

## **Building an Effective Board of Trustees**

Todd McCormick, Logan County Historical Society

(937) 593-7557 / [tmccormick@loganhistory.org](mailto:tmccormick@loganhistory.org)

OHLA Annual Conference October 3, 2014

### I. Introduction

- A. "The most important group of people in a local historical organization is its board of trustees." (Suchanek, "Trusteeship for Local Historical Organizations: A Commitment to the Future," *Local History Notebook* March/April 1985)
- B. The Board governs, sets policies, acts as the fiduciary agent, etc. for your historical society.
- C. Finding and setting in place good trustees is extremely important for the health and growth of your historical society.
- D. This presentation will look at the roles and responsibilities of a Board of Trustees; give suggestions on how to find the right people for your board; and offer other ideas on how to make your board more effective.

### II. Responsibilities of a Board of Trustees as a Whole

- A. Plot the Course of the Historical Society
  - 1. Develop and continue to focus on Historical Society's mission statement and goals for the future
  - 2. Develop and oversee the implementation of the Historical Society's policies and strategic plan
  - 3. Delegate authority for the Historical Society's management (staff or volunteers)
  - 4. Communicate, protect and promote the Historical Society's values and principles
  - 5. Develop plan to secure and provide maintenance for the physical plant (buildings)
- B. Secure Resources &/or Fundraising for the Historical Society
  - 1. Identify the people and financial resources needed to achieve the Historical Society's mission
  - 2. Develop policies on how these resources will be secured and board members' responsibilities in acquiring the resources
  - 3. Obtain the resources
  - 4. Set budget for year
- C. Act as Fiduciary Agents of the Historical Society
  - 1. Establish financial policies and accountability
  - 2. Ensure compliance with applicable laws and ethical standards
  - 3. Monitor progress and evaluate outcomes

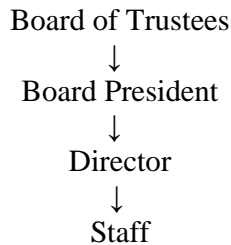
### III. Responsibilities of the Individual Board Member

- A. Attend all board meetings, committee meetings, Historical Society meetings and special events
- B. Understand the Historical Society's mission, policies and programs
- C. Review agenda, financial reports and supporting material prior to meetings.
- D. Serve on committees
- E. Make a personal financial donation to the Historical Society
- F. Promote Historical Society to others
- G. Have an understanding of the historical society/museum field
- H. Understand and follow the Board's Policies
- I. Avoid asking special requests of the staff
- J. Assist the board in carrying out its fiduciary responsibilities

### IV. Putting the Board's Responsibilities to Work

- A. Boards should Govern not Manage
  - 1. Boards of Trustees should be a governing body not a managing body

2. Boards set policies while the Staff/Volunteers do the day-to-day actions that help the Historical Society achieve its goals
3. Boards need to follow Chain of Command



4. Boards should focus on policies (govern) not specific events (manage)
5. Boards should not micromanage or get too involved with the trivial aspects of the organization
6. Differentiating governing & managing roles is easier said than done for both the board and the staff. The two need to find an effective compromise

#### B. Boards should be Proactive

1. Boards should think long term (govern) not short term (manage)
2. Boards should concentrate on achieving goals and staying on schedule with the Historical Society's Strategic and Long Range Plans
3. Boards should not spend all of their meeting time reviewing, rehashing and redoing past actions
4. "Dreaming is not only permissible for leaders (board members) – it is obligatory. Dealing with the trees rather than the forest can be satisfying, but it neither fuels vision nor inspires." (Carver, *Boards That Make A Difference*, 1997)

#### C. Setting Policies

1. Board's most important function is setting policies and for the Historical Society and overseeing that the policies are followed and the goals are met
2. Significant policies – Collections, Long-Range, Personnel, Financial,
3. Board needs to regularly review Bylaws, policies and long-range plans

#### D. Board's Fiduciary Responsibility

1. "First responsibility (of Board) is to act for the public good." (Suchanek, Trusteeship for Local Historical Organizations: A Commitment to the Future" *Local History Notebook*, March/April 1985)
2. As a fiduciary agent the board member and the board as a whole is entrusted to guide or govern the historical society prudently and efficiently for the organization's well-being, for its members and the public in general. This is done through policy-making, financial decisions, long- range goals, etc.
3. The Board is ultimately accountable to its organization, its members, staff, donors, the public and governing bodies (local, state & federal)

