

***SECTION 5***  
***MCDOWELL COUNTY ENTERPRISE COMMUNITY***

***1. BOARD MANUAL***

**THE MCDOWELL COUNTY ACTION NETWORK**

**BOARD MANUAL**

**1996**

Dear Board Member,

Welcome to the The McDowell County Action Network's Community Resource Board and its Board Member Manual.

What an honor it is to be chosen to govern Mc.C.A.N.! By choosing you, your peers have said they believe you have the skills and leadership to provide the vision for service delivery, growth and expansion.

But I also know that being a board member is very hard work and—sometimes—finding the reward for your efforts is even harder. One of the things that makes it so tough is the amount of preparation board members need before they can even come to the board table.

Meeting this awesome responsibility requires knowledge, and special skills that have to be initially learned and constantly polished. That's what this manual is all about—helping you learn to become a better board member.

This manual has tapped into the skills and expertise of other individuals who serve on other boards—both profit and nonprofit. It is my hope that this manual contains information, ideas and strategies that will help build a well informed, active and effective board. Periodically, new items will be added as situations warrant.

I look forward to the challenges posed by the future, and to working with you as we attempt to resurrect McDowell County to its highest level of social and economic potential and as we continue **REBUILDING FOR THE NEXT GENERATION!!!**

**LET'S DO IT!!**

J. Knox McConnell  
President

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## The nonprofit organization you govern

The McDowell County Action Network (Mc.C.A.N.) you serve is not the typical type of business you may be accustomed to. Nonprofits belong to the "third sector," which means that they are organizations that exist solely to provide a service to the community.

Because of Mc.C.A.N.'s tax exempt status, we must operate in the public interest. No matter what else we attempt to do, the bottom line is service to people. If Mc.C.A.N. puts its focus on anything other than this, it will be in jeopardy of losing its tax-exempt status.

"Nonprofit," however, doesn't mean that your organization can't make money. It does mean that any profit you make must be used for additional service to the community. Unlike for-profit businesses, your nonprofit cannot pay dividends or interest to shareholders.

Nonprofits play a very important role in our lives, both socially and economically. They are a proud tradition in the US. and Canada for solving social problems—a tradition that has no counterpart anywhere else in the world. Most nonprofits perform with great efficiency and effectiveness than for-profit businesses. Why? Because the people who manage and govern nonprofits are more creative and have a track record of accomplishing more with less!

## **Boards are the key to quality community service**

As a board, you should take a few minutes now and then to reflect upon your Mc.C.A.N.'s history—how it came into existence, and how it developed and grew over time. Knowing where you came from will help keep you focused on the job you're supposed to be doing today—and where you want to take Mc.C.A.N. in the future.

You also need to think about the role the board plays in the continued success of Mc.C.A.N.—because it's a considerable one! By law, Mc.C.A.N. must be governed by a board of directors or trustees. A board, however, goes beyond simply a legal requirement—it's the vital link that connects Mc.C.A.N. to the larger community. Remember that Mc.C.A.N. exists to serve. But someone must first define the needs that are unmet before Mc.C.A.N. can focus on fulfilling them.

At the most basic level, the board represents the community to Mc.C.A.N. and vice versa. The quality of this two-way relationship is the shape and content of Mc.C.A.N.'s success. As a board member, your skills, connections, influence, leadership and willingness to give of your time are keys to making Mc.C.A.N. effective. If you do your job the way it should be done, you'll work hard. You'll invest much of yourself—but you'll probably love every minute of it. That's the nature of serving on Mc.C.A.N.'s board.

## THE MCDOWELL COUNTY ACTION NETWORK: A VEHICLE OF CHANGE

The ground work for the McDowell County Action Network (Mc.C.A.N.) actually began more than twelve months ago during the Spring of 1993 when the McDowell County Economic Development Authority convened a Community Capacity Building Program sponsored by the West Virginia Development Office. The goal of the project was to develop a plan by and for McDowell Countians that will be implemented by McDowell Countians. The planning method was based on the "Building Blocks" concept of Community Economic Development which encompasses a variety of components. The original planning group met on four separate occasions for four and one-half hour sessions of intense activity. The approach emphasized the need to integrate the economic development of McDowell County with other community services, institutions and disciplines, i.e., health care, physical and human infrastructures, education, recreation, housing, transportation, etc. The plan identified and defined a process by which McDowell County will create, retain and reinvest its wealth to improve the quality of life for its citizens, and to resurrect McDowell County to its highest social, and economic potential.

Mc.C.A.N. incorporated and expanded upon some of those same techniques, methodologies and philosophies in designing vehicles for community input in the development of the strategic plan.

The McDowell County Action Network (Mc.C.A.N.), a non-profit, state chartered organization, is a broad based, heterogeneous, county-wide collaborative that was formed on February 14, 1994, as a result of local, state and federal officials embarking upon a program of revitalizing economically depressed and distressed communities, such as McDowell County.

These revitalization/resurrection initiatives are essential to McDowell County as the population has steadily declined and the socio-economic conditions worsened. The terrain and topography of McDowell County makes it difficult, if not impossible, to deliver the meager services that are in existence or to enhance, attract economic development opportunities. In those instances where services delivery and development activities were possible, physical facilities were inadequate or non-existent and opportunities for development were not forthcoming. There is, however, more ominous barriers to overcome—psychological and attitudinal aspects of the ravages and carnage of persistent, pervasive, and prevalent aspects of poverty.

In an effort to overcome those barriers and to deliver the citizens of McDowell County from the throes of poverty, the McDowell County Action Network was established. Mc.C.A.N. has assumed the lead role in the formulation, implementation and evaluation of a strategic vision that is of, for and by the citizens of McDowell County.

