Outcomes
- Board – Staff Partnership
- Governance Roles
- Better Board, Better Assoc.
- Strategic Plan
- Affirmations, Resources, Q & A
- Practical Take-Aways

Washington to Hamilton
“Winning is easy (young man), governing is harder.”
Associations in USA

1.5 million nonprofits
- 7,200 chambers
- 155,000 trade assoc
1791 – US Constitution
1890 - Antitrust
1894 – No Personal Gain

Associations in USA

1908 – Roosevelt*
1913 – Exempt Designation (pg 60)
1950 – UBIT
1997 – Immunity & Public Records
2008 – Good Governance Policies
Every man owes a part of his time and money to the business or industry in which he is engaged.

No man has a right to withhold his support from an organization working on his behalf.

Associations in USA
1908 – Roosevelt*
1913 – Exempt Designation (pg 60)
1950 – UBIT
1997 – Immunity & Public Records
2008 – Good Governance Policies
Protecting the Board

1. D & O and E & O
2. Incorporated
3. Indemnification
4. Volunteer Immunity
5. Orientation

Why Serve on a Board?

Altruistic
- Elevate the Profession
- Advance a Mission
- Service to Members and Community
- First Hand Information
- Social Responsibility
- Gov't Advocacy

Experiential

<table>
<thead>
<tr>
<th>Skills Learned and Enhanced</th>
<th>Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needed Information</td>
<td></td>
</tr>
<tr>
<td>Understanding</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td>Attention</td>
<td></td>
</tr>
<tr>
<td>Managing Relationships</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Strategic Planning</td>
<td></td>
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<tr>
<td>Financial Management</td>
<td></td>
</tr>
<tr>
<td>Government Advocacy</td>
<td></td>
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<tr>
<td>Time Management</td>
<td></td>
</tr>
<tr>
<td>Revenue and Budgeting</td>
<td></td>
</tr>
<tr>
<td>Vision</td>
<td></td>
</tr>
<tr>
<td>Vision Enforcement</td>
<td></td>
</tr>
<tr>
<td>Visionary</td>
<td></td>
</tr>
<tr>
<td>Financial Reporting</td>
<td></td>
</tr>
<tr>
<td>Financial Statements</td>
<td></td>
</tr>
</tbody>
</table>

Failure is not an Option

Kennedy Space Center Visitor Complex
Elements of Good Governance

Mission
Focused
Strategic
Plan
Access to
Information
Culture of
Trust
Board-CEO
Partnership

Governing Documents

Mission
(Purpose for existence)

Articles of Incorporation
(Relationship to state gov’t.)

Bylaws
(Relationship to members)

Policies
(interpretation of the governing documents)

Strategic Plan
(roadmap for the organization)

Annual Budget

Must Know for Governance

• Read the Bylaws
• Understand the Budget
• Governance Concepts
• Performance Measures
• Strategic Direction, Goals, Mission

‘Read to Lead’
Stamp Out Myths

a) We cannot **lobby**.
b) We can’t make a **profit**.
c) We cannot have **savings**.
d) **Our records** are open for review.
e) We’re just **volunteers**.
Rx for Healthy Associations
(60 cures)

- State Corporate Law
- IRS Exempt Status
- FTC Antitrust
**Partnership Defined**

**Board**
Group of persons authorized to make governance decisions on behalf of the organization and its members.

**Exec Dir/AE**
The person who has ultimate responsibility for implementing the decisions of the governing body.

---

**BOARD GOVERNS**

**STAFF MANAGES**

---

**Who is Responsible?**

<table>
<thead>
<tr>
<th>Who is Responsible?</th>
<th>Board</th>
<th>Exec Dir/AE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Create a strategic plan</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2. Approve the annual budget</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3. Hire and evaluate staff when the executive dir. is not involved</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4. Assess performance of the board of directors</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5. Review board members</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>6. Assess the performance of the executive director</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>7. Send annual letter</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8. Establish organizational policies</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>9. Set the agenda for board meetings</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>10. Monitor income and expenses on staff lines</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>11. Approve selection of the auditors/CFO</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>12. Develop mission/programs or services</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>13. Make decisions with respect to the organization's budget</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>14. Exercise fiscal oversight of the organization</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>15. Select new and tenured board members</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>16. Create a business plan of action</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>17. Oversee management of the organization</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>18. Create board duties and positions</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>19. Develop administrative procedures</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>20. Review/endorse budgets</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>21. Support staff professional development</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>22. Oversee child abuse policies</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>23. Establish for technology investment</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>24. Develop institutional collaborations</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>25. Sell sponsorships and generate revenue</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Fiduciary Principles