### V. Relationship between the Board and Staff

#### A. The two groups need to have a mutual respect for one another

1. Understand each one's roles
  - a. Board governs, Staff manages
  - b. Board needs to delegate day-to-day functions to the staff and allow the director to have enough independence to do his/her job
  - c. The director reports to the board and keeps them informed on the organization's functions
  - d. Have roles (job descriptions) set out in the Board Policy and the Personnel Policy and understand the policies
2. Follow Chain of Command

- a. The Board President or Chair is the principal intermediary between the board and the director
- b. Other staff members report to the director
- 3. One of the board's biggest responsibilities is hiring director
- B. Boards of all volunteer organizations need to understand its role as a whole and each board member needs to understand his/her role individually, especially when the board or a majority of board members are also the volunteer staff, i.e. curators, directors, exhibit designers, secretaries

## VI. Board of Trustees Structure and Composition

### A. Board Size

- 1. No standard number
- 2. Board should be big enough to represent your organization's constituency, i.e. county if you are a county historical society, township if you are township historical society
- 3. Board should not so big that it cannot function efficiently

### B. Full Board

- 1. Officers – President(Chairperson), Vice-President, Treasurer, Secretary are necessary positions, others may include Assistant-Treasurer, Corresponding Secretary, 2<sup>nd</sup> Vice-President, Immediate Past-President, etc
- 2. Trustees – again no set number but you need enough to sufficiently represent your organization's constituency. Random survey of county, township and village historical societies showed anywhere from 5-12 trustees (not including officers)

### C. Executive Board

- 1. Usually consists of officers
- 2. Meets when full board cannot
- 3. Meets when emergency decision must be made
- 4. Chaired by President
- 5. Executive Board decisions should be reviewed at full board meeting

### D. Board Elections

- 1. Trustees generally elected by membership
- 2. Officers elections
  - a. membership
  - b. voted by board of trustees
- 3. Term Limits
  - a. Necessary for both officers and trustees
    - 1. Brings in new ideas and enthusiasm
    - 2. Provides means to remove poor board members
  - b. Officers
    - 1. Allow for possible re-election with restrictions
    - 2. LCHS – President 1 year term may only serve 3 consecutive terms
  - c. Trustees
    - 1. Allow for possible re-election with restrictions
    - 2. Stagger elections, i.e. 1/3 each year
    - 3. LCHS – 3 year terms may only serve 2 consecutive terms

## VII. Meetings

### A. Use board members' time efficiently

- 1. Meetings should not be too long, but still need to get done what needs to be done, but do not just hurriedly run through items
- 2. Do not rehash every little detail at every meeting
- 3. Spend time on looking toward the future and long range goals
- 4. Send out board packets prior to meeting so board members can review it and have an understanding of what has happened and what will be discussed.

Packets should include:

1. Agenda
2. Minutes from previous meeting
3. Financial Report
4. Calendar of Events
5. Director's Report
6. Other pertinent information

## VIII. Finding Your Board Members

### A. Nominating Committee

1. 3-5 people should make up the committee with input from the director
2. Include representation from board, but should also have some non-board members
3. Nominating Committee should be made up people who know your community (township, county, village), know or have contacts with large number people, know your organization and its members
4. Be pro-active and meet on regular basis to come up with possible names for trustees and officers. Plan ahead especially with president and vice-president
5. With help from board and director, Nominating Committee should identify requirements, needs, talents, geographic locations, professions, etc. that would help board
6. Interview and discuss with possible candidates and fully explain "job descriptions" and expectations of officers and trustees

### B. What to look for in possible board members – "The most effective boards – those whose members are deeply committed to the organization's mission, who bring expertise in key areas, and who represent diverse points of view – evolve over time through careful planning" (*The Board Building Cycle*, Hughes, Lakey & Bobowick)

1. Talents and skills – people who have knowledge and abilities in public relations, fundraising, computer, etc.
2. Profession – give advice such as lawyer, architect, public relations, computer, banker, CPA, etc. Be careful of conflict of interest
3. Location – where the person lives, should have a good representation of people from all over your community, especially important in county historical societies
4. Dedication to your organization – very important that board members have a strong connection to the historical society and its mission
5. Time to give to fulfill obligations of a board member
6. Leadership skills – especially important in president
7. Civically minded – will want to be there and take their responsibilities seriously

### C. THE BOARD BUILDING CYCLE (adapted from [The Board Building Cycle: Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members](#) by Sandra Hughes, Berit M. Lakey & Marla J. Bobowick)

**Step 1: Identify** the needs of the board. What skills, connections with people of influence (political, financial community), professions, perspectives are needed on the board to ensure that the organization's mission, long-range goals, fundraising etc. are met. Which of these characteristics does the board already have? Which ones does the board need to fill? Find people that meet these characteristics and skills.

