

# Powerhouse Boards

What you need to know to powerfully achieve your mission

*In partnership with Stanwood-Camano Area Community Foundation*

Session 1: Build a powerhouse board | Session 2: Know the job | Session 3: Work well together

Presenters:

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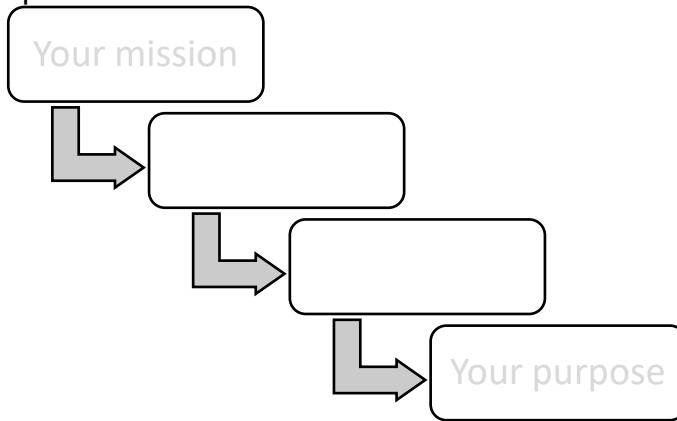
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## WORKBOOK

### SESSION 1

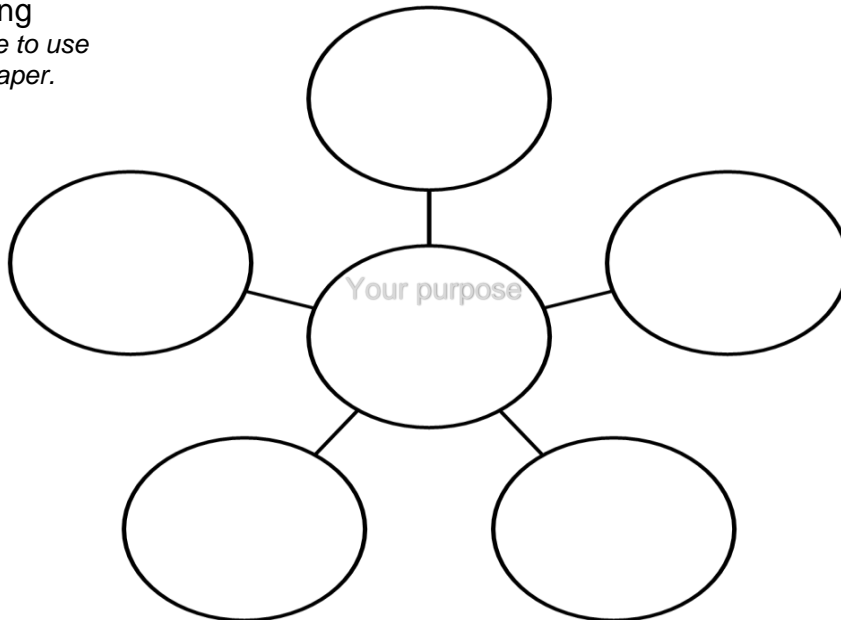
1. What is holding your board back? How are you not yet fulfilling your potential?

2. Determining your purpose



3. Purpose mapping

*You are also welcome to use a separate piece of paper.*



4. Our mission is \_\_\_\_\_ because \_\_\_\_\_ purpose \_\_\_\_\_.

5. Board matrix

	TERM		ROLE		AREAS OF EXPERTISE								DEMOGRAPHIC FEATURE							
			Officers & Leadership	Other Committee																
NAMES																				

6. Board culture

<b>Artifacts</b> <i>Documents or other "stuff" that you can touch</i>	<b>Actions</b> <i>Behaviors and actions that we can see and experience</i>	<b>Assumptions</b> <i>Unseen attitudes and assumptions</i>
What it is now...		
What you would like it to be...		

