

## BOARD TRACKS

An engineer may drive the train, but the tracks provide direction. Using this analogy, a director “drives” an organization, but the board lays the tracks that provide direction. The “tracks” will change and evolve as the organization develops, as the community changes, and as board composition changes, but what remains constant is the board’s level of responsibility in governing. This includes policy setting, program development, strategic planning, fiscal oversight, fundraising, and the prudent/ethical management of the organization.

According to BoardSource at [www.boardsource.org/FullAnswer.asp?ID=102](http://www.boardsource.org/FullAnswer.asp?ID=102), the 10 basic responsibilities of nonprofit boards are to:

- 1) Determine the organization’s mission and purpose.
- 2) Select the chief executive.
- 3) Provide proper financial oversight.
- 4) Ensure adequate resources.
- 5) Ensure legal and ethical integrity and maintain accountability.
- 6) Ensure effective organizational planning.
- 7) Recruit and orient new board members and assess board performance.
- 8) Enhance the organization’s public standing.
- 9) Determine, monitor, and strengthen the organization’s programs and services.
- 10) Support the chief executive and assess his or her performance.

To fulfill those responsibilities, what qualifications do you look for in a prospect for your board? Ordinarily candidates are selected based on their interest in the organization, contacts, community status, or talents that would significantly contribute to the organization. However, many organizations are also developing job descriptions for board members in addition to what is normally found in the bylaws. By providing written expectations, it is hoped that only prospects with a passion for your mission and an understanding of the time and energy commitment required will accept the challenge. Being a board member should not be taken lightly as board members are entrusted with the responsibility as well as the accountability for what the organization does and does not do.

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Excellent leadership is the key to making sure that the board and organization run smoothly. As Dana Gioia, Chairman of the NEA, said recently, "Leadership is, after all, the art of changing the odds in one's favor." So, it is also imperative that considerable thought be given to electing new officers who are capable, regardless of whether or not they are in line for succession, and then provide for a smooth transition of leadership.

Diversity on a board is a good thing. Ideas, opinions, and talents from various backgrounds and experiences keep an organization flexible, creative, growing and developing. Changing membership on the board also is good as it brings in new vision and energy.

It is important to educate board members about the organization's mission, goals, and accomplishments. By giving them background material, they can better understand the needs of the organization, make better decisions, and be able to articulate information about the organization, a particularly useful asset when fundraising. Board member orientations can be helpful in clarifying roles and responsibilities but unless training is involved, this process might be reserved for new members. At this time, bylaws, articles of incorporation, handbooks, conflict of interest policies, financials, etc., should be reviewed until all members feel comfortable with the information. Don't stop here, though. Ongoing training about their job as a board member

needs to continue, so they learn to be confident and effective in their position. Occasional board retreats can be very productive. By scheduling a retreat in a relaxed atmosphere for leisurely discussion of issues, providing more educational orientation than business items, and inviting topical related speakers, you will probably find members to be more open and creative in their thinking. It is also a good time to interact with staff so board members can get to know them and feel comfortable about gaining needed insight into the organization.

Board members should be encouraged to attend events as well as contribute financially to the organization. A listing of contributors that contains 100 percent of your board members makes a strong statement of commitment to potential donors. Board members must also be ready to participate in fundraising. This activity can take many forms including hosting events, thanking recent donors, or selling tickets, in addition to face-to-face or telephone solicitation. Generally, board members make personal donations or participate in some type of fundraising but those donations could be in-kind or a contribution of their expertise, e.g., an accountant or attorney.

On the governing side, one of the main responsibilities of board members is to ensure financial as well as organizational accountability. It is imperative they understand basic

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financial terminology and know how to read financial statements. If not, education cannot be stressed strongly enough as the board has a fiduciary responsibility to act in the best interest of the organization and to exercise care with the organization's assets when making decisions. You might even consider financial training as part of your orientation program. Boards must not just rubber stamp what is presented but thoroughly review, and ask tough questions. This is particularly important in developing the annual budget and approving it, as the budget is the framework for all program management and administrative decisions. The board also has the responsibility for insuring that all government regulations are followed and reports submitted on a timely basis, as well as hiring, evaluating or removing the chief executive.

