# Leaders on Board

### From Passion to Action

Mae Maloney, MSW
she | her | hers
Senior Program Director

### Welcome!

- Leadership Greater Hartford (LGH) develops, connects and inspires diverse leaders to build inclusive and vibrant communities.
- Leaders On Board (LOB) prepares candidates for nonprofit board service and helps them find organizations looking for new board members.



















































# Today's Agenda

Welcome & Introductions
Unlocking our Passion
Overview of the Nonprofit Sector
Nonprofit Life Cycles
Basic Roles and Responsibilities of the Board
Individual Board Member Responsibilities
Thank You!







# What's Your Passion?

What breaks your heart? What brings you joy?

If you had one free day a month to volunteer, how would you want to spend it?

What issue do you always find yourself talking about, reading about, or supporting financially?











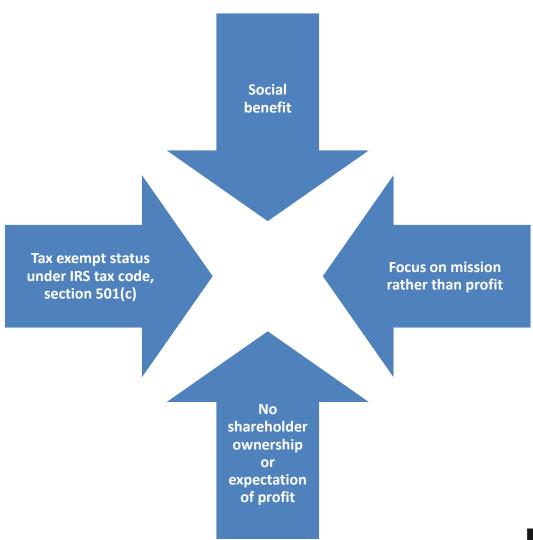


# What is a Nonprofit?





# **Key Points**





# Nonprofits By the Numbers

(Latest Data 2023)

#### **Connecticut**

Nonprofit employment: 210,283

\*15% of private employment

Nonprofits registered with IRS: 15,494

Nonprofits filing 990 and 990-EZ: 6,020

Nonprofit revenue: \$33,294,700,000

All contributions to CT nonprofits: \$6,935,380,000

#### **Nationally**

- 25% of adults volunteer
- Nonprofits employ 10% of the American workforce
- Third largest sector behind retail
- and manufacturing
- 6% of American GDP









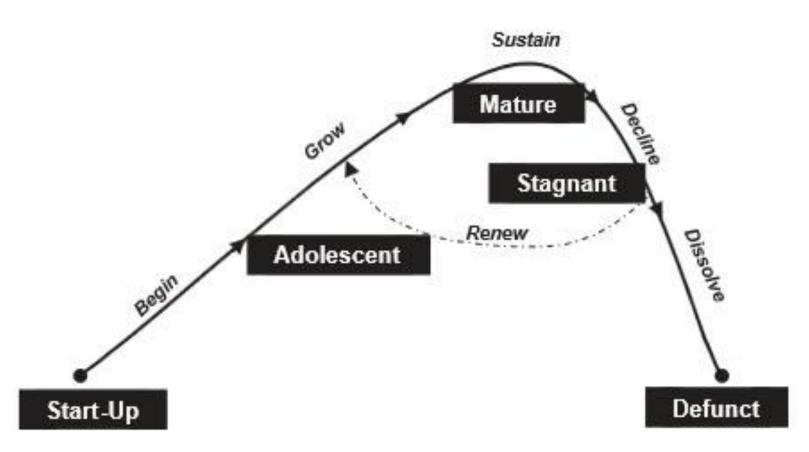




### "Alone we can do so little; together we can do so much" -Helen Keller -



# **Nonprofit Life Cycles**







# **Nonprofit Boards**

The Board **IS** the organization, and is accountable to:

- ✓ Public trust
- ✓ Attorney General
- ✓ Internal Revenue Service
- ✓ Members (if you have them)
- ✓ Donors
- ✓ Mission (including beneficiaries)
- ✓ Cooperating Organizations
- √ Employees



# Ten Basic Responsibilities

- 1. Determine **mission** and purposes, and advocate for them.
- 2. Select the chief executive.
- 3. Support and evaluate the chief executive.
- 4. Ensure effective planning.
- 5. Monitor and strengthen programs and services.
- 6. Ensure adequate financial resources.
- 7. Protect assets and provide financial oversight.
- 8. Build and sustain a competent board.
- 9. Ensure legal and ethical integrity.
- 10. Enhance the organization's public standing.

