PANC

LEADERSHIP AND BOARD TRAINING

Agenda

- Responsibilities and Governance
- Leadership Structure
- Fiduciary Duties
- Developing Governance Policy
- Evaluating the Organization
- Discussion and wrap up

Vision and Mission

The importance of Vision and Mission:

- North star
- Lens for decision making

Vision and Mission

<u>Vision (guiding goal/why/staff)</u>

All people in Northern California affected by Parkinson’s are empowered, advocated for, connected, and supported with empathy; never facing the journey alone and inspired by hope for the future.

<u>Mission (core values/what & how/Board)</u>

The Parkinson Association of Northern California positively impacts our community through support groups, resources, education, outreach and strategic partnershipsso those affected can face the journey with knowledge and hope

Role of the Board

- Foresight
- Insight
- Oversight

- Discuss
- Debate
- Decide

Ultimate Responsibility of the Board

- Relate to external environment
- Govern the organization
  - Represent stakeholders
  - Set purpose and direction
  - Carry out governance responsibilities
- Satisfy mission of organization while moving towards vision

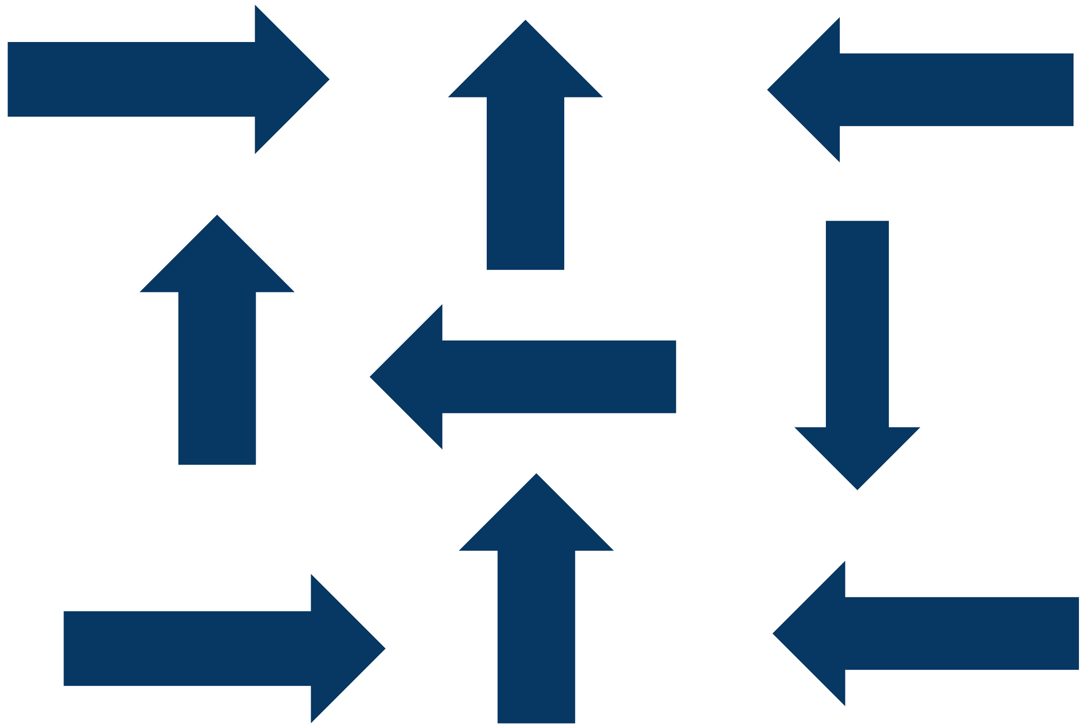
What Does Govern Mean?

