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# GOVERNANCE ESSENTIALS

# INTRODUCTION



Mark Engle, DM, FASAE

mengle@connect2amc.com  
847-375-4700

- Principal, Association Management Center
- Over 35 years of association industry experience
- Doctor of Management, Case Western Reserve University
- Researcher, author on High Performing Boards

# GOVERNANCE ESSENTIALS

EFFECTIVE GOVERNANCE PRACTICES  
FOR ASSOCIATION STAFF



# WHAT IS “GOVERNANCE”?

“Governance deals with the distribution of authority throughout an organization.”

*BoardSource*

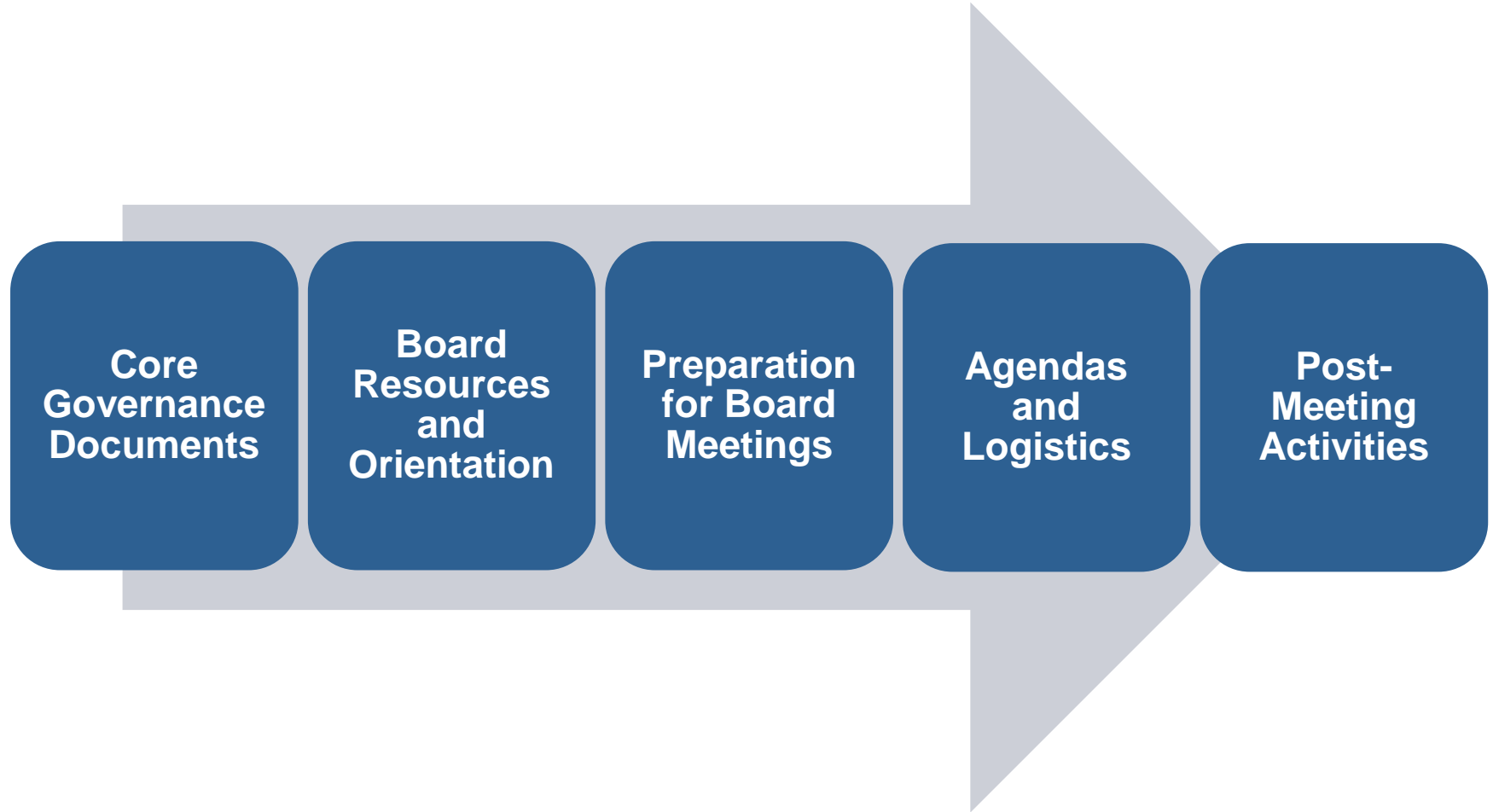
# WHY ARE ASSOCIATIONS LOOKING AT GOVERNANCE?

