlets. Be ready with specific facts and workable ideas. Accept suggestions from persons in the medium. Newsworthy events are your best bet, but features and spot interviews also are possibilities. Films or slides provided by a national headquarters may be localized (Di Lima and Johns, 1996:8:2).

Advantages: It is visual. Coverage is immediate (live or taped and usually aired the same day) (Harrison in Di Lima and Johns, 1996:8:2).

Disadvantages: Coverage is brief. There is no time in which to correct a false statement or impression (Harrison in Di Lima and Johns, 1996:8:2).

According to a Roper poll, television is the primary source of news for the majority of Americans. But television news people say many businesses, government, and

community leaders simply do not know how to take advantage of the visual impact and intimacy of the medium to expose their viewpoints to the American public (Harrison in Di Lima and Johns, 1996:8:2).

With the proliferation of various cable channels, the opportunities for television news coverage are greatly expanding (Harrison in Di Lima and Johns, 1996:8:2).

Pre-Interview

While waiting for the cameras to roll, be active. This is valuable time to spend with the reporter. During this period, which usually lasts between five and 15 minutes, try to accomplish three things:

1. Get acquainted with the reporter and give him or her a business card. The reporter now knows both the correct pronunciation and spelling of your name and organization. This is especially important with television because pro- grams often place "supers" with your name and the organization's name on the screen.

2. Ask about the interview. This is allowed. Make sure the reporter knows where the nonprofit stands on the issue and what the facts are. It is also permissible to ask where the reporter would like to start the interview. Often he or she will not mind telling. Find out how many minutes the interview will last (three minutes? ten minutes?). Is it fitting into a larger news piece? Who else is being interviewed?

3. Check visuals. If visuals have been provided in advance, discuss them with the producer to assist the narration. Arrange any visual aids before the inter- view for easy access. Ask about angle and camera position (Harrison in Di Lima and Johns, 1996:8:2).

If the interview is to take place at the organization, determine in advance where the camera should be placed. Put up a banner so the organization's name will be dis- played. Think through any activity or visual and set it up in advance (Harrison in Di Lima and Johns, 1996:8:2).

During the Television Interview

• Be relaxed and natural. Give your personality a chance to come across. Be neither too stiff nor unnaturally outgoing (Harrison in Di Lima and Johns, 1996:8:2).

• Speak in a normal, conversational tone, with good modulation. Make certain not to use "uh," "well," "you know," "whatever," or any other irrelevant or irritating habitual phrases. Do not drop your voice at the end of a sentence. Be wary of casual comments. Today's microphones are highly sensitive. Most stations use the clip-on mikes that attach to lapels or ties. Never touch the mike (Harrison in Di Lima and Johns, 1996:8:2).

• Be aware that television is a personal medium. Talk to the interviewer and not the camera. Remember that the audience is most likely an individual relaxing at

home. Movements and gestures are magnified on television, so try to keep them to a minimum. Sit still in a relaxed manner. Watch unconscious actions or nervous behavior. Finishing speaking does not mean you can mop your brow. The camera is always candid. Remember you're on (Harrison in Di Lima and Johns, 1996:8:2).

- Be brief. Build planned remarks into "news nuggets." State the main point in 30 seconds or less. Keep the words simple and avoid jargon (Harrison in Di Lima and Johns, 1996:8:2).

- Be conversational. An interview is a conversation, not a speech. However, be sure to have your main points organized so they can be discussed easily. Always fit these statements in despite any detours the questioning may take (Harrison in Di Lima and Johns, 1996:8:2).

- Handle tough questions. When asked a question that places you on the defensive, turn it around and state the nonprofit's position in the positive vein. Should a reporter include a misstatement in the question, correct the misleading portion before answering the questions (Harrison in Di Lima and Johns, 1996:8:2).

- Dress appropriately. It is important that clothes do not get in the way of the message. Television exaggerates clothing flaws. Therefore, it is especially important to wear conservative colors and clothing. Avoid harsh contrasts in colors, patterns, and styles. Clothing should be well cut and understated (Harrison in Di Lima and Johns, 1996:8:2).

  — For men, do not wear plaids or flash. Pinstripe shirts vibrate on camera. Avoid shiny blacks or dazzling whites. Lower third supers (your name and title) get lost on patterned clothes. A medium gray or navy suit, blue shirt, and subdued tie are usually most effective (Harrison in Di Lima and Johns, 1996:8:2).

  — For women, simplicity works best. Solid color dresses or suits and blouses in color are fine. Skirts should be slightly below the knees and will be more comfortable if they drape easily rather than hike up. Avoid frills. Wear a minimum of jewelry (Harrison in Di Lima and Johns, 1996:8:2).

  — Special makeup is not necessary these days, although some stations do prefer to give guests a light dusting of powder to avoid facial shine (Harrison in Di Lima and Johns, 1996:8:2).

In short, when being interviewed by representatives of the media, the key things to remember are

Be brief.

Be prepared.

Be honest.

Once the spokesperson learns, "I've got 30 seconds to make my mark, to get my point across," he or she has acquired a valuable media interview skill (Harrison in Di Lima and Johns, 1996:8:2).

Tips on News Releases

When to Send A News Release

The most widely used communications tool, the news release, is also the most abused. It should be written in a news style and carry a newsworthy message or story. Nonprofit groups have many occasions for sending out news releases (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Report when the nonprofit expands, introduces new services, moves, or opens a new office (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Announce accomplishments in fund-raising over a certain time period, emphasizing the number of donors or the amount raised (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Announce an especially large contribution from a generous donor or a large grant from a foundation or government agency (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Report the number of people served, healed, fed, or educated over a certain period (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Provide a timely public service message, such as how clothing is needed by homeless persons before winter or how to recycle cardboard after Christmas.

- Present the group's position on critical issues. This may accompany a recent speech or testimony that details the position (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Describe the history of the group or its constituency when it reaches a mile-stone, such as ten, 25, or 50 years. This is a good time to summarize accomplishments.

- Contrasting the current state with conditions 25, 50, or 100 years ago often serves to accentuate the progress and value of the group. Juxtaposing photos of the old and new can provide a vivid illustration (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Describe a moving story that illustrates in human terms the work of the group, such as how a life was saved, a family brought back together, urban youths give career direction, a problem solved through innovation by an individual, group, or company (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Announce the election of new directors, trustees, or officers (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Announce adoption of a new organizational mission that changes or broadens the nonprofit's services or focus (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Report the establishment of an advisory council of constituents to help the group continue its tradition of good service (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Publicize the nonprofit's receipt of an award, recognition, commendation, or accreditation from another organization or government or community agency (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Congratulate a member of the group who is honored for outstanding performance or named to a leadership position in a community, government, or charity group (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Announce that the nonprofit group has presented an award recognizing some- one who has made exemplary contributions to the ideals represented by the group. For example, honor a generous donor or a government official who has supported the group. The nonprofit could establish an annual award in the   name of a distinguished member of the founder of the group (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Notify the community that the group is sponsoring a major community event that is open to the public, such as a festival, fair or demonstration of valuable skills (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- Report the findings of a new survey the nonprofit conducted of consumers, constituents, or community residents (Smith, 1994 in Di Lima and Johns, 1996:8:8).

- In December, comment on the progress made in the year just ending and the goals for the year ahead (Smith, 1994 in Di Lima and Johns, 1996:8:8).

By sending a news release, the news media are advised of the nonprofit's existence and a recent accomplishment or event connected to the group. It is generally not a good idea to follow up by phone after sending a release unless the story is extremely important and timely. Many reporters feel harassed by follow-up calls and are likely to resent people who call with marginal leads on a regular basis. Do not despair if a release does not immediately generate a story; it may lead to a story at a later date. A steady stream of well-written and well-conceived releases can help establish a group as a reliable source of news, and reporters will start calling the organization on a regular basis. As the coverage increases, so will the volume of calls (Smith, 1994 in Di Lima and Johns, 1996:8:8).

Many nonprofits render services that make conspicuous contributions to the quality of life. News releases need only to document the contributions in a descriptive and factual manner (Smith, 1994 in Di Lima and Johns, 1996:8:8).

> Facing eviction from its 40-acre home in southern New jersey, the Avian Rehabilitation Center publicized that fact it treated 2,000 injured birds in 1993—including 35 of endangered or threatened species, such as peregrine falcons, least terms, ospreys, and herons— and returned over 40 percent of its patients to the wild. Such publicity

may prove crucial to its campaign to find a new site for operations by the summer of 1994 (Smith, 1994 in Di Lima and Johns, 1996:8:8).

Newswriting Style

Just as important as the content of the news release is the style in which it is written. The prevailing approach is based on the idea that people are pressed for time and want to learn the point of the story quickly. Newspapers are designed to be read or scanned during a 15-minute breakfast or train ride. Most broadcast stories are shorter than two minutes (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

All the paragraphs in news stories are short; the first one is usually one sentence and the rest generally have no more than two sentences. They deliver the information first and the source second: instead of "ABC Charity President Joe Smith announced today that contributions tripled in 1997," write, "Contributions to ABC Charity tripled in 1997, announced President Joe Smith today." The most important part of any news story is the beginning: the lead paragraph and the two to three paragraphs that follow. The first few paragraphs should provide a synopsis of the story or so intrigue readers that they feel compelled to read on (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

The story that provides a synopsis is called hard news. The reader should be able to learn the essential facts by reading only the first few paragraphs. The second style is soft or feature news; this approach often tries to hook the reader with a human-interest angle. A hard news story may begin in this manner (Wilbur, Finn and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

> CHICAGO, IL, JAN 5, 1998—The Air Ambulance Service saved 732 lives in 1997, more than double the number in the previous year, with most of the increase coming from the blimp explosion over Soldiers Field.
>
> "The record number of saves makes us very proud," said Air Chairman Jack McFly. "We're thankful that the special training in dirigible accidents helped us respond to the Soldiers Field tragedy."
>
> In 1997 the service saved 312 lives in the blimp accident, another 270 from drownings, 23 from fires, and 27 from other incidents (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).
>
> The service was founded in 1958 and currently employs 12 full-time workers and operates four helicopters. A nonprofit group, it is sup- ported by public donations, along with contributions from area hospitals . . . (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

A feature story on the same topic might read like this:

> When Bruce Leonard first heard about the plan to receive special training in blimp rescues, he scoffed. "We haven't had one of those since the Hindenburg. You've got to be crazy."
>
> Leonard's opinion changed drastically less than two months later when he was holding his chopper 50 feet above a blazing blimp and rescuing 18 terrified passengers—an act of valor that earned him a recommendation from the city of Chicago.
>
> The service rescued 312 people in all from the blimp accident over Soldiers Field. This one incident accounted for nearly half of the 721 rescues in 1997—a record and more than twice the number in the previous year . . . (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

News releases written in either style should make liberal use of quotes by leaders of the organization. Quotes add color, emphasis, and human interest, and if news out- let's do not publish the release, they may pick up some of the quotes (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

All releases should observe the conventions of capitalization, abbreviation, hyphenation, and usage that prevail in the news media. The most widely used convention in AP style, as set forth in The Associated Press Stylebook (available in many major bookstores or from the Associated Press, 50 Rockefeller Plaza, New York, New York 10020; 212-621-1825). The publication also offers useful grammar guidance (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:9).

News Release Format

All news releases must carry certain elements. The first page should appear on the group's letterhead or special letterhead designed for news releases. Special letterhead should include the words NEWS prominently across the top or side, and the name of the group or its field of expertise, such as NEWS FROM ABC CHARITIES or NEWS ABOUT THE HOMELESS. The other necessary elements are described below (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

- Release date and time. Above the headline, advise the news media when they may publish or air the information. In most cases, the instruction will be FOR IMMEDIATE RELEASE. If, for example, the release is sent out before an event takes place, the instruction should be FOR RELEASE ON (the date and time the event is to occur) (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

- Contact person: Underneath or across from the release date, provide the name of a person the news media can contact for more information, and type a tele- phone number under the name. It is often helpful to provide the contact's home telephone number if calls are anticipated at night or over the weekend (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

- Headline: Summarizes the highlights of the story, drawing from the points made in the first few paragraphs. This could consist of a main head and a kicker above or below. View the headline as an opportunity to sell the story, to encourage the editor or reporter to read on (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

- Dateline: Most stories should begin with the city and state from which the release is coming (either where the group is headquartered or the site of the event being described) and the date. For example: PEORIA, IL, AUG. 3, 2002—. . . Note that AP style requires that the names of states and months be abbreviated except for those with four letters or fewer. A dateline is not needed on feature stories that are not time-sensitive (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

- Body: Leave several inches of white space above the headline to give news editors room to edit the copy, revise the headline, and insert type specifications. Do not break sentences or paragraphs from one page to the next. Number pages at the top, using either the standard numbers or the traditional news format (ADD ONE for page two, ADD TWO for page three—along with a one- or two-word slug line for the story; for example: ADD ONE—RESCUE). Type MORE at the bottom of each page except the last, at the end of the story, type
or –30- (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

- Standard description of the group: It is good practice to end releases with a three- to four-sentence description of the organization, its purpose, scope of activities, number of supporters or members, and any other information that would help an outsider quickly grasp its reason for being. This statement can appear on all materials published by the organization: consumer brochures, research reports, testimony, newsletters, journals, and even the back of business cards. This helps ensure that the essential facts about the group are disseminated in a consistent manner (Wilbur, Finn, and Freeland, 1994 in Di Lima and Johns, 1996:8:10).

Preparing Copy for the Mass Media. Remember to follow the guidelines established in your initial discussions with media representatives. Most outlets appreciate receiving copy reasonably far in advance of the date of use. Use only one side of 8 1/2- by 11-inch paper.

Put your name, the name of your organization, and your address and telephone number in the upper left corner of the first sheet. This gives the reporter necessary information to conveniently check back with you if necessary. Also, identify any added pages and give them consecutive numbers. Usually you will be asked to double-space, leaving ample margins, and start about one-third of the way down the first page.

You may find it necessary to prepare a number of items in advance and send them in a packet. This is not the best approach; your information will more likely be used if you can provide the reporter with individual, timely stories. If you must use the

packet method, occasionally, be sure to mark each story with the desired release date. If photographs or other artwork are being used, indicate whether illustrations are attached or are on file with the outlet. Provide these details on the first page or on a covering sheet.

If your copy will be read on the air, provide phonetic spellings for troublesome words or unusual names.

Advertising

When working with mass media outlets you may find that buying some advertising space or time will be well worthwhile. You will be able to reach more people and reinforce promotional efforts. Attention-getting advertising can bring dividends.

Time and space for "free advertising" are limited. Do not imply that you expect free publicity in return for buying advertising.

Reaching People Directly

You can accomplish much for your organization by using direct contact to supplement your mass media efforts. Similar activities can be planned to reinforce or replace work with the mass media.

Newsletters. Regularly scheduled newsletters offer an opportunity to chat in writing with those on your mailing list. Member understanding and enthusiasm can be increased. One major item of current interest, a few smaller ones, regular columns from officers, and a schedule of events often are included. Use only material that is worthy of the space it occupies. Carefully screen your mailing list and keep it up-to- date. Direct your messages to the persons receiving the letter (Di Lima and Johns, 1996:8:13).

Direct Mail. Special one-shot items of importance may be handled separately from a newsletter mailing. They might feature details of a resolution or report, announcement of an event, or promotion of a fund or membership drive. Often, mailing lists are limited to members. However, direct mail might be sent to community leaders to improve your organization's image or to enlist cooperation. The letter should contain one main idea that can be quickly grasped. Pattern your letters after good examples you have seen. Keep them attractive, neat, and brief. Do a quality job, because com- petition in the mailbox is keen.