7. View from the balcony (trends, patterns, opportunities, challenges, connections...)

## SESSION 2

### 8. Organization snapshot

<b>Governance</b>	<b>Yes</b>	<b>No</b>
Do you have a clear mission statement that guides your leadership?		
Do you have an organizational chart that includes the board of directors?		
Are board members aware of the organization's mission and programs?		
Does the board hold regularly schedule board meetings and/or committee meetings?		
Are there written expectations and responsibilities for board members?		
Are board members recruited through a transparent process?		
Do board members contribute to the health of the organization?		
Do you have a conflict-of-interest policy signed by board members?		
Do board members represent the different demographic groups related to your mission and its implementation?		

<b>Human Resources</b>	<b>Yes</b>	<b>No</b>
Is there an organization chart that describes the roles of staff members?		
Are staff members aware of the organization's mission and programs?		
Are there written job descriptions for each staff member?		
Does the staff hold regularly scheduled meetings?		
Do staff members receive orientation at the start of their employment?		
Do staff members receive regular professional development?		
Are staff members evaluated?		
Is there a succession plan in place for the director and top organization staff members?		
Do you track how many people volunteer during a one-year period?		
Are volunteers oriented and supported?		

<b>Communication</b>	<b>Yes</b>	<b>No</b>
Is there a communication plan in place?		
Does your communication include information for donors about impact and finances?		
Do you have an annual report?		
Do you have a donor services system that includes tracking actual and potential donors, tracking money received, thanking donors, and following up some time later with impact statements?		
Do you have a social media outreach plan that grows your community?		
Is every member of your board and staff able to speak in a compelling way about your mission?		

<b>Planning</b>	<b>Yes</b>	<b>No</b>
Does the organization have a strategic plan (or other organizational work plan)?		
Did board members contribute to this plan?		
Did staff members contribute to this plan?		
Is a regular needs assessment of the community performed with written documentation?		
Does the organization have a technology plan?		
Do major programs have a business plan that aligns them with the organization's mission and funding reality?		

<b>Evaluation</b>	<b>Yes</b>	<b>No</b>
Do you know how many people your organization serves? Has served since its founding?		
Is there an evaluation plan in place that measures the impact of programs in the short and long-term?		
Do you track indicators that would prove achievement of the organization's mission?		
Are these indicators reviewed annually/regularly?		
Are program participants tracked in a database?		

Is evaluation a topic during regular staff meetings?	
Is information gathered through evaluation used in program design?	
Is information gathered through evaluation used in communications with donors and extended community?	

<b>Financial Overview</b>	<b>Yes</b>	<b>No</b>
Does the organization have an annual budget?		
Does the organization review the budget after six months?		
Does the organization prepare a bank reconciliation on a monthly basis?		
Does a qualified bookkeeper manage the organization's money day to day?		
Does a different person from the bookkeeper sign checks?		
Does the organization have at least two signatories on the bank account?		
Does an accountant—or someone with accounting experience— serve as the organization's treasurer?		
Does the executive director review expenditures on a monthly basis?		
Does the organization have a printed organization receipt book?		
Are payments made by check?		
Does the organization have a clear system for managing cash?		
Is the accounting function computerized (using a program like Quicken or Quickbooks)?		
Is funding stable and from a diversity of sources?		

<b>Risk Management</b>	<b>Yes</b>	<b>No</b>
Do you maintain minutes of all board meetings?		
Do you file all of the necessary tax documents (local, state, federal)?		
Do you maintain necessary records at necessary levels of government to show nonprofit status?		
Do you maintain enough insurance to protect the organization's assets?		
Do you maintain employment records?		
Do you pay all necessary employment taxes?		
Do you maintain technology safeguards, including backing up systems and virus control?		
Do you maintain a central listing of organization passwords?		
Do you track grants to ensure proper handling of funds?		
Are all formal partnerships clearly outlined in signed agreements?		
Are you protected against patent/copyright infringement?		
Is all documentation related to property up to date?		

