

GOVERNANCE 101

It's More Than Just the Rule

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Why Do We Need 'Governance' When We Have 'The Rule'?

The Society of St. Vincent de Paul (SVdP) was founded in Paris as a result of the spiritual aspirations and social commitment felt by a group of students led by Frederic Ozanam. SVdP has **The Rule**, which sets out its vocation, organization and mission. Thus, **The Rule** focuses us **INTERNALLY** to ensure that the Society adheres to its core values and mission.

Governance is focused on the legal, administrative, and operating practices of SVdP so that the mission can be accomplished in a way that is effective, impactful, and proper under law thus protecting our stakeholders, donors, and volunteers and ensuring SVdP adheres to federal, state, and local laws and regulations.



What is Governance and Why Should I Care?

- It is a legal requirement for a **nonprofit** to **have a board** of directors. The state in which your **nonprofit** incorporates has standards for **nonprofit boards**. They usually include several "duties," such as the Duty of Care, Loyalty, and Obedience.
- **Nonprofit governance** simply means how a **nonprofit** is administered. The key players in a **nonprofit** organization are the directors, officers, committees, members, executive director, staff and volunteers, and any existing advisory boards or friends groups.
- Mission is what distinguishes nonprofits from their for-profit cousins: Nonprofits have missions instead of owners or shareholders. While the prime directive for board members of for-profit organizations is to ensure the highest possible value for owners, by contrast, nonprofit board members' prime directive is mission fulfillment.



Board Roles and Responsibilities

- The 3 Most Important Overarching Responsibilities of a Board
 - Establishing Organizational Identity and Direction
 - Ensuring Necessary Resources
 - Providing Oversight
- The 3 Legal Duties of a Nonprofit Board Member
 - Care
 - Loyalty
 - Obedience



Establish Organization Identity and Direction

- Determine mission and purpose and advocate for them.
- Clarifying the organizations mission and vision
- Provide expertise or access to policy makers to support organizational priorities
- Resolving key strategic or policy issues
- Ensure Effective Planning



Ensure Resources

- Select the Executive Director/CEO
- Developing the ED/CEO
- Ensure the financial resources necessary to support the strategy
- Build a competent board/improve board performance
- Build/Enhance reputation of the organization with key stakeholders and the community



Provide Oversight

- Support and evaluate the Chief Executive
- Monitor programs and services and assess performance against mission and key programs
- Protect assets and provide financial oversight and risk management
- Ensure legal and ethical integrity



Governance vs. Interference

- Agreement on the distinction between board level and management level decisions
 - Shared understanding
 - Frequent communication and interaction between CEO and Chair
- Staff/Board interaction



Mission and Vision

- Do all Board members share a common understanding of the mission?
- Can each Board member articulate where the organization wants to be in 10 years? Do they have an idea of the goals to get there?
- Are all policy and strategy discussions and decisions rooted in The Rule, the Mission and Vision? Are they specifically discussed?
- Does the Board have a process to review and update the mission and are mission related issues discussed?



Fundraising

- Often the Board's biggest challenge
- There is no "quick fix"
- Address all facets of board operations
 - Recruitment
 - Do you have the right people on your board?
 - Skills Mix
 - Did they understand the requirements when you recruited them
 - Board Orientation
 - Reinforce expectations
 - Training
 - Personal Giving
 - Fundraising Culture
 - Board Meetings
 - If you don't talk about fundraising it won't be a priority



Strengthening Your Board's 'Governance Beyond the Rule' Compliance and Understanding

- Identify if there is a need for Board improvement.
 - Ensure that the key stakeholders are all in agreement on the need, if not the specifics
- Create a Board level conversation on what the ideal outcome of any action plan would be.
- Do a 'simple' Board Self-Assessment (i.e. - McKinsey Short Form)
- Review results and determine actions
- Engage help of an outside resource
- Deep dive Board Assessment