Publications. Pamphlets may be prepared by your organization or by a group of organizations with common interests. Used to explain objectives or to inform about a campaign, these publications can support other activities. Printed programs and annual reports are other publications that may be developed by a special committee. Plan for functional illustrations and use of color. Work with your printer or someone who knows about preparing quality publications. When a publication is needed, good planning will get you a lot for your investment (Di Lima and Johns, 1996:8:4).

Displays and Exhibits. Well-planned exhibits in key locations or at local events can bring your organization's purposes and accomplishments to the attention of many people. Plan so these exhibits can be put together for more than one showing to get

greater value from your work. Portable exhibits may be most practical. Use lettering that is easy to read. Limit your message to a few words. Seek expert help, whenever possible, because people will judge your entire organization by what they see.

Keep a Scrapbook

Clip your published articles and put them in a scrapbook. Write down details regarding media's use of your information. Keep a written record of other publicity activities. Include descriptive photographs when you can get them.

Keep a carbon copy of all material you prepare. This will give you a permanent record in your scrapbook. It will help you if one of your media contacts calls to verify something. Also, if a club member has a question on what you sent, you can show him your carbon.

This scrapbook provides a listing of activities during your term of office. You can keep track of material that was used by media. You will also note material that was not used. Gather any feedback that indicates accomplishment of your intended aims. This permanent record will give you and your successor useful background references.

If Your Story Was Not Used

If material you provided was not published or broadcast, you should politely find out why so you can avoid similar pitfalls in the future. A major event or catastrophe may have crowded available space and time. Maybe use of your item was only postponed. Know what is going on in the circulation or broadcast area. Plan your events and releases to avoid heavy competition whenever possible. For instance, Monday's newspapers are generally crowded.

You may find that your item was not used because: you missed the deadline; your information was incomplete or the reporter could not read your copy and was unable to reach you to verify a fact; your item was not of local interest; or your material was not in a form that the outlet could use. Worst of all, it may have been because your item was prepared so it was of interest only to you and your fellow club members (Di Lima and Johns, 1996:8:8-11). If you plan well and follow through correctly, these pitfalls can be avoided.

Extent of Involvement

The size of your organization, the magnitude of its activities, available media out- lets, and your own reporting and photography experience govern the size of your job as publicity chair or coordinator. Your responsibility may range from serving as a coordinating chairman to handling the entire publicity job for your organization. Your work may include providing a tip for follow-up by a reporter on completing ready-to-use stories for an outlet. Your role in preparing exhibits, window displays, and similar activities may be limited to advisory work with a special committee in your organization. Keep in mind that some of the publicity potentials discussed here may not apply to your job. Be sure to weigh carefully the possibilities and select the methods that will meet the needs of your organization best. Then find a way to include activities with greatest potential.

Enthusiasm and a bit of legitimate showmanship may create interest and help you get your point across. Good publicity chairmen focus on reports of accomplishments and achievement of worthy intentions.

To have media representatives think of you as professional:

- Do not be afraid to suggest an unusual idea if you honestly believe it is work- able for the medium.

- Never use business connections as a threat to get your material used.

- Remember that media representatives at your events are invited guests. They should never be asked to buy tickets or pay admission.

- Show appreciation for the time and space given your organization. You have worked hard, but so have people at the outlets. Letters of genuine thanks are welcome and can enhance your chances in the future (Di Lima and Johns, 1996:8:1-13).

The challenge you face is not a small one. However, plan well to stay on top of your job and you can become a success without undue time and effort. Your publicity plan will show where you need help to accomplish the wide variety of tasks before you. Publicity chair get to know dynamic people. The material you create for public release should be stimulating to you and others. Success in effective public relations can be very satisfying to you and productive for the organization (Di Lima and Johns, 1996:8:1-13).

Delegate Reports to the Organization

You are going to represent your organization at a special meeting or a convention. Part of this privilege includes giving a report of the event to the sponsoring organization upon your return. The people who sent you expect that your report will be interesting, meaningful, and effective. You need to know what to include in the report as well as what to omit to give a report that commands the organization's interest and attention.

Things to Include

Begin by emphasizing your overall reaction to or impression of the meeting or convention. Stress the particular topics that impressed and enlightened you most.
Discuss some specific points in enough detail so that people realize you did learn a great deal from your experience. Show how your thinking has broadened and/or changed as a result of your experience.

Mention enjoyable experiences, such as recreational activities, or meeting other people, but keep this part BRIEF! Name some of the people you met and why they impressed you favorably. Include who they were — their positions, where they are from, who they represented, and any other necessary information. Verbally express appreciation to the sponsoring organization. An interesting report is an indirect way of expressing thanks. Stand straight; speak loudly, slowly, and clearly; speak with enthusiasm.

Publicity Plan Checklist: Things that Need to Be Done		
Things to Consider…	**Need to Do**	**Done**
1) Read previous reports of my organization and am familiar with programs, activities, and goals of the organization.		
2) Obtained an accurate, updated membership list and have biographies and photographs of key officers and members.		
3) Discussed duties of my job with previous publicity chair.		
4) Started a notebook with background information that will help in my job.		
5) Checked on newspaper, radio, and TV outlets serving my area and have appointments to visit with a contact person at each.		
6) Visited media people so they know what I have to offer and I know their respective policies, rules, and needs concerning my material.		
7) Prepared a general publicity plan, based on knowledge I have gained thus far.		
8) Discussed my publicity plan with officer of the organization, have worked out a tentative timetable, and have their approval and support.		
9) Been assigned committee members who have accepted responsibilities or agreed to carry out the program plan alone.		
10) Other		

(Di Lima and Johns, 1996:8:1)

Material Preparation Checklist Things that Need to Be Done		
Duties and Functions	**Need to Do**	**Done**
1) Follow this checklist for each piece of material I prepare.		
2) Gather all pertinent facts and have the answer to *who, what, when* and *where* as well as *why* and *how*. I am sticking to facts and avoiding opinions.		
3) Collect extra background information and included items with human interest value.		
4) Keep the audience in mind and write to people outside our organization.		
5) Keep in mind needs of the media outlets while preparing the material.		
6) Prepare my final copy and check spelling of names, titles, and places or --------.		
7) Consider where illustrations can help tell the story have arranged for suitable pictures adequately identified.		
8) Release the material to conform with deadlines of media involved.		
9) Prepare information as requested by media outlets and have included a contact name, address, phone number, and organization name.		
10) Maintain a file copy of any material provided to media out-lets.		
11) Obtain necessary releases to use photographs (include sample release form).		
Activities that must be addressed:		
1) I have noted use made of my material, particularly any changes that have been made, as the record is filed in the scrapbook.		
2) I have provided board members advanced copies of press releases.		
3) If the coverage reflected extra effort by the media, I have been thoughtful enough to offer a "thank you."		
4) I have offered words of thanks to those responsible for media coverage.		

(Di Lima and Johns, 1996:8:1)

Things to Omit: A List of Does and Don'ts

- Do not stress how much you ate, give a sportscast of all the recreational activities, or tell about the jokes you played on your roommate if you stayed overnight. This gives your audience the impression that nothing serious happened.

- Do not include petty complaints that may give a false impression of the total quality of the meeting or convention. Do not criticize one or two speakers or parts of the program, but concentrate on the parts from which you benefited. Do not forget, the parts you did not like may be the parts someone else thought were best!

- Do not bore your audience with insignificant details, such as the exact time things happened, kind of automobile traveled in, room number of dorm, how fast you got there, or other trivia.

- Do not act like you are the "all knowing Wizard of Oz" just because you attended and represented your organization.

- Do not tell people that your excellent leadership ability went unrecognized at this event, because you certainly could have done better than the speaker or your discussion leader.

- Do not limit your reporting to formal occasions. The organization will appreciate your know-how and enthusiasm, and be interested in your informal experiences as well.

- Do not risk offending people who have different views by being too rigid in yours. Sell your views by their own merit, not be degrading another person's viewpoint.

Do not attempt to be a comedian (unless you are), because nothing falls flatter.

(Di Lima and Johns, 1996:8:1)

Tips for Speaking Engagements

Giving Dynamite Presentations

The key to "must-hear" presentations is hard work and preparation.

Here are some ways to become a polished public speaker:

- Prepare the presentation. Know the subject thoroughly, organize the talk, and rehearse it several times before the actual presentation (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Communicate enthusiasm. The best way to get an audience excited about a talk is for the speaker to be excited about it (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Cover the important bases. The purpose of a presentation is to give audience members the basic facts about the nonprofit. The speaker should never assume that they are already known (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Allow time for questions. Audience members might not understand everything in a presentation. Speakers need to give them time to ask questions and clarify any misunderstandings for them (Struck, 1995 in Di Lima and Johns, 1996:8:5).

Some people are not born public speakers. If this is also the case with the nonprofit's board members, suggest that they take a course in public speaking or join a group like Toastmasters International. If these are not viable options, try sharing these pointers on speaking in public with them:

- Stand while speaking. Standing gives authority to the presentation and speech. It also focuses the audience on the speaker and makes it easier to use visual aids (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Decide whether or not to use a podium. There are pros and cons. Some speakers feel that a podium adds a formal touch to their talk or gives them a sense of security. Others feel that it creates an artificial barrier between them and their audience. There is some truth to this point. If board members insist on using a podium, have them try moving away from it from time to time during the presentation (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Do not speak in a monotone. Remind board members that it is important to modulate their voices. Inflection and tonal changes add variety and drama to a voice and will help hold a listener's attention (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Speak in plain English. Nothing makes an audience's eyes glaze over more quickly than a speaker who uses jargon or incomprehensible technical language. Remember listener comfort by using language that is familiar to the non-specialist (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Maintain eye contact. Veteran public speakers know that when you lose eye contact with your audience, it loses interest in you (Struck, 1995 in Di Lima and Johns, 1996:8:5).

- Use visual aids. If board members are not using them, they are missing some effective communication tools. With desktop publishing, no one has to be a graphic artist to help board members create professional-looking graphs and charts. Just remember to keep them simple and easy to understand (Struck, 1995 in Di Lima and Johns, 1996:8:5).

Presentation Basics

Text or Notes?
Reading a prepared text robs a presentation of spontaneity. It does not hurt to write a text; this forces through organization, and it fixes many remarks in the speaker's mind.

It is possible to develop excellent speaking notes from a text, notes that are far more complete than those made from an outline. However, to put life into a fully prepared speech, one must be more actor than speaker. Also, much audience contact is lost because the speaker's eyes are frequently on the paper. A prepared text is recommended only when the topic is so sensitive or controversial that every word must be weighed and reweighed before delivery (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Three- by five-inch notecards containing the topic outline are best. One method is to write each point or subpoint on a separate card along with whatever reminders or other backup information may be needed. With a little practice, it is possible to capture all the information needed no a pack of file cards that will slide into a pocket and fit neatly into the palm of one hand when needed (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Notecards should be typed or legibly hand-lettered because each word must be found at a glance. Use all capital letters and triple spacing between lines. Other gimmicks include using a two-color underlining scheme to note a shift to another point or the need to turn to visual aids for support (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

One word of caution about notecards: Number them in sequence so that none will be missed and there will be no confusion about their order. Many experienced speakers have grim recollections of dropped notes. (Picture a handful of unnumbered cards gently fluttering to the floor like so many autumn leaves while the audience awaits the next remark) (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Verbal Tics

The supervisor who wants to develop as a speaker should make a tape recording of himself or herself doing a presentation and analyze it with brutal frankness. Listen especially for nonword sounds that may be used, the verbal tics that fill the conversations of so many people (listen to a half-dozen taped interviews on any news broadcast to know exactly what is meant here) (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

The serious would-be speaker should work to eliminate all verbal tics. Becoming aware of what one is doing when speaking is more than half the battle; the rest is the conscious control of every sound that comes from one's mouth. Verbal tics are thinking time for many speakers, but that essential time does not have to be sacrificed.
Pauses of two or three seconds are normal, and sometimes a brief silence is as compelling as a shout. In any case, two or three seconds of silence are much to be preferred over two or three seconds of "and-uhhhh!" (McConnell, 1993 in Di Lima and Johns, 1996:8:6)

Also, listen for what happens to words uttered without care. Does for come outer? Does to sound more like ta? This is not to suggest that elocution lessons are needed before giving one's first job-related presentation. However, listening to one's own voice and correcting glaring inconsistencies will vastly improve one's speaking style with very little effort (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Timing

With plenty of material and a good outline, a speech can be expanded or contracted according to the demands of the clock. A new speaker who is concerned about the extent of preparation and wants to know how long a speech will take should make a dry run against the clock. This should not be done silently; if just "thought through," the material will be covered too quickly (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

An actual speech situation is needed. A small audience—perhaps two or three associates or family members—will hold the speaker to a speed closer to that of actual delivery. A speaker using a prepared text or falling back on a fully written speech to estimate time should use the rule of thumb employed by many professional speech writers: 150 words of text equals approximately one minute of speaking time (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Humor

A presentation may lend itself to the use of humorous anecdotes and illustrations; the topic may have its lighter side. However, do not force the use of humor. Humor in a speech ought to occur naturally, related to the topic or theme. Then, when a supposedly funny comment fails to get a laugh, it may still have contributed toward making a point (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

In speaking as in writing, humor is difficult to handle well. It defies consistent treatment. What is funny to one person may vary from time to time and also be influenced by the mood and surroundings of the moment. What is funny to one person may not be funny to another (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Regardless of the so-called permissiveness of the times, it is still best to keep remarks as inoffensive as possible. A speaker has no guarantee that he or she will never upset a listener with something said in jest. But ethnic or even slightly off- color remarks will certainly meet with someone's disfavor in the average listening groups (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

If poking fun at anyone, be your own target. Take care, however, to portray yourself as a normal human being with normal shortcomings. It easy to go overboard and look foolish (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

In short, humor in a speech should flow form the topic and the situation and serve a purpose other than simple entertainment. A speaker should not try to be a stand-up comic—that "act" could open and close with a single appearance (McConnell, 1993 in Di Lima and Johns, 1996:8:6).

Style

With time and experience, each speaker will develop a style that is in some ways unique and that tells the audience a great deal about the speaker as an individual. It would be presumptuous to dictate what a particular speaker's style should be: how- ever, there are ways to make each speech more effective than the last (McConnell, 1993 in Di Lima and Johns, 1996:8:6-7).

Always be aware of the verbal tics discussed earlier; work to eliminate them until they are no longer an automatic recourse during speech (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Develop a preference for the concrete word over the abstract one. For instance, avoid saying "machine" when actually referring to a "volumetric infusion pump," and avoid saying "early morning" when 6:00 A.M." will send a clearer, more specific message (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Watch out for loaded words that create unintended impressions. Control words so that most of the impressions created are intentional, to make or reinforce points. For example, "eager beaver" says one thing to listeners; "interested and tireless worker" says something quite different (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Use anecdotes and case histories whenever possible to illustrate points and keep the topic firmly linked to the real working world. Speak in personal terms—you, we, us—to establish and maintain the necessary interrelationship of speaker, topic, and audience (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Remain aware of other factors influencing the manner in which speaker and material are received; vocal range, varied rather than monotone; enunciation, especially of key words intended to register strong impressions; body movements, with at least some limited movement; and facial expressions, which often say more than the words about the speaker's enthusiasm for the topic (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Finally, practice establishing eye contact with members of the audience. Look directly at numerous listeners in turn throughout the presentation. Visually sweep the room, but frequently linger a few seconds on first one person and then another. Ultimately, the speaker should cause each listener to feel that he or she has been communicated with personally (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Follow-Up

After completing a first speech—or any presentation, for that matter—the speaker's attention should turn to self-evaluation. The all-important word is feedback. The speaker should stimulate feedback by encouraging questions and discussion after the speech. The speaker should use such feedback to strengthen the material and refine speaking techniques. Also, to be assessed is timing, through a comparison of estimated delivery time with the time actually required to give the presentation (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

The feelings experienced by the speaker while speaking and immediately after speaking should indicate the inadequacy of preparation. It is only during and after the speech that one will know whether the preparation was sufficient (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

If the talk was recorded, after two or three days the speaker should play it back and critically analyze his or her technique. Once past the humbling experience of hearing

himself or herself as others do, the speaker will be able to spot mistakes and go about correcting them (McConnell, 1993 in Di Lima and Johns, 1996:8:7).

