

Please stand by for realtime captions .

Operator: Thank you for holding, your conference will begin shortly.
Thank you for your patience [hold music continues]

Welcome to the PNA board master class my name is Sherry I will be your operator for today's call. At this time all participants are in listen only mode. Later we will conduct audio question-and-answer session. Are now turn the call over. You may begin.

Hi everyone thanks for joining this is Polly [Indiscernible--static] NDRN I want to just give you a quick bit of information about the webinar. There will be three opportunities to ask questions during the presentation but we also have the chat box if you are using the web version. And questions can be posted there those questions may be held through one of the brings everyone to answer them if you want to get it out there use the chat box function. For that and I am turning it over to Jenifer Holland who is with partner BoardSource to begin the presentation today.

Thank you so much, Polly, I am thrilled to be with all of you remotely on the webinar today. I was with some of you earlier this spring for a webinar also in the Master class series around empowering exceptional boards. Today's webinar is titled structuring the high-performing board and we will be digging into some detail around the use of committees within your organizations and the PNA network. I hope that we can have some robust discussion, please do keep those questions handy for the times we will be open it up -- the phone lines for conversation and of course thank you in advance, Polly, so much for being a great partner and colleague and collaborator. She and I will both be checking the chat box to make sure we gather those questions as well. I am very honored to be with NDRN and all of us today, without further ado let's get started. If you are not already familiar with BoardSource we are a 25 - year-old organization focusing on not only exceptional governance practices but also inspiring board service.

We have a range of publications and turning to be doing the community, we also do an annual conference which will be in Los Angeles this year. I in your facilitator for the discussion today and one of our -- wearing a bit of two hats, if you will, one of our senior governance consultants, doing a lot of training and facilitation in the field and on webinars like this one. But, you also see, in addition to the title senior governance control I am director of consulting at BoardSource. So we -- so with responsibilities around making sure that the knowledge that we are learning in the field from folks in positions such as yours get brought back for tools we can help develop, publications that could be of use to you in your work and so on. I do have CEO and board member experience I helped found an organization called the alliance for community enhancement and I was one of the founding executive directors. A few years after I transitioned on from that position I served on that board.

I bring a lot of respect and sensitivity towards what it takes to be both a board member and Executive Director and I hope we can have some

conversations about what that is like for you, today. Our objectives today are to learn about trends and effective practices and nonprofit governance, learn about trends in effective approaches for structuring your board, explore how to incorporate these best practices regarding board structure into your board to of directors and explore how to incorporate best board governance practices into the work of the board. Again, I really hope that is something I can both share with you, but we can also discuss in terms of what are the unique considerations and questions you have within your own organizations within the PNA network. These objectives will be broken up into three agenda items. Looking at trends in board structure, structuring your board for optimal performance and reserving at least 15 minutes at the end for questions and answers but as Polly said and I want to reassure folks, we will have some structured space for opening up the phone lines prior to the end of the presentation as well.

Let's look -- let's look at trends in board structure I also want to provide some basic overview of recalling what is important around board governance and where legal liability rests because a good deal of what we are going to talk about really is hinging around committee structure. I want to make sure we all have a common understanding of what committees are best optimized to do and how they relate to the full board. So, that is our first traction -- first section, trends in board sure to. Boards come in a variety of structures and compositions, etc.. But, they are always where the proverbial buck stops. From the remember that the legal liability for your organization rest with the full board not with anyone committee. Committees are great, if you will excuse the term were courses for the board, places where specific projects and due diligence and research can take place but when it comes to deliberation, one of the things we want to try and avoid is decision-making structure in which boards are going through a process of simply always approving what any given committee has proposed whether it be your finance committee, nominating committee, something else.

The full board is responsible for these three areas , setting organizational direction, ensuring necessary resources, that is not only financial but also intangible resources like reputation, and providing oversight. Under each of these, the board determines your mission and purpose under the setting organizational direction bucket also ensures planning, strategic planning, business planning under the second bucket ensuring necessary resources, again ensuring adequate both financial and non- tangible resources. Not only repetition -- reputation the selecting chief executive an organization might use the term executive director, building a competent board which is four small words but actually as I'm sure you're familiar with on the webinar today, requires a lot of thought and that short statement belies the effort that goes into building building a diversified, competent group of -- as a board that can provide leadership for your organization and the final in the category, ensure the necessary resources, is enhancing your organizations public standing. What is your reputation, across the state and amongst your constituents and stakeholders.

The last bucket providing oversight monitoring in strengthening programs and services, protecting your assets, providing financial oversight, ensuring legal and ethical integrity, and supporting and evaluating the chief executive. We here at BoardSource actually have some very good data we collect every two to three years called our governance index, available for a free download on our website. It provides a lot of valuable information about what boards of directors across the country are doing. One of the things that we see that is not happening as much as it should be is not only providing informal feedback to your executive directors, as a board, but really having that documented, annual performance evaluation for the chief executive. Sometimes we let that slip because it is a seasoned veteran chief executive and a great deal of trust between the board of misses -- this board and this individual but as we all know trust is not a system and trust is not prevent us or protect us from liability. One of the things really working towards directors to do is support that written, formal evaluation. Again, just a broad reminder of the charge to the full board.

