BOARD
ROLES & GOALS
for Associations - Chambers - Nonprofits

The Responsibilities of Volunteer Leaders

Setting Strategic Direction and Goals

Guide for effective Association, Chamber and Non-Profit governance
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My Favorite Association Quote: No man has a right to withhold his support from an organization that is striving to improve conditions within his sphere. Every man owes a part of his time and money to the business or industry in which he is engaged.

*Teddy Roosevelt - 1908*

Your Favorite Association Quote:

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Board Roles and Goals – Bob Harris, CAE 2
Pre-Session Leader Quiz

1. Our Mission Statement
   - I can state it from memory.
   - It needs to be updated.
   - Does it really matter?

2. Finances
   - I know the size of our budget to within: $500___ $5,000___ $50,000___ $500,000___
   - I know how much we have in reserve-savings. Yes__ No__ $________
   - I know our budget’s largest revenue streams.
   - Ratio of budget income: dues __% versus non-dues __% (=100%)

3. Board Staff Distinction
   - The board has one employee.
   - The board has multiple employees whom we evaluate and assign bonuses.
   - Micromanagement seems natural and we should oversee the office.
   - The CPA/Attorney works for: the board ☐ the CEO ☐.

4. Membership Market Penetration
   - I’m satisfied with the percentage of members we have compared to the total market potential of prospects: Yes__ No__
   - Our membership represents % of the prospects: About: 25%__ 50%__ 75+%__

5. Member Benefits
   - The benefits and services are relevant and offer high return on investment.
   - I can describe our top 5 benefits to a prospective member.
   - Our #1 benefit is:____________________________________________
   - Our “golden handcuff” benefit is:_________________________________

6. To Protect the Organization we Have:
   - CPA to conduct independent financial: Audit ☐ Review ☐ Compilation ☐
   - Rely on the governments’ “volunteer immunity” statute (Who needs insurance?)
   - Insurance:  D & O ☐ General Liability ☐ $ Bond ☐ Meeting Cancellation
   - Have legal counsel available.

7. The top challenge I anticipate during my service on the board of directors?
Roles and Responsibilities

Board members have significant responsibilities for guiding and governing the organization. Their role is significantly different from that of administrative staff. In recent years, there is more scrutiny on boards of directors to make sure they are fulfilling duties.

"I didn't say anything during the meeting, but I don't agree with the rest of the Board on this issue."
Primary Functions of a Board

Directors should know the “big picture” of the board’s major functions. Most organizations rely on the board to fulfill four fundamental roles. (These roles vary significantly from the functions of the executive directors and management staff.)

**Governance** – Through the authority granted in the articles of incorporation and bylaws, the board is responsible for governing the organization. Governance is a broad oversight and is not considered a function of management or administration (staff roles.)

**Policy and Position Development** – The board reviews and develops policy and positions that will guide the organization and its stakeholders. *Policies* are adopted for the recurring and critical issues that arise, in the form of a motion, to guide future boards and staff. *Positions* tend to relate to governmental platforms.

**Visionary** – The board sets the course for the organization well into the future. Though a director may term limitations in the sense of number of years or number of terms, there is a need to think beyond one’s term in order to guide the organization and the community it represents. Evidence of being visionary is a reliance on the strategic plan, including a clear mission and vision.

**Fiduciary** – The fiduciary duty is a relationship of confidence or trust between two or more parties. The board has responsibility to protect the organization and its resources.
## Role Definitions – 2008

<table>
<thead>
<tr>
<th>Chairman/Board of Directors</th>
<th>Chief Executive Officer</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>
### Board or Staff Function?

**Who is Responsible?**

<table>
<thead>
<tr>
<th></th>
<th>Board</th>
<th>CEO/Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Approve an annual budget.</td>
<td>✓</td>
<td></td>
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<tr>
<td>2. Make hiring decisions for staff other than the Executive Director.</td>
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<td>✓</td>
</tr>
<tr>
<td>3. Develop new programs or services.</td>
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<tr>
<td>4. Assess the performance of the board</td>
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<tr>
<td>5. Assess the performance of the executive director.</td>
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<tr>
<td>6. Complete the IRS 990 tax report and other gov’t reports.</td>
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<td>7. Approve the 990 tax report for submission.</td>
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<tr>
<td>8. Set the Mission for the organization.</td>
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<tr>
<td>10. Set the agenda for the Board meetings.</td>
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<tr>
<td>11. Monitor income and expenses on a daily basis.</td>
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<tr>
<td>12. Set policy regarding the role of the Board.</td>
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<tr>
<td>13. Select the auditor/CPA.</td>
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<tr>
<td>14. Revise the organization’s mission statement.</td>
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<td>15. Exercise fiduciary oversight of the organization.</td>
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<tr>
<td>16. Identify, recruit and select new Board members.</td>
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<td>17. Create a fundraising plan.</td>
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<tr>
<td>18. Develop a mission statement.</td>
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<tr>
<td>19. Create a strategic plan.</td>
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<td>20. Create a business plan of action.</td>
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<tr>
<td>21. Engage in day-to-day management of the organization.</td>
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<td>22. Create organization policies and positions.</td>
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<td>23. Create organization procedures.</td>
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<tr>
<td>24. Renew insurance coverages.</td>
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<tr>
<td>25. Budget for staff education.</td>
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</table>
Principles of Strategic Board Governance

What form of governance does the board utilize? What elements of Strategic Governance can be applied to our leadership processes?

- Clear *mission*, *vision* and *values* statements guide leaders and staff.

- The *strategic plan is the driving force* for agendas, board discussions and the focus of successive leaders.

- The goals and strategies are translated into a more precise (tactical) *business or action plan* by staff.

- *Performance measures* are the basis for gauging progress.

- The *chief elected officer charges committees* with work from the plan. Committees have access to the board through a director or staff liaison if they are chaired by other than board members. *The board of directors does not do committee work at the board table.*

- *When non-strategic discussions arise*, a member of the board or staff is empowered to query the relevance of the discussion.

- *Board members are responsible to each other* – taking pride in their follow-through and achievements while serving in the leadership role.

- The *strategic plan is revisited annually*, and updated every three to five years.
The Governing Documents (4)

What are my “governing documents?” There are four that create the framework for a nonprofit organization.

Board members should be asked to read the governing documents. The corporate concept of “duty of obedience” requires adherence to these documents.

Mission Statement
The mission statement --- or statement of purpose --- is the single most important governing document. It is the justification for the IRS issuing tax-exempt status to the organization.

The mission statement guides the board and staff, and informs members, prospects and other organizations as to the reason for your existence. A mission statement is generally reviewed and updated when the strategic plan is developed. The trend is for a short, memorable statement that identifies the organization, the membership it serves, and what it offers.

Articles of Incorporation
The articles of incorporation (sometimes referred to as the charter or constitution) are the primary rules governing the management of a corporation, and are filed with a state or other regulatory agency. State legislatures may amend the law periodically; thus staff must monitor changes to state corporate law.

Bylaws
A bylaw is a rule governing the internal management of the organization. Bylaws cannot supercede local, state or federal laws.

The founding directors draft the initial bylaws under the authority of its articles of incorporation. Bylaws generally cover topics such as membership categories, how directors are elected, how meetings are conducted, standing committees, and descriptions of responsibilities.

The general membership typical must ratify amendments to the bylaws. The IRS requires that amendments to the governing documents be submitted annually (use Form 990.)
Policies

A policy interprets the governing documents and is usually maintained in the form of a policy manual; for example, a policy on investing the organization’s savings. The policy development process includes the identification of recurring issues and the best alternatives selected by the board.