Be Yourself When You Report. Remember to gear your presentation to the organization's level of interest and understanding. Save time for the organization to raise specific questions on aspects you have covered or possibly on one or two points you may have omitted. If you use visuals, make them neat, appropriate, and large enough. Also, position visuals so the people in the back row can see them easily.

Responding to Bad Press

What can a nonprofit organization do to ensure positive relations with the media? Here are some suggestions: (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Look for warning signs that trouble may be on the horizon. Be on the alert if the organization has experienced a change in senior personnel, made a significant change in its bylaws, or has disgruntled employees, members, or contributors. Many organizations use anonymous suggestion boxes or hotlines to help alert officials to potential problems within the organization (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Be flexible. Many elaborate crisis response plans do not work. A quick response is at least as important as a perfect response. A 30-minute plan that provides a broad outline may be highly effective (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

  Key steps in the plan might include:

  — Have key officials gather to determine confirmable facts

  — Alert board members

  — Choose options for responding
     (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Predict how the crisis may unfold. Try to anticipate what will happen in the first 30 days. Then project how employees, donors, and the public will respond (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Be alert to tell outsiders any bad news. Organizations typically tell the press more than they tell their own staff (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Respond rapidly to inquiries. Time is always of the essence when dealing with the press. A few hours' delay can result in a reporter who is covering the story missing a deadline. This will postpone when the nonprofit's side of the story gets out. Even if all the answers are not yet available, call to tell the reporter an update will be ready in another hour (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Do not point out any inaccuracies in the early coverage of a story. Defuse the sensationalist area first (Pokrant, 1995).

- Cooperate with reporters. The story will be written, so do not antagonize the press or act paranoid. Officers and board members should always be prepared to speak with the television press. Preparation can be as simple as having a list of do's and don'ts handy (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Develop a network to monitor news coverage around the country. This should include board members, members, contributors, and advisors. A network will help determine how widely a negative story has been publicized (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Select battles carefully. There is rarely enough time to respond to every press item.

- Do not repeat criticism in responding to it. Those who read the response may not have seen the original article. Instead, focus on the organization's positive accomplishments (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

- Always remember — reporters get the last word (Pokrant, 1995 in Di Lima and Johns, 1996:8:1).

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Standard Procedures and Innovations

Parliamentary Procedure and Leadership

"The effective individual functions through groups, many groups. It is the group that gives the individual weight in every field of endeavor" (Jones, 1990:X). Therefore, the effective individual must be effective in the group and serve as a group leader.

Group leadership is an art that anyone can learn. First one must learn the rules for group discussion and action called parliamentary procedure. Second one must learn by practice in the art of leadership. Our sense of democracy emerges from the extraction of discourse through constructive procedures (Jones, 1990:X).

Parliamentary Procedure and Democratic Process

"The history of liberty has largely been
the history of observance of procedural safeguards."

Felix Frankfurter, Supreme Court Justice

Key Points Related to Parliamentary Procedure

- Legal requirements:

- A quorum is necessary for all voting.

- Observation of the organization's constitution and by-laws always.

- Group action at regular or adequately announced special meetings.

- Member's rights are protected and individuals right to speak must be safeguarded.

- Parliamentary procedure provides an orderly method for all viewpoints to be heard (De Vries, 1998:99-102; Jones, 1990:X-XI; Robert, 1967:21-22, 88, 130-131).

Traditional Agenda or Order of Business

Most organizations follow the general agenda suggested here. The most important point is to decide on an agenda that is satisfying and acceptable to your group.

- An agenda is simply an orderly sequence of items presented for group consideration. Members of the group should have a copy of the agenda before the meeting (De Vries, 1998:194; Robert, 1967:21, 77-78, 130-131; Rozakis and Lichtenstein, 1995:6).

- One of the most overlooked yet most important items on the agenda is "preliminary announcements." Announcing agenda items and sequence, their time limits and "ground-rules" for discussion can help facilitate productive discussion more than any other item (De Vries, 1998:194; Robert, 1967:86-88).

- It is preferable to complete action on a brief, routine report during the committee report section of the agenda. However, action on involved and time-consuming committee reports may be completed more conveniently under new business. This helps keep the meeting moving. Parliamentary procedure's only purpose is to provide a flexible method to transact group business in a manner most pleasing to its members (De Vries, 1998:194; Robert, 1967:86 Rozakis and Lichtenstein, 1995:6).

Traditional Agenda: Order of Business

1. Meeting called to order.

2. Preliminary announcements (agenda items, time limits, "ground rules," welcome, introductions).

3. Roll call (usually done silently by secretary)

4. Approval of previous meeting's minutes (distributed prior to meeting).

5. Officers' reports:

   • President
   • Vice-president (may not have regular report)
   • Secretary
   • Treasurer — financial, budget, or cash flow reports (distributed prior to meeting with minutes).

6. Standing committee reports

7. Special committee reports

8. Unfinished business

9. Postponed business

10. New business

11. Confirm time of next meeting

12. Adjournment

(De Vries, 1998:194; Robert, 1967:86).

Points to Remember

• Parliamentary procedure began in the English Parliament. To be useful for most groups it must be adapted from the original formal procedure. Most groups function best with an informal procedure.

• "Additions or corrections" to the minutes is redundant; ask only for "corrections."

• The treasurer, the treasurer's report should be received and filed with the minutes upon board approval until it is audited, rather than being accepted as read. The treasurer's reports will be subject to annual audit and approval by board action.

Minutes of Meetings

Minutes do not report all specific discussion points, but do report on actions taken. At standard meetings, the secretary's minutes should be an accurate record of all the organization's actions. At the start of each meeting, the secretary reads the minutes of the previous meeting so the members can recall the actions taken. The secretary keeps a running account of all business matters the organization discusses and all actions it takes. The minutes provide an overview of discussions that take place during the meeting. They state the actions proposed and what the organization decided to do about each one (De Vries, 1998:84-96; Robert, 1967:100 Rozakis and Lichtenstein, 1995:115-116, 123-126).

Presiding Officer

- The chair should decide the speaker order. If two or more persons want to speak to an idea or motion, the chair should decide the order of speakers. The chair should also refuse to let persons speak who he or she feels do not have the best interest of the group in mind, but the chair should not refuse speakers for personal reasons only. The chair should enforce the rules of courtesy and conduct the meeting according to the constitution and bylaws (Robert, 1967:77-78; Rozakis and Lichtenstein, 1995:105-115).

- Other chair "should not's" are a matter of common sense and proper protocol. The chair is not a 'one-person' show. The chair must never lose his or her tem- per or infringe on members' rights. The agenda is the chair's best tool to stay focused on the subject under discussion (Robert, 1967:77-78; Rozakis and Lichtenstein, 1995:105-115).

- The chair may appoint committees and ask for volunteers, or appoint a commit- tee chair and let the committee chair select the members. The chair may decide points of order or have someone else decide on these points (Robert, 1967:77- 78; Rozakis and Lichtenstein, 1995:105-115).

- The chair should not influence the vote. This means that the Chair should not get on the phone ahead of time and ask people to vote one way or another, or pressure people just before the business meeting, or speak to an issue from behind the podium. These are ways of influencing the vote for personal gain. A chair, if he or she feels it justified, may speak to an issue. However, this is not a commonly accepted practice. The chair may choose to do so from the floor and not from the podium even under circumstances where there is a high degree of informality and flexibility (Robert, 1967:77-78; Rozakis and Lichtenstein, 1995:105-115).

- The chair may also vote to make or break a tie, always with the best interests of the group in mind. Everyone seems to be aware of the chair's right to break a tie vote, but few are aware that he or she may also vote to make a tie. The vote to make a tie is simply an informal way of postponing group action on an item. Also, unless stated otherwise in your constitution and bylaws, a chair has the same voting rights as any member. Usually, a chair does not vote because

the vote is necessary for a majority, and because he or she is busy insuring that the majority will is being carried out - but he or she does have the right to vote (Robert, 1967:77-79; Rozakis and Lichtenstein, 1995:105-115).

Parliamentary Authority of the Presiding Officer

1. May decide in what order speakers shall be recognized.

2. May restrain speakers within the limits of the rules.

3. May refuse to recognize members offering dilatory, absurd or frivolous motions.

4. May enforce good decorum.

5. May appoint committees.

6. Decides points of order.

7. May vote after the other votes are counted in order to make or break a tie. The chair may refrain from voting and usually does not vote unless his or her vote would change the results (Robert, 1967:77-79; Rozakis and Lichtenstein, 1995:105-115).

These are delegated powers; the membership holds final authority on all matters and uses the Appeal from the Decision of the Chair to reverse any decision of the chair it is unwilling to accept. A majority vote is all that is required to reverse a decision of the chair (Rozakis and Lichtenstein, 1995:105-115). Discussion should be used to achieve consensus and working agreements. Voting to gain power and control on issues has long-term consequences (Sieverdes, 2002).

Chair's Obligations and Duties

A chair must remember that any action he or she takes is subject to appeal by the assembly; however, there are some things a chair should do, some things he or she may do, and some things that cannot be done (Rozakis and Lichtenstein, 1995:104-114).

Parliamentary Duties and Rights of Board Members

1. To receive all notices.

2. To attend meetings.

3. To present motions, resolutions and other business.

4. To discuss and vote on all questions before the group.

5. To nominate one and only one person for each position to be filled.

6. To be a candidate for office, even to nominate one's self.

7. To inspect all official records.

8. To resign.

9. To have a hearing before being expelled or before penalties are applied.

10. To exercise all rights granted to other members or given in the constitution, the by-laws or the rules.

The Matter of Voting

Voting by Types of Motion

Motions are divided into two classes: debatable and un-debatable. Undebatable motions are put to a vote immediately, after the chairperson states the motion. Some motions require a majority vote, a number greater than half the votes cast; others require a two-thirds vote. One of the fundamental principles of parliamentary law requires a two-thirds vote for every motion that suppresses a main question without free debate. Sometimes a vote is unanimous. A plurality vote: the most votes cast for a candidate is used only in elections when authorized by by-laws (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

There are many methods of taking the vote. Those most used are by voice aye and no, raising right hand or rising, ballot, roll call, general consent.

While parliamentary rules permit a chairperson to vote on any question when the chair's vote will change the result, it is wiser that a chairperson should show parti- sanship on a moot question. The chair should vote when a ballot is used. The chair's name is called last when a roll call is used (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

By general consent or unanimous vote: this ruling is used to avoid the formality of taking the vote when there seems to be no objection to the question. It is used when routine business is conducted and on minor matters. Instead of taking a vote, the chairperson says, "If there is no objection," and assumes general consensus unless someone objects, then a vote must be taken (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

No motion is required to approve or correct minutes. The chairperson states, "If there is no objection," the minutes stand approved as read [or corrected] (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

Affirmative votes that cannot be reconsidered:

- Accept resignation, if member is present or has been notified.

- Adopt, or after adoption, to amend, or repeal, or rescind the constitution, bylaws, or rules of order, or any other rules that require previous notice for their amendment.

- Elect to membership or office if the member or officer is present and does not decline, or if absent has learned of his or her election in the usual way and has not declined.

- Proceed to the orders of the day (Robert, 1967:33-56).

Negative votes that cannot be reconsidered:

- The motion to postpone indefinitely cannot be reconsidered if the negative side prevails

- No question can be twice reconsidered unless it was materially amended after

its first reconsideration. A reconsideration requires only a majority vote regardless of the vote necessary to adopt the motion itself.

- The motion to reconsider cannot be in force after the next day when proposed (Robert, 1967:33-56).

The Voting Process

Debate on a debatable motion usually continues until each member who wants to speak has done so. Voting on motions takes place when there are no more requests to speak on a motion, or after debate has ended. If discussion seems repetitious, a member can stop debate with a call for the *question*. A vote is then taken on whether or not to continue the discussion. After that vote, attention returns to the motion and its amendment. In short, each motion must be disposed of before a new motion can be taken up. If the members want to postpone action on a motion to another meeting, they may vote to "table the motion" (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

When preparing to vote, the presiding officer restates the motion or has the secretary read it. Then the president calls for a voice vote. All those in favor of the motion say "aye." Then all those opposed say "nay." If the president cannot tell which side has the majority, a re-vote is taken by raising hands. If any member questions the outcome of the voice vote, then a required re-vote is taken by show of hands. The presiding officer usually votes only when his or her vote would change the outcome. A tie vote defeats a motion (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

- Since the vote must be taken both favorably and unfavorably, negative voice votes should be so indicated by "nay" or "no," never by "like sign" or "same sign."

- A chair generally does not vote, simply because it is unnecessary. However, he or she has the right to vote unless stated otherwise in the constitution and bylaws. A chair may vote to make a tie as well as to break a tie. His or her vote to make a tie is simply an informal method of postponing action on an item. This allows the group more time to reach a decision (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

Minority Vote

When a motion has been referred to a committee and one or more members of the committee differ from the majority point of view, the minority report is an accepted as part of the democratic procedure. The procedure is as follows:

- The report of the special committee (it is not called a majority report) is given at the meeting when called upon, and the committee chairperson, after giving the report, moves its adoption. When seconded, the presiding officer states: "It has been moved and seconded that (stating the motion). Is there any discussion" (Rozakis and Lichtenstein, 1995:83-101)?

- Minority member immediately moves to substitute a minority report for that of the committee and states the minority report. Seconded.

- Chairperson: "it has been moved and seconded to substitute the minority report for the report of the committee (restates the minority report)" (Rozakis and Lichtenstein, 1995:83-101).

This is then treated as a substitute motion. Discussion and amendments are permitted first on the committee report, but no vote is taken on the substitute motion.

Discussion and amendments are permitted on the substitute motion. As in treating amendments, the vote is taken first on the minority amendment. If adopted, it replaces the "majority" motion. The vote is taken on the substitute motion. If the "minority" vote is defeated, the main motion (majority report) is put to vote (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101).

Motions: A Major Element of Parliamentary Procedure

A motion is a brief, precise statement of a proposed action. A member can make a motion only when he or she has the floor (has been given permission to speak by the presiding officer). Before any motion can be discussed by the group, another member must second it (state that support is given). This rule prevents the group from spending time on matters that interest only one member. After a motion has been made and seconded, the presiding officer usually restates it or asks the secretary to read it from the minutes. The members debate the motion and possibly amend (change) it in some way (Jones, 1990: XIX-XXIV; Robert, 1967:33-56).

If a motion to amend the original motion is made, it must be discussed and voted on. If the amendment passes, then the original motion with the amendment included comes under discussion once again before voting takes place on the motion (Robert, 1967:33-56).

Making Motions Work

A motion introduces action to the group for its consideration, and allows an agenda to be carried out in an orderly way. There is a correct way to introduce or change motions, and priorities for debate and action on them.

- Introducing a motion. To introduce a motion a member should say, "Mr. Chair, I move…" He should not say, "Mr. Chair, I wish to make a motion," or "I so move."

- A main motion, which is always debatable and amendable, may be placed on the floor (considered) when no other motions are pending, and must be seconded before debate is allowed. (Incidentally, most groups find it easier to under- stand motions when they are stated affirmatively rather than negatively, for example, "I move that our group decline the invitation extended by…" instead of, "I move that our group does not accept the…").