This is, again, some of the research I just touched on briefly from our most recent board governance index, I went out to your website, a small collection, about a sample from six different states within the PNA network. And looked at your board sizes and if I could discover your committees and if you look at the data in may not be immediately trackable from the way this bar chart is set up that you can kind of -- when you look at a stock set of responses on the left it is your 2012 data, on the right it is your 2010 date is the older data is on the right. It shows the number of voting members serving on a board. Parsed out by groups. Less than 20 members, 20 through 24 members can't a 25 through 29 members or 30 or more members. And if you consider these proportions you can tell that the average board size and notice I say average, not correct, just the most common board size is around 15 or 16 members hovers just above 16 the last couple of times we have done the survey. The interesting thing I have found going out to some of your websites is the majority of that small sample I looked at were all within this range, 15 to 17, bylaws allow for folks who are within that 15 range of course I saw some smaller, around nine or so the reason I want to remind ourselves that our board size before digging into board committees is that it can be burdensome and challenging for us to operate up with, get a committee structure of five, six, seven, eight, nine committees if in fact we only have nine members on our board. In case you were wondering, what we see as most common across the nonprofits resurvey, is around 16.

Again, that doesn't necessarily mean that is the right number it just means it is the most common number. When folks ask us what is the right board size for my organization, the answer really is the best number of folks to accomplish your mission with your unique, strategic imperatives, your unique goals for protection and advocacy work. And, your unique goals for serving. Folks in your state or in your regional area. We will go so far, I can go so far as to talk a little bit about the sweet spots. Well there is no perfect board size we did see a correlation with the Temple the board -- the size of boards and also

satisfaction by the CEO on feeling like that board is effective. Feeling like they are accomplishing a lot and we also could stack up the board size data against how many effective governance practices they have. Did they have a written whistleblower policy, did they have good conflict of interest policies in place and we did see that the folks in that range of 15 to 22 in terms of board size have enough people to make all of those best practices, promising practices happen. Not so many people that if you will, sort of the operational complexity, governance complexity got in the way of some of those achievements.

So, that is a finding I can share with you. So, why are committees necessary? You may be thinking of your own answers right now as you just look at the screen and see the graphic images I have included here. For those of you that are accessing the presentation that way. I can click some reasons now, in the text here really is underlining the importance of being able to share the work. The enormous responsibilities of the nonprofit board cannot be accomplished efficiently through strictly your board meetings and which everybody does everything. The other trend I noticed, again a small sample of half a dozen or more of your websites and looked at, is your boards, at least the one I saw in various states, tended to meet quarterly and if you think about the kinds of things your board needs to decide and determine, sometimes we -- there is some good work that needs to get done and heavy lifting, wrinkly, they need to take place between board meetings, committees can be a terrific receptacle for that. If you will.

And then, what is the purpose of committees? Well, in short, to make effective and efficient use of your time and resources by having the right small groups to perform a number of functions. Investigating issues, developing proposals, and implementing decisions. Now, you might notice that something is not on here, that could be on this list. The committees are not set up to make determinations in isolation from the full board. Herby talk earlier about the fact that legal authority rests with the full board, we already know this, if we don't have a quorum we don't have a legal meeting so if there are strictly if you or small segment of our board members meeting, it truly is for that in between work, between committee meetings that can help inform and set the stage for larger board decision-making.

So, clearly some inappropriate examples of midis doing things the full board should do, they are not set up to approve the budget on their own they are not set up to hire the her, these are things that are -- committees might do pre-work on, but not take ultimate decision-making for. We really do need our full board to be in a position to ask questions, probes, if we are getting a proposed budget, that the finance committee worked on very hard together with staff in the organization asking why certain expenses went up or certain revenues went down, we are asking how we will replace federal or state or government public revenues that may be shrinking or dwindling or conducting late payments. We need board members to be able to ask those questions. So, it's very important that we got the right committee structures and frankly the right folks on our committees that can help set the stage for decision-making at the full board level. Here is an

example I would like to share a little story with you at this point. I worked with an organization, a couple positions back in my career, that was interested in youth developing issues. They did hands-on services for youth and support for youth leadership but they also advocated for programming that supported use development in states across the country. A little bit parallel not identical but somewhat similar to the work you all are doing in the P&A network. One of these organizations was large enough unfortunate enough to have some assets to the point -- and fortunate enough -- to make some investments and merit a full investment committee. We know abortion is not every nonprofit has a budget large enough that thing need an investment committee but this organization did and had a standalone committee promote -- devoted rather to investments.

