

Introduction: Why Are Tools and Templates So Important?

"A virtuous cycle of respect, trust, and candor can be broken at any point."

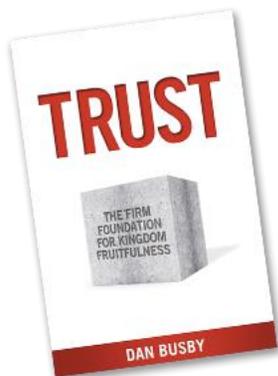
Building an Effective Board involves:

- ☑ Creating a climate of **trust** and candor
- ☑ Fostering a culture of open dissent
- ☑ Utilizing a fluid portfolio of roles
- ☑ Ensuring individual accountability
- ☑ Evaluating the board's performance

"A virtuous cycle of respect, trust, and candor can be broken at any point. One of the most common breaks occurs when the CEO doesn't trust the board enough to share information.

"What kind of CEO waits until the night before the board meeting to dump on the directors a phone-book size report that includes, buried in a thicket of sub clauses and footnotes, the news that earnings are off for the second consecutive quarter? Surely not a CEO who trusts his or her board."

From: "What Makes Great Boards Great," by Jeffrey A. Sonnenfeld (article in *Harvard Business Review*, September 2002, Reprint R0209H, www.hbr.org)
http://urgentink.typepad.com/my_weblog/2012/03/what-makes-great-boards-great.html



TRUST: The Firm Foundation for Kingdom Fruitfulness

By Dan Busby

www.ECFA.org/trust

"The perception of a conflict of interest can be just as damaging to a ministry's reputation as an actual conflict."

In 21 short chapters, Busby enriches our understanding of trust in four major areas—with a simple, but powerful premise:

**"Christ-centered ministries with
Trusted Governance,
Trusted Resource-raising,
and Trusted Resource Management
experience elevated Kingdom outcomes."**

http://urgentink.typepad.com/my_weblog/2015/04/trust-the-firm-foundation-for-kingdom-fruitfulness.html

8 Tips on Board Best Practices

TIP	RESOURCE
<p>❑ 1. Engage every board member in the first 45 minutes of your board meeting.</p>	<p>http://ecfagovernance.blogspot.com/2014/04/board-meeting-rules-of-thumb-first-45.html</p>
<p>❑ 2. Creatively communicate with the preferred learning style of your board chair and board members. Are they Readers or Listeners?</p>	<p>Peter Drucker on press conferences with General Eisenhower vs. President Eisenhower</p> <ul style="list-style-type: none"> • Readers read your reports and emails • Listeners appreciate phone calls and verbal input (and even recorded board reports)
<p>❑ 3. Fast Feedback Tool: Evaluate our meeting today on a scale of 1 to 5!</p>	<p>http://ecfagovernance.blogspot.com/2013/02/fast-feedback-tool.html</p> <p>http://ecfagovernance.blogspot.com/2013/03/board-input-versus-board-output.html</p>
<p>❑ 4. “10 Minutes for Governance” at every board meeting</p>	<p>Example: distribute Rebekah Basinger’s blog (link below and see pages 6-7), divide into groups of 2 or 3 and ask each group to zero in on “What we do best” and “What needs improvement.”</p> <p>10 Habits at the Heart of Exemplary Board Governance http://generousmatters.com/blog/2014/04/23/10-habits-at-the-heart-of-exemplary-board-governance/</p>
<p>❑ 5. Delegate your reading to every board member.</p>	<p>#1. Trendspotting Exercise (See Tools & Template Binder)</p> <p>#2. At every board meeting, ask one board member to give a 5-10 minute review of a relevant book (or audio book or TED Talk) on a leadership, governance, strategic planning, spiritual discernment, or niche issue, etc.</p>
<p>❑ 6. Inspire your board with niche resources</p>	<ul style="list-style-type: none"> • Board Member magazine (digital) from www.BoardSource.org • ECFA Governance Blog on Christ-centered Governance http://ecfagovernance.blogspot.com/ • _____
<p>❑ 7. Leverage a “Heavy Lifting” segment at every board meeting.</p>	<p>Ed McDowell inspires the Warm Beach Camp & Conference Center board to allocate almost the entire morning of their quarterly one-day board meeting to address a key issue or opportunity (and thus do the “heavy lifting”) when minds and hearts are most alert to God’s voice!</p>
<p>❑ 8. Caution!</p> <p>“We are blind to the obvious and blind to our blindness!”</p>	<p>See the 3 Options for a discussion on conflicts of interest:</p> <p>View: <i>ECFA Governance Toolbox Series No. 3: Addressing Board and Organizational Conflicts of Interest—Avoiding Trouble, Trouble, Trouble with Related-Party Transactions</i> http://www.ecfa.org/ToolboxSeries.aspx</p>