- Changing a motion. A motion may be amended by inserting, striking, or substituting words in the original motion.

- Acting on a motion. Only one main motion may be on the floor at one time, but higher ranking motions take priority (see below). These higher-ranking

motions must be taken care of before the original motion. Thus, several motions may be on the floor at one time, provided they were made in the correct ascending order, but the last motion made must be disposed of first (Robert, 1967:106-115; Rozakis and Lichtenstein, 1995:105-115; Heasley).

Protocols to Be Followed

- When making a motion, one should say, "I move that…" instead of "I make a motion that…."

- A motion must be approved by a second person's saying, "I second the motion."

- Recognition from the chair is not required to second a motion. (This rule is true in most cases; however, some larger, more formal groups do require recognition for seconding a motion.)

- A nomination of a person for office does not require a second.

- If there is a motion before the house, no other motion can be made except: (a) to adjourn, (b) to table the motion, (c) to move the previous question, that is, to end the discussion and bring up the motion for vote.

- A member may rise to a point of order; that is, if a member observes the violation of a rule, he or she may rise, secure recognition and state the point that is out of order.

- The will of the majority must be carried out, and the rights of individuals and minorities must be preserved.

- Each member has rights and obligations equal to those of every other member; there are no seniority rights.

- Each question presented for consideration is entitled to full and free debate unless specifically limited by the rules or a 2/3 vote.

- Only one subject may claim the attention of the assembly at one time.

- Members have the right to rise to a point of parliamentary inquiry (to ask for information or instruction in using the procedure).

- Certain facilitating motions take procedure over (may interrupt) other motions; some may even interrupt a speaker.

- Neither rules nor procedures may be employed in violation of our American democratic code. Courtesy, justice and a sense of fair play should characterize every group action.

**Remember, any motion that is made while
no other business is on the floor is a main motion.**

Subsidiary motions can apply to a main motion in the order of their precedence. The higher priority motions, such as privileged, renewal, incidental, and subsidiary motions must always be disposed of in the order of their priority before voting on the main motion. It is advisable to have a complete parliamentary reference, Such as Roberts' Rules of Order, available for special times. However, most of the time only

a basic knowledge of procedures will be needed. The more commonly used motions and the reasons for using them are listed in charts below (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:83-101). Just remember to consider carefully and dispose of motions as they arise, if given according to proper procedure, and the meeting will run smoothly.

Overview Procedure for Acting on a Motion

1. Member rises and addresses the presiding officer.
2. Presiding officer recognizes the member.
3. Member states his or her motion.
4. Another member seconds the motion if a second is required.
5. Presiding officer states the motion and calls for discussion.
6. Discussion; amendments may be offered. (See next section.)
7. Discussion is closed. (When some members appear unwilling to close the discussion, someone may say, "I move the previous question." This motion may not interrupt a speaker; it requires a 2/3 vote because the effect is to stop debate and take the vote immediately.)
8. The presiding officer states the motion (as amended, if this was done).
9. The vote is taken.
10. The result of the vote is announced (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

One Motion at a Time. All business is brought before the meeting by a motion or resolution, a report of a committee or a communication. The terms "motion" and "question" are synonymous; when first stated it is a motion and when repeated by the chairperson, it is referred to as a question.

Only one such proposal can be considered at a time. It must be made by a member and seconded by another member. The maker of a motion must get the floor by rising, addressing the presiding officer and obtaining recognition. The motion should be worded in the affirmative whenever possible.

Because business requires a motion, it is usually necessary for a member to make a motion, and before a member can make a motion or address the assembly on any motion, it is necessary that the member obtain the floor; that is, the member must obtain the right to speak. To do so, the member must be the first person to rise when no one else has the floor and address the chair by title, preceded by Mr." or Madam" as in Mr. Chairman" or Madam President." The group may adopt a special rule designating a different form of address or it may designate another form of obtaining the floor such as the raising of one's hand. The chair will then announce the member's name, thereby assigning the member the right to speak (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

After the floor has been assigned to a member, he cannot be interrupted by calls for the question, motions to adjourn, or other devices, either by the chair or by another

member, except by a point of order or other motion listed as being in order when another has the floor or a disciplinary action. See Robert's Rules of Order or related description for more information.

The presiding officer restates the motion and asks, "Are there any comments?" or "Is there discussion?" This opens debate on the question. The maker of the motion is entitled to speak first on the motion. All remarks must be addressed to the chair. No one may speak a second time on the same question if another member desires to speak on the subject, but he or she may speak a second time if one who has not spoken is not seeking recognition. In formal meetings, if anyone objects, he or she may not speak more often without permission from the assembly (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Motions and resolutions are the same. A resolution usually has a preamble or introduction and is much more descriptive, with several paragraphs, starting with "Whereas", and ending with "Therefore be it resolved." It is subject, with slight variations, to the same rules as a motion. It is presented in writing. When a main motion is before the assembly, it must be accepted or rejected or be disposed of in some way, before another subject can be introduced, except for privileged or other motions. When a group is prepared to accept a motion in its given form, nothing more is required but to take the vote and get the result. Usually this is not the case. The board may prefer some other course to an immediate decision on the motion in the form in which it is presented. Therefore, it is debated, and secondary motions are introduced, which may more clearly meet the wishes of the group (Robert, 1967:33- 56; Rozakis and Lichtenstein, 1995:105-115).

These secondary motions must be made after the main motion is stated and before the vote is taken. When stating the motion, the chairperson should make perfectly clear what it is, and after the vote is taken state the result. Motions must not be in violation of local and Federal laws, the organization's constitution and bylaws, or standing rules (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

The business of the meeting cannot be conducted unless a quorum is present; the number should be stated in the bylaws. The chairperson should know the rules when motions can be made, amended, debated, order of precedence, whether they require a majority or two-thirds vote, etc.

In many cases in the ordinary routine of business, however, it is not usual to make a motion. Instead, the chair specifies an action and announces that, if there is no objection, the action will be considered adopted. If no member says "Objection!" or "I object!" the chair announces, "There being no objection the action is adopted." If a member objects, a motion to take such action becomes necessary. The procedure for deciding on an action without a motion processed all the way through a vote is called general or unanimous consent (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Kinds of Motions

1. Main Motions

A motion that brings before the assembly, for its consideration, any particular subject independent of any other pending motion or parliamentary situation is a main motion. It can be made only when no other motion is pending, and it must be capable of standing by itself. A main motion is almost always the first step in any parliamentary activity. It is the lowest in rank of the ranked motions; that is it is at the bot-tom of the order of precedence. A main motion requires a second, is debatable, and is amendable (Robert, 1967:33-56).

Purpose of Main Motions	Second Required	Vote Required	Can be Amended	Can be Debated	Interrupt Speaker
To introduce a new item of business	Yes	Majority	Yes	Yes	No

(Robert, 1967:33-56)

Kinds of Motions

1. A **Main Motion** introduces an action to the assembly for its consideration. It is always debatable and amendable, and it ranks lowest in priority.

2. A **Subsidiary Motion** is applied to other motions, usually main motions, to alter, postpone, or temporarily dispose of such motions. Subsidiary motions can be called the middle motions, since they rank in priority between the main and privileged motions.

3. An **Incidental Motion** is used when conducting business. Such a motion must be disposed of before action can be taken on the motion from which the incidental motion originated. Incidental motions have no order of precedence among themselves, an aspect peculiar to these motions that makes them different from all others. However, an incidental motion must be disposed of before another incidental motion may be made. Incidental motions could include those to close nominations, to rise to a point of order, or to establish a method of voting.

4. A **Renewal Motion** lets the assembly bring a previous motion back to the floor for reconsideration. Examples: to take from the table, to reconsider.

5. A **Privileged Motion** refers to action of the entire assembly such as taking a recess, raising a question of privilege, calling for order of the day, or adjournment. These motions outrank all other motions; however, motions for fixing a time to adjourn and taking a recess are privileged only when other motions are pending (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

2. Subsidiary Motions

Subsidiary motions are the most frequently used motions in parliamentary procedure. They are made while a main motion is pending, for the purpose of assisting or modifying it or to delay action or otherwise dispose of the main motion. The subsidiary motion supersedes the main motion for the time being and must be dealt with before action can be taken on the main motion. However, all subsidiary motions must yield to privileged or incidental motions (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:30-31).

Subsidiary motions never stand alone. A subsidiary motion is always applied to another motion. It changes the status of another motion by modifying it in some way. Subsidiary motions can be applied to any main motion and to some other subsidiary motions (Rozakis and Lichtenstein, 1995:30-31).

There are only seven subsidiary motions, and they rank in the following order:

1. Lay on the table

2. Consider previous question to close debate

3. Limit or extend debate

4. Postpone to a definite time

5. Commit or refer to committee

6. Amend the amendment or the motion

7. Postpone indefinitely

The first, as listed, is of higher rank than every motion listed below it. This means that a motion of higher rank can always be entertained while a motion of lower rank is pending before the body. A motion of lower rank cannot be entertained if a motion of higher rank is before the body (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Purpose of Subsidiary Motions	Second Required	Vote Required	Can be Amended	Can be Debated	Interrupt Speaker
Lay on the table	Yes	Majority	No	No	No
End debate, move the previous question	Yes	Two-thirds	No	No	No
Limit or extend debate	Yes	Two-thirds	Yes	No	No
Postpone to definite time	Yes	Majority	Yes	Yes	No
Refer or commit to committee	Yes	Majority	Yes	Yes	No
Amend the amendment	Yes	Majority	Yes	Yes	No
Amend the motion	Yes	Majority	Yes	Yes	No
Postpone indefinitely	Yes	Majority	No	Yes	No

(Robert, 1967:33-56)

Example: If a secondary motion has been made "to commit," which means to "refer to a committee," and another member moves "the previous question" (close debate) which is of a higher rank, the chairperson should state, "The motion just proposed is not in order because it is of lower rank than the pending question" (Robert, 1967:33- 56; Rozakis and Lichtenstein, 1995:105-115).

How to State Subsidiary Motions

2. Subsidiary Motions	Purpose	Opening Statement
Postpone definitely (to a certain time)	To delay action for further consideration, to secure	"I move to postpone to (state time)."
Postpone indefinitely	To suppress motion, to prevent a vote	"I move to postpone indefinitely."
Previous question, to call for	To end debate, to vote immediately	"I move the previous question."
Amend	To improve the motion	"I move to amend by…"
Commit or refer to a committee	To delay action, to consider more carefully	"I move to refer the motion a committee."
Limit of extend debate	To establish time limits or change	"I move to limit the discussion to__minutes."
To lay on the table	To delay action, clear the floor for urgent business. To set aside an item of business temporarily.	Postpone definitely (to a certain time)

(Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115)

* To be stated without addressing the chair or securing recognition. These motions may interrupt a speaker, but the chair should not recognize the person unless he knows the purpose of the interruption (knows whether the interruption is permissible). All other motions listed above are to be presented after addressing the chair and securing recognition.

3. Incidental Motions

Incidental motions are those which arise out of a pending question and must be decided before any other business is taken up; or are something connected with the business of the assembly that must be attended to and which requires a temporary interruption. They have no special rank among themselves, but they yield to privileged questions. They are dealt with individually as they arise, but they take precedence over the subsidiary motions. Most of them are not debatable (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Points of order, parliamentary inquiries, and requests for information do not require action by the assembly. The presiding of officer takes care of these unless they need to be referred to the group for consideration.

The incidental motions are as follows:

1. Point of order
2. Appeal from decision of chair
3. Objection to consideration of question
4. Request to read papers
5. Division of a question
6. To withdraw a motion
7. To suspend the rules
8. Methods of voting
9. Division of assembly
10. Close nominations or polls
11. Consideration by paragraph
12. Requests for information
13. Parliamentary inquiry
14. Question of quorum present

Purpose of Incidental Motions	Second Required	Vote Required	Can be Amended	Can be Debatd	Interrupt Speaker
Appeal from decision of chair	Yes	Majority	No	Yes	Yes
Division of assembly	No	Chair decides	No	No	No
Division of question	No	Majority	Yes	No	No
Withdraw a motion	No	Majority	No	No	No
Point of order	No	Chair decides	No	No	No
Suspend rules	Yes	Two-thirds	No	No	No
Object to consideration of the question	No	Two-thirds	No	No	Yes
Parliamentary inquiry	No	Chair decides	No	No	Yes

(Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115)

3. Incidental Motions	Purpose	Opening Statement
Appeal from the decision of the chair	To secure ruling by the group	"I appeal from the decision of the chair."*
Division of the assembly	To determine accuracy of a voice vote and/or record individual votes	"I call for a division."*
Division of the question	To provide for consideration of the parts separately	"I move to divide the question into parts."
Parliamentary inquiry	To secure advice or information	"I rise to a point of parliamentary inquiry."*
Object to consideration of a question	To prevent wasting time on unimportant items	"I object to consideration."*
Point of order on content	To secure adherence to organize the work	"I move we take up…"*
Point of order on procedure	To secure adherence to parliamentary procedure	"I rise to a point of order."*
Rescind or repeal an action	To repeal action taken previously	"I move to rescind the motion to…"
Suspend the rules	To set aside the rules for a specific	"I move to suspend the rules for consideration of…"
Withdraw a motion	To enable the proposer to remove his motion	"I withdraw the motion."

* To be stated without addressing the chair or securing recognition. These motions may interrupt a speaker, but the chair should not recognize the person unless he knows the purpose of the interruption (knows whether the interruption is permissible). All other motions listed above are to be presented after addressing the chair and securing recognition.

4. Renewal Motions

Purpose of Renewal Motions	Second Required	Vote Required	Can be Amended	Can be Debated	Interrupt Speaker
Take motion from the table	Yes	Majority	No	No	No
Reconsider motion	Yes	Majority	No	Yes	Yes
Rescind or repeal motion	Yes	Two-Thirds	Yes	Yes	No

(Robert, 1967:33-56)

How to State Renewal Motions

4. Renewal Motions*	Purpose	Opening Statement
Take from the table Reconsider (any member may move)	To resume consideration of the question To reconsider a question and vote on it again	"I move to take from the table the motion to…" "I move to reconsider the motion to…"*
Rescind a motion	To rescind or repeal an action	"I move to rescind the motion to…"

(Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115)

* To be stated without addressing the chair or securing recognition. These motions may interrupt a speaker, but the chair should not recognize the person unless he knows the purpose of the interruption (knows whether the interruption is permissible). All other motions listed above are to be presented after addressing the chair and securing recognition.

5. Privileged Motions

Privileged motions have nothing to do with the pending question or motion. However, they are of such urgency and importance that they are allowed to interrupt the consideration of other questions and take precedence over them. They are un- debatable because of their high rank. When privileged motions do not interrupt other business, they are main motions and are without privileges (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

There are only five privileged motions that appear below in order of precedence:

1. Fix time at which to adjourn

2. Adjourn

3. Recess

4. Raise questions of privilege

5. Call for orders of the day
   (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Purpose of Privileged Motions	Second Required	Vote Required	Can be Amended	Can be Debated	Interrupt Speaker
Fix time to adjourn	Yes	Majority	Yes	No	No
Adjourn	Yes	Majority	No	No	No
Take a recess	Yes	Majority	Yes	No	No
Raise a question of privilege	No	Chair decides	No	No	Yes
Call for orders of the day	No	Chair decides	No	No	Yes

(Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115)

How to State Privileged Motions

5. Privileged Motions	Purpose	Opening Statement
Adjourn	To end the meeting	"I move we adjourn?"
Call for orders of the day	To secure adherence to the agenda	"I move the order of the day."*
Call for orders to create	To establish agenda, organize the work	"I move we take up..."
To raise a question of privilege	To correct undesirable conditions or an emergency	"I rise to a point of privilege."*
To take a recess	To secure an intermission	"I move to recess until..."

(Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115)

*To be stated without addressing the chair or securing recognition. These motions may interrupt a speaker, but the chair should not recognize the person unless he knows the purpose of the interruption (knows whether the interruption is permissible). All other motions listed above are to be presented after addressing the chair and securing recognition.

The Most Commonly Used Motions

The following motions have been selected for inclusion in this brief description of Robert's Rules of Order because of their frequent use (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Lay on the Table: To lay on the table is a tricky motion and is used to suppress a

question. It has the highest rank among the subsidiary motions, cannot be debated or amended, and if seconded, must immediately be put to a vote. Its real intent is to move aside a pending question temporarily when consideration must be given to some business of an urgent nature (Robert, 1967:33-56).

After the business has been taken care of, it should be moved "to take from the table" the motion that was laid aside, and seconded. This must be done during the same session or at the very next meeting; otherwise it lapses and the motion is dead (Robert, 1967:33-56). If a majority vote cannot be secured "to take it from the table", to "lay it on the table" was a deliberate attempt to suppress the motion (Robert, 1967:33-56). If one wants to "kill" a motion, the legitimate motions to use are "to postpone indefinitely" or "to object to the consideration of the question" (Robert, 1967:33-56).

Substitute Motion: A substitute motion should be introduced if amendments become involved or a paragraph requires considerable changes. It cannot be made when an amendment is pending. The Chair states the substitute motion when pro- posed and then returns to the pending main motion for debate and one amendment only, but the original main motion is not put to a vote at that time. The substitute motion is then open to debate and one amendment. The vote is then taken on the substitute motion first (same as with the regular amendment); if the substitute is adopted, the main motion as substituted is put to a vote. If substitute amendment is not adopted, the main motion is voted on (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

Filling Blanks: Filling Blanks is an informal motion that provides for amendments to be made differently. It is not limited to two amendments but permits any number of suggestions or amendments to be made. After that voting on each in turn takes place until a majority vote is secured. It saves time in making formal amendments. It requires no second and it permits members to call out numbers, dates, nominations, etc. Sometimes the lowest number is voted on first and voted on in turn until a majority vote is reached (Robert, 1967:33-56). When no further suggestions are made, the chair proceeds to take a vote.

Reconsider: The motion to reconsider is made only by one who voted on the pre- vailing side. If a member considers the action taken not in the best interests of the organization and would wish the group to reconsider it, the member is advised to change his or her minority vote to that of the majority before the vote is taken, to be on the prevailing side. Anyone can second the motion to reconsider (Robert, 1967:33-56). This motion can be made only on the day the vote was taken. If the motion is carried, the original motion is again open to discussion and vote. No question can be twice reconsidered unless it was materially amended after its first reconsideration (Robert, 1967:33-56).

Reconsider and Enter on the Minutes: The motion to reconsider and enter on the minutes is a protective measure to stop any action from being taken if there is no possibility of a change in the vote. It serves notice that the action should be taken up at the next meeting. This motion outranks the motion to reconsider and can be made

immediately after the other, providing a vote has not yet been taken on it. It should be then be taken up at the very next meeting, subject to same rules of reconsideration. This requires a second (Robert, 1967:33-56).

Rescind: The motion to rescind requires a two-thirds vote if notice of the motion to be proposed has not been given at the preceding meeting or in the call of the meeting. A motion to rescind is not in order if action has already been taken which can- not be undone (Robert, 1967:33-56).

Ratify: An emergency measure may sometimes be taken by an officer or officers or at a meeting without a quorum, which requires ratification or approval at a duly constituted meeting (Robert, 1967:33-56).

Managing Amendments

Amendments

Purpose:

 The purpose of an amendment is to modify a motion that has already been presented so that it will more satisfactorily represent the desires of the members.

Options available to change wording or concepts of a motion by amendment:

1. **Addition:** This provides one with the opportunity to add or insert something that was not originally contained in the motion under discussion.

2. **Elimination:** This provides one with the opportunity to subtract or strike out a portion of the original motion.

3. **Substitution:** This provides one with the opportunity to change a motion by striking out a part of the original wording and inserting new wording. The substitution may consist of a word, phrase, clause, sentence, or an entirely new motion.

Types of Amendments:

• 1st Rank applies directly to the original main motion.

• 2nd Rank applies to a first rank amendment.

Special Notes regarding amendments:

- The second rank amendment must apply directly to the first rank amendment to which it is applied and not to the main motion. Only one amendment of each rank may be on the floor at any one time. All other amendments must wait for the disposition of those previously under consideration.

- All amendments must be "germane." That is, they must have a direct bearing upon the motion being discussed.

- An amendment may be "hostile," in that it may be directly opposed to the intent of the original motion (Robert, 1967:33-56).

Amendments: Amendments are introduced to assist in changing, modifying, or helping to complete a motion in such a way as to make it more acceptable to the assembly. Main motions when first presented are not usually made complete enough in their most essential particulars. Through amendments adding, striking out, inserting, or substituting words, these changes make the motion more complete and desirable (Robert, 1967:33-56).

An amendment must be germane to the subject of the motion directly relating to it, even if taking an opposite point of view. Amendments are seconded, debated, amended, and require a majority vote. They can be reconsidered. Amendments to main motions can be proposed only when nothing of higher rank that the motion "to postpone indefinitely" is pending.

Not more than two amendments to a motion are permitted it would otherwise become too complicated. The first amendment is called the primary amendment the second, the secondary amendment. When the first amendment is made, the vote must be taken on the amendment first, and if adopted, the original motion, as amended, must be stated and discussed, then put to vote. If there are two amendments, the latter amendment (secondary) is voted on first. It must apply to the first amendment and not to the first motion. If adopted, the first or primary amendment as amended must then be voted on (adopted) and finally the main motion as amended. Until the Main Motion has been voted on or disposed of, there is no decision and no other main motion may be introduced (Robert, 1967:33-56; Rozakis and Lichtenstein, 1995:105-115).

While there cannot be more than two amendments pending at a time, if they are voted down, other amendments may be presented.

An amendment may be hostile, but it must be germane. It may be hostile to the extent of reversing the intent of the motion (Robert, 1967:33-56).

Sequence of Events When Amending a Motion

1. Member is recognized by the chair and proposes the amendment.

2. Another member seconds the proposed amendment.

3. The chair repeats the amendment to the group.

4. Discussion on the amendment takes place.

5. Discussion is closed. The question may be called.

6. The assembly votes on the amendment.

7. The majority vote is announced on the amendment that affects the main motion.

8. The chair states the main amended motion (if amendment was approved).

9. The chair reopens discussion on the main amended motion.

10. Discussion is closed when discussion has ceased or question was called.

11. The assembly votes on the main motion.

12. The majority vote is announced on the main motion and recorded in the minutes (Robert, 1967:33-56).

Additional Clarifying Points About Amending a Motion

The order of the voting on a motion and the amendments applied to it is the reverse of the order in which they were presented.

- When an amendment to an amendment is pending, the previous question may be stated in any one of the following forms:

- "I move the previous question" to close debate on just the amendment to the amendment.

- " move the previous question on the amendment" to close debate and vote on both the amendment to the amendment and the amendment to the main motion, or

- "I move the previous question on the main motion," to end all discussion and vote immediately on the amendment to the amendment, the amendment to the motion, and the main motion. The maker of a motion has no control over what amendments may be applied to it. The presiding officer does not ask whether the maker accepts the amendment. He may, however, reject an amendment as not germane, not relevant to the question (Robert, 1967:33-56).

Parliamentary Procedures Questionnaire

In the table below observe a number of statements related to maximizing your Board's effectiveness. Register your reaction to each statement by circling one of the numbers to the right of the statement.

1= Strongly Agree (SA) 2=Disagree (D) 3=Undecided (U) 4=Agree (A) 5=Strongly Disagree (SD)

Observations About Parliamentary Procedures and Protocols

	SD	D	U	A	SA
1. Each member of the board is always given a notice of the time, place, and purpose of each board meeting.	1	2	3	4	5
2. This board never holds an official meeting unless a quorum is present.	1	2	3	4	5
3. Each time this board makes a decision, the question being discussed is always stated clearly for all to hear.	1	2	3	4	5
4. Members of this board never vote on an issue until they know and understand the question being discussed and the likely impact of the decision.	1	2	3	4	5
5. Each member of the board is encouraged to speak up on each question being discussed during the board meetings.	1	2	3	4	5
6. This board never makes a decision without putting it to a vote of the board members present at the meeting.	1	2	3	4	5
7. No member of the board is ever forced to vote.	1	2	3	4	5
8. Decision by this board are always decided by the vote of the majority of the members voting.	1	2	3	4	5
9. Any vote taken by this board in conflict with federal, state, and local laws or corporate by-laws is recognized by the members of the board as null and void.	1	2	3	4	5
10. Any member of the board in the minority (on a particular question) is always given the right to speak and be heard by the other members of the board.	1	2	3	4	5
11. Once a vote has been taken during a board meeting, the question under discussion is not raised again in the same form during the meeting.	1	2	3	4	5

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Appendix A — Glossary of Terms

Chair — Presiding officer of an assembly.

Quorum — Number of persons that must be present at a meeting to take legal action on business matters. Usually, this number is specified in an organization's bylaws.

Plurality — More votes than cast for any other alternative but less than the number necessary for a majority.

Suspension of the rules — The organization can set aside one or more of its own rules to take a particular action. This can be done only when the suspension does not conflict with the organization's constitution and bylaws.

Table — "To lay on the table" or "table" means to delay action on the motion in question. Originally, it referred literally to the speaker's table.

Division, or division of the house — The chair or a member usually calls this for if a voice vote has been close. To get an accurate count, first the "aye" or "yes" voters stand to be counted. This is followed by the "nay" or "no" voters standing to be counted while the others are seated.

Floor — This gives a speaker the right to address the chair and the assembly. It also refers literally to "the floor," where a speaker stands to be recognized.

Convene — The meeting is called to order by the chair.

On the floor — The assembly is considering a motion.

Orders of the day — This is the agreed upon agenda. These orders include priority of items, time limits, and sometimes the order in which speakers are to talk.

Standing rules — The rules or regulations for time and place of the meeting.

Withdraw a motion — There are three ways to withdraw a motion. Before the chair states a motion, the maker of the motion may withdraw his motion with or without consent of the second or the chair may change the motion without asking the con- sent of anyone. The seconder may withdraw his or her second if he or she does not agree with the change. The person who made the motion (and only if consent is given) may withdraw a motion I the chair has stated the motion. Any member may move to withdraw a motion. If consent is given by both the originator of the motion and the seconder, it is withdrawn. If the chair has stated the motion for assembly consideration, the originator, the person seconding the original motion (not the motion for withdrawal) and a majority of the entire assembly must agree to with- draw the motion.

Yield the floor — Any member may yield the floor (or give up his right to speak) to any other member, but in doing so he or she forfeits the right to the floor (De Vries, 1998:258-59; Rozakis and Lichtenstein, 1995:203-210).

Appendix B – Types and Conditions of Motions

Motions that Can Interrupt a Speaker:

- A call for the orders of the day
- A point of order
- A question of privilege
- A question of quorum

Motions that Cannot Interrupt a Speaker Without His Consent But May Interrupt the Proceedings:

- Appeal from decision of chair
- Giving notice of reconsideration or repeal
- Objection to consideration of a question
- Parliamentary inquiry
- Point of information
- Request that the question be divided

Motions that Do Not Require a Second:

- Call for the recount of vote
- Call for the division of the question under certain circumstances
- Call up motion to reconsider
- Call for the orders of the day
- Committee and board recommendations-motions
- Filling blanks
- Inquiries of any kind
- Leave to withdraw a motion (if not stated by the Chair)
- Nominations
- Objection to the consideration of the question
- Parliamentary inquiry
- Point of information
- Point of order
- Question or privilege

Motions that Cannot Be Amended:

- Adjourn (except when qualified or when made with no provision for future meeting)
- Amend an amendment
- Appeal
- Call for the orders of the day
- Call for the division of the assembly (voting)
- Filling a blank
- Grant leave to withdraw a motion
- Lay on the table
- Leave to read papers
- Nomination
- Object to consideration of a question

- Postpone indefinitely
- Previous question
- Question of order
- Question of privilege
- Reconsider and call up question to reconsider
- Request of any kind
- Take from the table
- Take up a question out of its proper order

Motions that Cannot Be Debated:

- Adjourn
- Amend a non-debatable motion
- Appeal
- Call for the orders of the day
- Call up motion to reconsider
- Dispense with the reading of the minutes
- Fix the time to which to adjourn (when privileged)
- Lay on the table
- Limit or extend debate
- Objection to the consideration of a question

Other Incidental Motions that Include the Following:

- Close or reopen nomination
- Division of an assembly
- Division of a question
- Filling a blank
- Point of order, information, inquiry
- Question of quorum present
- Voting, motions relating to methods of
- Withdraw a motion
- Previous question
- Raise a question of privilege
- Reconsider an un-debatable motion
- Suspension of the rules
- Take a recess (when privileged)
- Take from the table

Motions Requiring a Two-thirds Vote:

(Used in all situations when a change of constitution and bylaws is adopted or where some right of the membership is curtailed.)

- To amend any part of constitution, bylaws, etc. previously adopted; also requires previous notice
- To amend or rescind a standing rule, order of business, or a resolution, previously adopted, if previous notice was given
- Close nominations limiting the names to be voted for at an election

- Correction of adopted minutes if proposed at a later meeting than the one at which it was originally adopted, unless previous notice of the proposed amendment (correction) has been given
- Depose from office (also requires previous notice)
- Discharge a committee when previous notice has not been given
- Extend the time set for adjournment or for taking a recess
- To limit or extend debate
- To make a special order of business
- The previous question (close debate)
- Refuse to take up an order of the day
- To repeal or rescind that which has been adopted unless previous notice has been given
- To suspend the rules
- Sustain an objection to the consideration of a question
- To take up a question out of its proper order

Motions that Cannot Be Reconsidered:

- Adjourn
- Call for the orders of the day
- Division of the assembly
- Division of the question
- Lay on the table
- Main motions executed in whole or partially
- Nominations, to make or to close
- Parliamentary or other inquiry
- Raise question of order or privilege
- Reconsider
- Suspend the rules of order of business
- Take a recess
- Take from the table

Appendix C — Parliamentary Procedure Quiz

Mark the following statements True (T) or False (F). (Incidentally, since you are testing yourself, only you need see your answers.)

_____ 1. Normally, traffic rules for groups in our society take the form of parliamentary procedure.

_____ 2. Parliamentary procedure began in the English Parliament.

_____ 3. Parliamentary procedure should provide a flexible plan for fairly, efficiently and harmoniously transacting the business at hand.

_____ 4. Group size and formality of parliamentary procedure should increase together.

_____ 5. Group knowledge and formality of parliamentary procedure should increase together.

_____ 6. Formality of parliamentary procedure should generally decrease as group agreement increases.

_____ 7. Our small, rather informal, special interest groups generally have NOT adapted parliamentary procedure in an effective manner.

_____ 8. A group should err on the side of informality rather than on the side of formality.

_____ 9. A chair should decide the speaker order.

_____ 10. A chair may appoint committees.

_____ 11. A chair may vote to break a tie.

_____ 12. A chair has the same voting rights as members unless stated other- wise in the group's constitution and bylaws.

_____ 13. A chair should not influence the vote.

_____ 14. A secretary's duties generally are to record and/or to correspond.

_____ 15. If one person handles both the recording and corresponding secretarial duties, these should be reported separately.

