

## Basic principles of governance

### Definitions

- Governance is the process whereby a group of individuals works as a collective to assure the legal and moral health of an organization.
- Governance is the process of due diligence whereby the board, as a collective, assures the legal and moral health of an organization.
- A board is the body that carries out the governance process to assure that an organization fulfills its legal and moral obligations to its constituencies.
- A board is legally and morally accountable for the health of the organization and the fulfillment of the organization's mission.

### Basic principles

1. The board is a collective and only has authority as a group. The board is responsible for governance.
2. The board exists to gather together, talk about information vital to organizational health, and take action. This all happens together, as a group, through group dialogue, at board meetings.
  - An effective board understands this and so it establishes policies and procedures for conducting effective board meetings.
  - An effective board focuses on strategic issues rather than routine matters.
3. The board focuses on ends (e.g., results) and management focuses on the means to achieve the ends established by the board. (And of course the board establishes these ends through dialogue with management, as staff are the experts in the work of the organization.)
4. There is a different between governance and management – but there are also similarities and overlaps. The distinction is one of judgment and organizational evolution.
5. A board is responsible for various functions – and the board should be composed of individuals who have the skills and experience to help the board carry out these functions.
6. There is a difference between a board and an individual board member – and this difference must be made clear prior to nominating an individual for board service.
7. The board has a written job description for itself, accompanied by written performance expectations common to all board members. The board enforces both.
8. An effective board regularly monitors its own performance in governance – and assures that individual board member performance is evaluated annually.

It takes a lot of work and time and attention to develop a board. The executive director of the organization is principally responsible for providing the leadership and the knowledge. And if you are fortunate, you will recruit a few board members who are experienced in not-for-profit governance.