



Do you have a “high functioning” Board?

- Boards have tremendous leverage on your life as a leader – for good or ill.
- An out-of-control or negative Board saps your energy and the energy of the entire organization.
- Board conflict is the single most common reason for a Pastor's departure and in the top three for a CEO.
- On the other hand, an exceptional Board adds tremendous potential to an organization
 - Building Leader confidence
 - Adding specialized expertise
 - Providing (backup) wisdom
 - Widening the circle of friends
 - Bringing in major financing

3



Exploring Non-Profit Board Models

1. Strong Board, subordinate executive

Pros

May fit the talent profile available

Cons

- Boards may not have enough info to manage
- Management by committee is usually dysfunctional

2. Strong Executive, Ornamental Board

Pros

Works if you have a talented and charismatic executive

Cons

Potential for disaster is high with no effective checks and balances

3. “Equal Partners” Board

Pros

Servant leadership-friendly

Cons

Sounds great but ambiguity is high

4. Partners, With Different Roles and Clear Boundaries

Pros

- Many exceptional examples
- Boards and leaders both end up doing what they do best

Cons

- Not a “natural modality”
- Requires intentionality and training

Model 4 has both a secular and godly heritage

4



Exploring Non-Profit Board Models (continued)

Church Policy or Governance

Traditional Models

1. Episcopal / Roman Catholic - derived
 - Apostolic authority – bishops and presiding councils worldwide
 - Local – Rector for all ecclesiastical matters. Wardens and Vestry – for temporal matters
 2. Presbyterian
 - Authority in hands of local elders—pastor is a specialized elder
 3. Congregational
 - Leadership by vote of the congregation
 - American entrepreneurial model!
 4. Single – pastor led
 - Pastor has an “ornamental Board”
- Almost infinite variations spring up among independent churches – Boards with Pastors, Elders, Deacons, Trustees, Executive Pastors, Leadership Councils, etc.
 - But the key to a “functional church board” is clarity of roles regardless of final authority. (Model 4, previous page)
 - Occasionally the structure can be so badly designed that it is dysfunctional by definition.

5



Setting Up a “Policy Governance” Board

A Policy Board Has Just Three Main Goals

1. Select, fairly compensate, nurture, encourage and evaluate annually a leader who serves as the Board's sole agent
2. Determine the mission, core values, major strategies and desired outcomes and monitor their achievement
3. Ensure financial solvency, legal integrity, spiritual integrity and monitor the outcomes

In a Policy Governance Board:

- The Board Chair manages the Board and ensures the integrity of the process
- The Leader manages the organization, within the policies set by the Board

In a Policy Governance Board Meeting:

- Chair manages with policy creation in mind, does not allow operational instructions
- Committees also do not have operational authority except as specifically assigned by the Board
- Committees speak TO the Board, not FOR the Board
- Written agendas and reports go out ahead of time
- Action items are clearly separated from informational

6



Setting Up a “Policy Governance” Board (continued)

Hierarchy of Governing Documents

The principles: Each level is consistent with those above it. The Board's focus is points 2, 3, and 4. Authority flows down; accountability flows up.

1. Federal and State Laws
(A Board expects staff to monitor on its behalf and comply)
2. Articles of Incorporation
(Seldom need amending unless name of purpose changes)
3. By-Laws
(Revised and update as necessary to reflect actual practice)
4. Board Policies Manual (BPM)
(the “one-voice” of the Board in an evolving, comprehensive document of 15-20 pages)
 - Mission, values strategic, goals
 - Board structure and process
 - Board – staff relations
 - Parameters for executive action
5. CEO-Level Policies
(Planning documents, personnel manual, etc. approved by CEO and often given to Board for information, not approval)
6. Other Organizational Policies
(Often determined in and by various staff)

7



Setting Up a Policy Governance Board (continued)

A Mature Board should have a record of its policies

There are five Parts to a good Board Policies Manual (BPM)

1. Introduction and Administration defines the reasons for doing a BPM and how it will relate to other Board documents, how it is changed at most meetings, maintained, etc.
2. Organization Essentials includes the mission, vision, values, strategic, goals, etc. and answers “who benefits...in what priority...and at what cost?”
3. Governance Structure and Process Policies: What structure and process does the Board want for itself? Addresses philosophy of governance, info on meetings, description of committees, Board finances, etc. No more than 2-3 pages.
4. Board-CEO-Staff policies: How the Board wants to relate to its one agent, the CEO, and to staff in terms of roles, CEO evaluation, staff benefits, monitoring reports, etc. No more than 3-4 pages.
5. Executive Parameters policies: What does the Board want or not want the CEO/staff to do in pursuing the mission and goals in Section Two? (These are usually grouped into chapters that mirror Board Committees, e.g., chapter on finances, development, programs, etc. May take 6-8 pages.)