There was a good deal of research on the debate, table setting for full board conversations if you will because that investment committee needed to write their investment policies the full board would then decide on and that investment committee really wrestled not so much with elements of return and how much are many and investment need to make back to the organization, but with respect to the mission alignment of their investments and this investment committee really wrestled with where -- we are a youth development organization are we going to a lower assets and resources be invested in commodities, products, that we know are sort of counter to our mission with respect to youth development alcohol related products, tobacco related products. Now, I knew at that time a number of organizations in the youth vote in the field were struggling with that many of them said absolutely not we can't invest in, for any amount of financial return, in the types of [Indiscernible] and financial instruments that are counter to this particular mission purpose organization after a lot of wrestling decided they would it was a very controversial decision they had to battle it a lot but I think it's a terrific example regardless of where they came down in their final decision, I think it's a good example of the investment committee wrestling with crafting that investment policy considering all the alternatives, putting together pros and cons and bringing that thinking to the full board for review.

Here is more data from our most recent governance index and shows what some of the most common committees are up close to the top of -- executive committees. Those committees that tend to be set up to be able to function in the absence of the full board if for some emergency reason decision-making needs to occur and the full board cannot meet. The next most common at 55.9% is the fundraising and development committee the next most common is 45.7% is a combined finance and audit committee. Again with the financial committees we do see that smaller organizations don't necessarily have on the operational side the strength and the breath on the board side the sheer number of folks, of people to divide the separate finance and audit committee. We recommend at BoardSource if you have the capacity to do so, for reasons of what is called segregation of duties but essentially keeping different financial responsibility separate from one another if you can break those two committees up is advisable. But that said, many, many people to combine them and based on our data it was 45.7% of our respondents said they had a combined finance and audit committee.

The final two most common are at 38.2 percent, please forgive me stumbling over my numbers here I am happy to clarify those that we need to during our discussion. At 30.2% with the governance and nominating committee combined we will talk more about these committees in a moment and at 37.8% was a standalone finance committee so in fact some folks are not necessarily combining. Finance and audit committees. Here are some trends. I'm not going to go into these in great detail, this slide is meant to set the stage as an overview slide because in section 2 we will get into each of these trends in great detail. But by way of giving a preview of each of those, each of the seven trends I can share with you our following number one focus on simplicity and strategic structure in your board. Number two, a movement away from committee structures that mimic your operational structures. Three, if you were standing committees and more ad hoc where you think of task force style work bodies number four increased use of governance committees as I promised we will get more into that topic. Number five, increased use of audit committees as a standalone. The extent folks that have the breath to do so. Number six limited use of executive committees this may surprise you because as I said that is the number one most common committee based on our data but we are beginning to see a drop-off over time. Even though that number is still hot, it is trending downward and we will talk more about that. Finally, structures that help those relationships, you might think about this across a range of individuals but primarily board member to board member relationships and board member to CEO or executive director relationships.

That brings us to a very good close point and I would love to Sherry, if you don't mind, open the lines and see if there are any points of clarification or questions or even stories or comments folks on the line might love to add.

Thank you we will now begin the first audio question-and-answer session. If you have a question please press asterisk one on your touchtone phone. If you wish to be removed from the queue you can press the pound or hash key. If using a speakerphone you may need to pick up the handset first before pressing numbers. Once again, press star then one on your touchtone phone. And at this time I am showing the audio questions.

Thank you very much, we will keep moving forward. I have a feeling people are interested in getting into what these trends actually mean for us and our organizations. Hopefully we will have your questions at the end. In terms of structuring your board for optimal performance, what I would like to do is set the stage for conversation with you about with these trends might mean for your organizations and you are committees. Specifically, maintaining a simple committee structure, keeping that flexible and simple is part of what we mean by that. Elevating the board, aligning with the organization strategies and carefully considering the use of advisory boards. What all of this means taken together is that we are finding that boards that are able to be nimble, able to respond

to changing funding environments, you heard me touch briefly on state and government funding. I think that is well documented and

established in some cases painfully felt by us. Really means organizations need to have boards that can respond to new information, latebreaking needs and you can kind of combined two of the trends you heard me talk about in this realm. The use of task courses that can be formed when they are needed and disbanded when they are needed again being able to be nimble and even with committee structure one of the things folks often do, even sophisticated organizations, we find for the sake of clarity sometimes we want to put clear listings of our committees perhaps into our bylaws and we actually recommend you consider not necessarily doing that with one exception which might be the executive committee. You want to have a great deal of clarity about how that is formed, who is able to sit on that how they are named to at how long may be on its simply because effective committees often have those powers to make decisions, traditionally, in lieu of the full board if the full board cannot me. If you put your committees into your bylaws, it gives a level of rigidity you may not necessarily want in today's operating environment. Firefighting folks are much happier to be able to talk -- put the committees pen to paper so to speak by Friday not committee charter making sure there is a clear statement of purpose for your committees not bound to having five set or six sets committees clearly if you happen to be in a low recruitment period your bylaws allow for 20 people annually have 10 but you are bound to have six committees that can put a strain on your board. Keeping it simple and flexible by taking your written materials about your committee structure out of your bylaws gives you some flexibility. Elevating the board really speaks to the comments I was making earlier about making sure your individual board members understand it is the full board that has the fiduciary responsibility that holds the assets of your organization within the public trust. I know one member or one committee has the authority to make the decisions in isolation. Aligning with the organization strategy, we don't want to have lingering committees that are lasting just out of habit over time but we want to make sure that if we put together what could have been an add hoc committee to buy a building or consider revamping the chief executive job description when we were doing a new hire 10 years ago, if we don't currently need that committee again we have the flexibility and the simplicity to really -- the release of board members from the obligations of talents can be used elsewhere to the highest and best use. Finally, carefully considering the use of advisory boards is a bit of misnomer. We encourage folks to adopt the terms I actually saw in many of your website, advisory councils,

