

Governance Reviews by Bob Harris, CAE

"But we've always done it that way!"

It's the common reply by boards when asked about their rationale as to why they meet so often, why they sustain ineffective committees, or why the agenda is primarily "reports and updates."

Many organizations developed a governance system when they were founded 20, 50 or 100 years ago.

A governance review analyzes aspects such as board composition, governing documents and committee effectiveness. The result is improved understanding, structure and performance.

While it may be led by a consultant, it can be conducted by a task force making recommendations to the board of directors.

These elements are usually considered:

- Board Composition
- Committee Structure/Use
- Governing Documents
- Executive Committee Purpose
- Board Meetings
- Strategic Plan
- Mission Statement
- Nomination Process
- Orientation Tools
- Staff Relations

Be sure to rely on legal counsel when amending governing documents.

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Note: The governance review guide is available at www.nonprofitcenter.com. The site provides free tips and templates for associations and chambers.

Conduct a Governance Review	
Bob Harris, CAE bob@rchcae.com	
<small>Environmental changes (technology, economy, generations, etc.), or subpar performance, are catalysts for reforming governance. Organizations founded 20, 50 or 100 years ago usually benefit from change. If elements of governance are status quo (same size board, same committees, same bylaws) it may be time for a comprehensive governance review.</small>	
Existing Governance	Improved Governance
Committees <small>Too many, minimal understanding of their work for the board, not aligned with the goals in the strategic plan.</small>	<ul style="list-style-type: none">• Few standing committees and more task forces and quick action teams (QATs).• Clear alignment with elements of the strategic plan.• Thorough orientation and guidance.• Board and/or staff liaison.• Producing significant outcomes each year.
Governing Documents <small>Bylaws cluttered with policies, board unaware of distinction of importance of articles, bylaws, policies. Policy manual outdated or overloaded.</small>	<ul style="list-style-type: none">• Bylaws review and removal of policies and clutter for a broader perspective.• Policies adopted for IRS compliance and efficiency; organized for access by the board.• Governing documents in good order and accessible; an aspect of board orientation.
Board Meetings <small>Frequent meetings full of UPDATES by committees and officers; minimal awareness of the strategic plan. Minutes reflect slow progress or no results at a meeting ("why did we hold that meeting?")</small>	<ul style="list-style-type: none">• Agenda formatted to expedite the meeting and align with strategic goals.• Meeting held only as needed for results.• Mission and strategic plan always on the board table to frame discussions.• Rules of conduct guide or cultural expectations adopted by the board.• Knowledge based discussions.• Use of a consent agenda to reduce reports and focus more on outcomes.
Professional Staff <small>Staff told what to do, micromanaged by directors. Minimal investment in professional development in budget.</small>	<ul style="list-style-type: none">• Empowerment of staff to participate in discussions and help make leadership decisions.• Sufficient resources to train staff annually.• Avoidance of micromanagement.
Strategic Plan	<ul style="list-style-type: none">• Fewer goals to hone in on meaningful results for the community or industry.• Spanning 3 to 5 years.


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<p>Developed at a retreat focused on game and golf. 10 – 50 page report and shelved to collect dust. Not a guide for committees, board and staff. No alignment with resources and industry needs.</p>	<ul style="list-style-type: none"> • Member and community awareness of the plan. • Plan guides all the discussions of the leadership and committees. • Reviewed annually and updated about every 3 years. • Closely aligned with the budget.
<p>Mission, Vision and Values (brand)</p> <p>Too long or redundant mission and vision statements; not a guide for the board; hard to memorize and articulate; old fashioned.</p>	<ul style="list-style-type: none"> • Updated to reflect an innovative organization. • Promoted frequently and on every agenda. • Directors rely on it to communicate the purpose, vision and values. • Mission may be combined with vision to reduce “clutter.”
<p>Board of Directors</p> <p>Appointed by chapters or geographic regions and mistakenly thinking they are working for the chapter; minimal orientation and access to information; lack of accountability enforced; too large.</p>	<ul style="list-style-type: none"> • Reduce board size to reach the number of directors who will effectively govern the corporation. • Highly effective orientation and access to documents. • Reliance on a strategic plan (roadmap). • Accountability enforced by the officers. • Cultural expectations described at the start (director “ground rules.”) • Fiduciary duties understood. • Balance between authority of the executive committee and the board. • Minimal ex-officios and past presidents (if any.) • No “alternates” or “proxies.”
<p>Executive Committee</p> <p>Usurps role of the board by meeting and then dictating expectation; closed door sessions.</p>	<ul style="list-style-type: none"> • Appropriate composition of officers. • Authorized by the bylaws and limited by policy. • Respectful and open to the board of directors.
<p>Nominations</p> <p>Group throws names in a hat; minimal focus on identify competent directors and vetting them for skillsets and commitment.</p>	<ul style="list-style-type: none"> • Nominating Committee transformed to a Board Development Committee with year round duties; including: • Year round volunteer leadership identification. • Assist with annual board orientation. • Assist with annual board self- evaluation. • Highly effective vetting process.