

Audubon Neighborhood Association

Board Training & Development Policy

Purpose

In order for the Organization to achieve its mission it must understand the community it serves and the challenges and issues these stakeholders face.

In particular, the board can make a profound difference toward achieving the mission if it is selected, managed, and evaluated effectively.

This policy provides specific tools and resources for building an effective board. Specifically, it explores the roles and responsibilities of board members, focuses on the difference between governance and management, examines the importance of board selection and composition and provides models for orientation and training of board members. Finally, the policy addresses strategies for responding to board changes and assessing the effectiveness of both the board and the Organization.

For a board to function effectively and live up to its fiduciary responsibilities, it must govern at a high level focused on financial health, strategic issues, and important operational matters. A healthy board goes beyond "rubber stamp governance." Likewise, a healthy board establishes independence, delegates work to staff, committees or volunteers and provides governance, objectivity, and accountability to the organization.

The purpose of this policy is to assist the board in fulfilling its fiduciary duties to grow a strong board that follows both legal requirements and nonprofit sector best practices.

Board Recruitment

The nature of a board is to turn over. The Organization's bylaws enforce term limits on board members which require bringing in new members for board service.

The Organization's Diversity Equity and Inclusion Policy requires the Organization to foster principles of diversity, equity, and inclusion in its mission-driven work, including in the election of its corporate directors.

Moreover, the Organization is prohibited by certain grant funding requirements from creating barriers to board service through the application process.

Yet board service is also an important and serious duty to the nonprofit corporation and board members take on critical legal and leadership responsibility when they become Directors.

Developing a board with a full complement of skills and abilities is important to good governance and preserving the health and wellbeing of the Organization.

Therefore, it is the policy of the Organization to observe the following practice with respect to board member recruitment. The board will:

1. Promote member engagement in programs and committees or other volunteer opportunities with the Organization as a way to identify voting members who possess the qualities of a good board member. The qualities of a good board member include but are not limited to:
 - Understanding of the community and its needs
 - Passion for the cause
 - Willingness to commit time for meetings, events, etc.
 - Team player who works well in a group
 - Ability to communicate directly even on difficult subjects
 - Ability to participate in healthy conflict
 - Shows respect for community members and other stakeholders
 - Ability to put the best interest of the organization over personal interests
2. Actively recruit new members to board service who are broadly representative of the community interests, including renters, business owners, and people from a variety of diverse perspectives.
3. Publish calls for applications broadly following the Language Access Policy notice requirements to ensure that all eligible members are aware of opportunities to serve.
4. Educate potential candidates about the requirements and responsibilities of board service *before* elections are held. This includes providing educational materials regarding:
 - The three core fiduciary duties
 - The Organization's Conflicts of Interest Policy
 - A reasonable estimate of the time commitment required to fulfill duties
 - The Organization's board member Code of Conduct agreement (see Exhibit A)

The Organization may publish this educational material on the Organization's website or otherwise link to it in a board member application and will in all cases ensure that members who seek board service (even when nominated from the floor), have an opportunity to review these materials prior to accepting their nomination.

Using a Composition Matrix

The board may from time to time utilize a board composition matrix to detail the skills, characteristics and talents of the current board members and identify current gaps or future gaps that will arise with anticipated turnover.

The organization's strategic direction can help to clarify the special skills and resources required on the board. For example, if increasing engagement with immigrant populations or finding sources of fee-for-service revenue are identified as strategic priorities in the next two

years, then board may consider identifying eligible members whose skills and abilities could help advance these strategic goals.

Board Training

Board members have important fiduciary duties. They accept legal risk and responsibility for the nonprofit corporation. As a result, Directors must stay aware of changes in nonprofit corporate law, business law, nonprofit sector best practices and governance requirements.

Board education and training opportunities are intended to assist Directors with their responsibilities. This safeguards the Organization and ensures Directors can uphold their obligations, regardless of their previous education or experience.

Therefore, it is the policy of the Organization to provide both new and existing board members with training opportunities. These training opportunities may be combined when it is convenient. Board member trainings may be conducted internally and with the assistance of a qualified third-party provider that routinely provides training to Minnesota nonprofit boards.