advisory task courses, there is a whole host of terms that you can use one of the things we see that can allow advisory bodies to run astray is if there is not a clear sense of purpose around why they are formed and what they are formed to accomplish, also the fact that they are advisory in nature and do not have legal responsibility for the governing of the organization. So boards can sometimes throw people and refined it is easier to choose many of the other terms available to the advisory councils. That is just the terminology side of the equation however in terms of using your advisory councils it may be very important to ensure again there is clarity of purpose about why they are being put together and that it is not displacing or replacing things that can be done at the staff or board level. A perfect example is that of a domestic violence organization that knows a great deal about serving as

population but has grown, overtime to need to provide housing services. For their residents and constituents and stakeholders. So they are in need of some real estate expertise to advise the board for example. While that expertise may very well make for a good board member you might think about it as a board recruitment strategy. In fact an advisory Council might really liberate this particular organization because then they would have the capacity to recruit real estate developers, housing policy, folks at the municipal level and get the benefit of all of their expertise all at the same time, reducing the burden of time on them in some cases and reducing the legal liability.

So, they can be a different type of the sweet spot if you will and I know that many of your organizations in the network to use advisory councils councils, we can certainly talk more about those later but I think one of the big picture pieces of advice I share with folks is to make sure again they are serving, if you will, the third need that can't necessarily be met by the board or the staff. When we look at the second trend it is a movement away from committees that make authorizations -- operations for example the way programming might be set up, and not having those committees near staff structure. Staff is already doing the job of development. It is got a robust development staff that is writing state or federal grants for example, it may be that you clearly still hold the board accountable for the responsibilities around development, access to resources, fundraising but you may not a fairly need a development committee that mirrors staff directly. We've seen some very creative combinations of this in the field. And the latter two bullets under that second structure if you will again

further shows some logic around this if the staff are reporting to the CTO and they already doing some of these jobs, it can sometimes create a challenge with respect to the relationship and the connection between the board and the staff. Oversight of staff is not the board's responsibility. I had some good conversation with some of you when I was able to present to folks in person here in DC earlier this year. I don't at all by means -- by any means need to be saying board and staff cannot interact, there is no rule for staff on board committees in fact there absolutely is a rule for staff liaison on board committees but where you want to be able to watch that fine line is to make sure those reporting relationships go back directly to the chief executive officer and there aren't relationships happening directly between board and staff without the CEO being highly aware of those and informed and in fact on board and on monitoring and supporting those.

That is the third of trend, fewer standing committees and more use of add hoc committees and time-limited task forces. So the option here at for you to think about is maximize the use of your board is to minimize the number of committees. There is something we have asked -- folks in the past to consider is a zero-based committee structure. Essentially what that means is on an annual basis you 0 out all of your committees and start from scratch with only those needed. Again, you may have had the intention of putting together an add hoc committee to investigate buying a building for five years ago and some of these committees that are meant to be add hoc even linger on and on after their purposes over by instituting zero-based committee structure holding ourselves

accountable to it, it allows your board the opportunity to recombine themselves in terms of individual responsibilities on committees on an annual basis and do some fresh thinking about where committees are needed. A certain standing committees can always be reinstated year after year, the distinction and difference here is in the premise. Subtracting versus starting with a clean slate and what do we absolutely need to add. The last bullet there on your slide includes some try to 's or search for if you will. Try to have around three to four standing committees short-term task forces and organizational workgroups. Those organizational workgroups may be comprised of a wide range of folks . Mix of staff to board members to committee members, those are not necessarily committees of the board, they intend to actually report back to staff. If you are considering your own take away it's valuable to think of it -- again not a right answer how many committees even though it does give you the range three to four standing committees of how many committees, task forces and how many workgroups but to fully maximize the use of the use of each category so we are not necessarily automatically expecting every single job that needs to get done as a committee job.