Circle the section that you want your organization to focus on in the next few months.

9. Three duties: Write down the main idea for each of these duties.

Duty of care: \_\_\_\_\_

Duty of loyalty: \_\_\_\_\_

Duty of obedience: \_\_\_\_\_

Circle the duty that you think should be discussed at an upcoming board meeting.

10. Name an issue in front of your board: \_\_\_\_\_.

Frame it in our three ways of thinking and asking.

Fiduciary (oversight)	
Strategic (foresight)	
Generative (insight)	

### 11. Job description

Position (This template can be used for the board job description or for specific roles.)
Purpose
Term / time commitment
Skills, knowledge and abilities
General Responsibilities
Specific Tasks
Time Demands
Other

12. Financial statements: Balance Sheet

<b>NONPROFIT ORGANIZATION</b>		
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>SEPTEMBER 30, 2020</b>		
<u>ASSETS</u>		
	<u>2019</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 25,843	\$ 29,843
Investments	17,855	17,440
Accounts receivable	4,833	5,750
Grants receivable	3,467	2,588
Promises to give	18,751	12,144
Prepays and deposits	1,284	1,743
Total Current Assets	72,033	69,508
Land	84,839	84,839
Building and Equipment, net	190,745	189,176
Promises to Give, long-term	6,600	12,550
Endowment Investments	23,203	21,959
	<b>\$ 377,420</b>	<b>\$ 378,032</b>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 7,320	\$ 5,530
Accrued Liabilities	3,220	2,421
Line of credit	15,000	0
Current portion of long-term debt	2,662	2,758
Total Current Liabilities	28,202	10,709
Long-term Debt, less current portion above	47,731	50,489
Total Liabilities	75,933	61,198
Net Assets		
Without donor restrictions	258,115	265,710
With donor restrictions	43,372	51,124
Total Net Assets	301,487	316,834
	<b>\$ 377,420</b>	<b>\$ 378,032</b>
Current Ratio	3	6

13. Financial statements: Income Statement

<b>NONPROFIT ORGANIZATION</b>				
<b>STATEMENT OF ACTIVITIES</b>				
<b>SEPTEMBER 30, 2020</b>				
	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Budget Variance \$</b>	<b>Annual 2020 Budget</b>
<b>Support</b>				
Contributions	\$ 75,626	\$ 66,370	\$ 9,256	\$ 88,494
Foundation grants - Strong Nonprofit Founda	15,000	50,000	(35,000)	50,000
Foundation grants - other	25,850	33,750	(7,900)	45,000
Government grants	31,956	24,643	7,313	32,857
Special events	5,055	4,583	472	27,500
<b>Total Support</b>	<b>153,487</b>	<b>179,346</b>	<b>(25,859)</b>	<b>243,851</b>
<b>Revenue</b>				
Admissions	29,759	28,320	1,439	37,759
Membership fees	9,480	9,375	105	12,500
Interest income	1,675	1,725	(50)	2,300
Gain (loss) on investments	1,659	1,275	384	1,700
Other revenue	674	413	261	550
<b>Total Revenue</b>	<b>43,247</b>	<b>41,108</b>	<b>2,139</b>	<b>54,809</b>
<b>Total Support and Revenue</b>	<b>196,734</b>	<b>220,454</b>	<b>(23,720)</b>	<b>298,660</b>
<b>Expenses</b>				
Salaries, benefits, & taxes	144,764	143,073	1,691	190,764
Occupancy (rent, utilities)	24,686	24,911	(225)	33,214
Program expenses	11,081	18,061	(6,980)	24,081
Professional fees	10,659	11,250	(591)	15,000
Supplies	5,749	6,205	(456)	8,273
Printing	6,832	7,373	(541)	9,830
Insurance	1,386	1,264	122	1,684
Fundraising	2,237	1,811	426	5,433
Interest	1,865	1,867	(2)	2,490
Miscellaneous	684	713	(29)	950
Depreciation	2,138	2,138	0	2,850
<b>Total Expenses</b>	<b>212,081</b>	<b>218,666</b>	<b>(6,585)</b>	<b>294,569</b>
<b>Excess (Deficit)</b>	<b>(15,347)</b>	<b>\$ 1,788</b>	<b>\$ (17,135)</b>	<b>\$ 4,091</b>
<b>Beginning Net Assets</b>	<b>316,834</b>			
<b>Ending Net Assets</b>	<b>\$ 301,487</b>			

