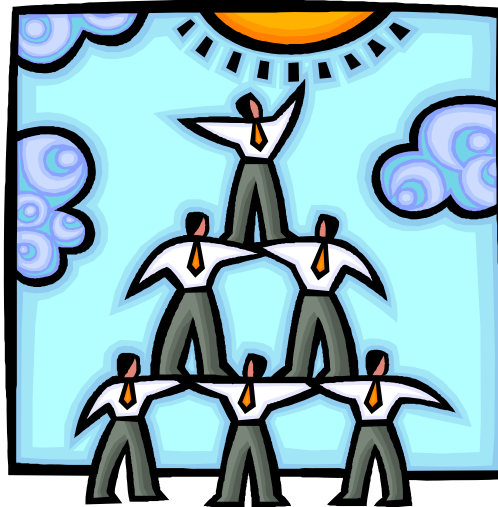




In Service to America®

Boards of Directors: Your Role in the Governance of the Association

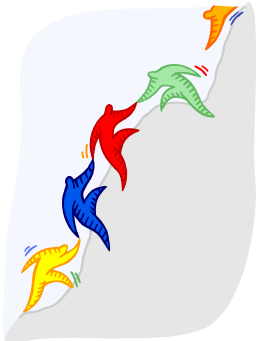


*Vietnam Veterans of America
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Presented by:
Leadership Outfitters, Inc.
Washington, DC/Los Angeles/Boston/Hartford
www.leadershipoutfitters.com



Characteristics of Effective Boards



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Board Member Expectations



A Washington D.C. based association provides board members with the following list of expectations:

Tips On Being A Good Board Member

1. Understand, believe in, and support the organization.
2. Know why we are a national organization and be able to explain why.
3. Be enthusiastic about your position and broadcast it.
4. Be responsible and complete tasks on time.
5. Never miss a board or general meeting without a good reason. If you must miss one, notify the president and tell her why.
6. Be on time and prepared for all meetings.
7. Submit board reports and motions when and how directed. Keep reports short. Put all actions into a motion.
8. Pay attention. Do not take part in side conversation.
9. Never take part in gossip. Don't criticize, help.
10. Support the president and other board members.
11. Be a real team player.

What expectations should VVA have of Board members?

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-
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Non-Profit and For-Profit Organizations



Non Profit

- Serves members and makes money for the profession's benefit
- Member owned
- Income reinvested
- Volunteers
 - Set strategic direction
 - Decide resources



For Profit

- Makes money for individual's benefit
- Owned by investors or business owners
- Income to investors or owners
- Business owners make decisions

Legal Responsibilities: *You Are VVA*



Governing boards of organizations are expected to act (1) in good faith; (2) with the care any ordinary person in the same circumstances would exercise; and (3) in a manner that is in the best interest of the organization. These standards include these basic duties:

- **Duty of Obedience**

The governing board of the organization must comply with state and federal law and conform to the organization's articles of incorporation and bylaws. This duty forbids acts outside the scope of corporate powers. (See Articles of Incorporation and Bylaws). Debate at the board table is expected and encouraged. However, the duty of obedience binds a director to support and implement decisions of the board once they are made.

- **Duty of Loyalty**

Dictates that volunteers and directors must act in good faith and must not allow their personal interests to prevail over the interests of the organization. It requires that you disclose conflicts of interest and refrain from using your position of trust, or information gained from participating on the board, to further your personal gain.

- **Duty of Care**

Requires volunteers and directors to be diligent and prudent in managing the organization's affairs. The individuals charged with governing must handle the organizational duties with such care as an ordinary prudent person would use under similar circumstances. Good faith and candid actions are the hallmarks of the duty of care.

- Other components to the Duty of Care include:
 - Duty to Stay Informed
 - Duty to Attend Meetings
 - Delegate vs. Abdicate

From George Webster & Hugh Webster, The Law Of Associations: An Operating Legal Manual for Executives & Counsel, ASAE, 1975, Lexis/Nexis 2005.