Policies can be adopted or changed by the board without involving the general membership. The authority and rationale for policies are always found in the meeting minutes. Consider policies as the wisdom of the board passed on to future leaders and staff.

In closing, these four governing documents should be in a format that are easily read and understood by the board so that they may fulfill their responsibilities.

#    #    #

Create a Leadership Manual

What documents you expect to review in the board’s leadership manual or on-site “board room.”

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Ten Responsibilities of the Board

1. **Determine the Organization's Mission and Purposes**
   A statement of mission and purposes should articulate the organization's goals, means, and primary constituents served. It is the board of directors' responsibility to create the mission statement and review it periodically for accuracy and validity. Each individual board member should fully understand and support it.

2. **Select the Chief Executive**
   Boards must reach consensus on the chief executive's job description and undertake a careful search process to find the most qualified individual for the position. The board also selects the board attorney and CPA.

3. **Support the Chief Executive and Assess Performance**
   The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization. The chief executive, in partnership with the entire board, should decide upon a periodic evaluation of the chief executive's performance. [CEO is responsible unless the actions of the board prevent the CEO from performing his or her job.]

4. **Ensure Effective Organizational Planning**
   As stewards of an organization, boards must actively participate with the staff in an overall planning process and assist in implementing the plan's goals.

5. **Ensure Adequate Resources**
   One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. The board should work in partnership with the chief executive and development staff, if any, to raise funds from the community.

6. **Ensure Effective Resource Management**
   The board, in order to remain accountable to its donors, the public, and to safeguard its tax-exempt status, must assist in developing the annual budget and ensuring that proper financial controls are in place.

7. **Determine, Monitor and Strengthen Programs And Services**
   The board's role in this area is to determine which programs are the most consistent with an organization's mission, and to monitor their effectiveness.

8. **Enhance the Organization's Public Image**
   An organization's primary link to the community, including constituents, the public, and the media, is the board. Clearly articulating the organization's mission, accomplishments, and goals...
to the public, as well as garnering support from important members of the community, are important elements of a comprehensive public relations strategy.

9. **Ensure Legal and Ethical Integrity and Maintain Accountability**
   The board is ultimately responsible for ensuring adherence to legal standards and ethical norms. Solid personnel policies, grievance procedures, and a clear delegation to the chief executive of hiring and managing employees will help ensure proper decorum in this area. The board must establish pertinent policies, and adhere to provisions of the organization's bylaws and articles of incorporation.

10. **Recruit and Orient New Board Members; Assess Board Performance**
    All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, and many other considerations that define a "balanced" board composition. Boards must also orient new board members to their responsibilities and the organization's history, needs, and challenges. By evaluating its performance in fulfilling its responsibilities, the board can recognize its achievement and reach consensus on which areas need to be improved.

    # # #

Duty of Obedience, Loyalty & Care

Under well-established principles of not-for-profit corporation law, a board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization. Several states have statutes adopting some variation of these duties, which would be used in court to determine whether a board member acted improperly. These standards are usually described as the duty of care, the duty of loyalty, and the duty of obedience.

- **The Duty of Obedience**…forbids acts outside the scope of corporate powers. The governing board of the organization must comply with state and federal law, and conform to the organization’s charter, articles of incorporation and bylaws.

- **The Duty of Loyalty**…dictates that officers and directors must act in good faith and must not allow their personal interests prevail over the interests of the organization.

- **The Duty of Care**…requires directors and officers to be diligent and prudent in managing the organization’s affairs. The individuals charged with governing must handle the organizational duties with such care as an ordinary prudent person would use under similar circumstances.

- **Duty of Confidentiality**?

- **Duty of Curiosity**?

- **Duty of Oversight**?
Distinguishing Mission, Vision & Values

Every organization has a mission statement. (Most organizations have submitted the mission statement to the IRS as a requisite for receiving a federal income tax exemption.) Fewer organizations have a vision or values statement.

The statements guide the board, staff, efforts and allocation of resources. They have a public relations value. They may be fine-tuned periodically for relevance --- usually in conjunction with the strategic planning process.

Mission Statement – The mission statement is the foundation of the organization. It identifies who is served, how and why. The statement should be one or two, precisely worded sentences. A good mission statement answers, “Why does the organization exist?”

✓ “As the voice for health care, our mission is to advance the interests and meet the needs of our members, enabling them to provide the highest quality and most cost-effective services throughout the state.”

✓ “The mission of the Chamber of Commerce is to facilitate the progressive development of our business community through economic development, advocacy and workforce development.”

Vision Statement - An inspiring statement answering: "What do we want to be in the long-term if we had unlimited resources?” Think of the vision statement as an image of the organization if it fully carries out its mission and strategic plan.

✓ “The organization will be the premier source of consumer and member information to guide the profession to be most highly respected, best positioned and profitable.”

Values - Core values are consistent with the mission, informing others of the organization’s guiding principles maintained by board and staffs. It is better to adopt value statements than to amend the mission, vision or bylaws. They are often enumerated or bulleted, for example:

- **Excellence:** The highest professional and ethical standards will govern our work and our relationships with others.
- **Leadership:** We will act decisively on behalf of our membership and the industry.
- **Collaboration:** We are committed to listening to a variety of viewpoints and to building consensus within the industry.
- **Innovation:** We will continually explore new avenues to provide better service to our members.
Focus on What Matters

"Focus on what matters," was the recommendation to incoming presidents by Joel Singer, Executive VP of the California Association of REALTORS®.

The phrase should be the mantra for every president, regularly asking, "Does this activity or discussion matter to the big picture of governing the organization?"

Distractions will occur during every president’s term. They come in the form of verbose board members clamoring for attention, or a poorly defined project taking on a life of its own. Use this advice to focus on what matters.

Preparing to be President

1. **Read Governing Documents** - The authority of the president comes from the governing documents. Read the articles of incorporation, bylaws and policies to understand expectations and limitations. To ignore or misunderstand governing documents leaves a president at a disadvantage among directors who have studied them.

2. **Build the Team** - Get to know the executive officers, directors and staff. Ask them to help advance a plan of action. When a director gets out of hand, the team will help correct the situation.

3. **Realistic Outcomes** – Trying to do too much leads to failure. Identify projects that can be accomplished and fit within the mission and strategic plan. Write the *inaugural* president's message by communicating the successes members can expect. Write the final president’s message by summarizing how these goals were achieved.

4. **Rely on the Mission** - A mission statement frames the purpose for the organization’s existence. All activities and discussions should fit within the mission statement. Promote its awareness by keeping it at the bottom of agendas, the wall of a conference room, or read aloud at the start of meetings.

5. **Follow the Plan** - The strategic plan is an organizational roadmap, developed through consensus of the board. The plan identifies what matters --- serving as a primary guide for the president.

6. **Envision Success** - Avoid short-term thinking (month to month) in favor of envisioning what success will look like at the end of the year. With the end in mind, stay focused on what matters and pay less attention to distractions.
Performance as President

7. **Understand Rules of Order** - Rely on meeting protocols to maintain order. Knowing the basics of parliamentary procedure gives the president the advantage with outspoken board members.

8. **Reign in Verbose Directors** - Some directors will offer ideas with gusto, ignoring what's on the meeting agenda. Be firm with directors by suggesting, "That is an idea we can consider but it's not on today's agenda, let's discuss it after this meeting."

9. **Craft Agendas** - It is an art and science to draft an effective meeting agenda. From convening the meeting to adjournment, it should advance the board in achieving results. The president who crafts a good agenda (not leaving it up to staff) will be better prepared for the meeting.