- Establish purpose, mission and vision
- Define ‘ends’ – What is to be achieved
- Set strategic direction
- Carry out fiduciary duties
  - Duty of Care – Social contract with society to care for PANC
  - Duty of Loyalty – Responsibility to always act on behalf of PANC

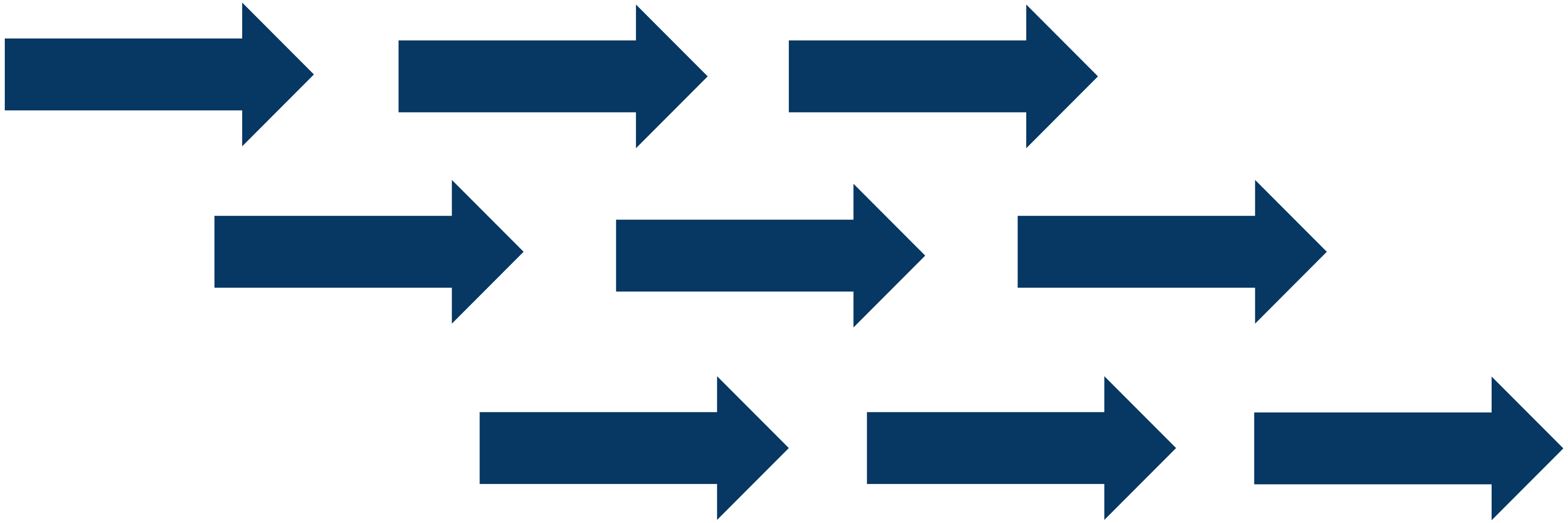
Governance Issues

- Relationship with other organizations
- Board/staff roles and relationships
- Board decision making and policy development
- Strategic planning and initiatives
- Agendas (how decisions come to the Board)
- Communication

Without Focused Governance



With Focused Governance: Alignment



Governance Approach

Effective Board Governance

- Looking to the future
- Strategic focus
- Policy vs. operational decision making
- Appropriate definition of roles and responsibilities
    - Division of labor
    - Governance vs. operations
- Deliberation about the right issues
- Focus on purpose, services, and mission of organization

Leadership Structure

Relationship between:

- Board of Directors
- Executive

Duty of the Board

- Bring industry perspective and intel
- Regularly review organizational vision and mission
- Engage in strategic planning
- Hire, retain, support, and review Executive
- Develop policy direction in key governance areas
- Be a champion for the organization
- Evaluate performance of organization
- Meet fiduciary duties (act in best interest of PANC) with care and loyalty

Role of the Executive

- Management of the operation of the organization within parameters of Board direction
- Achieve vision/outcomes set by Board
- Assess environment and adjust internal and external operations as needed
- Communicate with all segments of organization
- Provides leadership that fosters passion in individuals, teams, management, and organization.