14: Key legal documents

Date of last document	Records
	Certificate of Incorporation from the Secretary of State
	Articles of Incorporation, with all amendments
	Current Bylaws
	501(c)(3) determination letter from the IRS
	Application to IRS (Form 1023) for tax-exempt status
	IRS Form 990, 990EZ or 990n postcard)
	Annual report (Nonprofit corporation) to the Washington Secretary of State
	Annual renewal (Charitable Corporation) to the Washington Secretary of State
	(For a membership organization), list of our current members and their addresses.
	Insurance policies
	Names, addresses, and terms of office of all members, officers, and directors,
	Minutes of all meetings of the members, board, and committees of the board
	List of contributors
	Contracts or leases

15. Nonprofit law. Write down key ideas to remember.

State	
Federal	
Employment	
Intellectual property	

Download the Nonprofit Legal Checklist from Communities Rise for a more complete list of legal tasks.

<https://communities-rise.org/wp-content/uploads/2020/10/CR-NP-Legal-Checklist-2020.pdf>



## 16. Board assessment

Circle the description that best matches your board. Start by looking at the “Good” column and move left or right as appropriate. Don’t worry if you fall into “Needs work” or “okay.” Powerhouse Boards is here to help.

Needs work	Okay	Good	Great
<b>GENERAL ROLE</b>			
Board members cannot articulate the mission or vision.	Board members can articulate the mission and vision in a general or vague sense.	Board members can articulate the mission and vision of the organization.	Board members can articulate the mission and vision and tie them to their own experiences.
Board members are not aware of the programs or services of the organization.	Board members are aware of programs or services but do not add value.	Board members add some value to the development, implementation, and evaluation of programs.	Board members add significant value to the development, implementation, and evaluation of programs.
The role of the chair is undefined.	The role of the chair is functions in practice though not well defined.	The role of the board chair is defined and is training is available.	The role of the chair is defined and integrated into succession planning.
The board has no systemic way to provide feedback to the executive.	The board hires but does not regularly review the executive.	The board hires and annually reviews the organization’s executive.	The board provides the executive a thorough and useful annual review, support and partnership.
Organization does not have a budget.	Board approves budget formally but does not necessarily understand it.	The board contributes to the development of the budget, understands it, and approves it.	Board members integrate the budget process into its larger strategic planning and goal-setting process.
The board rarely or does not review finance statements.	The board occasionally reviews financial statements.	The board regularly reviews the balance sheet and income statement, as well as a cash flow statement if possible.	The board uses finance statements to guide strategic decisions.
The board has not reviewed income streams.	The board has reviewed income streams to ensure that they are diverse and balanced.	The board ensures that the organization has a sustainable finance plan.	The board is pro-actively implementing strategies to further diversify income streams.
The board has not discussed or developed any emergency succession plan.	The board has discussed an emergency succession but has not documented a plan.	The board maintains an emergency succession plan for executive or key organization members.	The board ensures that training opportunities and documents are up-to-date to ensure readiness.