Other aspects of accountability are strategic planning, including program development, and outcome measurement. In order to achieve a mission, an organization needs to plan. Strategic planning involves setting goals and developing an approach to achieving those goals. However, these goals or objectives must be measurable. Outcome measurement is more than just assembling the usual data like the number of participants or the number of volunteer hours. It is a process for determining whether or not an organization's activities are making a difference in the lives of the people being served. Donors and funding sources are becoming more and more interested in outcome measurement. Strategic planning and outcome measurement resources can

be found in the November 15, 2002, issue of A.R.T.S. at [www.arts.state.ok.us/pdfs/Publication%20pdfs/A.R.T.S./ARTSVol4No2.pdf](http://www.arts.state.ok.us/pdfs/Publication%20pdfs/A.R.T.S./ARTSVol4No2.pdf)

Ideal board meetings are short but productive. Staff should present relevant but not overwhelming information in order for the board to assist if there are any challenges or crises, and to confirm that the organization is healthy and progressing according to plan or see that corrective action is taken. It is the responsibility of the board, usually the chairman, to give instructions directly to the chief executive of the organization. It is then the chief executive's job to see that management carries out those directives. Routine day-to-day business should be left to staff without interference from the board.

Members need to review and assess their boards every two or three years. It's an opportunity to evaluate the board's performance and effectiveness in major areas of responsibility. By the board working as a team, relationships are established, strengths are identified, areas needing improvement come to light, and expectations are determined. This type of self-analysis also looks very favorable to potential donors.

One last thought for laying board "tracks" is concerning communication. Whether it is among board members, staff, or the community, it is important to keep it open and keep it alive!



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## The Judith Rothschild Foundation

The Foundation makes grants to present, preserve, or interpret work of the highest aesthetic merit by lesser known American artists who have died after September 12, 1976. Art in the following mediums is eligible: painting, including works on paper, collage, and relief; sculpture; and photography.

**Deadline:** Requests must be postmarked between April 15 and September 15 of each year.

**Information:** <http://fdncenter.org/grantmaker/rothschild/guidelines.html> or 212.831.4114

## Oklahoma Gas and Electric Company Foundation

Areas of interest include arts and humanities, education, health, medical research, social services, special needs, and youth. The geographical area served includes NE Oklahoma, NW Oklahoma, Oklahoma City, SE Oklahoma, South Central Oklahoma, SW Oklahoma, and Tulsa.

**Deadline:** None

**Information:** See Foundation Profile at [www.grantmakersofoklahoma.org/main/view.cfm?id=148](http://www.grantmakersofoklahoma.org/main/view.cfm?id=148), call 405.553.3622, or e-mail [brockmcd@oge.com](mailto:brockmcd@oge.com)

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## Resources (Books)

*Ten Basic Responsibilities of Nonprofit Boards* by Richard T. Ingram  
[www.boardsource.org/ViewBookstoreItem.asp?ID=112](http://www.boardsource.org/ViewBookstoreItem.asp?ID=112) or 800.883.6262

*Reinventing Your Board: A Step-by-Step Guide to Implementing Policy Governance, Set (includes Boards That Make a Difference)* by John Carver and Miriam Mayhew Carver  
[www.josseybass.com/WileyCDA/WileyTitle/productCd-0787954098.html](http://www.josseybass.com/WileyCDA/WileyTitle/productCd-0787954098.html)  
or 877.762.2974

*The Board Building Cycle: Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members*, by Sandra R. Hughes, Berit M. Lakey, and Marla J. Bobowick, 800.883.6262 or  
[www.boardsource.org/ViewBookstoreItem.asp?ID=74](http://www.boardsource.org/ViewBookstoreItem.asp?ID=74)

*The Board Member's Book: Making a Difference in Voluntary Organizations* by Brian O'Connell, 800.424.9836 or  
[http://fdncenter.org/marketplace/catalog/product\\_monograph.jhtml?id=prod10065&navCount=0&navAction=push](http://fdncenter.org/marketplace/catalog/product_monograph.jhtml?id=prod10065&navCount=0&navAction=push)

*Nonprofit Board Answer Book: Practical Guidelines for Board Members and Chief Executives* by Robert C. Andringa and Ted W. Engstrom  
[www.boardsource.org/ViewBookstoreItem.asp?ID=85](http://www.boardsource.org/ViewBookstoreItem.asp?ID=85) or 800.883.6262.

*Nonprofit Board Answer Book II: Beyond the Basics* by Robert C. Andringa

[www.boardsource.org/ViewBookstoreItem.asp?ID=108](http://www.boardsource.org/ViewBookstoreItem.asp?ID=108) or 800.883.6262.