8



Teaching Your Board to Behave Like a Board

- No one can succeed for long with 10 individual bosses. Your Board has to act like a Board.
- Always insist on written yearly goals for the leader (often written by him/her) and evaluate strictly on those goals.
- Teach your Board to Follow Bob Andringa's "three hats guide lines"
 1. Governance Hat (only hat that carries legal authority to govern)
 - Worn only when in a properly called Board or Committee meeting with a quorum
 - Decisions made only when part of the group wearing this hat
 - CEO is completely accountable to governing policies set by the Board
 2. Volunteer Hat (this hat carries no legal authority)
 - Goes on when leaving a Board or committee meeting
 - Worn when *advising* the CEO
 - Worn when *helping* staff (alone or in a group) and often under the supervision of the staff
 3. Implementer Hat (carries limited authority, but is seldom worn in most Boards)
 - Seldom worn because staff usually implement Board policies
 - But worn when a Board resolution or the CEO gives a Board member authority to implement some Board action
 - Hat is removed when task is done

9



Learn How to Work for a Board

- Get the relationship clear in the beginning (with the Chair)
 - I manage the staff
 - You manage the Board
 - I work with written goals
 - We meet and talk often
- Provide a clear path for the Board
 - Agree on a vision, focus on excellence
 - Always pick up exactly where you left off
- Bring choices to a Board, not insoluble problems or "blank sheets of paper".
 - Recognize what Boards are good at—choosing, refining, collective wisdom, policy making
- Never give the impression that you're an independent agent, you're a man or woman under their authority
- But never give the opposite impression either, that you're at the meeting to get operational instructions
- Review progress every meeting, praise them, visualize achievement for them

10



Building an Exceptional Board

- Have a “Profile” for selection of new members and don’t “settle”. (see handout)
- Have term limits (rotation) to allow weeding (two 3 year terms or 3 two year terms and required year off is common)
- The Board should evaluate its own meetings (handout) and its yearly performance
- The Board should provide an education in governance to new members and periodic enrichment through retreats, social time and prayer.
- The Leader and Board Chair work together to make every meeting contain an element of vision and forward progress
- The Board Chair brings discipline and focus, the Leader/CEO brings enthusiasm and vision.

11



Building an Exceptional Board (continued)

Great Boards

- ...adopt powerful missions which lead to charged lives
- ...have great Chairs—willing and able to manage
- ...insist on integrity and accountability
- ...talk about the important stuff and measure outcomes
- ...have great meetings. The room arrangements count—the atmosphere counts—setting the tone counts—the pacing of agendas count—timing counts—(handout and pass-around)

12

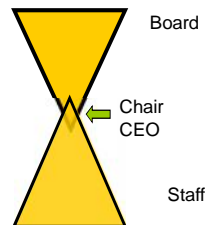
The Care and Feeding of Your Board

- A good leader makes his/her Board a priority
 - Survey in CEO Dialogues on percent of time spent nurturing your Board
 - Part of Leader's necessary external focus
 - Pays off in multiple ways ("money in the bank")
- A good Leader's Board members always feel "in the loop" (whether it's good news or bad)
- A good Leader's Board members always feel their counsel is valuable

13

The Board Chair/CEO or Board Chair/Pastor Relationship

- The Chair/CEO relationship is the most important one in the entire organization.



- If the relationship is strained or "incorrect" the whole organization will feel it.
- The Chair should be selected by the Board because he/she is gifted to fill the role.
- The Chair has no authority to direct or supervise the CEO in a Policy Board model, but he does provide advice, insight into what the Board is thinking, protection if necessary, and takes the lead on ensuring a performance review.
- The relationship needs investment by parties.

14



Problem-solving: What to do if your Board is already a problem

- Make sure you're not the problem. Are you humble and willing to take direction from your Board? Are you offering written goals and are you willing to be evaluated by them?
- You can't reform your Board. The Chair has to do it. But you can educate him on "best practices".
- Begin the education process with the Chair. Offer a third party consultation.
- If the Chair is hopeless, find an ally gifted to be Chair, and pray the current Chair out!
- If the problem is one or two Board members with agendas—ask the Chair to ask them to leave!
- If a majority of the Board is against you, you have to recognize you can't govern that way. Something will change.

15



Resources

Boards

- Boards That Make a Difference, John Carver, 1997, Jossey Bass
- Good Governance For Non-Profits: Developing Principles and Policies for an Effective Board, Robert Andringa and Fred Laughlin.
- www.boardsource.org
- Bob Andringa, www.theandringagroup.com

Personal

- The 7 Habits of Highly Effective People, Stephen R. Covey, Free Press, 1989
- Bobb Biehl, Executive Coach, www.bobbbiehl.com
- Ed Morgan, free, practice limited to 10 days per year

16