_____ 16. A chair should refuse to let persons speak who are only "axe grinders."

_____ 17. A chair generally does not vote simply because it is unnecessary.

_____ 18. A chair may vote to make a tie unless restricted by the constitution and bylaws.

_____ 19. An agenda is an orderly sequence of items for the group's consideration.

_____ 20. It is helpful to arrange the items contained in the agenda from routine to more involved to help stimulate discussion.

_____ 21. Equally important, yet too often overlooked, is the task of announcing the agenda to the group.

_____ 22. Committee reports are of three kinds: Unanimous, majority, and minority.

_____ 23. A majority report should always be accompanied by a minority report.

_____ 24. A committee report that has been received or filed by the parent group does not bind the group to the contents of that report.

_____ 25. A committee report that has been accepted or adopted binds the parent group to the contents of that report.

_____ 26. Committee reports that have been postponed, returned, or referred imply delay final action on these reports until a later date.

_____ 27. It is generally preferable to complete action on a routine, non-time-consuming report during the committee report section of the agenda.

_____ 28. Often involved and time-consuming committee reports may be given and acted upon during new business for convenience and better continuity of the agenda.

_____ 29. Always introduce a main motion by "I move."

_____ 30. "I make," "I so move," or "So moved" are all formally incorrect introductions of a main motion.

_____ 31. A main motion may have only an amendment to the motion and an amendment to the amendment. Further amendments for that motion are out of order.

_____ 32. Amendments may be made by inserting, by striking out, or by substituting.

_____ 33. Introduction of an involved idea can best be made via discussion first and a motion second.

_____ 34. There are five kinds of motions: main motions, subsidiary motions incidental motions, renewal motions, and privileged motions.

_____ 35. Generally, non-involved ideas or ideas already considered by a committee can be introduced by a motion immediately without fear of amendments being necessary.

_____ 36. Any motion made while no other business is on the floor is a main motion.

_____ 37. Incidental motions have no order of precedence among themselves.

_____ 38. Subsidiary, renewal, and privileged motions all have an order of precedence among themselves.

_____ 39. Only "corrections" to the minutes should be asked for rather than "additions or corrections."

_____ 40. The treasurer's report should only be received or filed until audited, never accepted as read.

_____ 41. The vote must be taken both favorably and unfavorably.

_____ 42. Negative voice votes should be so indicated by "nay" or "no," never by "like sign" or "same sign."

_____ 43. Preparation of your agenda is largely wasted effort, unless you also announce the agenda to your group, as BOTH are important for a successful meeting.

_____ 44. Only one item of business as a time can be introduced for the group's consideration.

_____ 45. It takes more than parliamentary procedure for a successful meeting.

_____ 46. A plurality is simply more votes for one than for any other alternative, but less than a majority.

_____ 47. "Orders of the day" simply refer to adherence to the announced agenda.

_____ 48. A quorum is the number of persons that your group has agreed must be present in order to transact business.

_____ 49. A good meeting is run, always, according to acceptable parliamentary procedure.

Now that you have finished testing yourself, check your answers against those that are considered acceptable. Numbers 1 through 48 are True; number 49 is False.

By-Laws of a Statewide Religious Charity

As Adopted November 18,1995

Source of this sample: National Center for Nonprofit Boards (BoardSource). These materials are part of "The Nonprofit Board's Guide to Bylaws: Creating a Frame- work for Effective Governance."

ARTICLE I

NAME

Section 1.   The name of the Corporation shall be [statewide religious charity].

Section 2.   The principal office of the Corporation shall be in [City, State].

ARTICLE II

OBJECT AND PURPOSE

Section 1.   The object and purpose of the Corporation shall be establishing and operating a social service agency in the broadest possible sense of that term, as set forth in the Articles of Incorporation.

ARTICLE III

BOARD OF TRUSTEES

Section 1.   The Board of Trustees has the general power to (1) control and manage the affairs, funds and property of the Corporation; (2) disburse the Corporation's monies and dispose of its property in fulfillment of its corporate purpose; provided, however, that the fundamental and basic purposes of the Corporation shall not thereby be amended or changed and provided further that the Board of Trustees shall not permit any part of the net earnings or capital of the Corporation to inure to the benefit of any private individual.

The Board of Trustees shall appoint an Executive Director who shall be responsible to the Board for the management and staffing of the Corporation.

Section 2.   The Board of Trustees shall consist of sixteen (16) members, twelve (12) of whom shall be elected (the "Elected Trustees") by each of the six (6) religious regional areas (the "Regional Areas"), and four (4) of whom shall be appointed (the "Appointed Trustees") by the [state's top religious leader], all as in this Article III provided. Ex-officio members shall include the [state's top religious leader], the Executive Director of the Corporation and such other ex-officio members and members emeriti as are appointed by the Trustees. Ex-officio members shall not be entitled to vote on any matter requiring the act of the Board of Trustees.

Section 3.   There shall at all times be two (2) members of the Board of Trustees who are elected by each of the six (6) Regional Areas, and four (4) members of the Board of Trustees who are appointed by the [state's top religious leader]. No later than March 31 in each calendar year, each Regional Area and the [state's top religious leader] shall elect or appoint, as applicable, a successor to any Trustee elected by said Regional Area or appointed by the [state's top religious leader], as applicable, whose term expires during such calendar year.

Section 4.   Trustees shall be elected or appointed to office for a term of three (3) years commencing with the annual meeting immediately following their election or appointment; provided, however, that the term of office of those Trustees constituting the Board of Trustees as of the date of adoption of these Bylaws shall serve until their successors are elected or appointed, as applicable, during the 1997 calendar year or the 1998 calendar year, as designated in the Articles of Amendment to the Articles of Incorporation of the Corporation dated January, 1996. No Trustee shall serve more than two (2) consecutive terms without a lapse of at least one (1) year prior to election or appointment to a third term of office. A Trustee elected or appointed to an unexpired term of office shall be eligible to serve only one (1) additional term of office without a lapse of at least one (1) year before election or appointment to an additional term of office.

Section 5.   No fewer than three-fourths of the whole number of Trustees shall at all times be members of the founding church in good standing who are canonically resident in [State] (Articles of Incorporation IX).

Section 6.   Any Trustee may resign by giving written notice of his or her resignation to the Board or to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified in such notice and the acceptance of such resignation shall not be necessary to make it effective. A Trustee may be removed from office, with or without cause, as follows: (i) an Elected Trustee may be removed from office by the Regional Area which elected said Trustee; and (ii) an Appointed Trustee may be removed from office by the [state's top religious leader]. Any Trustee absent for three (3) consecutive meetings of the Board without prior notice to the chair may be removed from the Board by the Executive Committee acting in its sole discretion.

Section 7.   Any vacancy occurring in the Board of Trustees by reason of death, resignation or removal shall be filled in the following manner: (i) if the vacancy pertains to an Elected Trustee, the vacancy shall be filled by the Regional Area which elected said Trustee; and (ii) if the vacancy pertains to an Appointed Trustee, the vacancy shall be filled by the [state's top religious leader]. A Trustee so elected or appointed to fill a vacancy occurring in the Board of Trustees shall hold office for the unexpired portion of the original term.

ARTICLE IV

MEETINGS

Section 1.   The Board of Trustees shall annually hold four (4) business meetings, one retreat/workshop meeting and an annual meeting. The business meetings shall be held in [City, State] at such place designated by the Executive Committee.

The meeting place of the retreat/workshop and the annual meeting shall be designated by the Executive Committee. The date and time of all meetings shall be recommended by the Executive Committee and approved by the Board of Trustees.

Section 2.   The annual meeting of the Board of Trustees shall be held on a date designated by the President occurring in the first or second quarter of the calendar year following completion of any and all necessary elections or appointments of Trustees pursuant to Article III of these Bylaws to serve on the Board of Trustees for the ensuing year. Written notice shall be given seven (7) days prior to the date of the annual meeting.

Section 3.   Special meetings may be called by the President. Written notice shall be given seven (7) days prior to the date of the meeting.

Section 4.   A majority of the number of directors entitled to vote, including in that number two (2) elected officers, shall constitute a quorum for the trans-action of business at any meeting of the Board of Trustees, but if less than such number is present at a meeting, the majority of the Trustees entitled to vote and present may adjourn the meeting from time to time without further notice.

Section 5.   The act of the majority of the Trustees entitled to vote and present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law, the Articles of Incorporation, or as otherwise provided in these Bylaws.

ARTICLE V

OFFICERS

Section 1.   The officers of the Corporation shall be President, Vice President, Secretary, Treasurer and such other officers and assistant officers as may be deemed necessary by the Board of Trustees. One person may hold more than one (1) office, and any office may be left unfilled. Only members of the Board of Trustees may serve as officers of the Corporation.

Section 2.   Candidates shall be selected by a nominating committee appointed by the President and by nominations from the floor. Elections shall be held at the annual meeting and may be by secret ballot.

Section 3.   Officers of the Corporation shall be elected annually. Each officer shall hold office until said officer's successor shall have been duly elected and shall have qualified, or until said officer's earlier death, resignation, or removal. No officer, other than the Treasurer, may serve for more than two (2) consecutive terms. The Treasurer may serve an unlimited number of consecutive terms as Treasurer, not to exceed a total of six
(6) consecutive years in office.

Section 4.   Any officer or agent may be removed, with or without cause, by a vote of the Board of Trustees whenever in its judgment the best interests of the Corporation will be served thereby.

Section 5.   A vacancy in any office because of death, resignation, removal, disqualification, creation of a new office, or any other reason, may be filled by the Executive Committee for the unexpired portion of the term.

Section 6.   The officers shall perform the duties prescribed by these Bylaws and by the parliamentary authority adopted by this Corporation.

ARTICLE VI

EXECUTIVE COMMITTEE

Section 1.   The Executive Committee shall consist of the elected officers of the Board of Trustees.

Section 2.   The Executive Committee is authorized to transact the business of the Corporation between regular meetings, making decisions which cannot wait for regular Board meetings; provided, however, that the Executive Committee shall not have the authority of the Board of Trustees in reference to the following matters: (a) the filling of vacancies on the Board of Trustees or on any committee of the Board of Trustees; (b) the amendment or repeal of the Corporation's Bylaws or the adoption of new Bylaws; and (c) the fixing of compensation of Trustees for serving on the Board of Trustees or on any committee of the Board of Trustees. Reports of actions taken shall be made at the next regular Board meeting.

ARTICLE VII

DUTIES OF OFFICERS

Section 1.   The President shall be the chief elected official of the Corporation; pre- side at all meetings of the Board and Executive Committee; appoint committees, standing and special, as may be deemed necessary; is ex- officio member of all committees except the nominating committee; the President has general supervision over the activities of the Board of Trustees.

Section 2.   The Vice President assists the President in the performance of pre- scribed duties; assumes the duties of the President in the absence of that officer and performs such other duties as may be assigned by the

President. The vice President shall also serve as the President Elect and shall succeed to the office of President upon the expiration of the President's term of office.

Section 3.   The Secretary is the recording officer of the Board of Trustees and the custodian of its records; duties include recording minutes of meetings of the Executive Committee and regular meetings of the Board; keeping a file of all reports; conducting correspondence; performing related duties as may be assigned by the President and/or the Board of Trustees.

Section 4.   The Treasurer is the financial officer of the Board of Trustees and shall also act as the Chair of the Finance Committee which shall work with the Executive Director in (1) preparation of budgets, (2) financial reports, and other related duties as assigned by the President or the Board of Trustees.

ARTICLE VIII

EXECUTIVE DIRECTOR

Section 1.   The Executive Director is appointed by the Board of Trustees and serves, without vote, as an ex-officio member of the Board and all Board Committees. The Executive Director is responsible for the management and staffing of the Corporation and the implementation of policies as established by the Board of Trustees.

ARTICLE IX

COMMITTEES

Section 1. Standing Committees may be established by the Board of Trustees as it deems necessary, and may include any or all of the following Standing Committees with the responsibilities and duties listed below:

A.   Program Committee: Responsible for the regular review of all programs in light of agency mission and resources; responsible for recommending the continuation or discontinuation of current programs; responsible for reviewing new program proposals and recommending those to be accepted; responsible for recommending the institution of major program revisions.

B.   Nominating Committee: Responsible for developing and recommending a profile of Board membership and identifying how current Board members fit the profile; responsible for communicating to Regional Areas the special skills and attributes needed for Board membership as well as membership requirements; responsible for nominating individuals for election to Board officer positions; responsible for insuring that Board members receive appropriate orientation; responsible for reviewing the service of each Board member on an annual basis.

C. Finance Committee: Responsible for working with staff to create the upcoming fiscal year budget; responsible for presenting budget recommendations to the Board; monitors implementation of the approved budget on a regular basis and recommends proposed budget revisions; recommends to the Board appropriate policies for the management of the Corporation's assets.

D. Fund Raising Committee: Responsible for working with staff to create a series of annual goals for each source of contributed income and for establishing time frames for the raising of funds from each source of income category; responsible for assuring the timely raising of funds to meet goals and objectives.

E. Endowment Committee: Responsible for investing gifts to the endowment fund and dividends therefrom within the guidelines established by the Board of Trustees; promotes and encourages giving to the endowment fund and consults with individual donors to advise regarding mechanisms for giving available through the Corporation.

F. Marketing Committee: Responsible for developing a marketing plan to gain broad acceptance of the Corporation's plans and objectives and to activate a determined public relations campaign.

G. Strategic Planning Committee: Responsible for analyzing the Corporation's organization and its environment and for creating an orderly program to guide the Corporation's future development.

The President shall appoint Special Committees on an as needed basis for specific functions.

Section 2.   The Chair and the members of each Committee shall be appointed by the President, and need not be a member of the Board of Trustees.

Section 3.   Each Standing Committee shall meet on a regular basis (as needed) at meeting times designated by the Chair and shall submit a written report to the Executive Director on or before fourteen (14) days before the next regularly scheduled meeting of the Board of Trustees for distribution to the Board in preparation for said meeting.

ARTICLE X

AMENDMENT OF BYLAWS

Section 1.   These Bylaws may be amended at any regular meeting of the Board of Trustees by a two-thirds vote of those present, provided a quorum is present and provided that the amendment has been submitted in writing to the Board of Trustees at least fourteen (14) days prior to such regular meeting.

ARTICLE XI

PARLIAMENTARY AUTHORITY

Section 1.   *Robert's Rules of Order, Newly Revised* shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order this Board may adopt, and are not in conflict with the Bylaws of the [religious organization] or the Articles of Incorporation of the Corporation.

CERTIFICATE

The undersigned hereby certifies that the foregoing Amended and Restated Bylaws have been duly adopted by the Board of Directors of [statewide religious charity] at a meeting duly held on November 18, 1995, that they include all amendments adopted through this date, and that they have not been further amended, rescinded or repealed, and are currently in effect.

REFERENCES

Source: National Center for Nonprofit Boards (BoardSource). These materials are part of "The Nonprofit Board's Guide to Bylaws: Creating a Framework for Effective Governance."

Special appreciation to Erin Hardwick, Executive Director, South Carolina Association of Nonprofit Organizations, 625 Taylor Street, Suite C, Columbia, South Carolina 29201. Tel: 803-929-0890; Fax: 803-929-0173. E-mail: info@scanpo.org.

By-Laws of a Children's Literacy Organization

Source of this sample of By-Laws: National Center for Nonprofit Boards (BoardSource). These materials are part of "The Nonprofit Board's Guide to Bylaws: Creating a Framework for Effective Governance."

ARTICLE I

OFFICES

Section 1.   Principal Office. The principal office of the corporation within the [State] shall be in [City, State].