Role of the Executive

- Support Board and organization with counsel as subject matter expert
- Create future and innovative programs and services
- Management and implementation of programs and policies
- Represent the organization to public

Organizational Roles

Strategic

- Set direction
- Develop policy
- Evaluate organization

Board

Support

- Research
- Development
- Study

Staff

Committees/ Task Forces

Tactical

- Implementation
- Day-to-day work

Staff

Volunteers

Effective Partnership Practices

- Effective Board governance
  - Board governs
  - Executive manages
  - Both provide leadership
- Relationship in partnership
  - Trust
  - Communication
- Performance measurement and reporting system

Cardinal Rules of Governance

The Board acts legally only by agreement at duly constituted and conducted meetings.

- Board members have individual viewpoints and positions, **but they alone cannot cause action.**
- Individual Board members have no authority simply by virtue of being on the Board, unless so delegated to them in advance by the Board.
- Once the Board votes to approve something, that vote becomes the official position of the Board.

Cardinal Rules of Governance

During formal business of the Board meetings *(governance role)*, the Board is the lead.

Outside of the formal business of the Board meetings *(volunteer role)*, staff is the lead. Staff is directing the Board.

Board Fiduciary Duties

Duty to serve with:

- Care
- Loyalty

Duty to Act with Care

This is the care an ordinarily prudent person in a like position would exercise in similar circumstances.

Duty to Act with Care

Observe corporate formalities

- Registration with the state
- Articles of Incorporation
- Bylaws
- Good business records
- Active Board with regular meetings
- Minutes of meetings
- Annual reports filed with State

Duty to Act with Care

Provide financial oversight

- Be knowledge of financial affairs
- Adopt budget
- Secure funding and control expenses
- Plan for prudent fund management
- Maintain controls to prevent fraud and theft
- Respect restricted funds

Duty to Act with Care

Care

- Observe laws on tax-exempt status
- Develop policies
  - Fiscal policies and procedures
  - Governance
  - Conflict of interest
  - Program policies

Duty to Act with Care

Inquiry:

- Attend meetings
- Make informed decisions
- Do your homework (*Read material before meeting!*)
- Require financial information
- Investigate suspicious circumstances

Duty to Act with Loyalty

Loyalty

- You must place the organization’s interests above your own in any transaction in which the two may come into conflict
- A conflict of interest exists
  - with direct or indirect business, professional, or personal relationship
  - influencing or perceived to influence judgment or action

Duty to Act with Loyalty

Direct Conflict of Interest

- A person is party to a transaction with the organization and stands to benefit from it financially

Indirect Conflict of Interest

- The organization enters into a financial transaction with a business in which a Director or a close family member is a general partner or has a material interest

Developing Governance Policy

Governance policy is:

- A carefully designed, written general statement of direction for the organization
- Formally adopted by a majority vote of the Board at a legally constituted Board meeting

Governance Policy Development

IRS 990 Requirements

- Conflict of interest policy
- Fiscal policy
- Whistleblower policy
- Document Retention and Destruction
- Gift Acceptance policy

Governance Policy Development

Framework

- Identify the need
  - Plan ahead rather than during a crisis
- Gather the information
  - Staff, other organizations, legal counsel, consultant
- Discuss the issue as a Board
- Write the policy – staff, Committee, or taskforce
- Approve the policy as a Board at a formal meeting
- Review all policies annually
  - Out-of-date policies worse than no policy
  - Any changes in a policy must have full Board approval

Evaluating the Organization

Questions to ask:

- Is the organization accomplishing the mission?
- Does the organization have written objectives and goals designed to provide better programs and services to your constituency – to solve the problem defined in the mission?
- Are those objectives being carried out?
- Is the organization measuring the effectiveness of those objectives?

Evaluating the Organization

Questions to ask:

- Is strategic planning an ongoing process?
- Is the money being managed and spent to further the purpose, mission and strategic direction?
- Are the services and programs getting the desired results?
- Is the organization meeting constituent expectations?


Questions?