1. Timelier & nimble
2. To be entrepreneurial
3. Increasingly competitive environment
4. Limited resources (time, talent & treasure)
5. Generational

“Feedback from younger members indicated that they are discouraged from being more involved in leadership because it is viewed as a long and bureaucratic process.”



# GOVERNANCE ESSENTIALS



# BOARD'S PRIMARY RESPONSIBILITIES

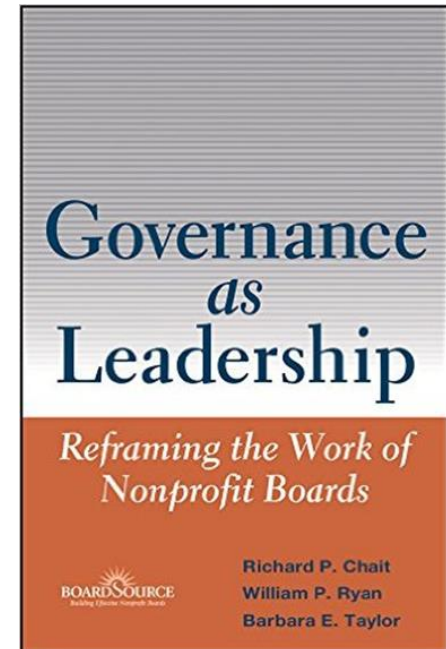
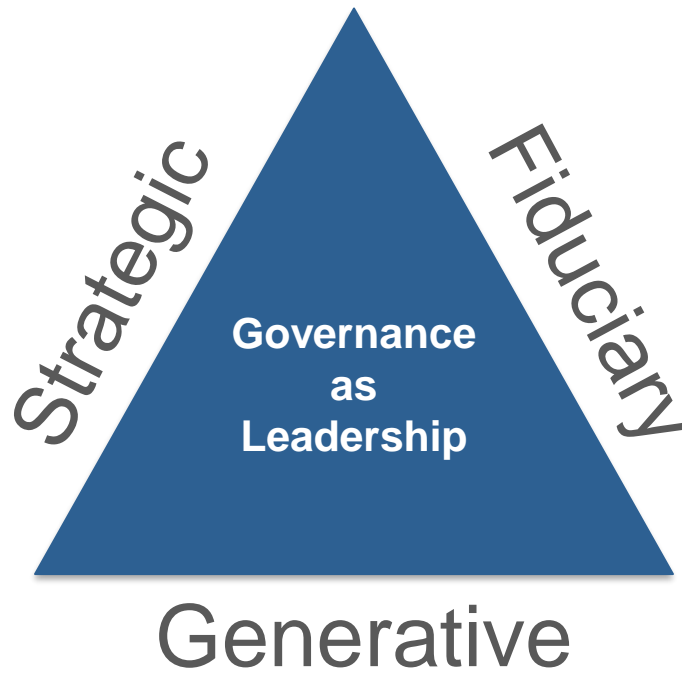
1. Determine mission and purposes.
2. Select the chief executive
3. Support and evaluation the chief executive
4. Ensure effective planning

1. Monitor and strengthen programs and services
2. Ensure adequate financial resources
3. Protect assets and provide financial oversight
4. Build a competent board
5. Ensure legal and ethical integrity
6. Enhance the organization's public standing