New Member Orientation

New Directors will be oriented as quickly as reasonably possible, within 90 days of the meeting where the board member is elected. Board leadership will ensure that each newly appointed Director receives the following:

- Briefing from the Chair/President
- Briefing from the Executive Director (if any)
- New board member training
- Access to core documents (operations manual, policies, procedures, and access to past year of meeting minutes, etc.)
- Educational materials provided to all applicants as part of the application process and a signed board member agreement (See, Exhibit A)

Annual "Refresher" Training

Directors serving successive years of a term will participate in an annual board member training as a refresher course on their duties and obligations. This includes annual review and re-affirmation of the board agreement and the Conflicts of Interest Policy and disclosure form.

Training Content

At minimum, all board member orientations should cover the following topics:

- The Organization's mission, vision, and values
- Bios of current board members and key staff
- Board member job descriptions and expectations
- Legal duties of board members in Minnesota (review of fiduciary duties, etc.)
- Review and sign the board member agreement

- Review the Conflicts of Interest Policy and complete the annual disclosure form
- Calendar of meetings for the year ahead
- Bylaws and Articles of Incorporation (their meaning and importance)
- Determination letter from the IRS and information about income-tax exemption
- State sales tax exemption (if applicable) and when it applies
- Summary of Directors' and Officers' insurance coverage
- Policies (or board resolutions) relating to the board's role to review the CEO/executive director's compensation
- Opportunity to review the operations manual with all core policies and procedures

Access to Information

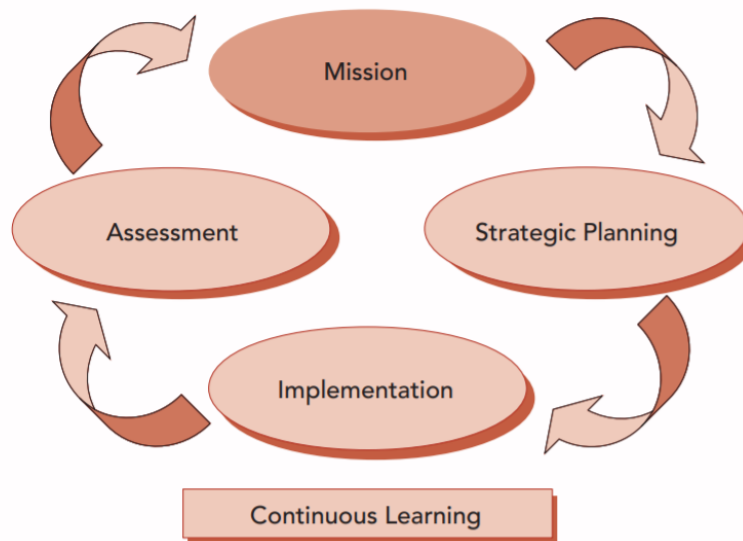
All Directors must have access to the following documents in a board portal or other easy to use format:

- Current Bylaws
- Articles of incorporation (including amendments)
- Determination letter from the IRS
- Certificate of sales tax exemption from the state (if any)
- Summary of insurance coverages (including Directors and Officers, Work Comp, etc.)
- Policies (or board resolutions) relating to the board's role to review the Executive Director's performance and compensation
- Operations manual with all core policies and procedures
- Recent Organizational financial reports (balance sheet & income statement)
- Recently filed IRS Form 990s
- All past meeting minutes
- Calendar of meetings for the year ahead
- Board roster and list of committees, their charters, and who serves on them

Strategic Planning

Board leadership is a continuous, multi-phase process that requires planning, oversight, and modifications based on assessment. First the board develops a mission and a strategic plan to meet that mission. Then the board provides oversight of the staff (i.e., employees, volunteers, or committee members) as they implement the strategic plan and report back to the board. Finally, during the assessment phase, the board critically assesses the success of the organization; its programs and services; as well as the board's own performance, and the cycle continues.

KEY ELEMENTS TO A SUCCESSFUL NONPROFIT BOARD



The strategic plan is used to guide program activities, allocate resources, and assess the Organization's achievements.

