



## Best Practices of Best Boards

Council of State Speech-Language-Hearing  
Association Presidents  
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### Overview – Governance Issues

- ❖ The Board is ultimately responsible for setting the organization's strategic direction.
- ❖ The Board is ultimately responsible for effective and efficient governance of the organization.
- ❖ The Board is ultimately responsible for ensuring the organization operates to serve its mission and purpose.
- ❖ The Board supports the agency by making annual financial contribution and actively engages in fundraising.
- ❖ Sarbanes-Oxley implications for all corporations...and other legislation.
  - Whistle-blower policy
  - Document retention and destruction policy
  - Changes in the Form 990

### Overview – Legal and Fiduciary Issues

- ❖ Duty of Care: Board members should act in good faith with the care that an ordinarily prudent person would exercise under similar circumstances. (The Board speaks with one voice and respects the wishes of the majority.)
- ❖ Duty of Loyalty: Board members must put the interests of the organization first, above personal or professional interests (conflict of interest issues).
- ❖ Duty of Honesty: Board members must act in accordance with the organization's stated mission and applicable laws. (Bylaws)

#### Resources:

[www.boardsource.org](http://www.boardsource.org)  
[www.independentsector.org](http://www.independentsector.org)  
[www.guidestar.org](http://www.guidestar.org)  
[www.aicpa.org](http://www.aicpa.org)

## BEST PRACTICES

### **A. THE BOARD RECRUITS EFFECTIVELY TO ENGAGE EXCEPTIONAL MEMBERS**

- ◆ **BE PREPARED – *Develop a Recruitment packet***
  - Financial information
  - Agency Fact Sheet
  - Calendar of important events
  - Job description
  - Commitment letter
  - Org Chart - Staff and Board
  - Directors roster
  - D & O Insurance
  - Reimbursement policies
  - Orientation schedule
- ◆ **IMPORTANCE OF THE NOMINATING COMMITTEE**
  - Works year-round, begins after the annual meeting.
  - Chaired by president-elect, past president, or senior Board member.
  - Include Executive Director and community members-at-large.
  - Identify WHAT is needed to successfully fulfill organization's mission.
  - Identify WHEN you need the skills.
  - Identify WHO can fill the vacancies.
  - Involve prospective members in committees to assess performance.
- ◆ **JOB DESCRIPTIONS**
- ◆ **COMMITMENT LETTERS**
- ◆ **CONFLICT OF INTEREST STATEMENT**

### **B. THE BOARD RETAINS EXCELLENT MEMBERS**

- ◆ **ORIENTATION - THE KEY TO GETTING COMMITMENT**
  - Required for all new Board members.
- ◆ **ANNUAL PLANNING RETREAT**
  - Set annual Plan of Work based on long term visions.
  - Assess action against plan at every meeting.
- ◆ **TERM LIMITS**
  - New energy, enthusiasm, outreach, skills
  - Retire to advisory status
- ◆ **EFFECTIVE COMMITTEE STRUCTURE**
  - What is required to accomplish the organization's priorities?
  - Action plans for all committees based on the annual strategic plan.
  - Who serves on Board committees?
- ◆ **EFFECTIVE MEETINGS**
  - Mail agenda, minutes, reports prior to meeting.
  - Start and end on time.
  - Delegate committee work to committees.
  - Report on accomplishments - Plan of Work.
  - Use Robert's Rules.
  - Stick to the agenda (include times for each section if meetings run long).

- ◆ **HIGH PERFORMANCE EXPECTATIONS**
  - Annual communication with individual members.
  - *You get what you accept and what you reward.*
  
- ◆ **BOARD MEMBERS ARE ALLOWED TO RESIGN WHEN READY**
  - Term limits.
  - Commitment letters.
  
- ◆ **BOARD AND STAFF ROLES AND RESPONSIBILITIES ARE CLARIFIED**
  - Board sets policy and strategic direction for organization.
  - Board advocates for the agency within spheres of influence.
  - Board is actively involved in fundraising.
  - Board makes annual financial contribution.
  - The Invisible Yellow Line.
  
- ◆ **OFFICERS' ROLES ARE DEFINED**
  - Board chair
    - has ultimate responsibility for Board performance
    - appoints/endorsees committee chairs
    - leads strategic planning and development
    - signs legal documents
  - Board secretary
    - minutes and official records
    - Board correspondence
  - Board treasurer
    - financial reporting
    - fiscal controls
    - checks and balances

## **C. THE BOARD RECOGNIZES EXCELLENCE**

- ◆ **THANK YOU, MERCI, DANKE, GRACIAS**
  - Timely and meaningful.
  - One size seldom fits all.

**EXAMPLE 1**  
**Sample Job Description**

**TITLE:** Member, \_\_\_\_\_

**REPORTS TO:** Board Chair

**ROLE:** To serve as a voting member of the board of directors for the organization, developing policies, procedures and regulations, monitoring financial performance and the organization's programs.

**TERM:** 3 years, beginning \_\_\_\_\_ and ending \_\_\_\_\_.

**TIME EXPECTATIONS:**

- Attend regularly scheduled board meetings (\_\_\_\_ per year), held on the \_\_\_\_\_ of every \_\_\_\_\_.
- Participate actively in one or more committees of the board.
- Attend scheduled board retreats, planning meetings, workshops or other board development activities.
- Attend, support and participate in special organization events.

**OBLIGATIONS:**

- Fully understand and support the mission of the organization.
- Establish policy.
- Hire, supervise and evaluate the Executive Director.
- Make annual personal [and/or professional] financial commitment.
- Monitor the organization's financial performance.
- Develop and monitor short and long-range planning and goals.
- Represent the organization to the public and private sector; serve as an advocate for the organization.
- Bring personal/professional expertise and that of others to support the mission of the organization.
- Abide by the Duties of Care, Honesty and Loyalty.

**EXAMPLE 2**  
**Annual Commitment Letter**

I [\_\_\_\_\_] agree to serve as a member of the board of directors of [\_\_\_\_\_]. I understand that my term of office begins [\_\_\_\_\_] and extends for [\_\_\_\_\_] years, ending [\_\_\_\_\_].

As a member of the Board of Directors, I agree to:

- Abide by the Bylaws and Constitution of the organization;
- Make an annual financial contribution of [\_\_\_\_\_];
- Attend all meetings of the Board, including special meetings, unless excused;
- Avoid any conflict of interest or appearance of a conflict;
- Participate in short and long range planning activities;
- Ensure effective fiscal controls and accountability;
- Approve the annual budget;
- Ensure the organization meets all legal and corporate requirements;
- Abide by the Duties of Care, Honesty and Loyalty.
- Etc.
- Etc.

I agree that if, at any time, I am unable to fulfill the commitments of a member of the Board of Directors, I will give appropriate notice of resignation to the Chairman of the Board.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**EXAMPLE 3**  
***Sample Conflict of Interest Statement***

- 1) I agree to readily disclose any potential conflict of interest, making it a matter of record, either through an annual procedure or when the interest becomes a matter of board action.
  
- 2) I agree that I will not vote or use my personal influence on any matter, which might constitute a conflict of interest. I will ensure the minutes of any meeting where this might occur duly show that I have abstained from voting due to the potential of or occurrence of a conflict of interest.
  
- 3) I understand that I may state my opinion or position on any matter described above, or answer pertinent questions to which I may lend my expertise, so long as I absent myself from a board vote on the matter.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date