

BEST PRACTICES IN ASSOCIATION GOVERNANCE
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General observations on Governance:

- Governance is a very broad category that describes the systems and activities that propel an organization forward smoothly as it fulfills its mission. Governance exists at a higher level than “management” or “administration” and yet is in fact how an organization manages or perpetuates itself;
- In organizations where people are constantly changing, “governance” lends continuity and predictability;
- Sound governance is imperative in order to keep leaders and volunteers engaged and interested and making the most valuable contributions possible;
- Productive governance does not just happen. It is hard work and takes the personal time and commitment of management (the exec);
- In the absence of sound governance, it does not take long for chaos to creep in;

Top Ten Best Practices To Assure Sound Governance

1. Give thoughtful consideration to the size of your Board of Directors – is it serving the best interests of the organization? How does it help further your mission?
 - a. Carver says to justify any number larger than 7
 - b. Is it large enough to gather all relevant viewpoints?
 - c. Is it small enough to move quickly and make decisions
 - d. Are the directors coming to your board interested and qualified to do the job?

2. Make sure the board receives a good board orientation every year so that they understand their role
 - a. Primary Functions (4)
 - b. Top Ten Responsibilities
 - c. NAIFA “ins” and “outs”, frame your association’s particular situation
 - d. Corporate duties of directors: loyalty, care, obedience
Important: the duty of loyalty is loyalty to the corporation on whose board the person sits and to that corporation’s best interests, not to any other person or organization

 - e. All operational aspects of the association, including governance structure

3. Give thoughtful consideration to how your board members are chosen and work to make that tool effective.
 - a. Nominating committee
 - b. Open elections
 - c. Whatever tool is used to push leaders to you, support it and validate it at every opportunity. But, make sure it is working! This is the job of the whole organization (especially the board)
4. Policy Development. Make decisions about important things. *Make policies about important things that are recurring.* Rarely, rarely is anything of a policy nature important enough that it should be included in the bylaws.
5. In the modern era, governance processes should support organizational adaptability. (#6 of Seven Measures of Success). Is your structure and governance process impairing your ability to be responsive and nimble in making decisions?
6. Pay attention to what the IRS has to say about governance:
 - clear mission statement
 - informed directors
 - code of ethics and whistleblower policies in place
 - due diligence and duties of care and loyalty
 - transparency (publication of 990, open meetings, open documents)
7. Other aspects of your governance – are they relevant? are they engaged? are they sending you leaders up the pipeline?
8. Committees – are they helping fulfill your mission? *Review and prune regularly.*
 - ✓ Committee is always a creature of the bylaws or the authority of the President (no undelegated powers)
 - ✓ What is the purpose of the committee? What is its immediate charge? (should be from the strategic plan)
 - ✓ What are its performance measures and its linkage to the plan?
9. All positions in the governance structure should have job descriptions – not just the NAIFA Model, but a customized description of how it fits in your state (special duties)
10. All positions in the governance structure should be clearly aware of when their job starts and stops – thank you notes work!

Resources

“Shedding Old Governance Structures” (case study) Journal of Association Leadership-Summer 2008

“Board Roles and Goals” Robert C. Harris