Specifically, the strategic plan provides the organization's staff and leaders with guidelines to:

- ✓ Establish the Organization's programmatic activities
- ✓ Allocate human and financial resources to accomplish those activities
- ✓ Assess whether objectives are being met
- ✓ Evaluate programs, staff, and resources

A strategic plan does not need to provide a detailed chronology of action (it isn't an operational work plan). A strategic plan also cannot predict the future of the external world. Instead, the strategic plan broadly maps the goals or activities that the organization wants to pursue towards accomplishing its mission or to preserve (or change) its desired character and identity. As well as what resources it will allocate to that pursuit. The strategic plan is a tool that guides future decision-making as issues arise in the years to come.

Plan Structure

Generally, the strategic plan may follow this organizational structure:

1. Vision / mission
2. Core values
3. SWOT analysis / situational assessment
4. Organization-wide goals or objectives (3-4)
5. Key performance indicators (quantifiable metrics - how do we measure success)

6. Key objectives or milestones that support achieving the goals (i.e., quarterly objectives)

Policy & Guidelines

The board will create a strategic plan that reflects and supports the Organization's mission. The strategic plan and planning process will follow these guidelines:

- The planning process will engage or seek input from a broad cross-section of the Organization and its community of stakeholders
- The planning process will allow for enough time to gather data and map broad goals (this may be months rather than days or weeks)
- The planning process, although complimentary, will not be a substitute for budgeting
- The Organization may engage a third-party consultant for assistance with strategic plan development from time to time
- The plan developed will not exceed a three-year roadmap
- The plan developed should be easy to read and understand by the average person

Internal Assessment

The board is accountable for the Organization's success (or failure). The board will annually measure the progress of the Organization against the goals laid out in the strategic plan. The board will also measure the performance of its Executive Director (if any) and its own performance in assisting and supporting the Organization in a consistent and positive way throughout the year.

The board should use the results of the annual assessment to make appropriate adjustments to the mission, planning, and implementation of operations.

Annual Effectiveness Assessments

To ensure accountability, the board will:

- Measure Organizational achievements against quantifiable objectives
- Perform a formal review of the Executive Director annually (if one is employed)
- Implement a member feedback mechanism to measure members' responses
- Develop and implement a process of board self-assessment (individual and whole)
- Call in legal counsel or a management consultant for evaluation if difficulties come up
- Create processes for feedback for using assessments to improve the organization

Board Assessments

Board self-assessment provides members with an opportunity to:

- Reflect on their individual and corporate responsibilities
- Identify different perceptions and opinions among board members

- Point to questions that need attention
- Use the results as a springboard for board improvement
- Increase the level of board teamwork
- Clarify board / staff expectations
- Demonstrate that accountability is an organizational value
- Provide credibility with funders and other external audiences

Board members will evaluate their performance as a group and as individuals at least every two years.

The Organization may utilize assessments like those in Exhibit B and C, or use any third-party service, suitable online board assessment tool, etc.

The Organization will have clear procedures for removing board members who are unable to fulfill their fiduciary responsibilities

Approved and adopted by the Audubon Neighborhood Association Board of Directors 12.27.21

Exhibit A

Board Member Agreement / Code of Conduct

The Organization adopted the following Board Code of Conduct that all Directors agree to:

Prohibiting Private Benefit & Managing Conflicts of Interest

No member of the Board of Directors (Directors) may take a personal profit or gain (whether directly or indirectly) from their service on the Board. Directors must conduct their personal affairs in a way that avoids any possible conflict of interest with their duties and responsibilities as Directors. Nevertheless, conflicts may arise from time to time. When that occurs, Directors agree to immediately disclose the conflict of interest and abide by the Conflicts of Interest Policy. Directors will also review and sign a disclosure form at least once a year as required by the Conflicts of Interest Policy.

Prohibition Against Sexual Harassment

The Organization strives to maintain a workplace that is free from illegal discrimination and harassment. While all forms of harassment are prohibited, sexual harassment is illegal and specifically prohibited. Any Director who engages in discriminatory or harassing behavior is subject to removal from the board. Complaints alleging misconduct on the part of Directors will be investigated promptly and as confidentially as possible by the appropriate task force or committee (or third-party consultant designee) of the Board.

Confidentiality

Board members are reminded that confidential financial, personnel, and other matters concerning the organization, donors, staff, volunteers, or members may be included in board materials or discussed from time to time in closed sessions, etc. Board members agree not to disclose confidential information to those outside the Board except as legally required.