# Determine mission and purposes, and advocate for them



#### **Be Sure**

Make certain mission is clearly stated and enthusiastically supported



#### **Review**

Periodically review mission statement to ensure usefulness, currency



#### **Ensure**

Ensure mission guides planning, board and staff decision-making, fundraising, etc.





# 2. Select the Chief Executive

- One of the board's most important actions
- Clearly define what is needed/expected from the ED/CEO before beginning search
- Plan for succession





### 3. Support and Evaluate the Chief Executive



chair-CEO
relationship is
key to effectively
sharing
responsibilities



Performance goals tied to strategic plan





Provide ongoing feedback, keep process healthy and constructive



# 4. Ensure effective planning

CEO often establishes planning process with Board leadership

Board ensures comprehensive planning occurs

Participates in strategic planning process

Formally approves agreed-upon outcomes

Uses goals to guide budgeting/other priorities

# 5. Monitor and strengthen programs and services

# Ensure current and proposed programs align with mission



#### Ask key questions, such as:

What data will help us assess effectiveness, financial condition and programmatic activity?

What difference are we trying to make?

How do we know we are making a difference or succeeding at our mission?



Clarify board and staff roles in evaluating program effectiveness

### 6. Ensure adequate financial resources

#### Work

 Work with staff leadership to ensure effective balance of revenue streams (earned income, gifts and grants) to support the mission

#### Support

 Support a culture of philanthropy with the organization

#### Identify

 Identify sources of private support, engage with and thank donors in concert with the development staff and plan

#### Lead

Lead by examplepersonalphilanthropy



# 7. Protect assets and provide financial oversight



Review and approve how the agency budgets, spends and generates income



Establish and follow financial and investment policies that balance short/long-term needs



Verify that the organization's financial systems and practices meet accepted standards



Safeguard the organization's reputation by ensuring transparency and avoiding even the appearance of conflict of interest



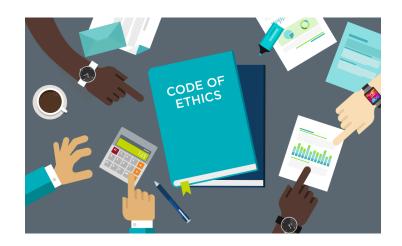
# 8. Build and sustain a competent board

- Often led by the Governance Committee
- Key responsibilities:
  - Clarify expectations for all board members
  - Assess board member performance and that of the board itself



### 9. Ensure Legal and Ethical Integrity

- Compliance ensure organization adheres to appropriate federal and state laws, and its own by-laws and articles of incorporation
- Transparency establish policies and ensure documentation of finances and compensation, publish annual reports and respond to reasonable requests for information
- Accountability ensure organization adopts ethical standards for board and staff, has procedures for disclosure, records retention, audits and reports





**Articles of Incorporation:** an official statement of creation of an organization, filed with the Secretary of State's office.

# **Check Out the Organizations...**

**Bylaws:** the legal operating guidelines for a board.

**Code of Conduct:** the formal or informal ethical standards expected of every member.

Conflict of Interest Policy: (a) requires those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and (b) prohibit interested board members from voting on any matter in which there is a conflict.

### 10. Enhance the organization's public standing

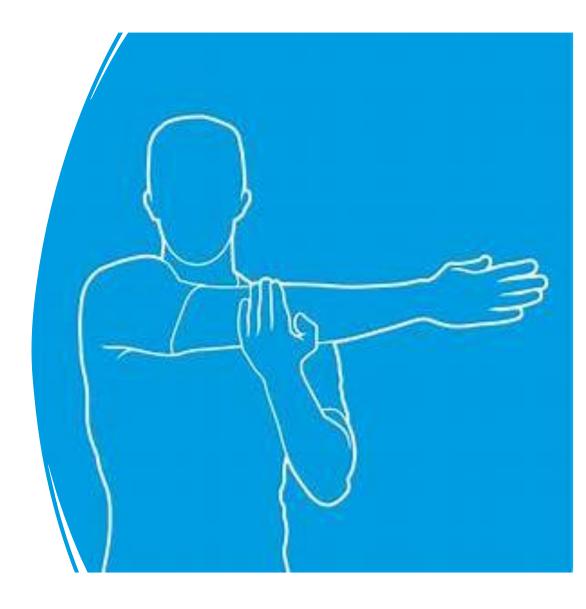
- Advocating for your mission

   understand how public policy impacts your organization, help connect with policymakers to advance mission
- Communicating with the public – be prepared to explain what you do and how it benefits the public, how funds are used (elevator speech)