**REBUILDING FOR THE NEXT GENERATION: A STRATEGIC PLAN for McDOWELL COUNTY**, a by-product of Mc.C.A.N.'s efforts, provides a detailed organizational picture of all the integrated components functioning together systematically that will propel McDowell County into the twenty-first century, and beyond. Since February 14, 1994, the Mc.C.A.N. has grown from a small fledgling undertaking to a dynamic amalgam of people, ideas, energy, excitement, enthusiasm and action that is rebuilding a "healthy" McDowell County wherein the citizens can reside in safety, dignity and comfort.

Mc.C.A.N. will continue to be the county-wide leader in formulating and implementing the strategic vision that will bring about a decline and an eventual demise of those burdens associated with the cyclical nature and causes of poverty. Mc.C.A.N. is proud to know that soon the people

of McDowell County can participate in a broad range of activities and services made possible through the unrelenting efforts of dedicated volunteers and community leaders who have dedicated the sum of their intellectual, financial, physical and mental capabilities toward effectuating and perpetuating a meaningful existence for all McDowell Countians. It cannot be argued that the best possible climate ensues when a well-off, well-educated population live in comity, in a thriving social and salubrious natural environment.

**The purpose of Mc.C.A.N. is to provide the impetus for the development and implementation of a strategic vision that will:**

**PROMOTE and facilitate financial, social, and psychological self-sufficiency.**

**CONTRIBUTE to the revitalization and resurrection of McDowell County to its highest economic and social potential.**

**EMPOWER the residents of McDowell County to take control over their future.**

Mc.C.A.N. is committed to designing and implementing a diverse plan that will encourage, assist and promote industrial, economic, commercial, recreational, cultural and educational development both now and for the future of McDowell County.

While it is the intention of Mc.C.A.N. to formulate and submit an application for EZ designation, Mc.C.A.N. fully intends to become an integral and permanent part of McDowell County's future. Mc.C.A.N. will tap into other local, regional, state and international resources that have not been traditionally utilized. Mc.C.A.N. is networking, collaborating with the business and corporate communities as a source of funds, programs and technical support/consultation—key components in this united effort. As can be gleaned, Mc.C.A.N. is strengthening old partnerships and forging new partnerships.

Each "partner" will be involved from the beginning of the planning process through the various stages of implementation and review/evaluation. It is absolutely vital to the success of Mc.C.A.N.'s efforts to involve our partners—the community—to provide them with a creative and communicative milieu, and real opportunity to design and actually participate in actions and activities that will render long-term positive results. Mc.C.A.N. is uncompromisingly committed to improving the overall living conditions of the citizens of McDowell County.

Mc.C.A.N. is working to realize this vision in McDowell County or, at least, to prevent it from fading from view while the national and state attention is elsewhere. By adopting a collaborative holistic approach, it is the vision of Mc.C.A.N. that the evolutionary journey of the many fine citizen of McDowell County leads to socio-economic self-sufficiency, mental and emotional competence, and provides a detailed plan for success.

Mc.C.A.N. is truly proud of this "movement" of change, the accomplishments that will be achieved, and McDowell County looks forward to the challenges posed by the future because **THE FAILURE OF MCDOWELL COUNTY IS NOT AN OPTION.** Mc.C.A.N. is a living laboratory of human relations as we continue **REBUILDING FOR THE NEXT GENERATION.**

It is relatively premature in the planning process to delineate a specific administrative/staffing hierarchy. The successful implementation of the strategies and initiatives emanating from the vision does not rest in a model that lends itself to a universal or traditional application. A perfect model or guaranteed organizational structure does not exist that readily adapts to this effort. McDowell County has its own unique set of problems that must be addressed by a non-traditional staffing approach.



At the apex of the Mc.C.A.N.'s organizational structure is a Community Resources Board (CRB). The CRB shall be a fifteen member governance board with seven members representing the seven communities/neighborhoods as delineated in Part IV: Population Data, of the application; four from business/industry, and four from various agencies and institutions. Just as individuals and families from specific communities/neighborhoods in McDowell County, communities/neighborhoods will link to form the largest portion of the CRB—seven members. The CRB members will not exist in isolation, but will be inherently dependent on one another. While the CRB will focus inwardly on McDowell County, it will also focus outwardly on McDowell County's relationship to the region, the state and the world. The CRB will not be an insular body. Differences will exist both within and between the various segments comprising the CRB; however, this rich cultural diversity will be an asset and differences will be respected. Members will be treated equally and opportunity for input will be made available to all. The driving force or foundation of the CRB will be the citizens of McDowell County. The citizens are like threads woven into the fabric of McDowell County. If these threads are broken, the fabric will be loosened and damaged.

## How do we measure up?

Yes    No

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1) All board members realize that the purpose of Mc.C.A.N. is service to our community.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 2) All board members recognize that, to preserve our non profit status, we cannot pay dividends to shareholders—however, we can make a profit as long as it is re-invested in providing service to the community. |
| <input type="checkbox"/> | <input type="checkbox"/> | 3) Board members are familiar with the history of Mc.C.A.N. and know its mission.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 4) Our board members know the difference between the roles of management (the administrator's responsibility) and governance (the board's responsibility).  |
| <input type="checkbox"/> | <input type="checkbox"/> | 5) We recognize that the board is the vital link to the community Mc.C.A.N. serves.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 6) All members realize that their commitment of time, effort, influence and leadership on the board is the key to Mc.C.A.N.'s continued success.  |

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## Four basics of effective board service

### 1 Commitment

I'm convinced that 99% of all board members wholeheartedly believe in Mc.C.A.N.'s mission. They are very committed. but I also know that many board members don't understand what real commitment is.

