

Council Membership Requirements and Functions

Requirements

1. In general, participation in council activities—council email correspondence, related phone calls, council meetings themselves may average 5-10 hours a month.
2. Council meetings occur every 3rd Saturday of the month, 9:00-11:00 a.m., except for end-of-year business planning where the council will meet weekly and even bi-weekly as required for several weeks in November and December until the following year's budget is in place by January 1st.
3. There is one face-to-face meeting annually, lasting 2 full days.
4. Four officer positions, that of president, vice president, treasurer and secretary, are filled by council member vote upon completion of the council seat elections during the same meeting.
5. The four council officers, the messenger and the director of operations serve on the guidance committee, which meets monthly currently on Thursday evenings, usually for 2 hours.

Functions

1. Policy formation
2. Establishing direction through our mission and vision
3. Legal and fiduciary stewardship
4. Hiring and supervising our director of operations
5. Evaluating outcomes and interaction with our members and the public
6. Serving on committees
7. Acting in an advisory capacity to our movement
8. Taking responsibility of one's council position as a spiritual as well as secular office

Most of the following information on the primary function of boards of directors is derived from *Innovative Leadership in the Nonprofit Organization: Strategies for Change* by Miriam P. Kluger and William A Baker.¹ In addition to current Hearts Center board policy documents, this information may be useful during the election process for considering potential new council members and also during assessments to consider how well we are individually and collectively fulfilling our roles as board members in these areas as well as for clarifying board responsibilities and evaluating committee effectiveness.

General information on the operation of boards of directors

The board of directors is expected to fulfill four primary functions: (1) setting policy; (2) establishing organizational goals and evaluating outcomes; (3) hiring and replacing the chief

executive officer; and (4) acting as stewards of the organization's assets.ⁱⁱ These functions belong solely to the board of directors, and when the board acts on them through resolution and vote, the result is the promulgation of governing policy. Figure 1 outlines the responsibilities of board members. Top management and staff members assist in formulating and recommending policy, but only the board may decide governing policy.

Responsibilities for nonprofit organization board members

1. Setting organizational direction
 - Amending the organization's mission as required
 - Establishing long-term strategic objectives
 - Setting policy to meet strategic objectives
 - Approving annual operating budgets
2. Employing the chief executive officer
 - Establishing annual and long-term performance objectives for the executive
 - Evaluating the annual and long-term performance of the executive
 - Providing public recognition and acceptance of the executive's operational decisions
3. Approving or disapproving management's proposals in such policy areas as major capital expenditures and contracts
4. Advising the chief executive officer on operations when consultation is sought
5. Receiving and evaluating information from top management
 - Seeking and receiving regular and special reports on the organization's performance
 - Assuring compliance with laws, standards, and licenses
6. Acting as a public community resource for the organization on local, regional, and national matters affecting the organization and its mission
7. Assuring the development of financial resources
 - Setting overall investment policies and overseeing the investment of the organization's assets
 - Engaging in the development of new financial resources
 - Monitoring the fiscal position of the organization
8. Assuring the viability of the board of directors
 - Developing board membership through its nominating and member development activities

- Selecting and preparing board officers for their new duties
- Monitoring financial contributions of board members
- Coaching and mentoring board members to assure their strongest involvement and commitment

Board member selection

Selection and development of board members are central to meeting the nonprofit organization's need for board leadership. Criteria may be identified to strengthen the selection process. First and foremost, board candidates should have demonstrated an interest in the organization's mission. The organization's needs for knowledge, skills, experience, and interests must also guide the nomination of new board members.

Board member qualities

Beyond the ability to connect with mission and the skills and experience that a potential board member may have, other attributes are also important to a strong board of directors. Candidates for board membership should be chosen for their leadership potential and should also demonstrate

- capacity to understand formal organization;
- willingness and ability to give the required time and effort to the organization;
- ability to assess issues and state views;
- ability to accept and support democratically made decisions; and
- ability and willingness to represent the organization to the community.

It is essential for board members to understand what is expected of them. To promote clarity about roles, the board must not only identify the officers it believes the organization needs but also write job descriptions for each of these positions.

Board committees

The current board committee structure should be examined by a board task force or in a full board retreat. Are there too many committees? Are some committees ineffective? Is effort duplicated? What changes could be made to streamline and expedite decision-making? What is the most efficient and personally rewarding use of board members' and top management's time? Answers to these questions should lead to an improved committee structure, with task descriptions for each committee.

Assessment of new governance

After the new governance has been adopted by the board and has been in place for perhaps a year, it is important to determine how well it is working. Each area of governance that was

modified should be examined. The original task force that oversaw the development of the new governance might commission such a study, with information to be collected confidentially by the organization's researcher(s). Individual interviews with board members and top management, a board and top management retreat, or a mail survey are all ways in which this information can be obtained. Questions would include how satisfied each individual is with the

- overall functioning of the board;
- clarity of board members' responsibilities;
- changes in board members' responsibilities;
- way in which new board members are selected;
- structure of board committees; and
- clarity of board committees' responsibilities.

Qualified board members are

1. Those possessing particular knowledge or skills, such as
 - Financial management
 - Investments
 - Knowledge of areas important to the organization's mission or activities
 - Having prior board of director experience
 - Policy development in the nonprofit services field
 - Law
 - Organizational development
 - Human resources management
 - Automation and information management
 - Communications: internal/external (public relations or advertising)
 - Influence: political (federal, state, local), in the business community, among the users of the organization's services
2. Those with the ability and willingness to make significant financial contributions such as
 - Individual donors
 - Representatives of donor groups
 - Corporate donors
3. Those representing key constituencies
4. Others who have significant interest in the organization

ⁱ Kluger, Miriam P. and William A. Baker, *Innovative Leadership in the Nonprofit Organization: Strategies for Change*, Washington, DC: Child Welfare League of America, 1994, 4-7.

ⁱⁱ Yarrow, J. H., *Corporate Responsibilities of a Board of Directors*, available from the Institute for Nonprofit Training and Development, Inc., 275 Windsor Street, Hartford, CT 06120-2991.

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