10. **Consider the Board Table** – The president’s seat at the table should be positioned to see and hear everyone. Don’t give up the prime position or ignore boardroom set up. It is best to have the executive officers sitting to the right and left of the president, with the executive director close at hand to serve as a resource.

11. **Manage Committees** – Committees work for the board. If they initiate projects on their own (without the direction of the president) they become distractions. Manage committees by ensuring that they have a statement of purpose and current year assignments. Create lines of communication with committees --- and avoid the temptation to do committee work at the board table.

12. **Ban Micromanagement** - The president's role is governance; the executive director's role is management. Micromanagement occurs if the board quits being visionary and starts focusing on minutiae and administrative tasks. If it helps to keep the board focused on what matters, get a gavel and a sign, "We're in the Weeds!"

Avoid being side tracked. **Focus on what matters** to advance the organization’s mission and goals.

# # #

Note: Bob Harris provides free tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com). Elected officers can download *The First 100 Days – Preparing to be President.*
Traits of Successful Nonprofits

Seven traits of successful nonprofit organizations:

1. **Customer Service Culture** - “We’re here to serve you,” “Every day, every member.”

2. **Alignment of Products and Services with Mission** – Mission is consistent with deliverables of benefits and features.

3. **Data-Driven Strategies** – Information gathering and analysis; evidence-based decision making.

4. **Dialog and Engagement** – Internal and external dialogs among stakeholders, volunteer leaders and professional staff.

5. **CEO as Broker of Ideas** – CEO communicates and encourages visionary thinking.

6. **Organizational Adaptability** – Responsive to change, able to adapt, not limited by structure and culture.

7. **Alliance Building** – Beneficial partnership and collaborative efforts.
Scrubtyny on NonProfit Organizations

Good Governance Practices for 501(c) Organizations  (Rev 4-08)

The IRS believes that governing boards should be composed of persons who are informed and active in overseeing a charity’s operations and finances.

The IRS suggests that organizations review and consider the following to help ensure that directors understand their roles and responsibilities and actively promote good governance practices.

While adopting a particular practice is not a requirement for exemption, we believe that an organization that adopts some or all of these practices is more likely to be successful in pursuing its exempt purposes and earning public support.

1. Mission Statement

A clearly articulated mission statement that is adopted by an organization’s board of directors will explain and popularize the charity’s purpose and serve as a guide to the organization’s work. A well-written mission statement shows why the charity exists, what it hopes to accomplish, and what activities it will undertake, where, and for whom.

2. Code of Ethics and Whistleblower Policies

The board of directors bears the ultimate responsibility for setting ethical standards and ensuring they permeate the organization and inform its practices. To that end, the board should consider adopting and regularly evaluating a code of ethics that describes behavior it wants to encourage and behavior it wants to discourage.

The board of directors should adopt an effective policy for handling employee complaints and establish procedures for employees to report in confidence suspected financial impropriety or misuse of the charity’s resources. Such policies are sometimes referred to as whistleblower policies.

3. Due Diligence

The directors must exercise due diligence consistent with a duty of care that requires a director to act:

- In good faith;
- With the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- In a manner the director reasonably believes to be in the charity’s best interests.
- Directors should see to it that policies and procedures are in place to help them meet their duty of care. Such policies and procedures should ensure that each director:
• Is familiar with the charity’s activities and knows whether those activities promote the charity’s mission and achieve its goals;
• Is fully informed about the charity’s financial status; and
• Has full and accurate information to make informed decisions.

4. Duty of Loyalty

The directors owe it a duty of loyalty. The duty of loyalty requires a director to act in the interest of the charity rather than in the personal interest of the director or some other person or organization. In particular, the duty of loyalty requires a director to avoid conflicts of interest that are detrimental to the charity. To that end, the board of directors should adopt and regularly evaluate an effective conflict of interest policy that:

• Requires directors and staff to act solely in the interests of the charity without regard for personal interests;
• Includes written procedures for determining whether a relationship, financial interest, or business affiliation results in a conflict of interest; and
• Prescribes a certain course of action in the event a conflict of interest is identified.

Directors and staff should be required to disclose annually in writing any known financial interest that the individual, or a member of the individual’s family, has in any business entity that transacts business with the charity. Instructions to Form 1023 contain a sample conflict of interest policy.

5. Transparency

By making full and accurate information about its mission, activities, and finances publicly available, a charity demonstrates transparency. The board of directors should adopt and monitor procedures to ensure that the charity’s Form 990, annual reports, and financial statements are complete and accurate, are posted on the organization’s public website, and are made available to the public upon request.

6. Fundraising Policy

The board of directors should adopt and monitor policies to ensure that fundraising solicitations meet federal and state law requirements and solicitation materials are accurate, truthful, and candid.

7. Financial Audits

Directors must be good stewards of a charity’s financial resources. A charity should operate in accordance with an annual budget approved by the board of directors. The board should ensure that financial resources are used to further charitable purpose by regularly receiving and reading up-to-date financial statements including Form 990, auditor’s letters, and finance and audit committee reports.
The board can establish an independent audit committee to select and oversee the independent auditor. The auditing firm should be changed periodically (e.g., every five years) to ensure a fresh look at the financial statements.

8. Compensation Practices

Charities should generally not compensate persons for service on the board of directors except to reimburse direct expenses of such service. Director compensation should be allowed only when determined appropriate by a committee composed of persons who are not compensated by the charity and have no financial interest in the determination.

9. Document Retention Policy

Adopt a written policy establishing standards for document integrity, retention, and destruction. The document retention policy should include guidelines for handling electronic files. The policy should cover backup procedures, archiving of documents, and regular check-ups of the reliability of the system. For more information see IRS Publication 4221, *Compliance Guide for 501(c)(3) Tax-Exempt Organizations*, available on the IRS website.
IRS Policy Focus - 2009

Effective January 1, 2009 the IRS has redesigned *Form 990 – Return of Organization Exempt from Income Tax*. The form includes a focus on policies.

Because policy development is a board responsibility – not staff – boardrooms around the US will intensify their debate on issues such as conflicts of interest and CEO compensation.

Refresher on Policies

The purpose of a policy is to interpret the broader governing documents: the bylaws, articles of incorporation and purpose statement. The board adopts policy as motions recorded in the meeting minutes.

The policies are transcribed from the minutes so they can be archived and referenced in the organization’s policy manual. They represent the wisdom of current board to be passed along to successive volunteer leaders.

