



**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

Vision (guiding goal/why/employees):

Mission (core values/what & how/Board): The Parkinson Association of Northern California is an organization dedicated to enhancing the lives of people with Parkinson's, their families, and care partners throughout our region.

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

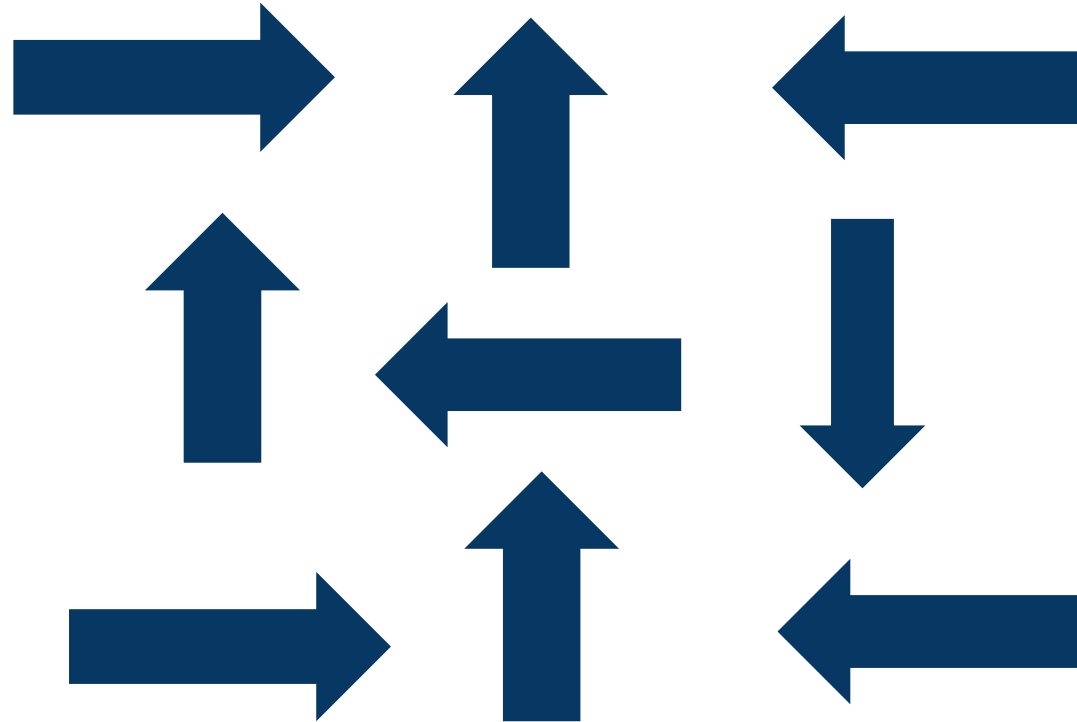
What Does Govern Mean?

- 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

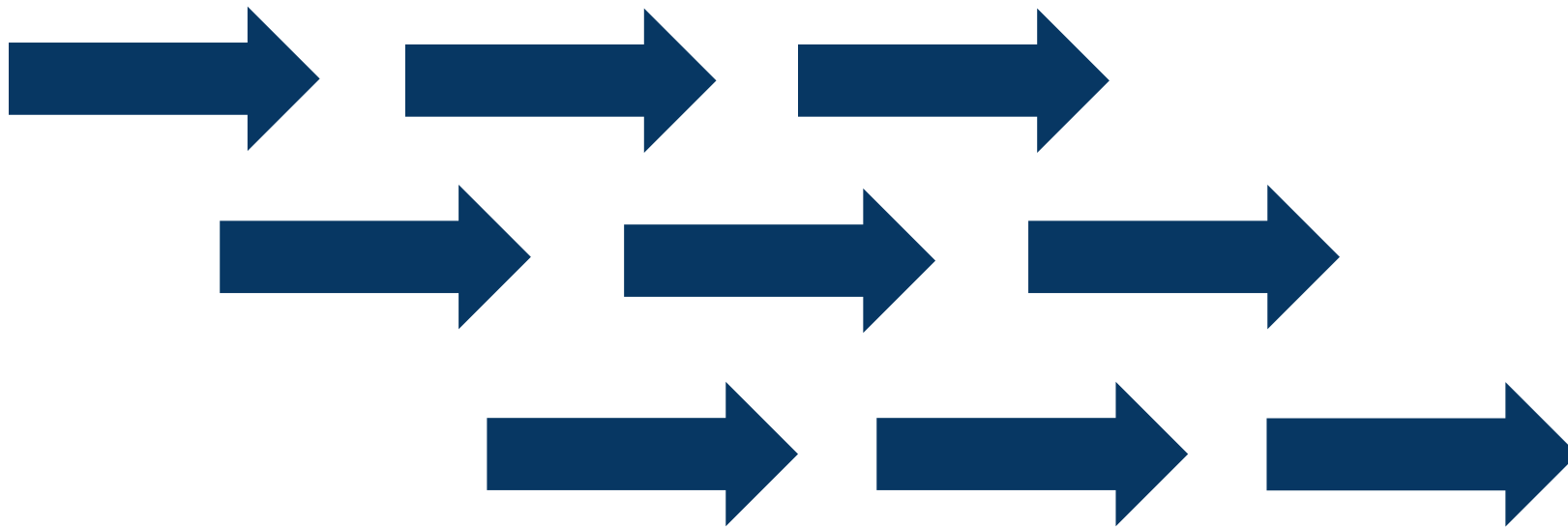
Governance Issues

- 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

Governance Approach

Effective Board Governance

- Thoughtful process of development
- Focus on strategic issues of importance
- Good governance
- Optimum use of resources
 - Staff
 - Volunteers (Board, Committees, etc.)
 - Money
 - Time
- Partnering to meet outcomes

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

Strategic

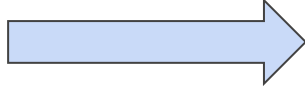
- Set direction
- Develop policy
- Evaluate organization



Board

Support

- Research
- Investigation
- Study



Staff



Committees/
Task Forces

Tactical

- Implementation
- Day-to-day work



Staff



Volunteers

Organizational Roles

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.

Rethinking Governance

From:

- Reactive
- Inward
- Past/Present
- Prescriptive

To:

- Proactive
- Outward
- Future
- Constructive

Rethinking Governance: Actions

From:

- Monitoring course
- Managing
- Short-term
- Operations
- Inside-out
- Maintaining control
- Projects

To:

- Setting course
- Leading
- Long-term
- Strategies
- Outside-in
- Measure progress
- Purpose/Ends

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

Duty to Act with Loyalty

Loyalty

- Duty to act in the organization's best interest
 - Be faithful to the mission
 - Cannot exploit corporate opportunities or misuse insider information
 - Recuse self if conflict
- Make reasonable decisions
 - Not perfect, just reasonable

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?

A sunset scene with a dark landscape silhouette at the bottom. The sky transitions from a bright orange glow near the horizon to a deep teal color at the top. Wispy clouds are scattered across the sky, catching the light from the setting sun. On the right side, a small white lighthouse is visible on a dark hill.

Questions?