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BOARDS OF DIRECTORS:

WHAT EVERY MEMBER NEEDS TO KNOW



WHAT IS A BOARD OF DIRECTORS?

**Legally
Responsible
Governing Body
Of an
Incorporated business**





**Because
They
Are Asked!**

TYPES OF BOARDS

- Advisory**
- Working**
- Governing**
- Combination**

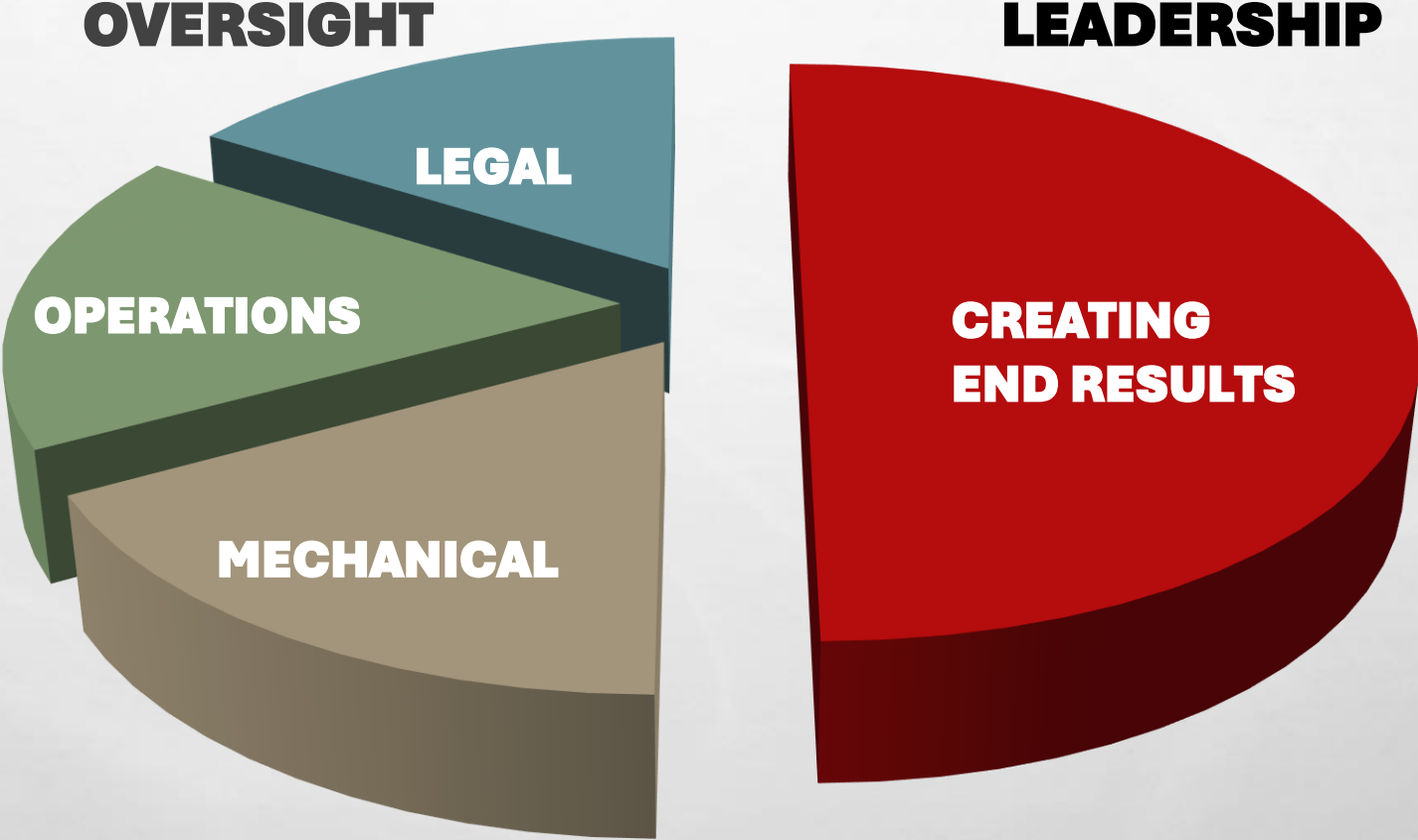


GOVERNING DOCUMENTS

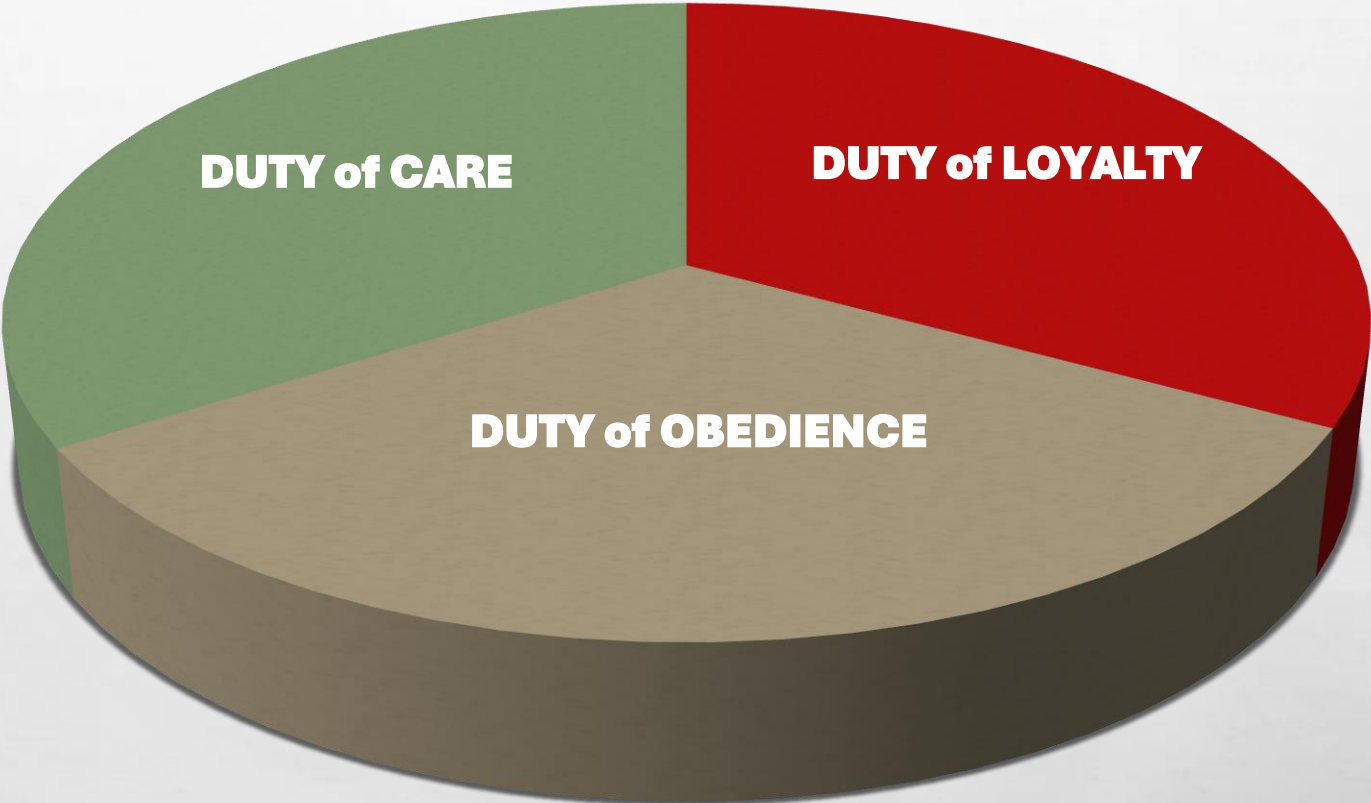


- **IRS code**
- **Federal & state laws**
- **Charter or articles of incorporation**
- **By-laws**
- **Policies & procedures**
- **Mission statement**
- **Codes of conduct/ethics**

FUNCTIONS OF A BOARD



LEGAL OBLIGATIONS



BOARD RESPONSIBILITIES

- **Determine mission & policy**
- **Select & hire executive**
- **Support and evaluate executive**
- **Complete organizational planning**
- **Ensure adequate resources**





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... AND A FEW MORE

- **Help manage resources**
- **Determine, monitor & evaluate services**
- **Enhance image**
- **Recruit & self-assess**
- **Ensure legal & ethical integrity & accountability**



**ARE YOU A
PIECE OF THE
PUZZLE?**



DIRECTORS' RIGHTS

Full and proper training.