<table>
<thead>
<tr>
<th>Policy</th>
<th>Actual Question</th>
<th>Recommendation</th>
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</thead>
<tbody>
<tr>
<td><strong>Record Retention</strong></td>
<td>Does the organization have a written document retention and destruction policy?</td>
<td>Ideally, contact a CPA and attorney for record retention schedules. Carefully review it and add documents particular to the organization, for instance, continuing education records or grievance files. (Be sure to consider state requirements in addition to federal.)</td>
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<tr>
<td>(Part VI, Sect B, 14)</td>
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<tr>
<td><strong>Whistleblower</strong></td>
<td>Does the organization have a written whistleblower policy?</td>
<td>Adopt a policy that encourages staff and volunteers to come forward with credible information on illegal practices, without retribution. The statement may also be included in a personnel manual.</td>
</tr>
<tr>
<td>(Part VI, Sect B, 13)</td>
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<tr>
<td><strong>Conflicts of Interest</strong></td>
<td>Does the organization have a written conflict of interest policy? If yes, are the officers, directors or trustees, and key employees, required to disclose annually interests that could give rise to conflicts? Does the organization</td>
<td>Board should discuss the concept of conflicts of interest, how to give notice to leaders and its application through the year. The discussion should result in a COI policy applicable to volunteer leaders and staff. Some organizations ask at every board member while</td>
</tr>
<tr>
<td>Policy</td>
<td>Actual Question</td>
<td>Recommendation</td>
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<tr>
<td><strong>Audit and Audit Committee</strong></td>
<td>Were the organization’s financial statements audited by an independent accountant? If yes, does the organization have a committee that assumes responsibility for the oversight of the audit, review or compilation ... and its selection of an independent accountant?</td>
<td>Seemingly broad enough to allow for a choice of an audit, review or compilation. Indicates need for a subgroup of the board to serve as the audit committee. A policy might indicate that the “finance committee also serves as the audit committee,” especially in organizations with limited volunteers.</td>
</tr>
<tr>
<td>(Part XI, 2)</td>
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<tr>
<td><strong>Meeting Minutes</strong></td>
<td>Does the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: (a) the governing body; (b) each committee with authority to act on behalf of the governing body?</td>
<td>While most organizations are careful to record appropriate board meeting minutes, this IRS question may expand a policy so that committees must keep minutes.</td>
</tr>
<tr>
<td>(Part VI, Sect A, 8)</td>
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<tr>
<td><strong>Public Records</strong></td>
<td>IRS Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990 and 990-T (501c3s only) available for public inspection. Indicate how you make these available. Describe in Section O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.</td>
<td>This question promotes transparency and public awareness. The board should consider what is required to be public (distinguished from what should be treated with confidentiality) and establish policy and processes for compliance.</td>
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<tr>
<td>(Part VI, Sect C, 18)</td>
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<tr>
<td><strong>Compensation</strong></td>
<td>Did the process of determining compensation of the following persons [for CEO, Executive Director, or top management official] include a review and approval by independent persons, comparability data and contemporaneous substantiation of the deliberation and decision?</td>
<td>To ensure that compensation is comparable to other nonprofit organizations in the region --- and commensurate with the mission and goals of the organization --- many organizations turn to their national and state society of association executives or chamber executives.</td>
</tr>
<tr>
<td>(Part VI, Sect B, 15)</td>
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</table>
7 Errors in Developing Policies

Avoid these errors as the board delves into policy development.

1. Amending the Bylaws – Don’t be swayed by the volunteer who says, “We need to get that in our bylaws.” Let the bylaws remain as a broad governing document; the policies should interpret the bylaws but not be included in them.

2. Conflicting Documents - Policies should not conflict with the existing governing documents. View policies as the wisdom of the board in interpreting the bylaws and articles.

3. Asking the Board to Approve Dozens of Policies – It can be a mistake to ask the board to sit for hours to review and adopt policies. Assign policies to a committee or staff to review and make recommendations. The board makes the final motion and adoption. Hint: Let policy discussions arise naturally, for example the audit policy may occur when the budget is approved and the line item to fund an audit, review or compilation is discussed.

4. The Minutes Archival System – Some executive directors say, “We don’t have a policy manual but I can tell you exactly when it was adopted.” After meetings or annually, transcribe policies into a manual. Hint: When transferring the policy, reference the date of the meeting in which it was adopted or amended.

5. Environmental Scan – Your board is not the first to discuss a conflict of interest policy. Conduct an environmental scan of other associations to determine what they adopted; rely on the resources at ASAE, ACCE, NCNA and their local organizations; and utilize legal and accounting counsel.

6. Policy Mania – A good number of policies in a nonprofit is 25 to 50. If the organization has a manual exceeding 100s of statements, or is out-of-date, consider a sunset review. Appoint a task force to review and recommend policies to add or delete.

7. It Doesn’t End with Policy – Nearly every policy results in procedures. For instance, a policy on conflicts of interest will result in the need for procedures to educate the board annually, create and distribute a disclosure form, and to properly record conflicts in the minutes.

Bob Harris, CAE, offers free nonprofit templates and tips at www.nonprofitcenter.com. He’s been called the Martha Stuart of association management for developing and sharing best-practices.
Effective Committees

How I Survived a Year on a Committee!

Last year I cringed when I was asked to serve on a committee. Before I said “yes,” I was determined to learn how to be a good committee member. You see I’ve served on committees that wasted my time, had no clear purpose and succumbed to egos and politics.

Now that my year of service has ended I can say, “I survived a year on a committee!” Let me share how I approached my committee work:

Committee Survival Tips (10)

Purpose – My first question was “What’s the purpose of the committee?” I wanted to ensure a good reason existed for our committee. (I’m in favor of eliminating or merging unnecessary committees.)

Charges – Now that I knew its purpose, I wanted to be sure the committee had received a clear work assignment. What did the incoming board chair communicate to the committee’s chair about expectations and outcomes? The clearer the charge --- the more likely our success.

History – I knew our standing committee was not new to the organization. So I asked the committee chairman about last year’s records. I wanted to know what had been accomplished and what work was pending. The staff gave us the prior “committee notebook.” It explained rationales and helped us avoid redundant discussions. We made a commitment to help future committees by taking good notes and keeping all of our drafts and minutes in a similar notebook.

Performance Measures – At our first meeting I asked how we would measure performance. I suggested we include accountability (who, when) and quantifiability (how many, how much) to gauge progress during our term. Everyone agreed and we achieved all of our aims within the year.

Linkage – Committees usually serve at the pleasure of the board. Thus, we asked how we would be expected to keep the board informed of our ideas and progress. Did they expect written reports? Would a board liaison attend our meetings? Would a staff member be assigned to our committee? We respected protocol by asking questions at the onset and viewing the organizational chart that showed hierarchy and information flow.
**Vice Chair** – We were told our committee had a chairman and he would schedule meetings, set agendas, etc. He inadvertently missed our second meeting and we sat there with no leadership, nearly wasting three hours (multiplied by 12 persons). We suggested that the chairman appoint a vice chair that would serve as a backup and could be a potential future committee leader.

**Timeline** – We set a schedule for the year. How often would we meet in person and by phone? What mid-year goals did we need to accomplish to stay on schedule? We developed a committee calendar and stuck to it.

**Alignment** – I knew a committee could not operate in a vacuum. We were part of a larger structure that included other committees, policies, a mission statement and probably a strategic plan. We asked for a copy of the strategic plan to ensure that our work fit inside the long-term goals. The mission statement was a reminder to stay on task; we read the mission at every meeting and included it on the bottom of the agenda.

**Meeting Agendas** – We promised that meetings would not waste our time. To that end, the chairman suggested distributing our agenda 14 days before meetings. It helped me prepare, anticipate discussions, and reminded me of items I had offered to do but had forgotten.

**Minutes and a Final Report** – We agreed to keep meeting minutes and distribute them promptly. This served as a reminder of our plans and progress. The staff appreciated receiving the minutes and shared them with the board chair to keep him apprised. At the end of the year, we assembled all the agendas, minutes and supporting documents to create a committee notebook for next year’s group.

Not all committee experiences are so positive. Use these tips to educate your committees.

# # #
Practical Tips for Committee Chairs

Whether you agree to chair a committee or you serve as the board or staff liaison to a committee, these tips will help you before, during and after committee meetings.

Planning the Meeting

☐ Meeting Notices

Give members notice well in advance of meetings or set the schedule for the year and stick to it. Committee members will be more likely to prepare and follow through if they see the big picture of meetings and deadlines.

☐ Charges

It would be difficult to chair a committee if you did not know what the president of the board of directors expected of the group. If he or she has not charged the committee with specific, measurable goals, then ask for clarification or set your committee goals and clear them with the board president.