It's much more than attending a board meeting once a month, or having your name engraved on a letterhead. And it's certainly more than wanting to advance your own agenda.

You may have a personal reason for serving, like a close relative who benefits from one of its programs. But your motivation must be much broader—nothing less, in fact, than a desire to see Mc.C.A.N. grow and develop for the good of all those it serves.

Not long ago, I heard a sad story about a board member whose daughter was the recipient of his nonprofit's services. When budget time came around, this board member was stunned to discover that the very service his child benefited from had been cut—for legitimate reasons. Unfortunately, few people in the community took advantage of this program and it was no longer feasible to continue.

In his disappointment, this board member blew up and began a campaign to keep the service alive—no matter what! Although his frustration was understandable, this board member needed to recognize that his role was to do what was best for the non profit—not what was best for his daughter.

Real board commitment means unselfishly giving your time, experience, skills—to advance Mc.C.A.N.'s goals. It also means supporting your board team even when you disagree strongly with a decision.

### 2 Teamwork

Board members are almost always community leaders. If you were not a leader, the chances are that you would not have been chosen for this important and visible role at Mc.C.A.N. The other members of your board team were also picked for their demonstrated leadership abilities.

There is potential for great things to happen when outstanding community leaders serve Mc.C.A.N. Bringing diverse personalities together on a board, however, raises some important questions.

Being part of the team doesn't mean you have to give up your goals or personal views. But it does involve searching for ways your goals can mesh with those of other board members. This often calls for coming up with new team goals to which all board members subscribe—and then enthusiastically supporting them.

### **Only the team can make decisions**

The only proper authority board members exercise is through the decisions they make as an entire board. As a board member, you have no right to act individually outside the board room—for example, to send your administrator on a fact-finding mission to answer your questions.

### **A team player focuses on...**

- ▶ The common mission of the Mc.C.A.N.
- ▶ What's best for all served, not special interests or personal interests.
- ▶ The big picture, not individual issues.
- ▶ Issues presented by teammates, not personalities of teammates.

### **The administrator is a key member of your board team**

When referring to the board team, you are talking about the members of the board—*plus* the administrator. Although he/she was hired by the board, this is where the resemblance to an ordinary employee/employer relationship ends.

The administrator is one of the most important players on your team and should participate in all board business.

This individual is your in-house expert on finance, planning, evaluating, community relations and all important issues that come before the board.

It's imperative that the administrator be involved in every decision that our board makes. Sound advice from our administrator helps the board stay focused and moving in the right direction.

After all, we're not in the office every day, handling issues like he/she is. Nor are we the 'experts' in the type of service Mc.C.A.N. is committed to providing. We need his expertise, or else we'd wind up making wrong decisions that would impair this organization.

### **3 Willingness to learn the job**

No matter how many boards you've served on, the experience is different every time. Each board team has its own style, and each team has its own goals and methods of achieving them.

But you're also going to have to learn the specifics of how your current board operates to fulfill your commitment to serve Mc.C.A.N. and the community. Your best source for this knowledge is your administrator, experienced board members or the board president. You should always feel free to ask for information to help you do your job right.

In addition, your board should include board development in every meeting agenda. This can be as simple as discussing part of this manual or recent articles, information or other topics of interest.

### **4 Ethics**

No matter whom the board ultimately answers to, it must be accountable to itself for its conduct. And ethics begin with each individual board member!

Mc.C.A.N. lives and dies by the donations and support we receive from our local, state and national communities, and board members must work harder than ever to maintain this public trust. In practical terms, what this means is that board members must go beyond the simple letter of the law in their ethical conduct.

Please read and sign Mc.C.A.N. Board Member Code of Ethics.

## Board Member Code of Ethics

### As a member of the board team, I will:

- listen carefully to my teammates.
- respect the opinion of my fellow board members.
- respect and support the majority decisions of the board.
- recognize that all authority is vested in the full board only when it meets in legal session.
- keep well-informed of developments relevant to issues that may come before the board.
- participate actively in board meetings and actions.
- bring to the attention of the board any issues that I believe will have an adverse affect on Mc.C.A.N. or those we serve.
- attempt to interpret the needs of those we serve to Mc.C.A.N. and interpret the actions of Mc.C.A.N. to those we serve.
- refer complaints to the proper level on the chain of command.
- recognize that my job is to ensure that Mc.C.A.N. is well-managed, not to manage Mc.C.A.N.
- represent all those whom Mc.C.A.N. serves and not a particular geographic area or interest group.
- consider myself a "trustee" of Mc.C.A.N. and do my best to ensure that it is well-maintained, financially secure, growing and always operating in the best interests of those we serve.
- always work to learn how to do my job better.
- declare conflicts of interest between by personal life and my position on the board, and abstain from voting when appropriate.

### As a member of the board, I will not:

- criticize fellow board members or their opinions, in or out of the board room.
- use Mc.C.A.N. for my personal advantage or that of my friends or relatives.
- discuss the confidential proceedings of the board outside the board room.
- promise how I will vote on any issue before a meeting.
- interfere with the duties of the administrator or undermine his authority with staff members.

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Signature

## Are you a board teambuilder?

Take a few minutes and complete this short exercise to see how you measure up to the qualities needed to succeed as a teambuilder.

Do you...

Yes    No

- Listen to fellow board members to be able to fit your goals with theirs?
- Explain your position on issues clearly so fellow board members can understand where you're coming from?
- Try to know fellow board members on a personal or social basis, or look for ways to interact outside the board room?
- Let your teammates know when you agree with them as well as when you disagree—to show your concern about an issue?
- Keep disagreements on one issue from carrying over to other issues on the agenda?
- Respect other board members by not ridiculing them or attaching their motives?
- Work for a genuine consensus instead of forming blocks with other board members?
- Accept the fact that there will be times when you must support a majority decision—even though you oppose it?
- Leave your disagreements at the board table when the meeting is over?
- View the administrator as a key player on the board team and seek his or her active participation in all board business?