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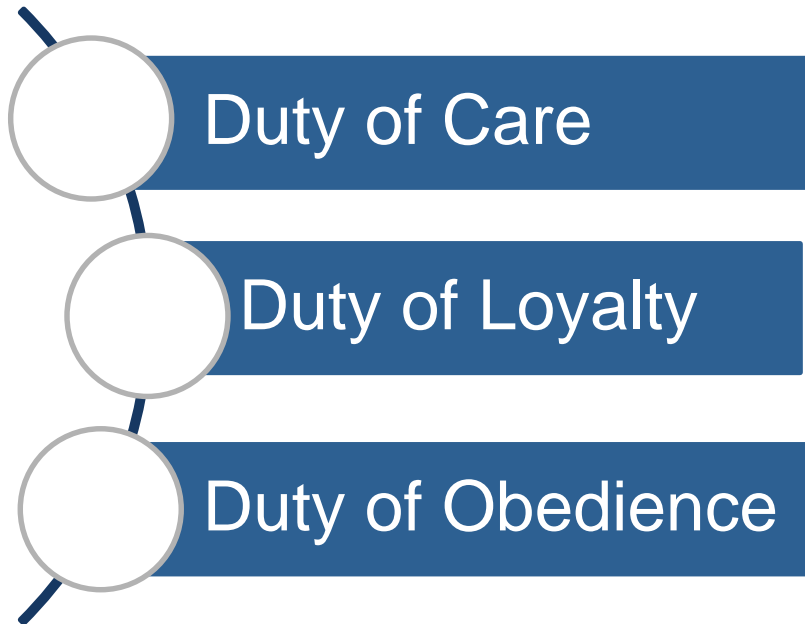
# FOCUS OF HIGH-PERFORMING BOARDS



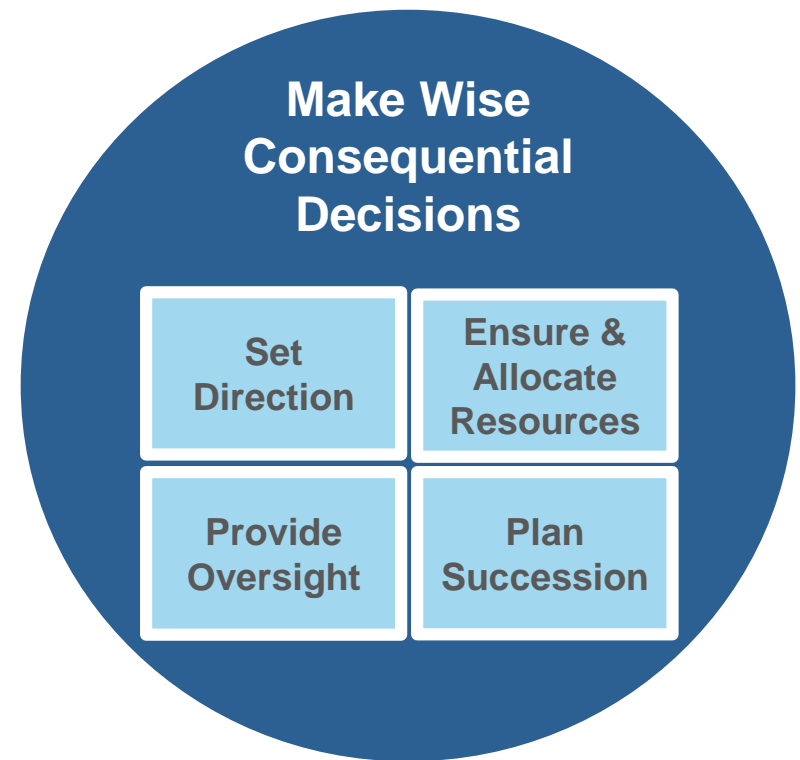


# “MUST” AND “SHOULD”

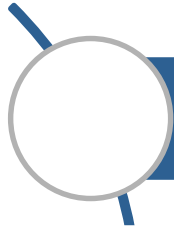
**Must . . .**



**Should . . .**



# FIDUCIARY DUTIES



## Duty of Care

- Actively Participate
  - Provide time, talent, and treasure
  - Attend meetings/events
  - Serve on committees, carry out assignments
  - Help raise money
- Be Informed
  - About mission, programs
  - Prepare for meetings
  - Stay current with related issues and organizations
  - Ask questions