- Duty of Care
- Duty of Loyalty
- Duty of Obedience

Good Governance Policies

In response to corporate scandal, there is scrutiny on all boards of directors. Since 2008 the IRS started inquiring about the policies of exempt organizations. Boards are expected to maintain their accountability, independence and transparency while governing. Policy questions in IRS Form 990 include:

- Audit and Audit Committee
- Whistleblower
- Compensation
- Document Destruction
- Conflict of Interest
- Public Records
- Minutes

Legal Principles

Duty of Care requires leaders to use reasonable care and good judgment in making their decisions on behalf of the mission of the organization.

Duty of Loyalty requires leaders to be loyal to the organization, avoiding conflicts of interest.

Duty of Obedience requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, bylaws, etc.)
1. Promote the Mission

- Purpose of Existence
- Frames all work/programs.
- Update periodically
- Mission, Vision, Values
Mission – Who we are, who we serve, what we offer.

Vision – Future picture of the association; envisioned success; aim

Values – Principles of heard and staff.

3 statements

Vision Mission & Values

Strategic Plan on a Card

TMA2015

Mission

To improve the health of all Texans.

Vision

To inspire the health of all Texans.

Values

This supports Texas physicians by providing guidance to ensure the health of all Texans in the care of their patients.

Goals

Goal 1: Practice Viability

Increase the number of active Texas licensed physicians in the state.

Goal 2: Healthy Environment

Increase consumer access to health care, improve legislators' understanding of health care, and legal and policy environments in which Texas physicians practice medicine.

Goal 3: Trusted Leader

Increase physician involvement in leadership roles within the association.

TMA Officers

Learn about the powerful, effective, and实施方案 of Texas medicine.
### Mission and Vision

- **Mission**: Defines the purpose and goals of the organization.
- **Vision**: Outlines the long-term future direction and aspirations of the organization.

### Values

<table>
<thead>
<tr>
<th>Respected Value</th>
<th>Description</th>
<th>Importance to Board and Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative</td>
<td>Makes use of expertise and resources to provide programs, services and solutions, best use of technology.</td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td>Inclusive and respectful of people, ideas, business models, ethnicity, etc.</td>
<td></td>
</tr>
<tr>
<td>Integrity</td>
<td>Everything is done with the highest standards of excellence.</td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td>Board promotes openness and encourages awareness of activities.</td>
<td></td>
</tr>
<tr>
<td>Member Focus</td>
<td>Responsive to member needs.</td>
<td></td>
</tr>
<tr>
<td>Accountability</td>
<td>Commitments are upheld; accountable for the trust of the members.</td>
<td></td>
</tr>
<tr>
<td>Unity</td>
<td>Decisions are supported by all; Dissent is expressed only inside the board meeting.</td>
<td></td>
</tr>
<tr>
<td>Sustainability</td>
<td>Concern for long-term operations; environment considerations.</td>
<td></td>
</tr>
</tbody>
</table>

### Your Mission and Vision?

- **Mission**: [Your Mission Statement]
- **Vision**: [Your Vision Statement]
2. Partner with the Exec Dir.

- Board – Staff team
- Avoid interfering with Exec Dir. relationship - *lines of authority*.
- Org Chart?
3. Monitor Performance

- Budget Performance
- Exec Dir. - Administrator Performance
- Board Self Evaluation*

Annual Discussion
Without Staff – Chair Driven
Outcomes – Improve Governance
4. Strategic Direction

✓ Board is the **visionary** body.

✓ **Written** in form of a “Strategic Plan.”

✓ Reviewed annually.

✓ Fully updated 3 to 5 years.

May 17, 2014 – Every assoc. of Realtors shall annually demonstrate compliance with the following core standards.
5. Adequate Resources

- Budget income streams.
- **Savings - reserve.**
- Staffing.
- Volunteers and committees.
- Facilities – office.