## How do we measure up?

YES NO

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1) All board members display a strong personal commitment to the growth and development of this nonprofit.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 2) Members of this board always base their decisions on what is best for all those whom we serve, not on special interests or personal agendas.       |
| <input type="checkbox"/> | <input type="checkbox"/> | 3) Board members understand that they can only act under the authority of the full board—not as individuals.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 4) Our board members make an effort to develop the characteristics of good team players.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 5) Our board members understand that we don't have to agree on every issue to be a team, but we must support all majority decisions.                  |
| <input type="checkbox"/> | <input type="checkbox"/> | 6) We occasionally plan team building activities—social outings, retreats, or special presentations, for instance—to build the spirit of teamwork.    |
| <input type="checkbox"/> | <input type="checkbox"/> | 7) We understand that the administrator is a vital part of our board team.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 8) Because of our administrator's expertise, we look to him/her for recommendations and input as we make all decisions affecting this nonprofit.      |
| <input type="checkbox"/> | <input type="checkbox"/> | 9) Board members display a willingness to learn their jobs, including their proper roles and responsibilities and how this particular board operates. |
| <input type="checkbox"/> | <input type="checkbox"/> | 10) We have a board-approved code of ethics and review it annually.   |



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## The board member's job description

Your job as a member of a board team is usually defined as "policy maker". This is a nice, textbook description of your primary role—and it's certainly correct. The trouble is, it tells you little about what you actually do as a board member. Just what does being a policy-maker involve?!!

A policy is a direction or course of action that your board has decided it wants Mc.C.A.N. to take.

The board establishes policies that outline how Mc.C.A.N. will operate to accomplish its mission. The administrator and line staffers function within the parameters of this outline. The Board acts as observer, interpreter and evaluator of how well the administrator is carrying out policy and accomplishing the mission of Mc.C.A.N.

In short, the board is the navigator giving direction to the administrator, who steers the ship.

Within your policy-making role, there are four general areas of responsibility that you will be asked to oversee. Read the following pages closely—they will help you get a handle on the duties you have undertaken.

### **Your first responsibility: Hire an administrator**

The board's first responsibility is to hire an administrator to manage the day-to-day operation of Mc.C.A.N. In doing so, the board does not give up its governance role. Instead, it enhances this responsibility by adding a competent professional to the board team.

After all, there is no way that a handful of volunteer board members can effectively manage the day-to-day business of Mc.C.A.N. You're showing how seriously you take your responsibility when you hire and support a professional who devotes his full attention to keeping things running smoothly!

Although hiring an administrator is done rather infrequently (obviously, every new board member won't be involved in hiring a new administrator!), the board in essence reconfirms its decision following a formal performance review of the administrator.

The relationship between a board and the administrator is so crucial that boards must give a vote of confidence to the administrator every year. This reinforces the sense of teamwork and trust you each need to work well together.

## **Your second responsibility: Plan for the future**

By delegating management to the administrator, Mc.C.A.N.'s board frees itself for the key task of planning Mc.C.A.N.'s future. Long-range planning isn't a frill—it's one of the most important areas of trust your board has been given. Most boards don't do enough of it.

With the social, political and economic picture changing almost daily, planning might seem like a classic exercise in futility. But change is the very reason Mc.C.A.N. should have a plan to anticipate and be ready for what the future will bring.

### **AFTER ALL, FAILING TO PLAN IS PLANNING TO FAIL!**

Board members must be visionaries for Mc.C.A.N.—and this means that they need to take the lead in long-range planning.

Once you've formulated this plan, revisit it every year. Remember, the plan is your vision—but your vision will change as your nonprofit's internal resources and external conditions change.

In turn, Mc.C.A.N.'s administrator is responsible for developing a short-range (one- to two-year) plan to carry out the board's long-range goals. You'll want to keep an eye on progress toward the long-range plan, but remember: Short-term operational planning is your administrator's job!

### **The mission statement—your first step in long-range planning**

The primary building block for your long-range plan is a well-crafted mission statement. Your mission statement should be a strong, clear statement of where you want Mc.C.A.N. to go.

It is not a piece of warm fuzzy philosophy designed to make everyone feel good. When you write your mission statement, keep these important points in mind:

**Concentrate on the big picture.** Focus on results—overall delivery of service to the community—not on the internal operations of Mc.C.A.N.

**Avoid jargon and technical language.** Write it in language understandable to everyone who reads it.

**Challenge everyone in Mc.C.A.N.** Being the best at what Mc.C.A.N. does should be the rule, not the exception.

**Explain what's unique about Mc.C.A.N.** What's the one thing you do that no other nonprofit in the community does?

## **Your third responsibility: Monitoring and evaluating**

As a board member, you should consider yourself a "trustee" of Mc.C.A.N. The community trusts you to make sure Mc.C.A.N. is operating the way it should. And it's part of your job to keep an eye on the progress of Mc.C.A.N. for your community.

Of course, you can't watch every detail and every activity that takes place in Mc.C.A.N.—that would be interfering with the responsibility of your administrator. But the board must monitor and evaluate bottom-line results. This can be done most effectively by keeping a close eye on the financial health of Mc.C.A.N. and by ensuring that progress is made on the long-range plan.

## **Your fourth responsibility: Being an advocate**

Because you serve as a volunteer leader on a board, you're in a unique position to act as an advocate for Mc.C.A.N. within the community. Here's why...