☐ Time Management

Committee members’ time is valuable. Let them know this by thanking them for attending and showing respect for their time. Start and end your meeting on time. If work isn’t completed within the meeting timeframe, suggest a conference call in the interim. Make every minute count.

☐ Committee Composition

The board president will appoint or recommend members, or the committee chair will have that responsibility. The committee should be composed of willing volunteers, including a balance of diverse members representing various interests, geography and cultures within the organization. The committee should not be perceived as a clique. A word about overly large committees and “dead weight.” If as the committee chair you cannot figure out why some people volunteer without commitment or even showing up for meetings, speak to the organization president about replacing the deadwood with more effective members or pare down the committee to a manageable size.

☐ Orientation

Committee volunteers will appreciate a short briefing at the start of the year to learn what is expected of them. For instance, how many meetings will be required, are expenses reimbursed, how many hours will they need to give? This is also the time to indicate that though everyone is a volunteer, accountability and follow-through will be required to serve the committee.
Subcommittees

To accomplish more work on a timely basis, consider appointing subcommittees from among your members. A subcommittee or task force is smaller, more agile and can get the work done faster in many instances.

At the Meeting

Seating

Don’t miss the opportunity to plant yourself in the best seat at the table. That’s not usually hidden in the corner or crowded among members. You want to be seen and have room to spread out – take advantage of the power of seating by arriving first.

Guests and VIPs

From time to time you may have a guest, past president, or non-committee member sit in the meeting. Treat them with respect by making them feel welcome and introducing them to the other members.

Agenda

The agenda keeps the meeting moving. It serves as a guide for committee members to gauge how long the meeting will last and how much discussion each item should receive. A meeting without an agenda allows for rambling discussions and sidebar chatter as members wait for the next topic.

Forms

It may help to have forms that make record keeping easier. Committees use forms to record motions, for sign-in rosters, for taking minutes, and to report to the board. Consider the forms that will best serve your needs and streamline the work.

Flip Chart

A flip chart offers multiple purposes – some of them psychological. You may need to take charge of a meeting by walking to the flip chart to make a point. Or you can emphasize a point by using it to outline a plan, draw a chart, or create a calendar, for example. Another use of a flipchart is for the member who likes to spout ideas but seldom offers any details. Ask him or her to outline the idea on the flipchart, which usually silences them or helps to make their point.

Performance Criteria

Every committee project can be measured in various ways. For example, if the project is education – are you seeking to generate revenue, position the organization, or enroll new
members? Each volunteer will have a different perspective that you as chairman will want to take into account and then set criteria for determining success.

- **Minutes**

Committees should use minutes to report to the staff and board on actions and to record commitments, deadlines, and action steps. *The chairman is too busy to run the meeting and take the minutes*, so seek a volunteer willing to actively listen and take good notes.

- **Diplomat and Traffic Cop**

As committee chairman, you’ll have to keep members focused. If sidebar conversations develop, bring attention back to the agenda and pertinent discussions. It’s OK to ask that cell phones be silenced and discussions stay focused.

- **Take Action**

Simply stated, “Actions speak louder than words.” Read the minutes of your last meeting. Are they simply reports and discussions – or do you see a clear course of actions steps and progress?

- **Summarize**

Every agenda item creates discussion. It is important that the chairman summarize what is understood for the group. If someone says let’s raise the fees and another member says we should offer discounts – it is up to the chairman to bring about consensus. Try something like, “those are good points, what I think I hear you saying is we should offer seminars that make money for the organization but are discounted for members.”

- **Calendars**

Bring a calendar to the meeting – it’s an important tool for setting project deadlines and planning activities. It’s easier to discuss the next meeting with a calendar in site than to say you’ll be announcing the meeting when you get back to your office.

- **Handouts**

Give members the information they need for decision making. If it’s a contract to review, make enough copies to distribute – don’t just read it to them. The same applies to agendas and other documents. By distributing information in advance volunteers can review and prepare for your meeting.

- **The Big Picture**

The chairman must envision the organization’s overall “big picture” (i.e. strategic mission and goals) and how the committee’s work fits in. Try not to look at each goal as
a successive project (one activity to achieve before tackling the next), but how you can advance the goals simultaneously. For example, if you are charged with developing several educational seminars…don’t just plan one per quarter but schedule a full year of seminars, sponsors and speakers.

- **Rules of Order**

Rules of order are encouraged. They don’t have to be formal but the position of chairman should be respected, motions should be made and seconded before debate, and members should be recognized before speaking. Chaos develops if everyone speaks at once.

**After the Meeting**

- **Reports**

As a committee leader, there is a responsibility for keeping the board of directors and staff informed. The best way to do this is by written reports provided to the organization’s president and executive director within 10 days of the meeting. Let them know of decisions, progress, needed resources, and when the next meeting is scheduled. Keep your committee members well informed by copying them on the reports.

- **Interim Efforts**

Check the progress of committee work in between formal meetings. Set up a mechanism for having committee members and subcommittees report on their progress. If you don’t hear from members, remind them of their commitments and the need for accountability to achieve the committee’s goals.

- **Closure**

The best chairpersons leave a legacy. That means they achieve the goals set by the organization, they encourage the committee members to take on leadership roles, and they pass on important files and folders to the next appointed committee chair. Leave time to personally brief the new chair on achievements, pending work and recommendations. It is the chair’s job to “package” the committee and present it so he or she will have a running start.

###
### Strategic Planning Terminology

<table>
<thead>
<tr>
<th>STRATEGIC PLAN</th>
<th>A process and resulting document to guide the organization. A roadmap for the leadership, staff and committees.</th>
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</thead>
<tbody>
<tr>
<td>MISSION</td>
<td>The mission statement is the reason for the organization’s existence; its purpose.</td>
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<tr>
<td>VISION</td>
<td>Vivid description and aspiration to describe how the organization desires to be perceived.</td>
</tr>
<tr>
<td>VALUES</td>
<td>Guiding principles for the organization.</td>
</tr>
<tr>
<td>GOALS</td>
<td>The core competencies and desired outcomes.</td>
</tr>
<tr>
<td>STRATEGIES</td>
<td>The programs and projects for achieving the goals.</td>
</tr>
<tr>
<td>TACTICS</td>
<td>Identification of deadlines, delegation and key performance measures.</td>
</tr>
<tr>
<td>ACTION PLAN</td>
<td>A detailed document to support the broader strategic plan.</td>
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</tbody>
</table>

- Some of the best plans are only a few pages. Format it so it is easy to read and serves as a PR document.
- Crisp and short; easy to articulate and clearly understood.
- For example, “the most credible resource and united voice of the industry.”
- For example: integrity, customer focus, transparency and diversity.
- Identify 3 to 7 realistic, well-stated goals for the organization.
- Be realistic, yet creative, in setting ways to advance the goals.
- Precise aspects of the plan; often identified after the planning team has concluded their efforts.
- Create a business plan or matrix to monitor progress of the plan.
Reading the Organization – Capacity Analysis

1. Budget - Annual
   - Dues to Non-Dues Income Ratio
   - Largest Income Line Items – Can they be improved upon?
   - Reserve Balance, Goal or Policy

2. Organizational Structure
   - Subsidiaries
   - Complexity, Purposes

3. Committee Structure
   - Effectiveness, Standing, Task Forces (ad hoc)
   - Committee Goal Setting-Charges

4. Board of Directors
   - Board Size
   - Meeting Minutes, Agendas
   - Accountability, Governance Style
   - Leadership Development

5. Member to Prospect Ratio – Potential
   - Diversity - Inclusivity

6. Technology, Website Usage and Communications

7. Benefits and Services Portfolio
   - ROI – Perceive Value of Benefits
   - Members’ Top 3 Challenges – Solved by Assoc?
   - Tangible vs. Intangibles
   - Golden Handcuff Benefit
   - Competitive Position – Different from other Organizations

8. Member Input, Survey Frequency

9. Risk Management
   - Insurance
   - Expulsion, Due Diligence, Endorsements, Finance Audit, Antitrust, Apparent Authority, Restraint of Trade

10. Workforce, Respect, Micromanagement, Professional Development $, Relationships
Strategic Plan – Member Brochure

MISSION
The Tennessee Chiropractic Association promotes and protects the art, science, philosophy and practice of chiropractic.