Active Responsibility & Participation

Board members are expected to exercise the duties and responsibilities of their positions with integrity, collegiality, and care.

Directors agree to:

- Prioritize attendance at board meetings or committee meetings.
- Prepare to discuss the issues and business on the agenda and will read all background material relevant to the topics at hand, including financial reports before the meeting.
- Cooperate with and respect the opinions of fellow Directors or staff and leave personal prejudices out of all board discussions.
- Support authorized actions of the Board even when the Board member personally did not support the vote or action taken.
- Put the interests of the Organization above personal interests as required by fiduciaries.

- Represent the Organization in a positive / supportive manner at all times, in all places.
- Show respect and courtesy in all meetings.
- Refrain from intruding on administrative issues that are the responsibility of management staff, except to monitor the results of strategic objectives and to ensure that procedures are consistent with board policy.
- Observe established lines of communication, directing requests for information or assistance to the Executive Director or the appropriate channel.
- Avoid all direct or indirect political campaign intervention in the name of the Organization (or in their official capacity as Director) and when using Organizational assets (i.e., political activity includes supporting or opposing candidates for office).

Directors agree they are:

1. Morally responsible for the health and wellbeing of this Organization. Directors pledge to help realize the mission.
2. Fiscally responsible (with the other board members) for this Organization. It is the Directors' duty to know what the budget is, to be active in understanding the budget, and planning the fundraising to meet the budget.
3. Legally responsible (with other board members) for this Organization. Directors that neglect their duties or act in bad faith, may be held personally liable in lawsuits brought by a private person, a business, a governmental entity, or even by the organization itself.
4. Not responsible for the day-to-day operations of the organization when a chief executive (i.e., Executive Director) is employed. Rather Directors' one direct management responsibility (with other members of the board) is the selection and supervision of the chief executive.

Duty to Give

Directors will give at a level that is significant for them. Directors will work to raise money for the Organization in whatever ways are best suited for their skills. There is no set amount of money that Directors must raise. Directors make a good faith agreement to do their best.

I pledge to carry out the duties and obligations associated with my role as Director in a trustworthy and diligent manner and to abide by this Board Member Agreement / Code of Conduct. I understand that failure to abide by this Code of Conduct may result in my removal as a Director.

Signature _____

Date_____

Exhibit B - Board Self-Assessment

For Board members to assess their individual performance on the Board of Directors.

Board members should review their job descriptions and / or board member agreement prior to completing this self-evaluation.

Q. How would you rate your performance on the following Board duties?

Board Duties	Excellent	Average	Needs Work
1. Attending Board meetings, including training sessions and committee meetings.			
2. Completing assignments and being prepared at meetings.			
3. Participating in fundraising development planning and activities.			
4. Serving as an advocate for your organization within the larger community.			
5. Staying up to date on purpose, history, needs, and issues affecting the organization.			
6. Participating actively in the ongoing work of the Board.			
7. Giving to the organization annually at a level that is meaningful to you.			
8. Actively asking questions and seeking information needed to carry out responsibilities.			
9. Behaving in accordance with the organization's mission, vision, values, code of conduct and governing documents.			

Exhibit C - Board Assessment

For Board members to assess their performance as a Board of Directors as a whole.

Q. How would you rate the Board as a whole, on the following roles and responsibilities?

	Excellent	Average	Needs Work
1. Attending Board meetings, including training sessions and committee meetings.			
2. Completing assignments and coming prepared to meetings.			
3. Behaving in accordance with the organization's mission, vision, values, code of conduct and governing documents.			
4. Appropriate attention is paid to finance, human resources and legal compliance.			
5. A consent agenda is used for staff and committee reports.			
6. Board meetings support organizational goals, are well-planned, and have clear agendas.			
7. Board discussion is welcoming of different points of view, allows for deep discourse on important topics, allows for healthy conflict and for adequate time talking about the future.			
8. Board Chair and Executive Director meet regularly, work as a team, and communicate well with the rest of the Board.			
9. Trust and relationship building is tended to regularly.			
10. Board members review performance of Executive Director annually and have a succession plan in place.			
11. Board member recruitment is an active ongoing process.			
TOTAL			