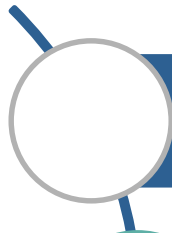
# FIDUCIARY DUTIES



## Duty of Loyalty

- Be faithful to the organization
- Put aside personal agendas
- Avoid conflicts of interest, actual or apparent
- Act in good faith
- Confidentiality

# FIDUCIARY DUTIES

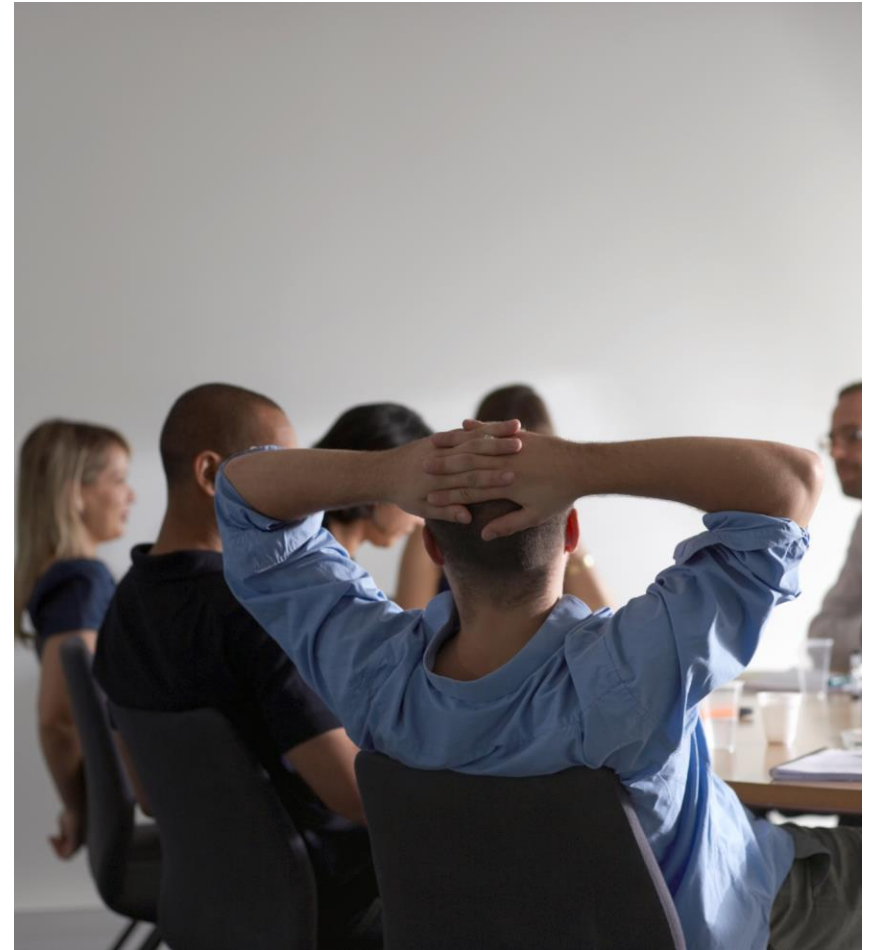


## Duty of Obedience

- Act consistently with the organization's mission, purposes, articles of incorporation, bylaws, policies and procedures, and external laws
- Accept and abide by the board's decisions, even if you voted against them
- Board of directors have the power to act only as a body of the whole; individual board members have no legal authority

# STRATEGIC FRAMEWORK

- Vision
- Mission
- Goals, strategies, and tactics
- Strategic domains
- Board Meeting Agendas
- Values