VISION
The TCA recognizes the chiropractic profession at the first choice in wellness-based health care and will work to increase access for all Tennesseans.

VALUES
• Patient Care
• Diversity
• Trust and integrity
• Leadership
• Collaboration

GOALS
• Membership Growth, Service, Benefits and Education —
  Serve the needs of members by providing meaningful benefits, services and education programs which support retention and recruitment.

• Public Awareness of the Chiropractic Paradigm —
  Promote public awareness of the chiropractic profession by creating a positive image and press for chiropractic professionals by improving both the internal and external marketing and communication efforts.

• Be A Model Association —
  Maintain a highly effective governing board and organizational infrastructure that serves the needs of the members and is recognized.

STRATEGIC DIRECTIONS
I. Membership
• Maintain an annual retention rate of 80%.
• Generate membership at a minimum of 4% per year with the goal of 80% market penetration.
• Form a task force in the state to form a TCA independent practice association (IPA) to serve TCA members.
• Consider developing a TCA practice management service.
• Implement a member assistance/advocacy service to help members practice more efficiently and effectively.
• Create a New Doctor Service Center.
• Take the Chiropractic Therapy Assist (CTA) program under a national flag.

II. Public Awareness
• Internal — improve internal communications among leaders, district members and staff by developing systems and technology to keep operational files.
• Diversity — use technology to meet communication preferences of varied member segments.
• Assure that the TCA brand is highlighted over the past 75 years.
• External — develop a package of materials marketing tools and tips for members to use in promotion of their practice to the local community.
• Develop and invest in long-term strategies for communicating TNCCHIRO and their message to the public.
• Identify the resources, reimbursement and associated with a long-term public awareness plan including ways in which it would be funded.

III. Government Relations
• Maintain a strong lobbying presence on Capitol Hill.
• Monitor and protect changes to the Chiropractic Practice Act and related rules and regulations.
• Advocate and act on all chiropractic legislative opportunities.
• Increase the number of members participating in political action funding with the goal to be a TCA PAC annual leader in political fundraising in Tennessee.

IV. Be A Model Association
• Maintain an infrastructure that serves the needs of members and is recognized for a quality service level.
• Maintain financial stability and seek new revenue sources.
• Create a Policy/Procedure Manual which will be a organizational guideline for the board, staff and volunteers.
• Develop a membership database
• Maintain a highly effective governing board and organizational infrastructure that serves the needs of the members and is recognized.

TNCHIRO.com
TENNESSEE CHIROPRACTIC ASSOCIATION

Strategic Plan to 2012
2008-2010 Strategic Plan

“A Tradition of Integrity and Care”

MISSION
The Dallas County Dental Society is the voice of dentistry in the area, committed to promoting high ethical standards and pursuing excellence in advocacy, community service and education.

VISION
Dallas County Dental Society is the united voice of dentists and oral health care in the community.

VALUES
★ Driven and Responsive to Members’ Needs
★ Anticipating Practice Needs With a Future Focus
★ Promoting Life-Long Learning
★ Inclusive of People, Perspectives and Practices
★ Collaboration to Benefit the Community
★ Strategically Guided by Integrity and Ethics

GOALS
★ Membership – Serve the needs of members by providing relevant benefits and services that support retention and recruitment
★ Southwest Dental Conference and Education – Offer the highest quality education, delivered in a variety of formats
★ Community Oral Health – Promote and support efforts to improve access to oral health care in the community
★ Leadership Development – Offer leadership education and opportunities while serving as highly effective DCDS leaders
★ Communication and Advocacy – Invest in technology to access and deliver information timely and efficiently
★ Organizational Excellence – Maintain a highly effective governing board, professional staff and organizational structure

Strategies

I. Membership
★ Maintain an 80% membership market-share while focusing on students and student leaders who will remain or relocate in Dallas
★ Build and strengthen relationships with Baylor College of Dentistry faculty
★ Plan charitable events to engage members in participation in community activities
★ Involve members with the Mobile Van, DCDS Foundation and oral health literacy
★ Develop a members only section of Web site

II. Southwest Dental Conference & Education
★ SWDC to be the signature event of DCDS
★ Explore Webinar and streaming video for meetings and continuing education via computer

III. Community Oral Health
★ Work with DCDS Foundation to strategically staff, manage and fund the Mobile Van

IV. Leadership In The Dental Community
★ Promote DCDS leaders to ascend to TDA and ADA leadership roles
★ Create opportunities for members to be leaders in DCDS

V. Communications and Advocacy
★ Enhance technology for communications
★ Re-design the look of the newsletter and create additional guidelines and protocols

VI. Organizational Excellence
★ Create a DCDS Leadership Manual complemented by a Policy Manual
★ Appoint a task force for an environmental scan on short and long term outlook, needs, staffing and technology facing the dental profession and the component

Dallas County Dental Society
13633 Omega Road
Dallas, Texas 75244
972-386-5741
www.dcds.org
Anatomy of a Mission Statement

An organization’s MISSION STATEMENT communicates its reason for existence. It should complement the IRS submitted “statement of purpose,” communicating a concise, compelling image.

It is a board responsibility to determine and advance the organization’s mission. The strategic planning retreat is when a board reviews, affirms or updates the statement. Leaders and staff should be able to easily articulate the mission.

Most statements answer three questions: Who we are, whom we serve, and what we offer.

An organization that cannot find its mission statement should reference the IRS Form 990 to reference the “statement of purpose,” as well as the preamble to the bylaws and articles of incorporation.

- Contemporary mission statements are 15 to 25 words — conveniently fitting on the back of a business card and the bottom of a meeting agenda. Let clarity determine length.

- The primary audience — persons served by the organization — should be near the start of the statement. If a secondary audience is identified, (i.e. for the benefit of the public, enhancing the community, suppliers), identify it in the latter part.

- Omit references to history or successes; those should be communicated in narratives about the organization.

- Do not mistake mission with a vision statement (long-term desired outcome as a result of accomplishing the mission) nor a values statement (principles for governing and managing the organization.)

- Promote the mission statement often: on the front page of a website, in the conference room, on coffee mugs and on the back of name tentcards, for instance.

- Be cautious not to broaden the mission statement reviewed by the IRS; potentially endangering tax-exempt status

- "The Society serves as a leading component, committed to the diverse needs of members by providing and pursuing excellence in advocacy, community service and education."

- "The Association is the unrelenting advocate for physicians, ensuring health for all citizens."

- "The Chamber helps its members grow and prosper by building relationships, developing their employees, promoting best practices, and by effective political involvement."

Anatomy of a Mission Statement
Implementing the Plan

Sometimes the plan collects dust on a shelf. Here are ways to use and maintain the vitality of the work you have completed.