Section 2.   Other Offices. The corporation may also have offices at such other places both within and without the [State] as the board of directors may from time to time determine or the activities of the corporation may require.

ARTICLE II

MEMBERS

The corporation shall have no members.

ARTICLE III

BOARD OF DIRECTORS

Section 1.   Management. The board of directors shall have general power to control and manage the affairs and property of the corporation and shall have full power to adopt rules and regulations governing the action of the board of directors and shall have full authority with respect to, among other things, the distribution and payment of monies received by the corporation from time to time; provided, however, that the fundamental and basic purposes of the corporation, as expressed in the certificate of incorporation, shall not thereby be amended or changed, and provided, further, that the board of directors shall not permit any part of the net earnings or capital of the corporation to inure to the benefit of any private individual except as permitted under the Not-for-Profit Corporation Law of the State of [State].

Section 2.   Number. The number of directors constituting the entire board shall not be less than three (3). The first board shall consist of four (4) directors. Thereafter, within the above specified limits, the number of directors shall be determined by resolution of the board of directors.

Section 3.   Election and Tenure. The directors shall be elected at the annual meeting of the board of directors and each director so elected shall hold office until the annual meeting of the board of directors next succeeding his or her election and until his or her successor has been elected and qualified or until his or her earlier resignation or removal.

Section 4.   Newly Created Directorships and Vacancies. Newly created directorships

resulting from an increase in the number of directors and vacancies occurring in the board for any reason may be filled by a majority of the directors then in office, although less than a quorum, and each director so chosen shall hold office until the next succeeding annual election of directors and until his or her successor has been elected and qualified or until his or her earlier resignation or removal.

Section 5.   Removal. Any director may be removed, with or without cause, at any time by the vote of the directors then in office at a special meeting called for that purpose.

Section 6.   Meetings. The annual meeting of the board of directors, commencing with the year 1990, shall be held at such time and place as shall be designated by the board of directors. Regular meetings of the board of directors may be held without notice at such time and place as from time to time may be fixed by the board of directors. Special meetings of the board of directors shall be held at the demand of the president or of any director. Any one or more members of the board or any commit- tee thereof may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 7.   Notice of Meetings. The annual meeting of the board of directors may be held without notice to the directors. Regular meetings may also be held without notice to the directors. Special meetings shall be held   upon three days written notice mailed or upon written or oral notice given personally or by telephone or other means of electronic communication, in which case the meeting may be held as soon after such notice is given as a quorum may be assembled at the place of the meeting, unless another time shall be specified in the notice. The notice of a special meeting shall state the place, date and hour of the meeting. If the notice is mailed, it shall be by first class mail and shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid, directed to the director at his or her address as it appears on the books of the corporation. A majority of directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of adjournment of the meeting of the board of directors to another time or place shall be given to the directors who were not present at the time of adjournment and, unless such time and place are announced at the meeting, to the other directors.

Section 8.   Waiver of Notice. Notice of a meeting need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or who attends a meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

Section 9.   Quorum. At all meetings of the board of directors, a majority of the entire board of directors shall constitute a quorum for the transaction of business or any specified item of business.

Section 10. Voting. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may otherwise be specifically provided by statute or by the certificate of incorporation.

Section 11. Consents. Whenever any action is required or permitted to be taken by the board of directors or any committee thereof, such action may be taken without a meeting if all members of the board of directors or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the members of the board of directors or committee shall be filed with the minutes of the proceedings of the board of directors or committee.

Section 12. Compensation. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed to any director for attendance at each regular or special meeting of the board of directors or any meetings of any committee of the board of directors of which such director is a member.

Section 13. Committees of Directors. The board of directors, by resolution adopted by a majority of the entire board, may designate, from among its members, an executive committee and one or more other committees, each consisting of three or more directors, and each of which, to the extent provided in such resolution, shall have all the authority of the board of directors except as otherwise prohibited by law. Vacancies in the membership of the committee shall be filled by the board of directors at a regular or special meeting of the board of directors. The executive committee shall keep regular minutes of its proceedings and report the same to the board when required.

ARTICLE IV

OFFICERS

Section 1.   Officers. The officers of the corporation shall be elected by the board of directors and shall be a president, a vice-president, a secretary and a treasurer. The board of directors may also elect or appoint one or more additional vice-presidents, one or more assistant secretaries and assistant treasurers and such other officers and agents as it shall determine from time to time advisable. No officer need be a member of the board of directors and any two or more offices may be held by the same per- son, except the offices of president and secretary. The officers of the corporation shall be elected annually by the board of directors at its annual meeting.

Section 2.   Tenure; Resignation; Removal. Each officer of the corporation shall hold office until his or her successor is elected or appointed or until his or her earlier displacement from office by resignation, removal or otherwise. Any officer may resign by written notice to the corporation and may be removed for cause or without cause by the board of directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the board of directors.

Section 3.   Compensation. The compensation of all officers of the corporation shall be fixed by the board of directors.

Section 4.   Authority and Duties. All officers as between themselves and the corporation shall have such authority and perform such duties in the management of the corporation as may be provided in these bylaws, or, to the extent not so provided, as may be prescribed by the board of directors.

Section 5.   The President. The president shall be the chief executive officer of the corporation. He or she shall have general and active management of the business of the corporation. He or she shall see to it that all resolutions and orders of the board of directors are carried into effect, and, in connection therewith, he or she shall be authorized to delegate to the other officers of the corporation such of his or her powers and duties as president at such times and in such manner as he or she may deem to be advisable. He or she shall be ex officio a member of all standing committees; and he or she shall preside at all meetings of the directors.

Section 6.   The Vice President. The vice president or, if there be more than one, the vice presidents, shall assist the president in the management of the business of the corporation and the implementation of resolutions and orders of the board of directors at such times and in such manner as the president or the board of directors deem to be advisable. The vice president, or, if there be more than one, the vice presidents in the order of their seniority as indicated by their titles or, in the absence of differing titles, in the order of their election, or as otherwise determined by the board of directors, shall in the absence or disability of the president exercise the powers and perform the duties of president, and he or she or they shall have such other powers and duties as the board of directors or the president may from time to time prescribe.

Section 7.   The Treasurer. The treasurer shall have the care and custody of the corporate funds and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. The treasurer may disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements,

and shall render to the president and the board of directors, at meetings or whenever they may require it, an account of all his or her transactions as treasurer and of the financial condition of the corporation. The treasurer shall perform such other duties as generally are incident to the office of treasurer and as may be prescribed by the board of directors or by the president.

Section 8. The Secretary. The secretary shall attend all meetings of the board of directors and shall record the minutes of all proceedings taken at such meetings, and maintain all documents evidencing corporate actions taken by written consent of the board of directors, in a book to be kept for that purpose; and he or she shall perform like duties for any committees of the board of directors when required. He or she shall see to it that all notices of special meetings of the board of directors are duly given in accordance with these bylaws or as required by statute; he or she shall be the custodian of the seal of the corporation, and, when authorized by the board of directors, he or she shall cause the corporation seal to be affixed to any document requiring it, and, when so affixed, attested by his or her signature as secretary or by the signature of an assistant secretary; and he or she shall perform such other duties as generally are incident to the office of secretary and as from time to time may be prescribed by the board of directors or by the president.

ARTICLE V

BOARD OF ADVISORS

Section 1. Board of Advisors; Tenure; Authority. The board of directors may appoint from time to time any number of persons or advisors of the corporation to act either singly or as a committee or committees. Each such advisor shall hold office during the pleasure of the board of directors and shall have only such authority or obligations as the board of directors may from time to time determine.

Section 2. Compensation. Advisors shall not receive, directly or indirectly, any salary or other compensation for their services, but, by resolution of the board of directors, reimbursement of expenses may be allowed to any advisor for expenditures reasonably incurred on behalf of activities for the benefit of the corporation.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Checks, Notes, etc. All checks or other orders for the payment of money and all notes or other instruments evidencing indebtedness of the corporation shall be signed on its behalf by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 2.   Fiscal Year. The fiscal year of the corporation shall be fixed by, and may from time to time be changed by, resolution of the board of directors.

Section 3.   Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, [State]". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 4.   Voting of Securities of Other Corporations. In the event that the corporation shall at any time or from time to time own and have power to vote any securities, including without limitation shares of stock, of any other issuer, such securities shall be voted by such person or persons, to such extent and in such manner, as may be determined by the board of directors.

ARTICLE VII

INDEMNIFICATION

The corporation shall (1) indemnify any person, made a party to an action by or in the right of the corporation to procure a judgment in its favor, by reason of the fact that he or she, his or her testator or intestate, is or was a director or officer of the corporation, against the reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such director or officer is adjudged to have breached his or her duty to the corporation under section 717 of the [State] Not-For-Profit Corporation Law, and (2) indemnify any person, made, or threatened to be made, a party to an action or proceeding other than one by or in the right of the corporation to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the corporation served in any capacity at the request of the corporation, by reason of the fact that he or she, his or her testator or intestate, was a director or officer of the corporation, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such officer or director acted in good faith, for a purpose which he or she reasonably believed to be in, or, in the case of service for any other corporation or any partner- ship, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the corporation, and in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful, in   each case to the fullest extent permissible under sections 721 through 726 of the [State] Not-For-Profit Corporation Law or the indemnification provisions of any successor statute.

ARTICLE VIII

AMENDMENTS

These by-laws may be amended or repealed, in whole or in part, and new by-laws may be adopted by the board of directors.

REFERENCES

Source: National Center for Nonprofit Boards (BoardSource). These materials are part of "The Nonprofit Board's Guide to Bylaws: Creating a Framework for Effective Governance."

Special appreciation to Erin Hardwick, Executive Director, South Carolina Association of Nonprofit Organizations, 625 Taylor Street, Suite C, Columbia, South Carolina 29201. Tel: 803-929-0890; Fax: 803-929-0173. E-mail: info@scanpo.org.

State of South Carolina
NonProfit Organization Application Documents 501(C) (3): Applying for and Maintaining Your Nonprofit State: An Overview

By: Kirby Mitchell, Managing Attorney, Legal Services Agency of Western Carolina, Inc., 1 Pendleton Street, Greenville, SC 29601. Phone: (864) 679-3247;
FAX: (864) 679-3260.

Note: These materials are designed to provide general information and operate as an introductory overview. Before applying for 501(c)(3) status, specific legal advice or other expert assistance is strongly recommended.

Quotes and Partial Transcript from a Case Example:

1. "I am in a group at my church and we've been talking about the needs of our community. We want to start an after-school center for kids, a place for them to get tutoring, homework help, things like that. We think we can apply for a few grants to help fund this idea, help it become a reality. I think we are interested in becoming a 501(c)(3) group … But, you know, we've got some questions."

2. Say, what is a "nonprofit" exactly? A nonprofit organization, whether incorporated or operated as a trust or as an unincorporated association, is an organization in which no part of its income can be distributed to the members, directors, or officers. Nonprofit organizations are not prohibited from making a profit. The prohibition is against the distribution of any profits to member, officers, or directors of the organization?

3. O.K., so we just need to apply with the Internal Revenue Service (IRS)? An organization obtains § 501 (c)(3) tax-exempt status by filing Forms 1023 (Application for Recognition of Exemption) and 8718 (User Fee for Determination. See attached Sample Form 1023. If the organization does not file these forms within 15 months after being established, the IRS will recognize tax-exempt status only from the date the IRS receives the application. This step, however, generally should come after a nonprofit corporation has been properly organized under state law. A nonprofit enterprise should first satisfy state requirements for recognition from the state as a nonprofit organization before applying for tax-exempt status.

4. Well, wait …, that's a big application packet you just handed me! What are the benefits of this nonprofit status, anyway? (1) Most nonprofit organizations are exempt from federal and state income taxes; (2) Some nonprofits are subject to reduced postal rates; (3) Some nonprofits are exempt from property and franchise taxes; (4) Some grants and certain funding are only available to 501(c)(3) nonprofit groups; (5) Contributions to 501(c)(3) are tax deductible under § 170 of the Internal Revenue Code; (6) Many people trust and expect better services from nonprofits in some fields.

5. O.K. well then, where should we get started? Most nonprofit organizations seek corporate status. The law relating to corporations is more defined and more flexible than that relating to trusts and associations. In addition, corporate status provides the benefits of limited liability for members of the organization, centralized management, and more definite standards relating to liability of officers and directors. Most states have adopted special nonprofit corporation statutes that govern organization and operation of nonprofit corporations. In South Carolina, see S.C. Code Ann. § 33-31-101. et seq. ("South Carolina Nonprofit Corporation Act") (1994). See attached §33-31-101.

6. To organize a nonprofit corporation, duplicate originals of the articles of incorporation are filed with the Secretary of State for the state in which the corporation is located. The Secretary of State of South Carolina has standardized forms. The articles of incorporation of a nonprofit, charitable organization must limit the charity's purposes to one or more of the exempt purposes set out in § 501 (c)(3) of the Internal Revenue Code, and there are other specific requirements that must be met.

7. After a state issues a certificate of incorporation, the incorporators or initial board of directors, should call an organizational meeting at which they will adopt bylaws and elect members. Minutes of each meeting of members or directors of a corporation are official records of corporate transactions. Minutes must be retained in a minute book prepared and maintained by the secretary. Minutes of a corporate meeting are prima facie evidence of what occurred at each meeting.

8. O.K., We've done all that. Are we tax-exempt? Not yet. Being organized as a nonprofit enterprise does not, of itself, assure tax-exempt status. Exemption from federal income taxes requires that a nonprofit organization apply for exempt status with the Internal Revenue Service (IRS). A tax-exempt entity must satisfy the provisions of §§ 501, 521, 527 or 528 of the Code to qualify for exempt status. Most nonprofit organizations qualify under § 501 (c)(3).

9. What do I need to know about applying for recognition of exemption under 501 (c)(3)? Most nonprofits seek tax-exempt status under § 501 (c)(3) of the Internal Revenue Code. Contributions to 501 (c)(3) organizations qualify donors for charitable contribution deductions. A 501 (c)(3) must be organized and operated exclusively for one or more of the following purposes: charitable, religious, education, scientific, literary, testing for public safety, fostering national or international amateur sports competition, or prevention of cruelty to children or animals. A § 501(c)(3) organization must distribute its assets for one or more exempt purposes upon dissolution, and no private individual may benefit from earnings of the organization.

10. A 501(c)(3) organization obtains tax-exempt status by filing Forms 1023 (Application for Recognition of Exemption) and 8718 (User Fee for Determination. See attached Sample Form 1023. Note: Exempt status will be recognized in advance of operations if an organization's proposed operations can

be described in sufficient detail to permit a conclusion that the organization will meet requirements for exempt status.

11. How long does it take to complete this application? It can take a while! The IRS includes "Instructions for Form 1023" which indicate the estimated aver- age time to prepare and do all the record-keeping to properly complete Parts I thru IV of Form 1023 is about 56 hours. Learning about the law or the form is estimated as taking about 5 hours. Actually preparing and sending the form to the IRS is estimated at 8 hours. Also, see attached Procedural Checklist.
Note: There are additional schedules that need to be completed depending on whether you are a church, school, medical research facility, etc.

12. How much does this cost? If you have had (or are a new organization, and are anticipating) annual gross receipts averaging not more than $10,000: $150.00. If you have had or anticipate more than $10,000: $500.00. Refer to Form 8718.