# WHAT BOARDS SHOULD DO

## Stewardship

### Program

- Confirm
- Monitor
- Evaluate

### Finances

- Budget
- Statements
- Audit

### Risk Management

- Mitigation
- Compliance
- Cyber Security
- GDPR
- CEO Continuity

### Legal and Moral

- Ethical Practices
- Conflicts of interest
- Social Media

### Evaluation of ED

- Support
- Assess
- Compensate



# ORGANIZATIONAL DOCUMENTS

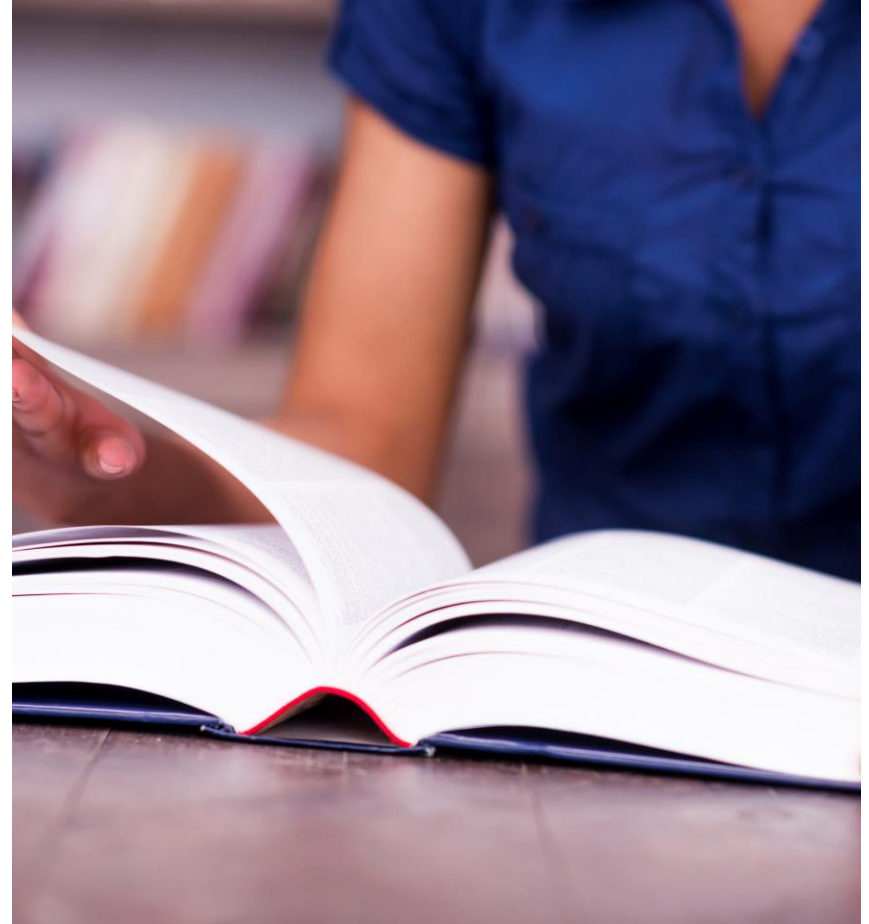
## BOARD RESOURCES

### Governance Documents

- Articles of Incorporation
- Bylaws
- Policies and Procedures
- Mission, Vision, Strategic Plan
- Organizational Charts and Rosters
- Committee and Work Group Charges

### Fiduciary Responsibilities

- Conflict of Interest Policy and Disclosure
- Liability and Insurance Coverage





# ASSOCIATION INSURANCE



- Association Professional Liability (APL)
- D&O/E&O
- General Liability
- Fidelity Bond
- Cyber Security
- Meetings

# BOARD ORIENTATION



- Governing Documents
- Fiduciary Responsibilities
- Roles and Responsibilities
- Board and Staff Partnership
- Financial Orientation
  - Treasurer
  - President
  - Executive Director
  - Board Members/Board Liaisons
  - Staff

# RESPONSIBILITIES OF THE BOARD CHAIR



- Serve as chief elected officer and spokesperson of the association
- Chair and facilitate board meetings
- Appoint and charge committees and task forces
- Ensure deadlines are met
- Promote positive organization culture
- Discipline volunteer leaders/volunteers
- Support the Chief Staff Executive
- Chair/ensure CSE evaluation