The relationship of paid staffers to Mc.C.A.N. could be described as "enlightened self-interest"—their livelihood depends on the organization's success. But as a volunteer board member, you have a higher motive—service to the community at-large. And because you give freely of your time and effort, you have enhanced credibility—a prime quality for an advocate!

Your role as an advocate will take several different forms—lobbying lawmakers and funding sources, communicating to those you serve about the goals of Mc.C.A.N., and carrying out public relations functions.

### **Advocacy includes offering your expertise to the organization**

Besides taking Mc.C.A.N.'s message and spreading it to members of your community, you are also in a unique position to learn what others are saying about Mc.C.A.N. and bring these ideas back to your administrator. This sort of information can be a great asset during planning and budgeting, and can help Mc.C.A.N. improve the programs and services it provides.

You also may be the most valuable volunteer Mc.C.A.N. has! As you well know, Mc.C.A.N. never has enough money to hire all the experts or specialists they need. It's natural for board members to offer their talents and skills.

If you have a special competency in computers, finance or marketing, for instance, be sure to bring it to the attention of the administrator and your board. But remember, when you offer personal expertise, your services are like those of any other outside employee or consultant: Yours services, views and recommendations can be accepted or rejected by your administrator. You must take care that you don't misuse your position on the board to force Mc.C.A.N. to accept a service that you can provide.

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## The board/administrator relationship

There are a few issues in a board member's life more thorny than figuring out the distinctions between his or her role and that of Mc.C.A.N.'s administrator. The line that separates these two roles is one that can easily become blurred. And, unfortunately, when each party loses sight of what it is supposed to do and begins to tread on the other's turf, the good work of Mc.C.A.N. can easily be disturbed.

This is why it's worth taking the time to look closely at exactly what the relationship of administrator to board member entails.

Although the administrator works for the board, this relationship is a far cry from the typical employer/employee one. The board is chosen to ensure that Mc.C.A.N.'s overall operation follows its mission statement.

On the other hand, the administrator is responsible for the daily management of Mc.C.A.N. Without these two key players performing their respective roles, The Council of the Southern Mountains team cannot hope to be a winner!

### **Defining who does what on the board team**

It's easy to say that the role of the board is to set policy while the administrator's is to manage. There are however, gray areas within this definition, and the board and administrator must come to agreement on these if they are to succeed. The only way to reach consensus is to look at potential areas of conflict and decide exactly who does what. Here's a short list of items that are often confusing...

- The board creates policies for financial management and approve the budget, but the administrator invests funds, makes sure bills are paid and handles day-to-day expenditures. The board approves the bid for a major purchase, but the administrator makes a recommendation and then carries out the actual purchase. Small purchases are usually made by the administrator without board approval.

- The board hires the auditor to audit the financial records, but the administrator seeks bids for the audit and makes a recommendation to the board.

- The board is responsible for writing Mc.C.A.N.'s long-range plan, but the administrator makes recommendations and implements the plan once it's completed.

•The board approves departmental budgets and general funding for staff salaries, but the administrator decides the scope of each department's activities, sets individual salaries and determines the amount of raises line staffers receive.

•The board sets broad personnel policies, but the administrator determines the level of staffing, writes job descriptions, and hires, disciplines, promotes, evaluates or fires staffers.

### **Treat your administrator as a vital team member**

Once you've gotten the roles of administrator and board member sorted out, there's another important thing to remember: The administrator shouldn't be treated like an ordinary employee of Mc.C.A.N. Instead, he is a vital member of your board team and should be invited to participate in all your discussions and activities.

There should rarely be an occasion when the board meets without your administrator. Closed sessions can quickly destroy the cooperation that is so vital between board and administrator. Here's why...

•*They quickly destroy any spirit of trust.* In fact, a California board member once described closed sessions as the most effective "team-busting" proposition he'd heard of. And I agree! There needs to be a sense of honesty and trust shared between boards and administrators, and that only comes from the opportunity to work together and talk things through.

•*Closed sessions don't allow administrators to explain their actions.* Boards are left to guess why decisions were made and how they affect the good of Mc.C.A.N. Without this information, boards can easily begin to second-guess the administrator—and even undermine his authority!

•*Holding sessions without the administrator also means ignoring one of your best resources.* Your administrator knows how Mc.C.A.N. operates best and will be able to tell you which of your plans are most workable. You'd only be shooting yourself in the foot to ignore this valuable input on all decisions you're asked to make!

The only time I recommend that a board exclude the administrator from a meeting is when the board discusses how to evaluate its administrator. This is when you may want to discuss which points will be brought up about the administrator's performance or what questions will be asked during the evaluation. Once this discussion has taken place the administrator should be included in any discussions concerning performance issues.

Once you've planned your evaluation, however, your administrator should be part of any formal discussion that follows.

## **The board's relationship with other staffers**

The proper relationship of the board to staff members is also vitally important to the smooth running of a nonprofit. A poor understanding of this connection can undercut an administrator's effectiveness and cause a crisis of authority.

In practice, the board has only one employee—the administrator. The board hires this individual to be Mc.C.A.N.'s expert in all management areas—including personnel. The administrator is charged with hiring and firing staffers, and has complete responsibility for supervising, evaluating, rewarding and disciplining them.

Staffers must clearly know who gives the orders, who is accountable to whom and who has responsibility of what. To accomplish this, the board creates a chain of command with lines of authority and accountability.