Revenue Sources

<table>
<thead>
<tr>
<th>Member Dues</th>
<th>Non-Dues</th>
<th>50/50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Dues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Advertising</td>
<td></td>
<td></td>
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<tr>
<td>• Sponsorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Endorsements/Royalties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Trade Show/Expo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Product Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Education, Meetings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Gifts, Grants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Budget Questions

- Size of budget?
- Reserves and assets?
- Audit; policy?
- Minutes record financial reports?
- Safeguarding funds?
- Ratio of dues to non dues income?
6. Protect the Resources

- Board accountability, oversight.
- Audit & audit committee.
- Insurance coverages

7. Programs, Services, Events

- ROI?
- Abandonment of Programs?
- Golden Handcuff?
Dangers Report

1. Leaders Out of Synch with Fast Pace
2. Uninformed Decisions
3. Resistance to Mergers
4. Lowest Common Denominator
5. Governance Structure
6. Reluctance to Volunteer
7. Dependence, Loss of Primary Revenue
8. Good Old Boys Club
9. Alignment with Parent Organization for Strength
10. Dues Disconnect
8. Promote the Organization

- Know the mission.
- Talk about the goals.
- Talking points and positions.
- Lines of authority.

“I can’t speak for the board but I can give you my personal opinion.”
Policy on Spokesperson

No one shall act as the official spokesperson for the association except the elected president or a person or persons so designated.
Check your Org Chart

9. Legal - Ethical Integrity

✓ Insurance
✓ Conflicts of Interest
✓ Filings
✓ Antitrust*

FTC to Associations: Lack of Antitrust Compliance Can Facilitate Coordination and Violate the FTC Act

In a recent enforcement action, the Federal Trade Commission has made clear that it expects trade associations to adopt antitrust compliance measures to prevent discussions among competitors that would facilitate coordination on prices or quantities. Failure to adopt customary antitrust compliance measures, coupled with discussions of pricing policies, might constitute an “illegal method of competition” in violation of the FTC Act.
10. Develop New Leaders

- Board Orientation
- Term Limits
- Leadership Development
- Young Leaders, Diverse Leaders
Future Leaders

• “The Ask”
• Invite to serve on committees.
• Invite to observe board.
• Young professionals; emerging leaders
• Dynamic orientation for directors.
• NOT WARM BODIES IN SEATS

Practical Advice

Meeting Agendas

I. Call to Order*
II. Approval of Minutes
III. Treasurer’s Report
IV. Consent Agenda (Reports distributed in advance, no action)
  a) Executive Director’s Report
  b) Committee and Officer Reports
  c) Misc. Reports - Background
V. Strategic Goals Discussion
   A. Accountability and Goals Review
   B. Member Support
   C. Professional Development
   D. Organizational Excellence
VI. Other Business
VII. Adjournment and Announcements

*Transition about amount of time allotted to discuss various topics.
Presidential Advice

1. Build your Team
2. Frame it with the Mission
3. The Resources are NOT Yours.
4. Write YOUR President’s Message
5. The AE is your best friend
6. Rely on Expertise (CPA, Legal, Insurance, HR, etc.)

The Past President

- Respect
- Wisdom
- Special Projects
- Governance
- Evaluation
- Sounding Board

Got the agenda — Now what?

Robert C. Harris
Wednesday, March 23, 2016

The purpose of an agenda is to ensure a meeting will be conducted in an orderly manner and discussion will lead to results. If an agenda is prepared in advance through collaboration of the chief elected officer and the chief staff person (executive director) with sufficient time, it’s distributed well before the meeting with supporting information. For quarterly meetings, directors must receive it 30 days ahead. For monthly meetings, they might expect 2 to 10 days in advance.