There are certain Jocelyn themselves very well to add hoc task forces for example if you are putting together large proposals for to be recognized for excellence in advocacy or programmatic excellence or putting together large financial proposals maybe you want to have a task force comprised of community members perhaps a board member or two that can review those proposals on an add hoc basis maybe that doesn't necessarily have to be a fully fleshed out permanent role of one of your standing committees. The fact that your board members are already committing a significant amount of time and are on the line, if you will as being, again, fiduciaries for the organization and legally responsible for the organization organization. Let's think of it boldly and creatively as we can about incorporating crisp, clear and specific responsibilities for folks that operate in a little bit of the more flexible environments. They don't necessarily have to have legal responsibility and they have less time using that technique and tool of the task force can open you up to a lot more individuals you may be able to recruit for those groups you may not necessarily have as much success in recruiting for your board.

Looking at trend number for the increased use of governance committees. I guess what I will ask folks to do because I know we are not planning to open up the phone lines again for a couple more meant -- couple more slides is to encourage you if you are using a governance committee right now, I will define that very clearly in a moment, to encourage you to type in to chat if you can for those of you that are dialed in, in that way and share some reasons you chose to adopt a governance committee, how long you have been using it, it would be great to hear from folks who are participating about this one. And let me know go back five put out that plea to the group and share how we define a governance committee you might think of it as an ancestor, nominating committee oftentimes folks will set up nominating committees either on add hoc or something forward looking for board members to be helping organizations to make sure you have a robust board particularly with in the protection and advocacy network notice a lot of your board members

have legal expertise, they have connections individuals with disabilities or are or have been an individual with a disability themselves. They may have advocacy expertise, they may have organizational management expertise working very hard already to craft a well rounded Board of Directors what a governance committee does that is distinct from the nominating committee is that in addition to looking at recruitment and balance on your board, they actually take on a number of year-round tasks as well, I will read a few of the bullets here. They promote and provide education about your organization, about your field and governance for your organization. They assess your organization's governance needs again that can be recruitment but also might mean training for board members and identifies nominates and orient new members that can be a huge lift of a burden off and executive director of that might be spending two or three hours on an add hoc basis one at a time with individual members if they come on having a governance committee that can provide leadership can be immensely powerful. And the last two bullets as they conducted the board self-assessment an annualized the board retreat.

I was not all boats are doing a self-assessment and board retreat that we must really believe in both of those tools to ensure that you -- your governing board is a board that can operate as efficiently and effectively as possible as a group of leaders for the organization. Self-assessment can really help point board members toward where your board needs to spend the most

if you will kind of the highest return on investment, highest value use of time in the next year or so whether it is ensuring our mission and vision of written down and commonly understood by all of us whether revisiting our strategic plan and seeing if that needs to change in the new funding environment or policy environment. These are things that a self-assessment can turn off and help boards organize its time especially if you only need four times here what is that we as a full board really in those very valuable critical days and minutes need to spend those minutes on. And an absence of a governance committee sometimes self-assessment don't happen or again something back and fall by default to the chief executive with -- which adds a great deal of work to his or her load. Here to peer board member to board member leadership same thing with the board retreat we can talk more about that during Q&A. If there is interest. To more trends I want to share with you.

Three more because we haven't gone into five get the 56 trend number five is increased use of audit committees as separate from your finance committee if possible. And considering an audit committee the bullets here and the characterization of the audit committee is it is an independent committee, has different membership from the finance committee, can include outsiders in other words non-board members and this audit committee selects an auditor and ensures a good auditing process. I know organizations with small budget sizes often say that an external audit is oftentimes prohibitively expensive to hire a CPA firm to do. But on the flipside I know the group on the phone today oftentimes is managing the types of funding that might require you to perform an audit. I have a feeling folks here may tend to be more familiar with what it requires to get the scope of an audit accomplished

but really by having a standalone audit committee you can ensure that it is not the same people particularly if your board size allows it but not the same people that are working on the finance staff to develop financial statements, statements of cash flow, annual budget, budget actual statements, financial you put into

your 990 return, not the same people verifying the accuracy of the statements as are the people who are auditing the accurate -- creating no statements.

Of the finance committee is helping the financial staff period those statements you really want a separate group of people in the audit committee working with external CPA to help verify the accuracy of the statements. So there isn't a potential for a conflict of interest. Number six a limited use of the executive committee. Limiting the role of the executive committee to fully engage or do members is really fully engaged, your full board is the higher goal here. So for ideas and pointers we have given you here are never unnecessarily having the executive committee rate -- meet regularly the reason for that is a cannot feel like the executive committee is displacing the board and that every decision the full board needs to make has already been tied up with a bow before the full board ever meets. It's very hard to recruit inquisitive, smart high contribute in board members to your board if you're board already has it the feeling that they are doing nothing more than rubberstamping the executive committees

decisions. Giving your executive committee to purpose is to review the CEO and handle emergencies could be one way of limiting the use of the executive committee specifying a limited role for the executive committee and bylaws and ensuring the executive busy -- committee reports that the board probably each of these considerations under this bullet you can see the trend here are all meant to convey loudly and clearly through access to the full board, that although they may have been conceived as a way to replace the full board in the past when hard to have audio meetings and have people dial in for legal quorum through phone and technological apparatus,

even though there may have been good use for that in the past and still maybe some valuable uses to that we know that if the full board gets the idea that the power that is fully vested in them, again only rubberstamping with the executive committee does, that we really lose some steam and frankly we lose assets in terms of again a wide range of abilities and expertise we have recruited this board.