- Mark the plan “draft” and circulate one last time for further input, understanding and correction (within 30 days after the planning retreat).
- Officially adopt the plan at the next meeting of the board (preferably within 30 days of the final report.)
- **Announce and promote the plan’s** goals by posting on website, press release, newsletter articles and presentation to constituents at an annual meeting (consider PowerPoint format.)
- Translate the strategic plan into a **business plan** for management staff to follow.
- Adapt or revise the **budget** to reflect the new strategic plan.
- Sunset unnecessary **committees**, align committees with the major goals and charge them with the strategies within the goals.
- **Outsource work** that needs to be delegated beyond the staff and or volunteer capabilities.
- Appoint a **plan champion** from leadership or staff to monitor and report progress on the plan periodically or at each board meeting. (Consider having a strategic plan-report on every board agenda.)
- Review the **progress** on the plan at an annual retreat of the leadership and staff. Update entire plan at least every 3 years.
Why Plans Fail

- Lack of member input, representation.
- Out of synch with trends and external influences.
- Lack of buy-in.
- Lack of resources. ($, volunteers, staff, committees, time.)
- Too many goals.
- No measurable goals, deadlines, accountability.
- Little delegation.
- No action steps – breakdown.
- Sits on a shelf to collect dust – exercise in futility (all about the retreat instead of the results.)
- Crisis management takes over.
- Incoming president sets new goals – ignoring existing plan developed by the board.
Sustaining the Strategic Plan

By Bob Harris, CAE

A strategic plan is an essential element for successful associations. The plan is like a roadmap — positioning the organization, guiding successive volunteer leaders, advising committees, influencing membership and impacting budgets.

The process of planning is invigorating. What happens after the planning retreat ends will influence your success or failure.

Many plans collect dust on a bookshelf. Some plans lose traction as the incoming president replaces long-term goals with his or her to-do list. Still other plans become 50-page essays, too long for busy volunteers to read or follow.

Use these seven ideas to ensure your strategic plan’s success:

1. Circulate a draft of the strategic plan to participants within 14 days of the retreat. Too often the plan remains on the flipchart pages, taking months to transcribe, while volunteers lose interest. To maintain momentum, get the plan on paper, mark it draft, and ask the leadership to review it one last time before it becomes official.

2. Adopt the plan as the official strategic plan. This avoids an incoming president from negating its value and creating a plan or his or her own. The elected president should work the plan, not create a personal agenda.

3. Give credit where credit is due. Promote the volunteers and planning retreat with an article and photo of the meeting.

4. Create a brochure to inform members and stakeholders about the organization’s strategic direction and exciting projects. The act of telling members about the plan further commits the leadership to its advancement.

5. Appoint a “plan champion,” a volunteer who monitors the plan’s progress. Ideally this will be the incoming president. Or appoint “goal champions” — directors to oversee and report on the strategic goals.

6. Breakdown the strategic plan into a business or action plan. Schedule a staff retreat to discuss the board’s goals. Use a table or matrix format to set performance indicators, timeframes and accountability for working the plan in the short term.

7. Don’t let the adage, “out of sight, out of mind,” doom the plan. Include a strategic report on meeting agendas (similar to having a brief financial update at every meeting.) Also, on a yearly basis review the plan and make course corrections. Finally, budget the time and money to completely update the plan every three to five years.

These seven ideas are proven tips for increasing the success and sustainability of your strategic plan.

Note: Bob Harris, CAE, offers free association/chamber management tips and tools at his website, www.nonprofitcenter.com. Contact him at bob@nhca.com.
Planning Process

Strategic Planning Process

Before (Pre-Planning)
- Determine Need for Plan
- Select Date - Timeframe
- Select Site - Retreat
- Select Facilitator
- Capacity Analysis
- Select Participants
- Conduct SWOT - Survey
- Analyze Survey Results
- Possible Task Force Appt'd

During (On-Site)
- Set the Scene - Purpose
- Report on Input Findings
- Affirm Mission
- Affirm Vision
- Affirm Core Values
- Discuss - Set Goals
- Develop Strategies
- Set Action Steps

After (Post-Planning)
- Circulate Draft
- Adopt Officially
- Promote Results
- Appoint Plan Champion
- Include on Agendas
- Integrate
  - Budget
  - Committees
  - Staff Business-Action Plan
  - Marketing-Membership Plans
Strategic Plan Scorecard

This **Scorecard** facilitates evaluation of the current strategic plan. Each question covers a key aspect of a plan. Use school-based grading scale of A to F, including +/- (i.e. C-).

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>The plan should align with all aspects of the organization – budget, committee work, board agendas, newsletters, chapters, etc. Some plans are developed at a retreat but integration does not occur. Rate how well the plan is aligned with all aspects in the organization.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate stakeholders should be aware of the strategic plan. Has the plan been converted into a promotional brochure, on-line document and used in the newsletter? Rate how well the plan has been communicated to stakeholders (i.e. members, media, chapters, etc).</td>
<td></td>
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</tbody>
</table>

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<tr>
<th>Clarity</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>The plan should be easy to read and often referenced by leaders and staff. Some of the best plans are communicated in just a few pages. Rate the ease in reading and using the plan.</td>
<td></td>
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</tbody>
</table>

<table>
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<tr>
<th>Priorities</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everything cannot be achieved in the first year of the plan. Rate the effectiveness of prioritizing strategies and activities over the span of the plan.</td>
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<tr>
<th>Actions - Deployment</th>
<th>Grade</th>
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<tr>
<td>Because the plan covers several years, it should be translated into a 12-month action plan in the form of a matrix or table to set assignments, accountability and deadlines. Rate how well the plan has been transformed into an action or business plan to guide current year efforts.</td>
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<thead>
<tr>
<th>Timeliness</th>
<th>Grade</th>
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<tbody>
<tr>
<td>A plan should cover at least 3 to 5 years. It should be reviewed for progress at least yearly. Rate if the plan’s usefulness has lapsed or it is still an effective roadmap.</td>
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<tr>
<th>Elements of the Plan</th>
<th>Grade</th>
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<tr>
<td>A plan has key elements: (1) mission, (2) vision, and (3) values statements, (4) goals, (5) strategies and (6) actions and/or performance indicators. Rate the existence of the elements and the quality of each element.</td>
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<tr>
<th>Goals</th>
<th>Grade</th>
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<tr>
<td>Strategic plans frequently set just 3 to 7 goals. Goals may be viewed as “core competencies.” Each goal should be supported by several strategies to achieve the goal. Rate the number of goals and whether or not they are supported by clear strategies. Rate whether or not major programs are missing from the plan.</td>
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<tr>
<th>Social Responsibility</th>
<th>Grade</th>
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<tr>
<td>Most nonprofits are organized to advance a cause or support a community. This should be evidenced in the mission, stated values (i.e. ethics, standards, stewardship) and through programs of work. Rate whether or not the organization maintains a role in facilitating improvements in society.</td>
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<tr>
<th>Extra Credit!</th>
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<tr>
<td>What elements make the strategic plan exceptional in serving the organization and its stakeholders?</td>
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</table>
Appendix – Resources

Terminology of a NonProfit Organization

Association professionals, and volunteer leaders, use a unique set of terms applicable primarily to nonprofit governance and management.

**Accreditation** - Recognition by an accrediting organization or agency that an organization meets certain acceptable standards in its programs, services, and facilities. For example, the U.S. Chamber of Commerce sets performance standards for the accreditation of local chambers of commerce.

**Association** – A community of individuals or companies that collectively serve the interests of their members that cannot be met effectively by individual action. Chambers of commerce and associations both tend to be assigned the 501(c)(6) – business league – status by the IRS.

**Audit Committee** – An appointed group of volunteers responsible for overseeing annual financial audit, presentation to the board and oversight.

**Certification** - The process of validating performance and/or compliance with the requirements of established standards.