**ECFA BLOG:
GOVERNANCE OF CHRIST-CENTERED ORGANIZATIONS**

Wednesday, February 20, 2013 (John Pearson)

<http://ecfagovernance.blogspot.com/2013/02/fast-feedback-tool.html>



Fast Feedback Tool

Here's a Fast Feedback tool that will immediately improve your board and committee meetings.

Yesterday, I facilitated a one-hour Nominating Committee meeting via conference call. At the end of the one-hour call, the newly elected committee chair asked for feedback.

“At every board or committee meeting I chair,” he told us, “I always ask each participant to rate the effectiveness of our meeting. So on a scale of 1.00 to 5.00 (5.00 is high), I'll ask each of you to give me your rating. How did we do?”

The seven participants each shared their rating. The CEO gave us a 5.00—which was an encouragement to everyone.

At our next meeting, I know two things will happen:

- 1) We'll be asked to rate the meeting.
- 2) Throughout the meeting, we'll be thoughtfully contributing (listening more than talking) to help the ratings stay high!

It's a brilliant idea—and it took less than three minutes.

Romans 12:3 reminds us: “Do not think of yourself more highly than you ought, but rather think of yourself with sober judgment...” This Fast Feedback tool will remind everyone to do just that.

QUESTION: *What if...you're the chair and the Fast Feedback exercise reveals low scores? What would you say?*

From Rebekah Basinger's blog
GENEROUS MATTERS



10 habits at the heart of exemplary board governance

April 23, 2014

<http://generousmatters.com/blog/2014/04/23/10-habits-at-the-heart-of-exemplary-board-governance/>

In a recent article, I pointed board members who fancy themselves as difference makers in the direction of the board development committee. My reasoning? No organization will be stronger than its board, at least not in the long-term, which makes helping to build a strong board the most important work a board member can do.

I failed, however, to lay out the characteristics of a strong board. So I'm back with more on the topic, this time leaning on an article from the March/April 2014 issue of *Trusteeship* magazine. Although directed to trustees serving colleges and universities, "The 10 Habits of Highly Effective Boards" apply to boards of all nonprofits, including those with a faith base.

GIVE THAT BOARD AN "A"

In identifying the ten habits, Richard Legon, president of the Association of Governing Boards of Universities and Colleges (AGB) and author of the *Trusteeship* piece, draws on his more than 30-year experience with boards and their institutions. Here is Legon's list, with my commentary in italics.

High-performing boards:

1. Create a culture of inclusion. *There's no hint of a "board within the board." The best boards work as a team of equals. Every member's opinions, questions, and wisdom count.*

2. Uphold basic fiduciary principles. *Members of exemplary boards are laser focused on mission fulfillment with economic vitality, with strategic indicators linked to every principle.*

3. Cultivate a healthy relationship with the president. *Regardless how stellar the credentials of the CEO, she or he can't — indeed shouldn't — go it alone. Organizational leadership, when done well, is an ensemble performance.*

4. Select an effective board chair. *The chair is to the board as the CEO is to the staff. Having the right person in both slots is essential to organizational success.*

5. Establish a strong governance committee. *Go here for my views on this one.*

<http://generousmatters.com/blog/2014/04/21/to-be-a-difference-maker-volunteer-for-the-board-development-committee/>

6. Delegate appropriate decision-making authority to committees. *Nothing deflates committee members like the full board second guessing recommendations. Expect the best, trust the work, and act accordingly.*

7. Consider strategic risk factors. *Exemplary boards explore the cons along with the pros of new programs, big ideas, or a change in organizational direction.*

8. Provide appropriate oversight of academic [program] quality. *The emphasis on “appropriate” isn’t just mine. It’s the golden mean toward which exemplary boards strive in their oversight of the organization.*