Finally, the last trend that I encourage you to consider in maximizing for your own organization, putting the right as Jim Collins said, getting the right seat on the bus putting the right people in the right seat on the bus as it pertains to your board and board committee is creating a structure that builds productive relationships. Not all board members need to be on a committee, recruiting outsiders to serve on boards as appropriate can be very powerful for you and your organization and creating organizational workgroups that reports to the staff and not the board again can really open up the way you use board members so if you recruit for a very specific talent that board member can serve in the best and highest use if you will of his or her term. And working with an organization right now to -- faith-based organization in the South, they have a very robust audit committee that

has I think six or seven people on it and two of them are external CPA's so they are not board members but they are there at every single meeting to really provide their expertise to that audit part -- process of that organization not only hires the my auditor pick up the right price for their audit and get the best value for the price. And able to go as deep within that audit if they need to go not only verifying financial statements and their accuracy but looking at internal control systems to that organization and how their petty cash works and their check planning processes work. There are all kinds of other committees that you use perhaps with respect to nominating, public policy, program assessment that perhaps could benefit from having community members on committees.

I've also seen organizations including across a whole range of mission areas including advocacy, credit unions, direct service organizations, use a community member seat on the committee, nonvoting member seat on the committee as a way of developing a recruiter pipeline for their board. So they ask every single board member has provided at least one year sometimes more, sometimes less, of committee service before they are ever nominated

to or apply for an open board slots. Something to think about. I think in summary before a open it up to you all, very interested to hear your questions, reactions, thoughts of this material and today's discussion. If you have anything new for you in the way you look at your own board and committees, a really great diagnostic, if you will if you are thinking about whether you have any legacy committees that have become a history of how that that maybe aren't optimizing your boards time. Ask if each committee needs to be standing or not, can this work be done on a temporary basis or perhaps an episodic basis. Every spring we put together an event committee and disband it when the event is over. Or, should your list committee be a task force committee, you're standing committees are for permanent tasks, your task force to committees or task forces rather

are for very specific tasks that can be accomplished within a specific timeframe and should be related to your strategic direction .The other two options here are advisory and organizational. Your advisory committees or advisory task forces, whatever you choose to call them, are meant to provide advice and support again important to be sure to be clear these are not decision-making bodies but they have input into decisions and they are there to provide advice and support organizations and the board but really have no formal legal responsibilities.

Finally, organizational committees that work with staff on issues usually part of the staff responsibility and sometimes report to staff. I mentioned earlier that they often report to staff but it is possible for them to have other reporting relationships as well perhaps up to the board or committee of the board or subcommittee of the board. By asking yourself these questions about how we sort our work, and how we create clarity and specificity around the goals of each body that doesn't work between full board meetings, we can put ourselves in a position again to have our board members be fulfilling their responsibilities to the organization but also operating in very fulfilling roles in terms of the reasons why we are recruiting them to

that board in the first place. Before I open it up to discussion, I just want to leave you with an image or metaphor. I think one of the ways you might think about this is almost like a bonfire or campfire. My husband regularly is the one that builds those when we are out even though I enjoyed too, and has a very specific process for organizing a bit of a log cabin structure that mixes big sticks with small sticks that allows oxygen to come into the fire. So, it is consistently field and revitalized and refreshed.

He always puts a small bundle of prime meals for tender in the middle and if you think about the way that -- small bundle of pine needles -- in some ways this reminds me of which committees we need to have doing which things so together that period sure, the full Fort if you will is building the fire of accomplishing our mission as the fire burned it may consume those committees, may consume those sticks and you may have to pull in new one thing create a little bit of a different structure but I want to encourage you this really is an ongoing process of course based on your own organizations lifecycle, maturity, budget size, size of your board, and these are some tools to hope think about how to grow your committee structure along the way -- help you think about how to grow -- so with that I will turn it back to share it open the phone lines and I believe also Polly is checking the chat box, I am as well. Please do share your questions both over the phone lines and via the interface on the screen.

Once again if you would like to ask an audio question press star one on your touchtone phone.

Let me ask the group this. I did put out a request earlier. Is there anyone on the line that happens to be using a governance committee right now? Or even, Polly, you may have experience from the field with folks who are using this? You might want to share, I don't know not to put you on the stage but I would love to hear if there are folks using them.