<b>Needs work</b>	<b>Okay</b>	<b>Good</b>	<b>Great</b>
<b>BOARD DEVELOPMENT</b>			
There is no process or documentation on board recruitment.	Board follows a process, but it is not systemized or documented.	Board has a documented process to recruit and select new board members.	Board has a committee dedicated to board development.
Board does not have diversity of skill, expertise, background, or experiences.	Board has some diversity of skill, expertise, background, and experiences.	Board includes members with diverse skills, expertise, background, and experience.	Board has an active development committee that seeks out diversity.
Board does not review its performance at all.	Board reviews its performance on an irregular basis.	Board conducts an annual review of its own performance.	Board reviews its performance and develops plans to strengthen it over time.
Board does not engage in learning.	Board engages in some learning related to nonprofit operations, the work of the organization, and the cause in general.	Board engages in ongoing learning related to nonprofit operations, the work of the organization, and the cause in general.	The Board Development Committee plans an annual learning agenda based on the board's annual self-evaluation.
Board does not plan for social connection of board members.	Board provides some social connection of board members.	Board has a plan for social connection that builds trust.	Trust-building is a core element of board development.
Board does not plan for board member succession.	Board talks about succession but may not have a plan for it.	Board has a succession plan in place for officers and key committee members.	Board implements a solid plan for board succession over several years.

<b>Needs work</b>	<b>Okay</b>	<b>Good</b>	<b>Great</b>
<b>FUNDRAISING</b>			
Few if any board members contribute financially or the equivalent.	Most board members contribute in meaningful ways.	Each board member contributes a personally meaningful amount of money to the organization (or helps towards fundraising).	Board members are treated like major donors as they make their meaningful financial and other gifts.
Board members do not have any individualized fundraising plan or understanding.	Most board members have an individualized plan or understanding for supporting the org.	Each board member has an individualized plan for how they can support the org's fundraising activities.	Board members celebrate each other's successes towards their fundraising plans.
Board members are not told that they will be expected to help raise funds.	Board members are told, but the role is downplayed.	Fundraising expectations are explicit and articulated.	Board members lean into the fundraising role as a way to help the organization meet its mission.

Board members feel no connection to the budget, or there is no budget.	Board members understand that they have a role to play but do not “own” the budget.	Board members feel accountable for the budget and its fundraising implications.	Board members contribute to the fundraising line items in the budget.
Board has not discussed its fundraising strategy.	Board has discussed its fundraising strategy, but it is not written.	Board has adopted a fundraising plan or strategy that reflects the budget and organization’s goals.	Board engages partners or others outside the organization to strengthen the plan.
Board has no understanding of what solicitations the organization is making.	Board has a sense of what solicitations the organization is making.	Board knows what kind of solicitations the organization is making.	Board guides existing and potential solicitations, with an eye on general operating funds.
Board members don’t know how to support fundraising behinds giving their own funds.	Board members know at least one way to help fundraising efforts outside of giving their own funds.	Board members have several ways to contribute to fundraising.	Board members have three opportunities customized to their interests and connections.

<b>Needs work</b>	<b>Okay</b>	<b>Good</b>	<b>Great</b>
<b>BOARD MEETINGS</b>			
Board does not meet.	Board meets a couple of times a year.	Board meets at least quarterly during the year.	Board meets more regularly, either as a whole or in committee.
Board regularly fails to have a quorum or has difficulty scheduling meetings at all.	Board has a quorum some of the time.	Board regularly has a quorum at meetings.	Board regularly has full attendance.
Board meetings are not guided by an agenda.	Board meetings are guided by an agenda determined by the board chair <u>or</u> ED.	Board meetings are guided by an agenda determined by the board chair <u>and</u> Executive Director.	Board utilizes a “consent agenda” to expedite routine business.
Board meetings are not guided by an agenda.	Board agendas have a mix of business, but it is not clearly articulated.	Board agendas include different types of business, such as business that is <i>new</i> , open for <i>deliberation</i> , and ready for <i>decision</i> .	Board meetings provide space for members to discuss issues through three lenses: oversight, foresight, & insight.
Board members do not receive board materials (agenda, financials, support documents) prior to meetings.	Board members have access to materials (agenda, financials, support documents) prior to meetings.	Board members have access to meeting materials <u>in sufficient time</u> that they can be prepared to engage meaningfully in conversation at meetings.	Board members use provided materials to stimulate meaningful conversations.

