What is a professional practice statement?
This professional practice statement, developed by the Association Forum, is provided as a management tool for associations and individual association professionals, developed by experts in the industry, and recommended as a means to achieve excellence in managing associations and other not-for-profit organizations.

BACKGROUND
Association governance exists to identify and achieve the organizational mission, goals and outcomes using a strategically focused and flexible structure that advances the best interests of the association.

The governance principles expressed in this professional practice statement have universal application, allowing for flexibility in how they are implemented to adjust for each association’s organizational culture. Note: There are two parts to Association Strategic Governance; we encourage that both be read for maximum benefit.

POLICY STATEMENT
Association Forum recommends five specific governance characteristics:

• **Plan Driven:** All association activity should flow from and be directed by strategic and annual operating plans. The governance structure of the association should be designed to support successful execution of those plans. See Association Forum’s professional practice statement on strategic planning.

• **Board Accountability:** The board is accountable for all governance, including the development and oversight of strategic plans and approval and oversight of operational plans. While the board may delegate some elements of governance and planning to other organizational bodies, responsibility and accountability for plan content and outcomes rests with the board.

• **Knowledge-Based:** Planning and decision making by all governing bodies should be knowledge-based. Governance appointments should be both skills-based and talent-based. Both plan decisions and governance appointments should be based on the best interests of the association rather than parochial preferences of organizational bodies or individual interests. Existing or potential conflicts of interest must be disclosed so other participants can take potential biases into consideration and in the interest of transparency.

• **Volunteers and Staff in Partnership:** Association governance is a partnership between all volunteer members and the association staff. Volunteer leaders assume accountability for organizational direction, strategic planning decisions, operating plan priorities, resource allocation and strategic outcomes oversight. From those directions, the staff addresses program development, implementation, ongoing management and operational oversight.
• **Diversity:** Plans and appointments should strive to reflect the diversity of the membership, the communities they serve, and society in general, and foster an equitable and inclusive culture.

Outside resources, such as consultants, may also be used by governing bodies and staff to facilitate the development of a strategic plan, the identification of performance metrics, and governance outcomes measurement and achievement.

**FUNCTIONS OF STRATEGIC GOVERNANCE**

Effective strategic governance fulfills five primary functions: scanning, planning, oversight, adjustment and board self-assessment.

1. Scanning examines and evaluates the environment in which the profession or industry the association represents operates. Scan results should:
   - Direct the development of the association’s strategic plan, within the context of its organizational mission.
   - Identify issues the organization should address to remain responsive and relevant to its members. This is achieved by researching outside influences or environmental factors that could impact the profession or industry.
   - Identify program and service needs.
   - Assess member needs and satisfaction.

2. Planning should take two forms–strategic and operational.
   - The board is responsible for development of the strategic plan and should regularly set aside dedicated time for strategic planning. Strategic plans emanate from the scanning results and typically include:
     - **Vision:** a picture of the future the association will attempt to build/influence.
     - **Mission:** a statement of the organization’s purpose.
     - **Goals:** descriptions of desired outcomes; stated as outcomes, the goal self-defines its success metrics.
     - **Strategies** for achieving goals with quantifiable outcomes metrics and success indicators.
     - **Prioritization systems:** establishing relative importance, most time critical, most deserving of resource allocation (e.g., member time, staff time, direct dollars).
     - **Monitoring systems:** focused on outcome achievement monitoring and making adjustments to maximize success.
The annual operating plan identifies the programs, services and initiatives that will occur during the fiscal year. The annual budget is a part of the operating plan. The chief staff executive (CSE) is responsible for the development of both the operating plan and the budget.

3. The board is accountable for the oversight of both the strategic and the operational level.

Strategic oversight includes:
- Ongoing scanning to identify trends and changes in the professional or industry environment.
- Regularly scheduled board review of benchmarks and plan metrics, assessing progress toward achieving strategic plan goals and objectives.

Operational oversight includes:
- Regularly scheduled board monitoring in partnership with the CSE of the operating plan and budget outcomes, identifying necessary adjustments as the year progresses.
- Defined progress, outcomes and achievements of planned programs and initiatives.
- Committee, task force and other volunteer unit performance in achieving assigned outcomes.
- CSE’s performance outcomes for plan components assigned to staff.
- Reviewing operational safeguards such as audits, accounting procedures, conflict of interest, whistle-blower policies and controls to safeguard the association’s tangible and intangible assets.

4. Adjustment should take advantage of new or unplanned opportunities and evaluation of what is not working or introduction of a new approach.

The board should adjust goals according to progress timelines:
- Replacing achieved goals with new ones.
- Adjusting goals when scanning identifies changed circumstances.
- Removing goals that are no longer relevant.

5. Regularly scheduled board self-assessment will support effective leadership by:
- Reinforcing roles and responsibilities to board members.
- Assisting the CSE and board in developing board job descriptions.
- Identifying areas for individual and board growth and, as a result, opportunities for continuing education.
- Cultivating a culture of learning and accountability.
• Determining whether the current board composition and size are appropriate.
• Identifying gaps in the board’s expertise or skill sets.
• Determining whether the board is sufficiently diverse.
• Enhancing meeting effectiveness.
• Providing board members with an opportunity to give feedback on their experience.

The strategic plan should be a living document. The board should review strategies at least quarterly and adjust or replace a strategy as soon as it is determined that the strategy is failing to deliver the desired outcomes it was intended to produce or that a change in the environment has caused a need to adjust priorities.

Operational plan adjustment can occur throughout the year as a result of:
• Ongoing scan findings.
• Board-directed strategic plan adjustments.
• Operating plan outcomes and assessments.

The types of adjustments that might be made include:
• Adjusting strategies.
• Adjusting expected outcomes.
• Reprioritizing and reallocating resources.
• Adjusting operational programs or activities.
• Discontinuing or sun-setting non-performing programs or activities.
• Revising operational safeguards.

See Association Strategic Governance, Part II: Characteristics for additional information.

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RESOURCE LIST


Coerver, H., Byers, M. Race for Relevance, Five Radical Changes for Associations. ASAE. June 2021.

Coerver, H., Byers, M. Race to Relevance, Five Strategies for Competitive Associations. ASAE. July 2013.


ASSOCIATION STRATEGIC GOVERNANCE, PART 1: FUNCTIONS


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