Upon receipt:
What directors do upon receipt of the agenda to prepare for the meeting will impact discussions and outcomes.
Director Commitment

1. Read and uphold the governing documents.
2. Work to advance the mission; serve the members.
3. Respect confidentiality of discussions and documents.
4. Disclose conflicts of interest.
5. Avoid antitrust violations.
6. Respect board decisions.
Committee Trends

1. Fewer
2. Aligned with Goals
3. Results Driven
4. Engage Members
5. New Names
   - Standing
   - Ad Hoc/Task Force
   - Quick Action Team, Ready Action Team
   - Brain-Trust
   - Micro-Tasks

Board-Committees Relationship

"Keep minutes and waste hours"

Authorized by Board
No Authority to
Spend, Contract or
Speak
Aligned and
Advancing Strategic
Plan
Recommendations to
Board
Meeting Minutes and
Agenda
### 2013-2017 Strategic Plan

**Alignment**

<table>
<thead>
<tr>
<th>1. Chair &amp; Vice Chair</th>
<th>2. Alignment with Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Purpose Statement</td>
<td>4. Current Year Charges</td>
</tr>
<tr>
<td>5. Metrics, Timelines</td>
<td>6. Board – Staff Liaison</td>
</tr>
<tr>
<td>7. Agendas</td>
<td>8. Minutes</td>
</tr>
<tr>
<td>9. Committee Notebook or Portal</td>
<td></td>
</tr>
</tbody>
</table>
Meeting Minutes

1. Audio Recordings
2. No Side Bar Conversations
3. Protect Organization w/ Self Serving Statements
4. Distribution Policy
5. Committee Minutes, too.

Risk Awareness

Insurance Coverages pg 32
Minutes pg 33
Executive Session pg 35
Sponsor or Advertiser pg 36
Public Records pg 37
Speaking for the Assoc. pg 39
Antitrust pg 41
Policies pg 42
Copyright -
Dues Notices -
Guests at Board Meetings -
2009 FTC
Trade assocs. to have measure of antitrust avoidance.

A Reminder to Trade Association Members: “No-Poaching” Codes of Ethics Can Cause Antitrust Problems
posted on Thursday, August 28, 2014

Trade associations are a collection of competitors, and as such, can raise potential antitrust risks. In particular, an association's code of ethics might effectively be an agreement between members not to compete among themselves. Recent Federal Trade Commission (FTC) enforcement actions serve as reminders to associations and their members that antitrust authorities take seriously any such antitrust violations.

On August 22, 2014, the FTC accepted for public comment separate consent orders with the National Association of Residential Property Managers (NARPM) and the National Association of Teachers of Singing (NATS). Each association represents thousands of members and their customers in numerous legitimate ways. Unfortunately, each association also had a code of ethics that contained provisions the FTC considered agreements not to compete. NARPM’s code made it unethical for a property manager to “unnecessarily solicit competitor’s clients.” NATS’s offending provision read,
The Strategic Plan

- Road Map
- Allocation of Resources
- Every 3 Yrs +/-
- Responsibility of the Board
- End or Start of Term?
- Guide for Committees and Staff
- Prioritization and Elimination

Well, that's a wrap on this year's strategic planning. Might as well put it with the other ones.
May 17, 2014 – Every assoc. of Realtors shall annually demonstrate compliance with the following core standards.
**Goals 2015-2017**

Goals are the core components of the association, states where the board is committed to delivering their need and resources. Formulates, staff, funding, etc.

I. Innovative Strategy
II. MLS Future
III. Government Relations and Advocacy
IV. Consumer Outreach
V. Professional Standards and Education

---

**Strategic Planning Process**

(90 Days - Start to Finish)

**Before** (Pre-Planning)
Phase I - 60 Days
- Determine Need for Plan
- Select Date & Timeframe
- Select Retreat Setting
- Select Facilitator
- Select Participants
- Conduct Survey(s)
- Prepare Reports

**During** (On Site)
Phase II - ½ - 2 Days
- Set the Scene – Purpose Report on Findings
- Review Prior Plan
- Affirm Mission, Vision, Values
- Consensus on Goals
- Set Strategies
- Set Performance Measures
- Accountability - Tactics

**After** (Post-Planning)
Phase III - 30 Days
- Circulate the Draft
- Officially Adopt Plan
- Promote Results
- Report Plan Champions
- Include on Agendas
- Integrate (Budgeting, Marketing, Membership Campaigns, etc.)
Keeping the Plan in Front of the Board

Frequent Goal Areas

1. Advocacy (Influence)
2. Membership Value, Engagement
3. Education/Professional Development
4. Community Engagement, PR
5. Sustainability, Association Strength
Appendix

- Essential Governing Documents
- Assoc. of the Future
- Revise the Board Agenda
- Avoid Group Think
- Gavel is NOT a Crown or Wand
- IRS 501c Designations