

Boardroom Bearings

Navigating to Board Excellence

February 9, 2015



Series on Board Responsibilities: Enhance the Organization's Public Standing

This issue is the fourth in our series on the basic responsibilities of a nonprofit board. The responsibilities discussed previously - set direction, ensure planning, and ensure resources - may be found [here](#).



This month we look at the board's responsibility to enhance the organization's public standing. As usual, the newsletter also contains articles on other topics as well as the Question of the Month.

Responsibility: enhance the organization's public standing

Perhaps the least recognized and least understood board responsibility is a board member's duty to advocate for their organization. Advocacy is part of the commitment a person makes when they join a board: to support the organization by providing leadership, expertise, and influence that will help the organization thrive.

Board members usually spend a great deal of time "inside" the organization, focusing on topics like finances, programs, and sometimes property. These topics are indeed important, but board members also need to spend time going "outside" the organization to serve as ambassadors, connectors, and advocates.

According to the *Ten Basic Responsibilities of Nonprofit Board Members*, "Board members serve as a link between the organization and its members, stakeholders, constituents, or clients. They should think of themselves as the organization's ambassadors and advocates."

At the most basic level, board members are advocates when they engage other people in support of the nonprofit's mission. These other people can be anyone in a position to influence public opinion or decision-making that will help the organization achieve its mission: government officials, business leaders, and the news media. And they could also be friends, neighbors, co-workers, and others in the board member's network who should know about the organization's contribution to the quality of life in the community.

In This Issue

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"We do this work because we believe in something"

"Whether it's ending homelessness or increasing access to opera, providing at risk youth with the opportunity to receive a strong education, or protecting global human rights. Each of us is driven by a purpose. We do what we do because we believe that some things are important enough for us to take a stand."

These words are from an important new campaign initiated by BoardSource and supported by other partners. According to BoardSource, there are more than 1.5 million nonprofit organizations in the United States with an estimated 20 million board members at the helm. BoardSource asserts that "...decisions get made every day that have a profound impact on our [nonprofit] missions. Sometimes those decisions are based on ignorance, indifference, or bias. All too often, we are not at the table. So we are forced to pick up the pieces after flawed decisions are made. Our work suffers. Our progress gets delayed. Our missions get compromised."



Because nonprofits' missions deserve better, the new initiative, **Stand for Your Mission**, urges boards to be stronger advocates for their organizations.

To start the advocacy conversation in your organization, download the discussion guide from [Stand for Your Mission.org](http://StandforYourMission.org).

The guide outlines five steps, each with a short set of questions for boards to consider (page 5-6) and suggests actions for nonprofit CEOs, board members, and funders (page 7-8).

Does your organization avoid advocacy because you think it is somehow wrong or illegal?



Actually, nonprofits have quite a bit of leeway to advocate for or against decisions that could help or hurt their mission. For advocacy-oriented organizations, we have placed two resources on the Centerpoint website:

- [Being a Player: A Guide to the IRS Lobbying Regulation for Advocacy Charities](#) from the Alliance for Justice. A 52-page detailed resource that covers background law on lobbying limits, legislation and lobbying rules and exceptions, special rules, relationships among organizations, recording and accounting for lobbying activities, and seeking funding from private foundations. From the Alliance for Justice.
- [101 Board Basics: What is Advocacy?](#) from BoardSource. A short monograph from BoardSource covering lobbying, the 501(h) election, political activity, partisan political campaign activity, and nonpartisan voter education.

Is your board "normal"?

That question is part of a headline from a recent *Nonprofit Quarterly* article featuring a few highlights of BoardSource's 2014 Governance Index, *Leading with Intent*.

According to the article, "...your board is in a very small minority if:

1. You pay board members an honorarium (98% do not)
2. Your CEO is a voting member of the board (88% are not)
3. You do not have director's and officers' insurance (96% do)
4. You do not get an annual financial audit (89% do)
5. You don't have a whistleblower policy (88% do)
6. You don't have a document retention and destruction policy (86% do)
7. You do not have a written conflict of interest policy (97% do)
8. You distribute the Form 990 to the board before filing (85% do)
9. You do not have a white board chair (90% are white)
10. You do not have a white executive (89% are white)
11. You have a board chair who is 40 years old or under (91% are over 40)
12. You have an executive director who is 40 years old or under (94% are over 40)."



Artwork from the *Nonprofit Quarterly* article.

[Click here](#) to read the *Nonprofit Quarterly* article by Ruth McCambridge.

[Click here](#) to access the biannual national survey of nonprofit organizations. The survey has been conducted since 1994 to answer questions such as Who serves on nonprofit boards? How are boards structured? What are their policies and practices? What challenges them? Are they providing the leadership needed?

Question of the Month



Q: What is a quorum?

A: In addition to being the name of a horse, a London fashion store, and a New Orleans coffeehouse famous for being a seat of racial integration in the 1960s, quorum is "...the minimum number of people who must be present to pass a law, make a judgment, or conduct business" (from the [Free Legal Dictionary](#)).

Usually, the quorum for a nonprofit organization's meetings is specified in the bylaws. Once the required number of members or directors is present, the meeting can proceed and formal business can be conducted. If the required number is not present, those present can proceed with informal discussion and try to formalize decisions at a later meeting when a quorum is present.

The purpose for a quorum is to prevent binding action by a small number of individuals. Setting the optimal number for a quorum is a balancing act. If the quorum requires a large number to be present, a minority can prevent business from being conducted simply by being absent from the meeting. On the other hand, sometimes organizations with large boards require a small number of directors to be present so they can more easily conduct business. However, a quorum that is set too low can backfire and signal that board meeting attendance is not expected. It is better to avoid using the quorum to manipulate meeting attendance. Set a reasonable number, say 51%, for the quorum and use board policies to regulate poor attendance.

Please remember: You are invited to submit questions by emailing them to kdw@centerpointinstitute.com. And if you have a troubling governance issue and need someone to talk with confidentially, call 815-545-1300 or send an email.

Boardroom Bearings...

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