The following simple question/answer exercise illustrates the most effective chain of command:

### **Chain of Command**

- 1) Who manages the people you serve? —————> Your direct line staff
- 2) Who manages direct line staff? —————> Supervisors
- 3) Who manages supervisors? —————> Your administrator
- 4) Who manages the administrator? —————> The board
- 5) Who manages the board —————> The board chairperson

When board members ignore this chain of command, they interfere with the ability of the administrator to effectively run Mc.C.A.N. Once a short circuit between the board and staffers is allowed to happen, a dangerous precedent is set.

For instance, if the board changes or overturns an administrator's discipline decisions, his authority to handle personnel issues is undermined. Staffers will believe they can come to the board with every issue. The result is that the administrator becomes an ineffective figurehead without real authority to manage staff.

## **Administrative Referral Policy**

It is the intent of this policy to reduce Board Member liability when approached about the business of Mc.C.A.N., and to reduce the risk of confusion between the Board, staff, clients, and the Executive Director.

It shall be the policy of this Board of Directors to refer all complaints, comments, and questions from the staff, staff's families, and/or friends to the Chief Administrative Officer without comment. Board members should advise an individual that any complaints, comments and questions should be filed in writing, with the Chief Administrative Officer. The Chief Administrative Officer shall respond in writing. If the individual(s) is not satisfied with the written response provided by the Chief Administrative Officer, he or she may request a meeting with the Board through the Chief Administrative Officer. The Chief Administrative Officer shall be required to advise the Board of the request and to schedule such a meeting if the Board so authorizes. The Board reserves the right to deny such a meeting to anyone when they feel the situation was handled timely and appropriately.

### **Make your administrator's evaluation a positive opportunity**

An annual review of your administrator's performance is your opportunity as a board to look at his/her progress, determine what changes are needed—and make suggestions about how these changes can be made.

To conduct an effective evaluation, however, your board needs to give itself lots of time to plan thoroughly. You should set a date and place, select an evaluation form, hold a formal session with your administrator and follow up with clear goals you'd like your administrator to accomplish in the upcoming year.

Remember that you're measuring administrator effectiveness on bottom-line results, like:

- The quality of the information and recommendations the administrator gives to the board.
- The overall financial health of the nonprofit.
- The extent of community support for Mc.C.A.N.
- Measurable progress towards Mc.C.A.N.'s long-range goals.
- Success in achieving the goals set forth in the previous evaluation.
- How well he/she works within the job description given by the board.

## How do we measure up?

YES NO

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | 1) Our board understands that its role is to set guidelines for the governance of Mc.C.A.N. this profit and to delegate authority to the administrator to carry them out.                        |
| <input type="checkbox"/> | <input type="checkbox"/> | 2) Board members consider the administrator an integral part of the board team and its decision-making process on all issues affecting Mc.C.A.N.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 3) Our board is comfortable delegating management responsibility to the administrator and conveys in clear terms what is expected of him or her.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 4) This board does not hold any closed meetings excluding the administrator.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 5) When board members have questions about their proper roles and responsibilities, they go directly to the administrator for answers.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 6) Our board understands the importance of Mc.C.A.N.'s chain of command policy and refers all complaints, concerns or comments from staffers, the public or those we serve to the administrator. |
| <input type="checkbox"/> | <input type="checkbox"/> | 7) Members of this board don't seek out staffers to talk about what's going on at Mc.C.A.N.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 8) Our board makes an effort to get to know staffers at Mc.C.A.N.  |
| <input type="checkbox"/> | <input type="checkbox"/> | 9) Board members show concern for the well-being of staffers and recognize their outstanding performance through board action.   |
| <input type="checkbox"/> | <input type="checkbox"/> | 10) We have a formal procedure for evaluating the administrator's performance that recognizes areas of achievement and sets measurable goals to correct any deficiencies.                        |



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## Shorter, more productive meetings

Board meetings are where most of Mc.C.A.N. board's work is done. It shouldn't come as any surprise that what goes on in meetings usually makes the difference between an effective or an ineffective organization.

Poor meetings can alienate staffers by failing to address pressing policy or funding issues, can destroy the administrator/board spirit of teamwork, waste your time and the time of fellow board members and, in general, cause turmoil and wreak havoc at Mc.C.A.N.

### **Every board member is responsible for good meetings**

The key to a successful meeting is to keep things running smoothly so that the board can make decisions that are in the best interest of Mc.C.A.N. The primary responsibility for this task falls on the board president. Individual board members also have a number of duties to perform if meetings are to be as productive as possible.

To find out if you're living up to your responsibilities, take a few minutes to complete the checklist included on the next page.

### **Good meeting begin before they even convene**

Sound preparation is the most important thing a board member can do to make meetings more effective. If each member does his or her homework ahead of time, meetings will be short and almost always productive.

Several days before the meeting, you will receive an agenda packet. Read it and all related materials carefully. If there is something you don't understand about an issue, call your administrator before the board meeting for clarification. Now is the time to get this out of the way, so that you'll be better prepared for discussion and better able to make an informed decision at the meeting.

Attendance at meetings is also an important board member responsibility. When the team is short one or more board members, there is danger that all sides of the issues will not be explored and all interests will not be represented.

# Meeting Participation Checklist

As a board member, I...

- attend all meetings and arrive on time.
- make an effort to prepare for meetings by reading the agenda and support materials.
- take part in all discussions on issues that come before the board for action.
- keep my discussion focused on the issue at hand and limit my comments to a reasonable time.
- understand the basics of parliamentary procedure as well as state open-meeting laws as they apply to Mc.C.A.N.
- get along with other board members by being flexible and practicing the art of compromise on issues.
- listen to the comments of other board members.
- work towards team consensus on issues.
- focus on the ultimate mission of Mc.C.A.N. and the needs of those whom it serves rather than those of any special interest group.