- **CAE** – Certified Association Executive, designated by the American Society of Association Executives.
- **RCE** – Realtor Certified Executive, designated by the National Association of Realtors.
- **CCE** – Certified Chamber Executive, designated by the American Chamber of Commerce Executives.

**Directors and Officers Insurance** – D & O liability insurance coverage that may cover staff, board and volunteers as indicated in the policy.

**Due Diligence** – The expectation that a board member, and the board, exercises reasonable care and follows the business judgment rule when making decisions.

**Duty of Care** - An expectation that a board member *exercises reasonable care* when making decisions.
Duty of Loyalty – The expectation that a board member remains faithful and loyal to the organization; avoiding conflicts of interest and personal agendas.

Duty of Obedience - An expectation that a board member remains obedient to the central purposes of the organization and respects all laws and legal regulations.

Endorsement – A specific recommendation, actual or implied, that the organization has reviewed and recommends the program or service. (Similar to Affinity Program.)

Executive Committee – A subset of the board of directors charged with responsibilities between board meetings; usually including the executive officers of the board.

Federated Structure – An organization structure where there is a central governing body and all subgroups are closely related to central organization. Whereas a trade association represents companies, and professional societies represent individuals, a federated organization generally has other associations as its members.

Form 990 – The annual information report most nonprofits are required to submit to the IRS; a public record. Organizations with gross receipts of less than $100,000 and total assets less than $25,000 at the end of the year may file a short-form Form 990 called Form 990-EZ. Exempt organizations that generate unrelated business income (UBIT) must also file a federal income tax return (990T).

IRS 501(c)(3) - Organizations with an education, research, professional or philanthropic/charitable purpose. They do not actively lobby on issues that affect their areas of concern (though informative, educational briefings are permitted.)

IRS 501(c)(6) - Organizations include trade associations (those with companies or institutions as members) and individual membership organizations that provide benefits and services to their members and are permitted to engage in lobbying activities.

IRS Forms 1023 & 1024 - Must be filed with the IRS by an organization to obtain recognition of its 501(c) status, which exempts qualifying organizations from federal and local taxes. The 1023 must be used by organizations applying for 501(c)(3) status; the 1024 is used by all others.

Letter of Determination – An official notice from IRS stating that a nonprofit organization has exempt status from paying federal income tax. (For IRS assistance in replacing a letter of determination dial 877-829-5500.)

Membership Categories - Bylaws identify numerous membership categories, including regular members, associates, honorary, retired, student, lifetime, etc.

Affiliate Members- Suppliers to the organization’s primary members (a.k.a. “associate members” in some trade organizations.)
Regular Members – The primary members of an organization as identified in the bylaws or mission statement.

Member Attrition – The loss of members, usually expressed quantitatively as the “attrition rate.”

Member Retention – The retention or growth of membership usually expressed quantitatively as the “retention rate.”

Minutes – The legal record of what occurred at an official meeting of the organization; applicable to the board as well as committees.

Mission Statement – A clear concise statement identifying what the organization is, whom it serves and what it offers.

Nonprofit – Casual term for “not-for-profit” which tends to be a legal reference indicating corporate status.

Political Action Committee – PAC – An organization formed to raise and contribute money to the campaigns or causes that the group believes promotes its best interests.

Professional Society – A not-for-profit voluntary membership organization representing individuals with a common interests in a subject or a profession such as law, medicine, and accounting. There are three types of professional societies: those representing common interests such as AARP; those representing a body of knowledge such as engineering, automotive, etc; and those dedicated to a religious, charitable, public service or fraternal causes, such as the National Council on Aging, and the American Lung Association.

Public Records – Refers to the records associated with the IRS that are deemed to be public, including the annual federal tax return (990), application for exempt status and letter of determination.

Realtor Organization – A three way agreement exists to advance the interests of all Realtor members who elect to join their Local Realtor Association and through that organization are also members of the State Realtor Association and the NATIONAL ASSOCIATION OF REALTORS. Usually designated by the IRS as a “business league” and 501(c)(6).

Rules of Order – Used at meetings to advance the agenda and keep order. A protocol of motions, seconds, actions and hierarchy. Various forms include Robert’s Rules of Order and Sturgis.

Quorum – Minimum number of people required at a meeting in order to conduct business; usually specified in the bylaws or by state corporate requirements.
Strategic Plan – A “roadmap” for the volunteers and staff to follow for a period of years; reviewed and updated annually. Includes mission, goals, strategies to achieve the goals, and accountability.

Subsidiary – An organization affiliated with the parent organization sharing similar leadership and staff. For example, a political action committee (PAC), foundation, or for-profit corporation.

Trade Association - A not-for-profit voluntary membership organization that represents a group of companies having a business or trade in common. Companies work together to accomplish goals that no single firm could achieve alone. Their activities include promoting business for the industry, encouraging ethical practices in the industry, setting standards, conducting research, cooperating with other organizations, offering education, trade shows and conventions.

Unrelated Business Income Tax – UBIT – Income considered by the IRS to be taxable because the nonprofit organization’s activities are deemed to be unrelated to the mission and goals of the association. The IRS considers activities that are unrelated to the organization’s primary business (mission) if it is regularly carried on, and is not substantially related to the furtherance of the exempt purpose of the organization.

Value Statement – A written statement of the beliefs, principles and ethics guiding the organization.

Vision Statement – An ideal of where the organization desires to be in the future, especially if it had unlimited resources. For example, “ABC organization will be the premier resource for industry members and the public to best serve their needs for safety, profitability and opportunity.”

Volunteer Immunity Act – Most states have volunteer protection statutes limiting the liability of volunteers (if the volunteer act within the scope of their duties, in good faith, and the injury is not caused by the willful conduct of the volunteer.)

Volunteers – Agents of the corporation for whose acts the corporation may be liable. Volunteers are greatest asset of the nonprofit organization and the culture of the USA.
Operating Framework – Business Model

A framework promotes efficiency, systems, policies, risk management and development of training manuals. Systems remove uncertainty and discretion – promoting excellence in member service while minimizing risk. *Let systems drive the organization to free-up staff time to focus on mission, goals, members and stakeholders.*

Footnote 1 – Indication of primary and secondary refers to the order in which the documents are likely to be created; it does not mean that documents are less important than primary or mandatory documents. *Indicates recommended operating manuals.  # Indicates public record documents; IRS help-line 877 829 5500.*
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<td>Policy Manual for Associations [$39]</td>
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<td>Association Self-Audit Program [$39]</td>
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<td>President's Committee Planning - 30 pages [$24]</td>
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<td>Building an Association Mgmt Co. - 178 pages [$39]</td>
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<td>&quot;Psychic Board Pen&quot; - free with $100 order [$8]</td>
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<td>Association Coaching - 5 hour block of time [$900]</td>
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About Bob Harris

There are more than one million nonprofit organizations in the USA. Bob has studied thousands of associations, chambers and charities to develop best practices.

His career started in Washington, DC with Presidential Classroom. Later he built an association management company in Tallahassee.

He is on the faculty for the US Chamber of Commerce. He works with associations and chambers in Amman, Jordan, to develop King Abdullah’s Mark of Best Practice recognition.

He has authored books on association management. To evaluate organizations he created the Association Self-Auditing Process, which has been used by 20,000 organizations.

Recognitions include lifetime achievements and recognition for professional development.

He has worked for Hyatt Hotels of Florida for 25 years.

He’s been called the Martha Stewart of association management for his willingness to share tips and templates. His website has hundreds of pages of FREE management tips and templates that he will reference today. (www.nonprofitcenter.com)

Bob’s career passions are demonstrated in two principles:
- Promoting the impact of nonprofit organizations in America.
- Sharing the tools for success.