13. Hmm…. What else do you think I need to know? (1) There are many sources of information about how to manage and run a nonprofit organization (e.g., SCANPO, thousands of existing nonprofits, churches, United Ways, etc.), so you do not need to feel terribly lost or "reinvent the wheel;" Many groups have come before you!; (2) From the very beginning, plan to give donors a written acknowledgement of any contribution; (3) There are annual reporting requirements: § 501(c)(3)s must file annual information returns on Form 990 or 990EZ each year, specifying receipts and disbursements and indicating current financial status; (4) Generally, you should consider all your
§ 501 (c)(3)'s financial records and minutes and information as public, not confidential, as most of it generally needs to be disclosed to anyone who requests copies; (5) Also you need to plan to disclose your solicitation efforts.

14. Well, do you really think our group needs to apply for tax-exempt status? It really depends on what you want to do, and all the facts and circumstances of your individual situation. Generally, if a nonprofit organization has gross receipts of less than $5,000 annually, it need not apply for tax-exempt status. If it normally has gross receipts in each year of not more than $25,000, it need not file an annual return. Just working on filling out Form 1023 can often force you and your group to really plan and think about what you want the organization to become.

15. One option that works for some groups is to have another established 501(c)(3) group act as their fiscal agent for the first year of their life as a new nonprofit organization; if you consider this option, be sure to keep the two groups' finances, income statements, financial records, etc., absolutely separate: no commingling!

16. O.K., well, if we go through all this and get our tax-exempt status, what do we need to do to keep it? Keep meticulous records and minutes, and follow

all reporting and compliance requirements for both the State of South Carolina and the IRS.

17. How do groups lose their tax-exempt status? A nonprofit organization that is not organized and operated exclusively for its exempt purpose or purposes or that permits its earnings to inure to the benefit of any private individual or entity will lose its exempt status. Further, a § 501 (c)(3) organization can lose its exempt status if it engages in substantial lobbying or if any of its activities include the intervention or participation in a political campaign on behalf of, or in opposition to, a candidate for public office.

18. So, key things to avoid: (1) No part of the net earnings of a nonprofit may inure to the benefit of private individuals. Payment of excessive compensation or excessive rents and use of the facilities of a nonprofit organization to serve a private interest constitute inurement; (2) Do not engage in substantial commercial activity that is unrelated to the tax-exempt purpose of the organization; (3) Do not lobby, which is generally defined as attempting to influence legislation by propaganda or otherwise (note: some nonprofits can elect to engage in a "limited" amount of lobbying, but expenditures for this must be accurately reported). See attached sample article re: Christian Coalition

19. This sounds a little tricky, but I think our group can do it with a little help and a little advice. Know anyone who can help us?

20. Best idea: if possible, get an attorney on your nonprofit organization's initial Board of Directors.

21. Other possibilities: (1) If you think your group might qualify for assistance through Legal Services, send a brief written proposal to Teresa Cosby at the Legal Services Agency of Western Carolina, Inc., 1 Pendleton Street, Greenville, SC 29601, Phone: (864) 679-3240; Fax: (864) 679 3260. (2) If Legal Services cannot have an attorney from their office help your group, it is possible we can find a volunteer attorney in the area who will help you.,

Some internet resources to help you get started:

www.irs.gov
www.scanpo.org
www.lsawc.net

Procedural checklist:

Make sure the application is complete.

If you do not complete all applicable parts or do not provide all required attachments, we may return the incomplete application to your organization for resubmission with the missing information or attachments. This will delay the processing of the application and may delay the effective date of your organization's exempt status. The organization may also incur additional user fees.

Have you . . .

_____ Attached Form 8718 (User Fee for Exempt Organization Determination Letter Request) and the appropriate fee?

_____ Prepared the application for mailing? (See Where to File addresses on Form 8718.) Do not file the application with your local Internal Revenue Service Office.

_____ Completed Parts I through IV and any other schedules that apply to the organization?

_____ Shown the organization's Employer Identification Number (EIN)?

a. If your organization has an EIN, write it in the space provided. .

b. If this is a newly formed organization and does not have an Employer Identification Number, obtain an EIN by telephone. (See Specific Instructions, Part I, Line 2, on page 3.)

_____ Described your organization's specific activities as directed in Part II, line 1, of the application?

_____ Included a conformed copy of the complete organizing instrument? (See Specific Instructions, Part 1, Line 10, on page 3.)

_____ Had the application signed by one of the following?

a. An officer or trustee who is authorized to sign (e.g., president, treasurer); or

b. A person authorized by a power of attorney (Submit Form 2848, or other power of attorney.)

_____ Enclosed financial statements (Part IV)?

a. Current year (must include period up to within 60 days of the date the application is filed) and 3 preceding years.

b. Detailed breakdown of revenue and expenses (no lump sums).

c. If the organization has been in existence less than one year, you must also submit proposed budgets for two years showing the amounts and types of receipts and expenditures anticipated.

Note: During the technical review of a completed application, it may be necessary to contact the organization for more specific or additional information.

Do not send this checklist with the application. Citation/Title

§ 33 31 1oi, Short title.

Code 1976 § 33 31 101

CODE OF LAWS OF SOUTH CAROLINA 1976 ANNOTATED TITLE 33. CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

CHAPTER 31. SOUTH CAROLINA NONPROFIT CORPORATION ACT ARTICLE 1. GENERAL PROVISIONS

Current through End of 2000 Reg. Sess.

§ 33 31 101. Short title.

This chapter may be cited as the South Carolina Nonprofit Corporation Act of 1994. HISTORY:

1994 Act No. 384. ,§ 1. eff May 10. 1994. 1

994 Act No. 384, § 11, provides as follows:

"SECTION 11. The analysis lines preceding the code sections are for identification only and are not considered part of the Code sections. The Official Comments and the South Carolina Reporter's Notes which are included after each section are included for analytical and information purposes only and must not be considered part of the sections themselves."

HISTORICAL NOTES OFFICIAL

COMMENT

The short title provides a common name for use in referring to the state's nonprofit corporation act.

The Introduction to the Model Act provides a general background and description of the Act, its basic approach, and significant additions and changes from the last revision of the Model Act.

SOUTH CAROLINA REPORTERS' COMMENTS

This act is derived from the Revised Model Nonprofit Corporation Act adopted in 1987 by the Subcommittee on the Model Nonprofit Corporation La" of the Business Law Section of the American Bar Association. The Official Comments following each section were prepared by the Subcommittee on the Model Nonprofit Corporation Law of the Business Law Section of the American Bar Association. They are reproduced with permission. These Official Comments describe the substantive decisions made in the drafting process and in many cases explain the meaning and purpose of the section.

This act was prepared for introduction in South Carolina by a committee of the South Carolina Law Institute. This drafting committee was chaired by Theodore J. Hopkins. The drafting committee members included: Rudolph C. Barnes, Sr., Arthur M. Bjontegard, C. C. Burgess, James R Burkhard, Preston H. Callison, Shawn M. Flanagan, William L. Ivey, R. Bentz Kirby, E. Crosby Lewis, Andrew B. Marion, Burnett R. Maybank,III, William S. McMaster, Martin C. McWilliams, Jr., C. Pinckney Roberts, Edward C. Roberts, Lester S. Schwartz, Paul J. Ward, Roger A. Way, Jr., David Wheeler, and Mitchell M. Willoughby. References in the South

Carolina Reporters' Comments to "the committee" refer to this committee. The South Carolina Reporters Comments which follow each section were drafted as part of the preparation of this act by Professors Martin C. McWilliams, Jr., and James R. Burkhard of the University of South Carolina School of Law. These South Carolina Reporters' Comments are primarily intended to explain the differences, if any, between the section and the former law, and any differences between the section and the official text of the Revised Model Nonprofit Corporation Act ("Revised Model Nonprofit Corporation Act").

*21591 The Official and South Carolina Reporters' Comments are intended to assist those who use and interpret this act to determine the intention of the drafters and the interrelationship between the various sections. As such. the comments serve the same function and purposes as the comments to the Uniform Commercial Code.
Title 36, of the 1976 Code. They can be useful particularly in a state like South Carolina because the State does not have a large body of nonprofit corporation case law. The comments are not, however, part of the statutory law and, therefore, are not binding on any court or other adjudicatory body.

Form **8718**
(Rev. November 2000)
Department of the Treasury
Internal Revenue Service

User Fee for Exempt Organization
Determination Letter Request
Attach this form to determination letter application.
(Form 8718 is NOT a determination letter application.)

For IRS Use Only

Control number _____

Amount paid _____

User fee screener

---

1 Name of organization

2. Employer Identification Number

Caution: *Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.*

3. Type of request **Fee**

a ☐ Initial request for a determination letter for:

☐ An exempt organization that has had annual gross receipts averaging not more than $10,000 during the preceding 4 years, or

• A new organization that anticipates gross receipts averaging not more than $10,000 during its first 4 years ▶ $150

Note: *If you checked box 3a, you must complete the Certification below.*

Certification

I certify that the annual gross receipts of . . . .

name of organization

have averaged (or are expected to average) not more than $10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶   Title ▶

---

b ☐ Initial request for a determination letter for:

☐ An exempt organization that has had annual gross receipts averaging more than $10,000 during the preceding 4 years, or

• A new organization that anticipates gross receipts averaging not more than $10,000 during its first 4 years ▶ $500

c ☐ Group exemption letters . . . . ▶ $500

Instructions

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev.
Proc. 2000-8, 2000-1, I.R.B. 230.

Check the box or boxes on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the United States Treasury for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8717 to your determination letter application.

Send the determination letter application and Form 8718 to:
Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:
Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Attach Check or Money Order Here

BoardSource: Building Effective Nonprofit Boards
(formerly the National Center for Nonprofit Boards)

> 1828 L Street, NW, Suite 900
> Washington, DC 20036-5114
> Telephone: (202) 452-6262
> Facsimile: (202) 452-6299 http://www.boardsource.org

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The Peter F. Drucker Foundation for Nonprofit Management 320
Park Ave 3rd Fl
New York, NY 10022 USA
Telephone: (212) 224-1174
Facsimile: (212) 224-2508
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- The Jim Collins essay is also available at his site. See website for "Publications." Peter Drucker in November 2001 Economist.
- Nonprofit-business Collaboration Workbook and video now available. Read the workbook online, purchase, or download.
- Peter Drucker responds to Sept. 11, 2001, with a call "not to abandon daily life and civil society…" but "to strengthen daily life and civil society and to re-affirm their basic values and fundamental decencies."
- Thought Leaders Forum provides links to books, articles, and con- tact information for 265 individuals who make intellectual contributions to the Foundation's work.

Collaboration

Use our book, workbook and video for better nonprofit-business alliances. *The Collaboration Challenge* "a must-read users guide for any leader embarking on collaboration." *Foundation News and Commentary,* July/August 2001. This title can be ordered from Amazon.com. *Meeting the Collaboration Challenge Workbook* is avail- able online for purchase and for a free download.

- Resources and Workshops
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- Carol Sturman: Dare to Dream.
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These items can be ordered on the website from Amazon.com.

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South Carolina Association of Nonprofit Organizations (SCANPO)

Erin Hardwick, Executive Director
P.O. Box 11252 Columbia, SC 29211 Telephone:
(803) 929-0399 or (800) 438-8508 Facsimile: (803)
929-0173 http://www.scanpo.org

SCANPO has been serving the state of South Carolina's nonprofit organizations since 1997. It hosts the annual SCANPO conference each spring. The purpose of SCANPO is "to improve charitable services to the citizens of South Carolina by strengthening the leadership and management capacity of nonprofit organizations."

The State of South Carolina's Nonprofits Report — South Carolina's Nonprofit Sector: More Than Charity, a new report by SCANPO, features surprising data on the state's nonprofit sector. SCANPO will hold eight regional meetings throughout the late summer and fall of 2002 to discuss this report's findings and how your organization can benefit from it. Meetings will be held in the regions indicated below. Check the SCANPO website for more information.

<div align="center">

Columbia - August 15
Greenville - August 28
Anderson - August 29
Beaufort - September 12
Charleston - September 19
Spartanburg - September 26
Florence - October 1
Rock Hill - October 3

</div>

SCANPO's Action Network is a special feature to serve nonprofit organization leaders and members. Sign-up today for SCANPO's Action Network through GiveVoice.org to stay informed of policy alerts and other SCANPO activities.

Clemson University
DIRECTIONS: Nonprofit Resource Assessment Model

Dr. Bonnie W. Stevens, Principal Investigator
Department of Parks, Recreation and Tourism Management
263 Lehotsky Hall
Clemson University
Clemson, SC 29634-0734
Telephone: 864-656-0835
bonnie@clemson.edu
http://www.clemson.edu/cled/nei.htm

Overview

The DIRECTIONS Program is offered as part of the Clemson University Nonprofit Education Initiative. The DIRECTIONS Program was originally funded in part by a grant from the W. K. Kellogg Foundation. Clemson University Extension, the College of Health, Education, and Human Development, and local nonprofit and organizations in South Carolina provided additional funding support. The Department of Parks, Recreation and Tourism Management at Clemson University administers the program. Clemson Extension serves as the delivery system through which nonprofits can access resources and expertise of the Land Grant University and DIRECTIONS.

The DIRECTIONS Nonprofit Education Initiative is a partnership of higher education institutions, public and private agencies, and nonprofit organizations. The partnership provides an educational program for the development of effective nonprofit organizations to serve the people of South Carolina.

The DIRECTIONS Program has an important leadership role to provide nonprofit educational programs and workshops throughout South Carolina with the potential to serve 10 percent of the state's workforce.

Goals:

- Develop opportunities for regional collaboration with other educational institutions, nonprofit organizations and groups that serve the nonprofit sector in South Carolina and the region.
- Develop and test ways to provide a model program for nonprofit management education and technical assistance that will be available statewide through Clemson Extension county offices.
- Serve as an information source and facilitator of statewide collaboration, training, and education among nonprofit organizations.
- Develop a database of under-served groups working in the nonprofit sector and provide training, education and management strategies to these groups, especially in rural areas.
- Establish a system that provides a wide range of educational opportunities at each site, including certificate, undergraduate and graduate options.

Accomplishments:

- Developed the DIRECTIONS program, a Nonprofit Resource Assessment Model program. This workshop program enables community-based nonprofit and voluntary organizations to engage in a self-assessment of organizational, financial, and program dimensions of their organization in a one-day program.
- DIRECTIONS has been offered to over 20 audiences throughout counties in South Carolina during the past two years.
- Provided Assessment and Nonprofit Start-Up Training for faith-based nonprofit and voluntary organizations and volunteers.
- Provided Assessment and Nonprofit Start-Up Training to limited resource audiences.

- The Advisory Council is composed of representatives from nonprofit agencies, funding organizations, and professional associations.
- Teams of Clemson Extension agents are prepared to offer the program at the county level throughout South Carolina to nonprofit organization leaders, members, and volunteers.
- Offered the DIRECTIONS Resource Assessment Model as a pilot program in Barnwell, Greenville, Darlington, Charleston, Marion and Lexington counties and eventually offered in 15 extension regions serving all of the state. Locations include Beaufort, Orangeburg, Camden, Greenwood-Edgefield, Chester, Anderson, Pickens, and Spartanburg.
- Partnerships with other professional nonprofit organizations and agencies for the development of educational opportunities.

For more information contact:
Dr. Bonnie W. Stevens, Principal Investigator
Department of Parks, Recreation and Tourism Management
263 Lehotsky Hall, Clemson University, Clemson, SC 29634-0734 Telephone: (864) 656-0835, bonnie@clemson.edu

Dr. Christopher M. Sieverdes
Professor and Community Development Specialist
Department of Agricultural and Applied Economics
248 Barre Hall, Clemson University, Clemson, SC 29634-0355 Telephone: (864) 656-0196, csvrds@clemson.edu

Dr. Brenda J. Thames, Interim Associate Dean
College of Health, Education, and Human Development
532 Edwards Hall, Clemson University, Clemson, SC 29634
Telephone: (864) 656-2181, bthames@clemson.edu

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