Only a few individuals speak or participate in board meetings.	Most board members speak or participate in meetings.	Every board member speaks or participates in meetings.	
Board does not utilize committees.	Board has at least one committee outside the full board.	Board organizes committees as needed for greater capacity and better decision-making.	Board members rotate committees over time to expand knowledge and capacity.
If there are committees, board members do not have a clear understanding of the role of the committee.	Board members demonstrate an understanding of the role of the committee, though the charter is not in writing.	Each committee has a charter (job description) so that members know what the function of the committee is.	Committee charters are reviewed annually to align them with the strategic plan and annual goals.
If there are committees, they do not bring the result of their work to the full board.	Committees bring information to the board, but not in a systematic way.	Committees bring decisions and other key information back to the full board for review and voting.	Committee work is an integral part of the functioning of the board.
Board does not hire the Executive Director—or name the volunteer ED in all volunteer orgs.	Board hires the Executive Director but does not systematically review his/her performance.	Board hires and reviews the Executive Director.	The board reviews the Executive Director and invests in his/her professional development.
Board provides no direction to the staff through plans and policies.	Board provides some direction to the staff through plans and policies.	Board provides direction to the staff through plans and policies.	Board and ED communicate regularly to align board of board and staff.
Board does not demonstrate an understanding of the difference between board and staff functions.	Board demonstrates some understanding of the difference between board and staff functions.	Board understands the difference between board and staff functions.	

Notes:

**SESSION 3**

17. Meeting agenda

<b>Mission</b>		
What progress will be made at this meeting:		
Another way to think about this... what will you:		
<p style="text-align: center;"><b>Discuss</b></p> <p style="font-size: small;">Topic introduced for the first time, or re-introduced for future deliberation</p>	<p style="text-align: center;"><b>Deliberate</b></p> <p style="font-size: small;">Topic for which data or information has been provided with enough time to read and think about it</p>	<p style="text-align: center;"><b>Decide</b></p> <p style="font-size: small;">Topic ready for a decision or vote</p>
<b>Consent Agenda (topics for a singular vote)</b>		
Topic 1 _____		Facilitator _____
Topic 2 _____		Facilitator _____
Topic 3 _____		Facilitator _____
<b>Closure (Review progress, assign tasks, celebrate achievements)</b>		

**Meeting checklist:**

- Social time for connection
- Food/drink for connection and sustenance
- Small group/pair conversation to engage more voices

**Rank this activity:**

- 3= High brain power needed
- 2= Medium brain power
- 1= Little to no brain power

Make sure your "3" activities come first.

18. Committees

Inward facing committees	Outward facing committees

19. Executive Director report

Date: \_\_\_\_\_

**METRICS**  
Dashboard information

Programs	Financial	Board								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Balance (month)</td> <td style="width: 50%;"></td> </tr> <tr> <td>Balance</td> <td></td> </tr> <tr> <td>Balance</td> <td></td> </tr> <tr> <td>Cash @ Bank</td> <td></td> </tr> </table>	Balance (month)		Balance		Balance		Cash @ Bank		
Balance (month)										
Balance										
Balance										
Cash @ Bank										

**KEY DECISIONS / DISCUSSIONS**  
To be made by board or for input

List main topics you want board to consider this meeting and ensure on agenda

**TOP OF MIND**  
Areas of focus or concern for ED

List whatever business issue(s) are keeping you up at night OR most exercising your mind

**BIG WINS | LEARNING**

List a few big wins or key learnings achieved this quarter.  
I.e., a major new channel partnership

**ED SUMMARY**

Add a sentence to summarize position and direct attention of board to what you see as most important. A bullet list is fine.

## 20. Dashboard

Indicator	Goal	6 months ago	3 months ago	This month

## 21. Development cycle: Key activities

Cultivation	
Solicitation	
Stewardship	

## 22. How could your organization raise money without spending a dime?