# CHIEF EXECUTIVE'S RESPONSIBILITIES



# FINANCIAL ORIENTATION



BUDGET



AUDIT/REVIEW/  
COMPILED

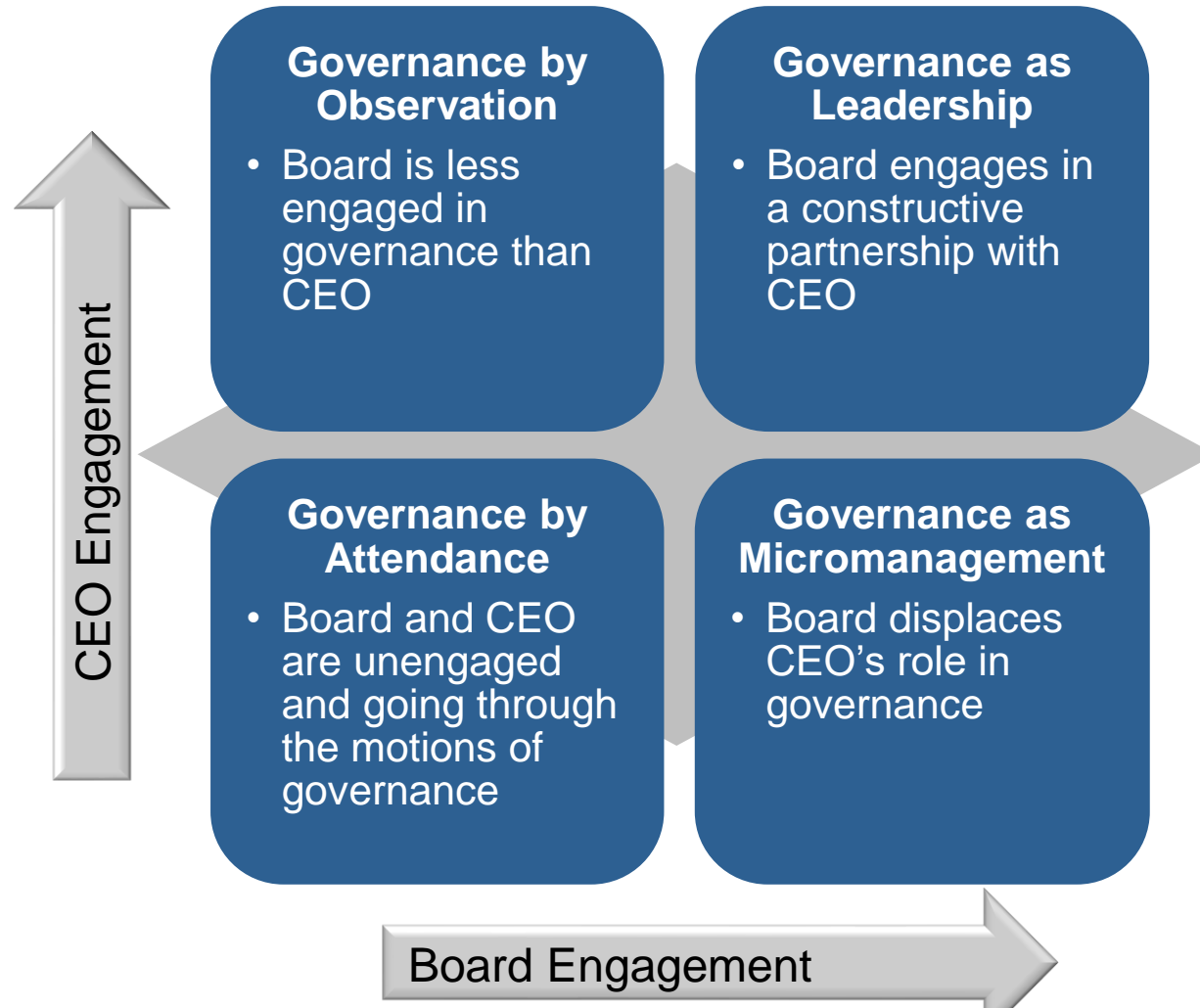


FORM 990



ANNUAL  
COMPLIANCE  
REPORT

# BOARD/STAFF RELATIONSHIP



# BOARD MEETING PREPARATION

- Planning Calendar
- Agenda
- Face sheets
- Dashboards
- Agenda Books
- Logistics Checklist



# HIGH PERFORMING BOARD AGENDAS

## Consent Agenda

No decisions required

- ☐ Meeting Minutes
- ☐ Committee Reports
- ☐ Staff Updates
- ☐ Financial Reports
- ☐ Performance Dashboard