## **Board meetings follow established rules**

Board meetings are much more than informal gatherings to talk in general terms about Mc.C.A.N. They require careful orchestration and should be conducted according to established parliamentary rules. Whether you use *Robert's Rules of Order* or some other parliamentary guide, your objective is the same: To make meetings as businesslike and courteous as possible.

As a board member, you need to acquire a basic understanding of parliamentary procedure. This will enable you to do your part in moving meetings along quickly and efficiently.

## **The Board meetings begins**

Always do your part to make sure that board meetings begin at the scheduled time. Beginning late can easily create a tone of unprofessionalism that could carry over into the business of the meeting.

There are other reasons why board members should be at meetings on time: If too many board members are late or absent, a quorum may not be present and the board cannot conduct business. Any action by the board that does not have a quorum can be legally invalid and is certainly not in the best interest of Mc.C.A.N.

## **Stick to the agenda**

Your board meeting will run according to an agenda put together by the administrator and the board president. The purpose of the agenda is to lock into a clear plan of business for the meeting. You should have received a detailed agenda in your pre-meeting packet.

## **Committees are an extension of board meetings**

The number and complexity of the many issues facing Mc.C.A.N. means they can't always be dealt with efficiently in regular board meetings.

Often these issues are best handled by board committees who study them and then make recommendations to the full board.

A board committee is a good place for you to offer your special expertise, but serving on these bodies shouldn't be limited to "experts" in specific subject areas. Committee work is an excellent way for any board member to learn more about Mc.C.A.N.

## **Committees only have power granted by the full board**

Whatever the purpose of a committee, its only role is to further the work of the whole board. Committees are not autonomous groups, but extensions of the board, and are always accountable to it.

If your committees are well-defined and controlled, you will receive regular progress reports from each one. Read them before the meeting. These reports should detail the committee's work and make recommendations to the full board for action.

During a meeting, board members may ask questions or get clarification from the committee, but they should remember that the committee was set up in the first place to save the board time. When board members replay the work of a committee at meetings, they are defeating their own purpose.

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## Manage the risks of serving

### **Board members must be aware of their liability**

Your obligation is to act in good faith and in the best interests of Mc.C.A.N. To do this, you should familiarize yourself with the federal and state laws, as well as IRS regulations that apply to Mc.C.A.N.

As a board member, you should know whether Mc.C.A.N.'s policies are updated and in compliance with all non-discrimination and equal employment laws. Likewise, you should know if your board is following your state's open meeting laws or laws that restrict lobbying efforts of nonprofits.

To learn more about your specific liabilities, contact an attorney who specializes in this type of business. Your administrator will also have additional information, as will any state or regional organizations you are affiliated.

### **A few rules for managing your liability as a board member**

*1) Pay attention!* Your greatest liability risk comes from negligence, or not doing the job as it should be done. Each board member has a legal and moral obligation to ensure that things are running right at Mc.C.A.N. By taking your seat at the board table, you accept this responsibility.

Pay attention to financial reports and the annual audit. Read the minutes of the meetings for accuracy. Make sure you have adequate and correct information, and understand the issues before making decisions. Evaluate your administrator and the progress of the organization annually.

*2) Know and follow your policies.* Mc.C.A.N. should have two sets of policies in place—one governing the board and the other providing for the overall direction of Mc.C.A.N. Failure to abide by a policy or applying it inconsistently are common sources of litigation against boards.

You should review your policies each year and update them to reflect changes in the laws or regulations that govern Mc.C.A.N. After all, having a policy in place is meaningless—if those policies don't reflect current requirements.

3) ***Know the laws that pertain to The Council of the Southern Mountains.*** As you know, ignorance is no excuse. You need to be aware of the legal requirements Mc.C.A.N. is obligated to meet.

For instance, many state and federal equal employment regulations affect Mc.C.A.N.'s personnel policies, especially those that relate to hiring and firing staffers or accommodating the disabled.

State and federal laws also limit lobbying and political activity by Mc.C.A.N. You can't be sure you're in compliance with these laws unless you know them. So take the time to review these items—and stay out of court!

4) ***Use common sense in taking action as a board member.*** Anything you do or say at a board meeting can leave you vulnerable to a lawsuit. Make sure your discussions as well as your actions are legally sound.

**Remember:** Think before action or talking. And if a mistake is made, try to remedy the situation as quickly as possible.

5) ***Request counsel when necessary.*** Seek an attorney's opinion for questions of legality. Use auditors, financial experts and others to make sure you're making good decisions. Also, take preventative measures and request that Mc.C.A.N.'s legal counsel discuss liability risks with the full board.

6) ***Attending all meetings.*** If you must miss a meeting, examine the minutes of the meeting closely and register any disagreements in writing to the administrator or the board president. As a member of the board, you can be held responsible for all actions taken—even if you weren't present. This means you need to keep a close eye on what takes place and protect yourself if you feel a particular decision would leave you vulnerable.

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## **Board development**

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Nobody has ever said governing Mc.C.A.N is an easy job. There will never be a time when you can declare yourself the perfect board member or your board the perfect team. From orientation to retirement, improving your individual board skills and building a more effective team are never-ending tasks. You should make both high priorities!

### **Build Mc.C.A.N. through recruiting**

The obvious place to begin board development efforts is finding qualified new members when board openings occur. Board members are responsible for cultivating a supply of qualified individuals who are ready to fill vacancies.

Always be on the alert for individuals in your community or among your membership who would make good candidates for a board seat.

To recruit new board members, skills needed for effective board service must first be identified. The qualities you need to look for are leadership skills, interest in Mc.C.A.N.'s cause, and a willingness to commit time and effort to the organization.