This is Polly. We certainly do have P&A's working with governance committees and many have decided to institute them from -- for many of the reasons you pointed out that they, nominating committee was no longer sufficient because the board has become more grown-up and dynamic and they had other ways in which to think about their fiduciary responsibilities and communicating those responsibilities about the board members. There is certainly technical assistance that there and can provide if you're P&A want to consider creating a governance committee or even an add hoc committee that perhaps puts together governance documents and I would like to use the term -- the phrase self-governance that if the board takes the time to create governance documents and votes for itself and has a stronger ability to do that self-governance so it is more independent and more keenly focused on their governance responsibility.

Terrific, really helpful to get a snapshot of and I would imagine that resonates with folks on our call. I think another thing we get a lot of questions about, I see one individual typing perhaps we will get a comment or question shortly, but one of the things we also get a lot

of questions and comments about is advisory councils. What is the best way to use them, what is the best way to set them up what are some pitfalls to avoid and I do know for a fact that certainly P&A's are using some of those around a couple I saw this morning and yesterday and in the days leading up today, mental health advisory councils, disability advisory councils, that might be something of interest for folks to talk about today. Should it be something of interest to you.

We do have a question on the line. From Dawn .

Okay. If you can hear me or not, this may be a little bit off the subject matter. But, in a sense, I am an outside director, board member. And it just bothers me in a sense that's I really do not understand what our organization is doing. I know you have to keep a distance board from staff, I am not looking to oversee staff, we've got an excellent executive director but I just feel frankly inadequate on many of the subjects that come to the board but I really don't have a grasp of the needs or really what is going on. I don't know if this is pertinent or not.

Don, that's an excellent question this is Jenifer, I will weigh in and I know Polly will likely have some things to add as well. And I ask you a couple clarifying questions? When you say you are an outside board member, are you uploading board member? And regularly -- are you a voting board member.

I joined P&A because, daughter with cerebral palsy.

Do you serve on a committee?

I am on several committees, yes.

So without knowing more of your personal circumstances I will say that you are not at all in an uncommon situation , there are absolutely board members across a range of issues that feel like they don't understand -- I am not speaking for you, speaking for other voices I have heard in the field for my own consulting work, they may select the financial issues are too complex for them to weigh in on, legal issues are too complex for them to weigh in on, and I definitely

am sensitive to the fact that board members often feel like it is very hard for them to provide proper program and financial oversight because it is just such a huge volume of what they need to know. So, there is a couple of ways we have seen boards approach that. One, again if you have a governance committee in place to support, if you will, kind of the care and feeding of the board, back and oftentimes again take some pressure off the shoulders of an executive director to really do some deep dive orientation so not just kind of a one-time to our or one-time orientation session, but something where a seasoned board member can maybe be your mentor and sit down with you after a formal orientation and answer some your questions or you have a seasoned board member available to you that you can call when reviewing the board packet before you have each quarterly meeting or however often you board meets. Definitely orientation can help with this, board of mentorship, informal ways to ask questions outside of meetings can help

with this and support around meeting structures in general clearly getting board materials that are clear, thorough and well in advance of meetings, advanced enough you can read them is helpful. It's possible your board is already doing all three of those things but those are some of the easiest top of mind ways to address it.

Okay, thank you.

I would like to add that I think it's one of the things I think is really important if you don't feel like you have enough information or that you don't have a grasp of the information enough to make a decision and to vote you shouldn't. It is perfectly acceptable and in fact more acceptable to refrain from a vote if you don't have a good understanding of I think the organization -- you do yourself a disservice. Ask questions until you can wrap your head around it, the issue, and if the issue is coming to a vote and you feel like you don't have adequate understanding of it, you really should not participate in the vote. But could also be a way to ease your conscience for example if there is some guilt about maybe not been quite up to speed you don't have to worry about making the wrong decision for the organization because you are going to refrain from participating in a vote until you feel adequately educated and able to participate.

That is such a great point and it triggers one more quick comment on my end, Polly, too. In some ways yet another

advertisement for the value of a board self-assessment because my guess is you are probably not alone. Of the board self-assessment turned up that 90% of the board members for what they need training certain area, policy, program, financial, what have you, then that can really be a place where the full board gives educated so we all can feel more comfortable voting. Great question, Don and Polly really important points thank you for adding.

We have some questions in the chat box. I have been selected to chair the governance committee, and need to develop a deeper understanding of how to address the many responsibilities. I rely on the board source website and we have a retreat on developing exceptional board. To have anything you -- and if I select a gift to Jana.

Yes. I guess advice and a resource. I think perhaps Polly you can help me provide more clarity for everyone on the line but what I can do is share a quick one-pager sort of a sample governance committee charter list of responsibilities based on the way Jana has framed her comment it sounds like they already have that I think once you have clarity around what your governance committee is doing and not doing part of it becomes an issue of engagement. And for lack of a better term sort of deputizing the rest of the folks on the committee to feel really bought in. At two, your responsibilities giving them specific tasks that help them be engaged. We know board members often want to help and either haven't been asked or aren't clear on the responsibilities so as chair, it may be you want to help some of your committee members have clear roles in planning this retreat, have clear roles and setting the stage for your self-assessment and you, more than anyone I think has the good sense of what their relative strengths are that I think sort of taking

the next step from the governance committee charter to roles and responsibilities within your committee itself would be a natural progression.