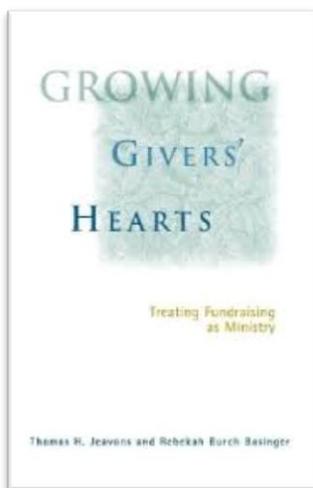
9. Develop a renewed commitment to shared governance. *As the author of the Trusteeship article warns, “boards that choose to act precipitously or presume a top-down management style in making decisions will likely reap only counterproductive results.”*

10. Focus on accountability. *This is the other side of point 2. Exemplary boards track, access, measure, and expect that the organization is living up to its mission.*

So, back to my starting premise. If you fancy yourself a difference maker, get you to a board development committee. Greater work has no board member than this, to have a part in recruiting, orienting, assessing, and educating governance peers toward the ten habits listed above. Do I hear an amen?

For other thoughts on exemplary board governance, see:

- All hands needed on the governance deck, and noses, too
- Strategies for avoiding meddling by meeting
- A five-step cure for boredom in the boardroom



Rebekah Basinger served several years as a board coach and presenter in the Murdock Trust Board Leadership & Development program. She is also the co-author of *Growing Givers' Hearts: Treating Fundraising as Ministry*, co-authored with Thomas Jeavons (Jossey-Bass Publishers).

<http://basingerconsulting.com/>

“Growing Givers’ Hearts has been a mainstay for my philosophy and practice since it was published in 2000. Each chapter in my personal copy is underlined with notes in the margins about which part of my practice it relates to. I have summarized each chapter and use it for training new fund raisers and board members who are engaging in relationships with donors for the first time. I can’t recommend her work highly enough!” – Denise Kuhn, CFRE



ECFA Governance Toolbox Series No. 3: Addressing Board and Organizational Conflicts of Interest: Avoiding Trouble, Trouble, Trouble with Related-Party Transactions

<http://www.ecfa.org/ToolboxSeries.aspx>

“We are blind to the obvious and blind to our blindness!”

Self-Assessment: Board and Organizational Conflicts of Interest

1 Strongly Disagree | 2 Disagree | 3 Undecided | 4 Agree | 5 Strongly Agree

How strongly do you agree...or disagree with the following statements?	CIRCLE YOUR ANSWER
1. Our organization has a written policy on “Conflicts of Interest and Related-Party Transactions.”	1 2 3 4 5
2. Every board member is required to annually sign a certification document affirming that he or she has read and understands the organization’s “Conflicts of Interest and Related-Party Transactions” policy.	1 2 3 4 5
3. Every board member that has real or apparent conflicts of interest, per our policy, is required to declare this information annually in a signed disclosure statement.	1 2 3 4 5
4. Our top leader (CEO or senior pastor) and other senior staff are also required to read and understand our conflicts of interest policy—and annually sign a certification document.	1 2 3 4 5
5. In the video, “Patricia” noted that the board “finally, finally had an executive session (without any staff members in the room).” <i>Agree or disagree:</i> “The frequency of our executive sessions is about right.”	1 2 3 4 5
6. Also in the video, “Jameel” remarks: “Policies should never trump relationships. That’s just not biblical.” <i>Do you agree or disagree?</i>	1 2 3 4 5
7. In my opinion, our organization is “crystal clear” and “squeaky clean” in addressing board and organizational conflicts of interest—and “We’re being as careful in our reputation with the public as in our reputation with God.” (2 Cor. 8:21)	1 2 3 4 5
8. <i>Add one more “Agree...Disagree” statement here—and ask other board members to respond to it.</i>	1 2 3 4 5

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Tools & Templates Notes & Next Steps:

What tool or template is the solution to a current challenge?

POINT PERSON	TASK	DEADLINE DATE	DONE DATE

“The only bad question is the one you had, but didn’t ask.”



DO NOT RELY ON SOMEONE ELSE TO DO YOUR THINKING!

“You must be diligent as a director. Make sure that you ask any questions that are on your mind. As the saying goes, the only bad question is the one you had, but didn’t ask. You may think that since you have a banker on your board, you do not need to ask any financial questions because someone else is looking after that. It is your duty to ask these questions anyway. Do not rely on someone else to do your thinking.”

Serving as a Board Member: Practical Guidance for Directors of Christian Ministries, by John Pellowe