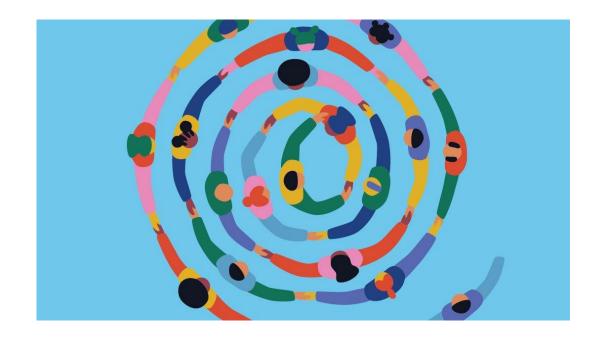


# STRETCH BREAK 5 minutes





Nonprofit boards have the legal authority to exercise their responsibilities, but individual board members do not.





# Legal Duties of a Nonprofit Board Member

Care

Pay attention to the organization's activities and operations

Loyalty

Put the interests of the organization before personal and professional interests

**Obedience** 

Comply with applicable federal, state and local laws; adhere to the organization's bylaws; and remain the guardians of the mission



# **Knowing The Roles**

Executive Director | Staff
The Board
Shared Roles





# **Knowing The Roles**

#### **Planning**

Finalize and approve budget?

**Board** 

Approve long range goals

**Board** 

Prepare reports on achievement of goals and objectives

Staff, if present

#### **Fundraising**

Solicit contributions in fundraising campaigns

**Joint** 

Approve expenditures outside authorized budget

**Board** 

#### **Personnel**

**Employ CEO** 

**Board** 

Hire and discharge staff member

Staff



# Meetings

- Be prepared for, and participate conscientiously in meetings
- Ask timely and substantive questions
- Support majority decisions once decided by the board
- Maintain confidentiality of executive sessions
- Suggest meeting agenda items



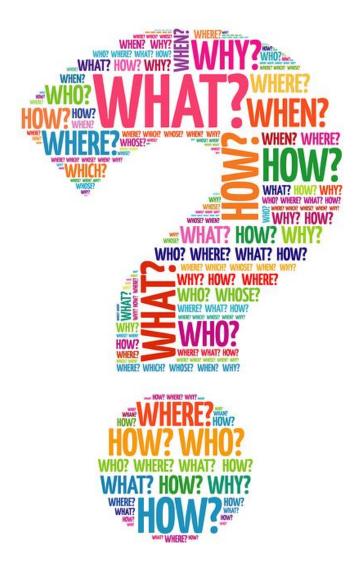


# **Fundraising**

- Give an annual gift in line with your means
- As a board member, the organization should be one of your top charities
- Assist the development committee and staff by identifying donors and implementing fundraising strategies









#### James – Tax Specialist + Mental Health Advocate



**Board:** Community Counseling Center

Passion: Mental health

- Motivated by family experience
- Modernized bookkeeping and policies
- •Supported transition to independent 501(c)(3) status
- •Grew the organization's reach by 40% in two years

"I couldn't be a therapist—but I could make sure the therapists got paid, and the lights stayed on."





#### Anastasia – Controller + Animal Lover

**Board:** Regional Humane Society

Passion: Animal welfare

•Weekend volunteer who stepped into a board role

- •Created financial dashboards to track costs per adoption
- Strengthened fundraising messages using data
- •Guided strategic expansion to a second shelter location

"I thought I was just good with spreadsheets. Turns out, spreadsheets save lives when you're talking about shelter animals."





# Resources for Further Learning

**Board Source** 

**Blue Avocado** 

Hartford Foundation for Public Giving,
<a href="Mailto:Nonprofit Support Program">Nonprofit Support Program</a>

**ProBono Partnership** 





# Virtual Express Match Opportunities

September 25th 12noon - 1:30 PM

October 29<sup>th</sup> 12noon – 1:30 PM



