

## **SAMPLE • Policy Related to Board Operations**

The Board of Directors is responsible for the governance of the independent nonprofit corporation known as ABC Agency. The Board's scope of responsibility – also called functions – is articulated in a separate policy called "Role of the Board of Directors."

The Board shall approach its functions by focusing on strategic direction and governance rather than management and operations. The Board shall clearly distinguish between governance management and appropriate define the scopes of authority and limitations.

1. The Board recognizes itself as a collective and understands that it only has authority as a group.
  - a) The Board is accountable to the general public as well as ABC Agency's specific constituencies, for competent, conscientious, and effective accomplishments of its obligations as a collective. The Board shall allow no officer, individual or committee to intervene in this authority or accountability.
  - b) The individual Board members understand their role within the collective and fulfill their specific performance expectations as outlined in relevant policies, and agreed to prior to nomination.
2. The Board understands that it only carries out governance while together meeting, whether virtual or in person.
  - The Board carries out governance by gathering together to talk about strategic information and making strategic decisions. Strategic information focuses on trends and implications vital to assuring the legal and moral health of ABC Agency. The Board uses a due diligence outline / plan as a tool to accomplish its work.
3. The Board focuses its involvement on the intended long-term impact / results of ABC Agency, not with the administrative or programmatic means of attaining said impact / results.
4. The Board governs ABC Agency through its dialogue, decision-making and policies. In particular, policies shall articulate values and define scopes of authority and limitations, typically addressing the following areas:
  - a) ABC Agency's mission, vision and desired results / outcomes
  - b) Guidelines, boundaries and limitations of prudence and ethics to be observed by staff, Board, Board members, and committees.
  - c) Board, officer, and committee roles and responsibilities.
  - d) Board – Staff relationship.
5. The Board and its committees shall be adequately and currently informed – through reports and other methods – of the health and effectiveness of ABC Agency and its operations.
6. The Board shall assure that all activities and decisions adhere to the values, mission, policies, and laws and regulations pertaining to the agency.

7. The Board shall establish its own guidelines, boundaries and policies so that it governs ethically and prudently, focused on its own excellence and that of the agency. In particular, the Board shall recognize the potential for intruding in management and violating the concept of the Board as collective, and shall enforce limitations accordingly.

- a) The Board shall hold itself accountable for quality performance by:
  - establishing group governance standards, comparing performance to standards, and making changes as necessary; and,
  - monitoring its own policies and performances regularly.
- b) The Board shall hold its individual members accountable for quality performance by:
  - articulating acceptable and unacceptable behaviors;
  - establishing performance expectations;
  - comparing behavior and performance to established standards;
  - providing feedback to individuals; and,
  - thanking and releasing as necessary to assure the integrity of the Board.

8. Executive Session:

- a) Board meetings shall be open to the public except when Executive Session is officially announced by the Board Chair. Executive Sessions shall be used rarely, and most typically for the following reasons: Performance appraisal of the chief executive officer and litigation. However, the Board may choose to conduct an Executive Session with the auditors, following presentation of the annual budget.
- b) The Board Chair and the Board itself may convene an Executive Sessions. A Board member may also request an Executive Session by contacting the Board Chair in advance, and specifying the reason for such a session.
- c) The Board may include no one else or anyone else it chooses in an Executive Session.

9. Agenda Control:

- a) The Board shall determine its own agenda. The Board assigns the responsibility of agenda development to the Board Chair and Chief Executive Officer. Any Board member, with a majority agreeing, can add or delete business from the agenda.
- b) Material related to the agenda shall be provided to the Board members with adequate time for preparation prior to the meeting. In special circumstances, items may be brought before the Board with little or no advance notice. In keeping with the Board's authority, the Board shall determine whether or not to address this and any other item.
- c) Agenda Content:
  - The Board shall use its time only to address those issues that fall within its scope of authority. The Board shall use its various policies including its due diligence outline / plan to guide agenda content.

10. Orientation

- a) Annually, shortly after the election of officers and welcoming of new Board members, ABC Agency shall conduct a formal orientation. All Board members – both incumbents and new – shall participate.
- b) The orientation shall present basic information about ABC Agency its values, mission, operations, financing and governance. The state of ABC Agency shall be presented forthrightly, with adequate documentation.

- c) As appropriate, ABC Agency shall provide mentoring opportunities to support new Board member.

#### 11. Governance appraisal

- a) ABC Agency shall adopt such standards and policies as necessary to assure the high quality performance and integrity of the Board of Directors.
- b) In accordance with policies and procedures, the ABC Agency Board and Chief Executive Officer shall appraise the performance of the Board and its committees, on a regular basis.
- c) In accordance with policies and procedures, the performance of the individual as a Board member shall be appraised annually.

Developed by Simone P. Joyaux, ACFRE • Inspired by and – in some sections – adapted from John Carver, *Boards That Make A Difference*, Jossey Bass Publishers.