## Fiduciary

Board obligated items

- ☐ Governmental Actions
- ☐ Financial Requirements
- ☐ Nominations & Appointments
- ☐ Governance Items

## Strategic

Decisions/Action Items

- ☐ Generally well-framed
- ☐ May be crisis or contentious
- ☐ Issues regarding Strategic Plan & Corporate Objective
- ☐ Issues challenging the core of the association or profession

## Generative

Unframed

- ☐ Unframed & Trend Seeking
- ☐ Unfiltered
- ☐ Limited Boundaries
- ☐ Directional, not Decisional
- ☐ Environmental Scanning





**MCA Vision: Metal is the construction material of choice for the building envelope**

**1. CALL TO ORDER – John Miller, Chairman (8 am)**

**2. WELCOME AND OPENING REMARKS – Miller**

**3. ANTI-TRUST BRIEFING – John Kelly, Esq.**

**4. GENERATIVE DISCUSSION**

• **Implications of Commercial Construction Rebound in 2019**

*Where is MCA vulnerable with the forecast of another year of no growth in the market: membership, tradeshow, and other programs? What are the implications of no growth to member companies?*

• **Projected Skilled Workforce Shortage**

*Impact on member companies – their employees, their customers' workforce? In five years will there be enough skilled workers to install our high-end products?*

**5. STRATEGY**

• **ADVOCACY/PUBLIC POLICY**

*MCA is the recognized leader influencing public policy affecting the use of metal in the building envelope.*

Legislative Issues – Committee chair & staff liaison

Action: Discuss and approve position statement on energy tax credit

Research and Code Initiatives – Committee chair & staff liaison

Action: Discuss strategy for 2019 code meetings

• **MEMBERSHIP**

*MCA's membership has grown in quality and engagement through penetration of new and existing industry segments.*

Membership Discussion – Committee chair & staff liaison

Action: Discuss and approve new membership category

Communications Strategy Discussion – Committee chair & staff liaison

Action: Discuss and approve messaging strategy

**6. COUNCIL AND COMMITTEE INITIATIVES**

*Issues requiring Board direction or decisions.*

**7. 2020 BUDGET DISCUSSION/APPROVAL**

**8. RECAP OF DECISIONS MADE**

**9. CONSENT AGENDA**

- Approval of Minutes – May 11, 2018
- Committee Appointments
- Trade Show Report
- Committee Reports
- Future Board Meetings Schedule

**10. ADJOURNMENT – John Miller, Chairman (11:30 am)**

# Example

Generative

Strategic

Operational

# BOARD PLANNING CALENDAR

- Board orientation/onboarding
- Board meeting dates/related deadlines
- Strategic Plan review/update
- Budget prep, review and approval
- Approve charges for committees, task forces, and work groups
- Committee appointments/Team assignments
- Evaluations (CSE and Board)
- Nominations/elections
- Annual awards
- Approve IRS Form 990



# MINUTES: WHAT THEY ARE

**Official record of motions and board decisions**

**A necessary legal document**

**Should:**

- Include time, date, place, prior notice
- Report attendance; the presence of a quorum
- Record motions verbatim or record consensus.
- Report whether a motion was approved
- Follow the agenda, with references to the supporting material that accompanied the agenda (face sheets)



# MINUTES: WHAT THEY ARE NOT



- A record of the debate
- A transcript of what was said
  - Members may ask to have dissenting votes recorded, but preferable to present a united front.
- A detailed account of who moved or seconded
- A report of who voted for or against a motion

# RESOURCES FOR ASSOCIATION GOVERNANCE/BOARD DEVELOPMENT

- For Tough Board Decisions, Qualming Counters Fears with Facts
- The Role of Transparency in Association Governance
- Effective Board Agendas
- Behind Closed Doors
- Balanced Conflict, Better Decisions
- Beyond the Board Orientation
- In the Boardroom, Culture Counts
- <http://associationforum.org/home>
- <https://boardsource.org/board-support/>



# FURTHER QUESTIONS?



Mark Engle, DM, FASAE,  
Principal  
Association Management Center

[mengle@connect2amc.com](mailto:mengle@connect2amc.com)  
847-375-4700