Issues of Legal Risk

- **Antitrust**
 - Laws to protect trade and commerce from unlawful restraints and monopolies or unfair business practices.
- **Sexual Harassment**
 - Any unwelcome sexual advances or requests for sexual favors or any conduct of a sexual nature.
- **Apparent Authority**
 - Association volunteers or staff can bind an association to a contract or make the association liable based on their actions or assertions, even if those assertions are not authorized by the association and do not benefit the association.
- **Defamation**
 - "an intentional false communication, either published or publicly spoken, that injures another's reputation or good name." (Black's Law Dictionary, 6th Ed. 1990).
- **Unrelated Business Income Tax (UBIT)**
 - Income from activities not related to the purpose for which tax exemption was originally granted.
- **Confidentiality**
 - Confidentiality in meetings and in communication.
- **The American Corporate Accountability Act (Sarbanes-Oxley)**
 - The law's components that may impact associations, chambers, and charities are:
 - Ethical conduct by board and management.
 - Transparency in financial dealings and disclosures.
 - Financial expertise to assist Board in recognizing risk.
 - No retaliation for "whistle blowers".
- **Conflict of Interest**
 - A real or perceived competing professional or personal (often financial) interest.



Reducing Personal Liability Risk

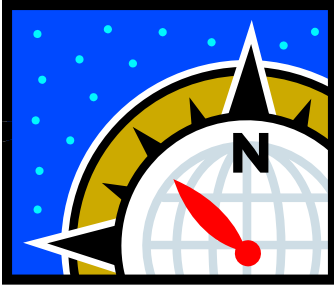
- Thoroughly prepare before making decisions
- Seek information and get clarity on issues
- Don't rush to make decisions
- Be sure that minutes actively reflect information including vote counts and actions taken at meetings
- Request legal counsel on anything that is unclear or has legal ramifications
- Insist that the association's accountant review all financial reports or issues
- Carefully review all financial audits
- Stay informed
- Familiarize yourself with legal and governing documents of the association
- Practice full disclosure

Source, *Legal Duties of Association Board Members*, Jeffrey S. Tennebaum, Esq. Venerable LLP, ASAE Center Collection, June 2002



Eight Key Tasks of Board Stewardship

1. Steering towards the mission and guiding strategic planning.
2. Being transparent, including communicating to members, stakeholders and the public.
3. Developing appropriate structures.
4. Ensuring that everyone on the Board understands his or her role and avoids conflicts of interest.
5. Maintaining fiscal responsibility.
6. Ensuring that an effective management team is in place and overseeing its activities.
7. Implementing assessment and control systems.
8. Planning for the succession and diversity of the board.



Mission Guided Decisions

Southwest Airlines – Mission drives everything

Purpose: To democratize the skies – making air travel available and flexible for the average American. “Feel free to move around the country”. A unique sense of mission drives business strategy. There is a connection between economics of operating model, advertising, and employee message. “Business strategies change. Market position changes. But purpose does not change. Everyone at Southwest is a freedom fighter”...*Roy Spence, President, GSD&M**

American Lung Association

Prevent lung disease and promote lung health.

CVS

The easiest pharmacy retailer for customers to use.

Erie Insurance Group

To provide our policyholders with as near perfect protection, as near perfect service as is humanly possible and to do so at the lowest possible cost.

Harley-Davidson

We fulfill dreams through the experience of motorcycling...

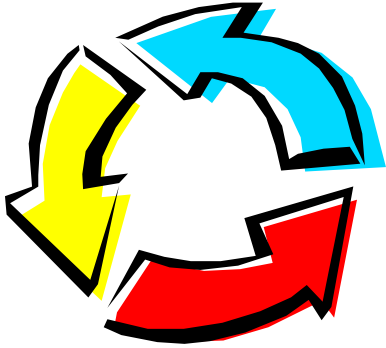
Nike

To Bring Inspiration and innovation to every athlete in the world.

VVA: (Goals on VVA website)

VVA's goals are to promote and support the full range of issues important to Vietnam veterans, to create a new identity for this generation of veterans, and to change public perception of Vietnam veterans.