*Self-Assessment for Nonprofit Governing Boards Kit*, 800.883.6262 or  
[www.boardsource.org/ViewBookStoreItem.asp?ID=39](http://www.boardsource.org/ViewBookStoreItem.asp?ID=39)

*Measuring Board Effectiveness* by Thomas P. Holland and Myra Blackmon  
[www.boardsource.org/ViewBookstoreItem.asp?ID=73](http://www.boardsource.org/ViewBookstoreItem.asp?ID=73) or 800.883.6262

*Presenting: Nonprofit Financials - An Overview of Board Fiduciary Responsibility* by Thomas A. McLaughlin, 800.883.6262 or  
[www.boardsource.org/ViewBookstoreItem.asp?ID=64](http://www.boardsource.org/ViewBookstoreItem.asp?ID=64)

## Resources (Web sites)

*Free Complete Toolkit for Boards*  
[www.mapnp.org/library/boards/boards.htm](http://www.mapnp.org/library/boards/boards.htm)

*Board Essentials*  
[www.boardsource.org/QnA.asp?Class=BoardEssential](http://www.boardsource.org/QnA.asp?Class=BoardEssential)

*Building and Maintaining an Effective Board of Directors* by Carter McNamara  
[www.managementhelp.org/np\\_progs/brd\\_mod/boards.htm](http://www.managementhelp.org/np_progs/brd_mod/boards.htm)

*Directors and Officers Insurance* by Pamela Davis: Part 1 -  
[http://charitychannel.com/article\\_1907.shtml](http://charitychannel.com/article_1907.shtml); Part 2 -  
[http://charitychannel.com/article\\_2300.shtml](http://charitychannel.com/article_2300.shtml)

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Governance (including Board Member Position Descriptions)

[www.mncn.org/info\\_govern.htm](http://www.mncn.org/info_govern.htm)

*The Role of the Governing Board* by Gayle Gifford: Part 1 -

[http://charitychannel.com/article\\_630.shtml](http://charitychannel.com/article_630.shtml); Part 2 -

[http://charitychannel.com/article\\_631.shtml](http://charitychannel.com/article_631.shtml)

[http://charitychannel.com/article\\_631.shtml](http://charitychannel.com/article_631.shtml)

Board and Staff Responsibilities

[www.mapnp.org/library/boards/brdvssstf.htm](http://www.mapnp.org/library/boards/brdvssstf.htm)

*Why strategic planning should start with the Board* by Jane Garthson

<http://charitychannel.com/resources/Detailed/747.html>

<http://charitychannel.com/resources/Detailed/747.html>

*The Importance of Board Self-Assessment* by Berit M. Lakey

<http://charitychannel.com/resources/Detailed/650.html>

<http://charitychannel.com/resources/Detailed/650.html>

*Board of Directors Self-Evaluation* by Carter McNamara

[www.mapnp.org/library/boards/brd\\_eval.htm](http://www.mapnp.org/library/boards/brd_eval.htm)

*Checklist to Evaluate a Nonprofit Board of Directors*

[www.mapnp.org/library/org\\_eval/uw\\_brd.htm](http://www.mapnp.org/library/org_eval/uw_brd.htm)

*Orienting the Board to the Organization's History* by Donald A. Griesmann

[http://charitychannel.com/article\\_5381.shtml](http://charitychannel.com/article_5381.shtml)

*Coming to Terms with Term Limits* by Susan D. Smith

[http://charitychannel.com/article\\_5652.shtml](http://charitychannel.com/article_5652.shtml)

*Organizational Stagnation: There IS a Way Out!* by Hildy Gottlieb

[http://charitychannel.com/printer\\_413.shtml](http://charitychannel.com/printer_413.shtml)

*Board and Trustee Resources*

[www.ucp-utica.org/uwlinks/board.html](http://www.ucp-utica.org/uwlinks/board.html)

*Getting Your Board on Board* by Terry Axelrod

[www.nonprofitleader.org/03\\_07/article6.html](http://www.nonprofitleader.org/03_07/article6.html)

*The Dirty Little Secret of Nonprofit Boards* by Hildy Gottlieb

[http://charitychannel.com/printer\\_5157.shtml](http://charitychannel.com/printer_5157.shtml)

*Evaluating the Executive Director*

by Terrie Temkin: Part 1 - [http://charitychannel.com/article\\_1322.shtml](http://charitychannel.com/article_1322.shtml); Part 2 -

[http://charitychannel.com/article\\_1351.shtml](http://charitychannel.com/article_1351.shtml)

*Free, On-Line Nonprofit Organization and Management Development Program* includes a learning module on Building and Training Your Board of Directors by Carter McNamara -

[www.mapnp.org/library/np\\_progs/org\\_dev.htm](http://www.mapnp.org/library/np_progs/org_dev.htm)