In addition to these general traits, you will also want to seek out candidates who can bring specific skills to your board team. For instance, perhaps you need help building your endowment—and know that an attorney could assist you with this plan.

### **Be sure new board members receive a thorough orientation**

After recruiting qualified new board members, the next step in board development is a thorough orientation. Bringing new members up-to-speed on their proper roles is essential to a smooth-running board team.

A good place to begin is with an orientation that involves all board members as well as your administrator. Define the major areas a new board member needs to know about and have veteran board members give presentations. This way, you orient the new members and, at the same time, review information for veteran board members.

You will receive an eye-catching, three-ring binder that contains background material and information all board members need to know—everything from meetings to an overview of programs and services.

The binders, however, are given only to veteran board members who are then paired with a new member. The veteran sets up regular meetings with the rookie to go through the binder and answer any questions he or she has.

Also arrange to have new board members meet with our administrator for an initial introduction to Mc.C.A.N.



**Orientation of:** \_\_\_\_\_  
(Board Member)

**Orientation completed by**  
(Person and Date)

Date orientation began: \_\_\_\_\_

**Describe The Organization To The Board Member:**

- Who we serve
- What we do
- Other:

**Explain And Discuss With Board Member:**

- Meeting attendance—both full board and committee
- Committee assignment
- Board role and relation to administrator/staff
- Other:

**Conduct Tours:**

- Administrative offices and board room
- Other facilities
- Deliver Important Information to Board Member:
- Letter of welcome from the chairperson and administrator
- Mission statement
- Bylaws
- Board policies
- Copies of the minutes of board meetings for the past year
- Annual report and auditor's report for last three years
- Current budget and other financial reports
- Long-range plan
- Goals for the year
- List of all board members including addresses and phone numbers
- List of all board officers
- List of committee memberships including committee chairpersons
- Calendar of meetings for the year
- Copies of the organization newsletter for the past year
- Other:

**Introduce Board Member To:**

- Chairperson
- Chairperson of committees to which board member is assigned
- Other board members
- Staff
- Other:

**Collect Data:**

- Address
- Telephone—home and office
- Best time to contact
- Best time for meetings
- Other:

## **The board president**

Someone has to be the team leader and this individual is the board president. The job description for the president is relatively simple, but his or her actual role often can be quite complex.

First of all, the board president must understand that he or she has no special authority beyond that of any other board member unless the full board decides otherwise. For example, the board may delegate specific powers to the board president like managing meetings, representing the board to the public, or signing contracts and checks on behalf of the board.

In other words, any powers the board president has must first be granted by the full board either in policy or through accepted board practice. This means that the president cannot speak or act for the board unless the full board has formally or informally delegated this privilege.

Traditionally, the board president has several duties:

- **Planner**—The president works with the administrator to plan the meeting agenda as well as how the meeting will be conducted. The president keeps an overall view of the board calendar and makes sure that duties mandated by board policy or by law are completed on time.
- **Facilitator**—The president must be viewed as a facilitator, rather than a controller, of board meetings. He or she begins the meetings on time, directs the board through the agenda and attempts to adjourn the meeting on schedule. As facilitator, the president ensures that all board members have the opportunity for fair participation, attempts to make sure all sides are heard, and moves the board to action on the issues.
- **Delegator**—The president traditionally has the power to appoint board members and others to committees, with board consent. To do this, he or she must spend extra time with individual members to learn their skills, strengths and interests so that appropriate assignments can be made. It is also the president's responsibility as delegator to make sure that committee assignments are clear and to hold the committees accountable to do the job assigned. The president often serves on committees.
- **Liason**—The president must be able to communicate the board's needs and concerns to the administrator and vice versa. In addition, the president offers personal support and counsel to the administrator and acts as his or her sounding board.
- **Teambuilder**—It is the duty of the president to foster team spirit among board members. When this cooperation is endangered, he or she must mediate, counsel and discipline fellow board members to keep the team intact.

## **The board vice president**

The vice president traditionally serves as the board president's backup. However, the vice president is usually assigned additional specific duties such as chairing a committee, taking charge of board development activities or preparing the annual meeting.

The vice president must work with the president to stay current on board issues and methods of operation so that he or she can assume the chairperson's duties if needed.

It's important to have someone in the Number Two position who knows enough about issues and projects to take over if anything happens to your board president. The vice president really guarantees continuity for a board. This is why our board president and vice president work closely together on everything.

### **The board secretary**

The size and business nature of Mc.C.A.N. has dictated changes in the board secretary's traditional role. For example, the minutes of a meeting should be recorded by a staff member, not the board secretary. The reason for this is simple. Meetings require the full participation of all board members, and the board secretary cannot do this while taking minutes. His or her job is to ensure the accuracy and safekeeping of the minutes.

Board correspondence should be done by clerical staffers with the secretary acting as overseer. The secretary is also responsible for the care and maintenance of Mc.C.A.N. historical documents.

### **The board treasurer**

The treasurer's job has also changed dramatically. This individual, like the secretary, is now an overseer. The board treasurer may be responsible for making sure that adequate records are kept, accurate and timely financial reports are delivered to the board, and an audit of Mc.C.A.N. is completed annually.

The treasurer may also be asked by the administrator to assist in preparation of the budget to be submitted to the board and to help interpret financial reports to the board. The financial director and other staffers are hired to handle day-to-day finances, be sure the board treasurer realizes that his or her job is to make sure board policy is carried out—not to manage these individuals.

### **Evaluate your work as a board team**

The board must hold itself accountable to do the very best job possible for those we serve. This means a formal self-evaluation and sincere efforts to improve the way we work as a team.

Remember that a board evaluation should be a positive effort. Our goal is to make our board function better—not to criticize individual personalities.