Another question in the chat box is, how many people are normally on a governance committee?

This is an interesting question I know we are kind of across a wide network in various state jurisdictions. It is important to note that while your state statute is going to direct certain minimums, certain floors not feelings about the way your full board operates, you are not necessarily going to have a state statute dictating the way your committees operate. I just want to say that in a foundation away because I have seen governance committees that are trying to grow from a party of one to a party of three to four. And others that are much, much larger. I am not sure I guess to get really specific, I do not believe we have governance index data on governance committee size but it is arrange and I would recommend having more than one person, if you can, although like I said I have seen folks trying to grow them.

And I think in addition to that, with many committees I think the more important issue is confidence and dedication rather than size. There is going to be folks either don't fully get or aren't interested as much in the mechanics of what a governance committee can do, for lack of better term you want to sort of governance on your committee just like you want the finance nerd on the finance committee -- governance nerd on the governance committee -- you want to bring the best thinking to the table to be effective and efficient. Especially when your organizations have small boards it's really hard to have committees that are huge and certainly is hard have committees where that is only committee the individual is on you often -- folks have to wear multiple hats but I would focus first on skill set and desire and ability to do the work . Desire goes a long way.

I could not agree more. And this aspect actually ties back to the Janice question. A word of encouragement. It's okay to start small and grow in this arena. A lot of what we are talking about with respect to governance committees on the one hand yes it is structural activity like a board self-assessment or retreat but on the other hand and the broadest sense in some ways talking about culture change and that doesn't happen overnight. So, I could not agree more with what Polly was saying it is more important to have the right people and I would piggyback off of that by saying it is okay to sequence your activities in such a way that you look for quick wins. The only have a couple of people, what is the thing your governance committee can do first that is going to make the biggest impact on your board so you're board is beginning as a full body to understand the value of the committee and how can really help you ultimately make better decisions of the full board. We have everyone participating, we don't -- we have people who are off to the wings being silent even though they though have fabulous ideas the governance I do these -- ideas that activities the governance committees are leading can really help improve the function of the full group so starting small getting quick wins around responsibilities and

sequencing them in a way that you can take on each task at a time can be a great way to grow.

Another question we have in the chat box from [Indiscernible] although the councils are federally mandated so every DNA, one of the purposes is meant to be that of an advisory board is correct. Clearly I can handle [Indiscernible] yes, the advisory Council is mandated by the protection advocacy for individuals within [Indiscernible] that is -- one of the statutes that makes up the P&A. However I think the issue is the use of the word board versus committee. More of the definition and clarity issue. There are very specific duties that the advisory Council is supposed to have, and the many cases the advisory Council chair serves on as a boarding member of the -- voting member of the board part of the statute, but I guess the differences that the Council members generally speaking except for the one that serves as a board member of the time to not have fiduciary responsibilities for the organization. From a governance perspective you have real responsibilities because of the grant and mandates are of that federal funding but they are not about the corporate structure. Of the board. ICU corrected and said committee rather than board. I think

other organizations, other P&A's many P&A's have more than one advisory Council, councils not mandated by the statute itself. I think they can serve some of the similar purposes that the P&A Council does which is they may help with the community outreach necessary to do the priority setting process that happens with the P&A's over here or to provide specific asked -- perspective because the pain he does lose focus because the area of disability rights activity. So councils are incredibly important in yes absolutely -- [Indiscernible] advisory Council specifically is mandated by [Indiscernible]. Anybody else have any other questions for me or Jenifer?

I am showing no additional audio questions.

All right. Since nobody else is typing in the chat box and we are a little bit over time anyway I'm going to take this opportunity to begin to end our session today. I want to thank very much, Jenifer, for her excellent presentation and let you all know that if you aren't aware, every member, P&A in the network, is able to have a membership with boards is through NDRN escrow organizational novitiate. Most CEOs have RD find up for its if you want to sign up on board sources members only website check with your CEO how to do that and it is -- a Visio hasn't hasn't activated that never ship encourage them to do that if they can't find the instructions please reach out to me and I will be happy to connect them with that information. Of course, you have me available to you as the governance of fiscal management bus -- specialist have questions you can submit contact me directly and I will be happily to help out we also do training for boards and advisory councils and roles and responsibilities and lots of other governance related stuff. As well as BoardSource has a plethora of technical assistance but they also can provide to their members. Once again, I thank you all for participating and please let your colleagues know they should join on to the series, an audio recording of the workshop will be available online shortly so they can find out what they have missed if they were not able to join today. Thanks, everyone.

Thanks, everyone, thanks, Polly.

Thank you, ladies and gentlemen. This concludes today's conference,
thank you for participating. You may now disconnect. [event concluded]