Full disclosure before voting on issues.

Safe place to conduct meetings.

Outside expertise when needed.

Sufficient general liability and directors and officer insurance to indemnify against risk.



- **Few do all the talking**
- **Unproductive behavior is tolerated**
- **Same subjects, supposedly settled, keep coming up again**
- **Minor issues get major time**
- **Full participation**
- **Behavior is called out**
- **Discussions end with clear resolution and call to action**
- **Major issues get major time**



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" I wanted to get your opinions before I go ahead
and do what I want to do. "

CHARACTERISTICS

- **Commitment to mission**
- **Ability to think in terms of systems**
- **Experience in dealing with vision & long-term**
- **Ability to effectively discuss**
- **Willingness to delegate**
- **Willingness to share power**
- **Availability to conduct business**



The worst thing is to be born
sighted but to lack vision.

— *Helen Keller* —

AZ QUOTES

BARRIERS TO VISIONARY LEADERSHIP

- Lack of time; commitment
- Fear of conflict
- Avoidance of risk taking
- Avoidance of accountability
- Lack of planning



- Inattention to results**
- Lack of knowledge**
- Holding on to the “old ways”**
- Lack of understanding why vision is so important**





Keep up with the rapid change of pace



MEETING CHARACTERISTICS

THEY SHOULD BE...

- **Meaningful**
- **Thoughtfully planned**
- **Well run**



MEMBERS SET THE STAGE FOR MEETING EFFECTIVENESS

- **Review agenda before the meeting**
- **Arrive on time**
- **Adhere to decisions made at prior meetings**
- **Handle outside business outside the meeting**
- **Handle inside business inside the meeting**

Succession

**Create a long-term
plan for board
leadership
development**



Code of Ethics



- Organizational goals before personal goals
- Minimized negativity
- Acceptance of responsibility

SIGNS OF AN EFFECTIVE BOARD

Policies and Goal Setting

- **Written handbook on policies?**
- **Goals spelled out in strategic plan?**
- **Job description for members?**

Work of the Board

- **System in place for ongoing work from the board?**
- **Meeting structure in place?**
- **Review of important documents conducted on a scheduled basis?**

SIGNS OF AN EFFECTIVE BOARD

Personnel:

- **Personnel policies in place – handbook?**
- **Evaluate director at least annually?**
- **Aware of staff training needs?**
- **Meet once a year with all staff?**
- **Review fringe benefits and salaries annually?**

Financial:

- **Review the annual budget?**
- **Review expenditures regularly and compare to budget?**
- **Review bank reconciliation statement and audit?**
- **Taxes filed regularly?**

SIGNS OF AN EFFECTIVE BOARD

- **BOARD RENEWAL:**
- Can the board interest new members?
- Is there a rotation plan in place?
- Are members engaged and ready to take on leadership roles?
- Does the board assess itself and plan for regularly-scheduled training?



EVALUATING THE BOARD OPERATIONS

- **Understanding of responsibilities**
- **Clear structure**
- **Realistic planning**
- **Policies guide business**
- **Receives regular reports**
- **Meetings are focused**
- **Everyone is involved**
- **Broad & diverse representation**





leave things
better than you
found them

HOW? WHERE? Where?
WHERE? WHO? WHAT? WHEN? What? WHERE? WHAT? WHERE?
HOW? WHEN? Where?
When? **QUESTIONS?** What? When?
When? WHERE? Why? WHEN? When? WHAT? What? When?
WHO? HOW? Why? WHAT? When? where? HOW? When? Why? When? What?
HOW? What? WHEN? Why? WHERE? When? HOW? What?

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