**Step 2: Cultivate** potential board members. Nominating Committee should get input from current board members, staff, society members about possible officer and trustee candidates. Look into other civic organizations for possible candidates. Start getting these suggested people involved in your society or organization before you approach them to be board member. Develop a pool of potential candidates and get and keep them involved in your organization.

**Step 3: Recruit** prospects. Explore person's interest in serving on board. Explain why they are

wanted as a board member. Need to explain what would be expected of them. Do not gloss over responsibilities and requirements. Not fair to prospect and not fair to the board or organization. Get a sense of the person's dedication to position. If everything goes well and the person is willing invite them to put their name in as a nomination.

**Step 4: Orient** new board members both to the board and to the organization. Board – give them a board manual that includes the board's policies, board members' responsibilities, list of other board members, staff members, meeting schedule, financial information, past minutes, etc. Organization – give them a brief history of the organization, by-laws, mission statement, long-range goals, personnel policies, calendar of events, committee listings, tour of facilities, etc.

**Step 5: Engage** all board members. Get everybody involved in the meetings by asking questions, getting feedback from them, assigning them to committees. Understand that the new board members may not know how and why things are done on the board or why things happened in the past. You may need to explain things that more experienced board members take for granted. The Board President is very important in this step. He/she must show strong leadership and make sure that all board members are active and that one or two people do not dominate the board or the meetings.

**Step 6: Educate** the board. Hold discussions on your long-range goals, issues facing your organization now and possible issues for the future. Hold retreats to discuss these issues. Educate board members about the local history and museum field by having them attend OAHSM region and annual meetings, workshops, etc. Have them read articles on issues facing the field. Take trips to other museums.

**Step 7: Rotate** board members. It is necessary to establish term limits. Term limits allow for new people and new ideas to come to the board on a regular basis. You do not automatically re-elect a board member for an additional term. Term limits can help make removing a poor board member more painless.

**Step 8: Evaluate** the board as a whole and its individual members periodically. Engage board in assessing its own performance. Identify ways board can improve. Encourage individual self-assessment. Evaluate president's performance as board leader. Have in place policy or bylaw to remove (impeach) board member if absolutely necessary.

**Step 9: Celebrate** the accomplishments of the board and individual members. Show your appreciation for their time and dedication. Allow humor in your meetings.

#### D. Removing a Difficult Board Member

##### 1. Reasons to remove a board member?

- a. Absenteeism – should have attendance policy in Board Policy with consequences (removal by # of missed or by vote)
- b. Conflict of Interest – should have conflict of interest policy in Board Policy with consequences (possible removal)
- c. Unethical Behavior – should have conduct policy in Board Policy with consequences (removal by vote)
- d. Disruptive board member

1. Person is so obstructive that board cannot function effectively
2. Person discourages others board members from participating, and eventually from not attending meetings or resigning
3. Strong disagreement, arguing unpopular viewpoint is not grounds for removal, but if person continually disrupts the meetings, does not allow majority to rule, it may appropriate to remove that person for the betterment of the organization.

##### 4. How to Remove a Difficult Board Member

- a. Have provisions in your bylaws or policies for possible removal
- b. Term limits – can you wait until board member's term limit is up

- c. Personal Intervention – Someone (most likely board president) meet with person and discuss situation. If situation cannot be resolved as the difficult board member to resign.
- d. Impeachment – if situation is not resolved and person does not resign, board may remove person by a vote (example 2/3 vote)

## IX. Conclusion

- A. Board of Trustees is one of, if not, the most important aspects of a local historical society
  1. The Board sets the policies that the organization will follow to fulfill its mission. The Board should govern not manage (staff's job whether staff is paid or all volunteers)
  2. The Board is the fiduciary agent of the organization and is responsible for well-being of the organization. The board has the trust of the organization's members and the general public in regards to its governing of the organization. The board also has legal obligations.
  3. The board needs to be pro-active in its thinking and lead the organization into the future. The board needs to adopt long-range goals
  4. The Board is the primary fund-raising body of the organization
  5. The board and the staff need to have a mutually respectful relationship with another and allow each to its job
- B. Board Members
  1. Finding the right trustees and officers is vital, especially the position of President
  2. Need a strong nominating committee who, with the help and input of the full board and staff (director), actively recruit a pool of possible board members
  3. Need to know what type of board member is needed, i.e. certain skills, profession, geographic location, but do not set quotas
  4. Need dedicated people who will take the responsibilities and requirements of being a board member to heart
  5. Have a good and clear Board Policy so that board members understand what is expected of them and consequences if responsibilities are not met
  6. Follow *The Board Building Cycle – Identify, Cultivate, Recruit, Orient, Engage, Educate, Rotate, Evaluate and Celebrate*