*From *Mavericks at Work*, William C. Taylor & Polly LaBarre, William Morrow, 2006.
Mission statements from <http://missionstatements.com>



Core Values

Achievement
 Advancement/Promotion
 Adventure
 Affiliation
 Balance
 Challenging Problems
 Change/Variety
 Close Relationships
 Community
 Competence
 Competition
 Cooperation
 Creativity
 Decisiveness
 Economic security
 Effectiveness
 Efficiency
 Ethical practice
 Excellence
 Excitement

Fame
 Family
 Fast Pace
 Flexibility
 Freedom
 Friendship
 Fun
 Growth
 Health
 Helping Others
 High Earnings
 Integrity
 Independence
 Involvement/participation
 Job Tranquility
 Knowledge
 Loyalty
 Meaningful work
 Money
 Order (stability)

Physical Challenge
 Personal
 Development
 Precision Work
 Pressure
 Power/Authority
 Quality
 Recognition
 Respect
 Reputation
 Security
 Spirituality
 Stability
 Status
 Time Freedom
 Tradition
 Trust
 Work Alone
 Work w/Others

"Imagine a place where everyone puts the interests of others before their own. Where everyone tells the truth and where trust and mentoring abound. That place is called a Heroic Environment®."

— Rob Lebow

Values Practiced

Put your 5 values on the lines below

List two behaviors that exhibit each value

1. _____

2. _____

3. _____

4. _____

5. _____

Evaluating Forces



Force Field Analysis

- Identify where the strongest forces are; identify by cultural areas.
- Evaluate the forces – if driving forces are stronger – use these as good arguments toward achieving the goal. Build actions to address these.
- If restraining forces are stronger – Identify what must be so compelling it will override restraining forces.



Organizational Culture As Driving or Restraining Force



- What drives decision making?
- What defines the organization?

Broad Areas

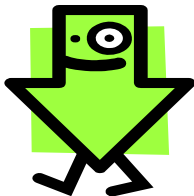
- Vision
- Governance/Structure
- History/Tradition
- Values
- Brand/Image
- Communication
- Volunteer or Staff Environment

Force Field Analysis



Restraining Forces

Things that hold back or block change from taking place



-
-
-
-
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Goal/Idea:



Driving Forces

Things that are "pushing" for change or action

-
-
-
-
-
-
-

Discuss action strategies to eliminate the restraining forces and to capitalize on the driving forces.



If the issues are communication, leadership, organization and balance – our interactive teambuilding sessions can address your needs. Our content experts combine high-energy activities with relevant processing that gives your group tools they can implement immediately.

What We Do

- Leadership Development
- Staff Retreats
- Communication Skills
- Presentation Skills
- Team Building Retreats
- Conference Keynotes
- Leadership Programs
- Customized Seminars
- Strategic Planning

Your Facilitator

Dr. Bridget Cooper, Mission Coach is a life coach and professional organizer. She has presented on time management, strategic life planning, decision making and problem solving, organizing, and conflict resolution to volunteer organizations, educational institutions, and government agencies. Bridget's organizing talents have been showcased on Fox5 News (DC), Forever Young (local cable program), and in Washington Homes Journal. In addition to her consulting practice, she was recently an assistant professor in her former doctoral program in higher education administration at The George Washington University. Raised in New England, Bridget earned her B.S. from the University of Massachusetts and M.A. through the marriage and family therapy program at the University of Connecticut.

Washington, DC Office

3919 Baltimore St.
Kensington, MD 20895
Voice: (240) 430-0770
Fax: (240) 430-0771
Email: jmccrory@leadershipoutfitters.com

Boston Office

8 Johnson St.
Provincetown, MA 02657
Voice: (508) 237-9395
Fax: (240) 430-0771
Email: jamesvrizzo@hotmail.com

Los Angeles Office

725 Arizona Ave. Suite 200
Santa Monica, CA 90401
Voice: (310) 428-6795
Fax: (310) 260-2905
Email: swafford@leadershipoutfitters.com

Hartford Office

4 UConn Ave.
Glastonbury, CT 06033
Voice: (860) 986-9616
Fax: (860) 633-2927
Email: bridget@piecesinplace.com