

# Castle

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Sound Solutions *Responsive Service*



# Good Governance

## Addressing Challenges with Volunteer Boards

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A.B.N.S.

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# What is Governance???

Non-profit governance focuses primarily on the *fiduciary responsibility* that a board of trustees/directors has with respect to the *exercise of authority* over the *explicit public trust* that is understood to exist between the *mission* of an organization and *those whom the organization serves*.

BoardSource's The Handbook of NonProfit Governance, Jossey-Bass, 2010



# Ten Basic Responsibilities of Nonprofit Boards

1. Determine mission and purpose.
2. Select the chief executive.
3. Support and evaluate chief executive.
4. Ensure effective planning.
5. Monitor and strengthen programs and services.
6. Ensure adequate financial resources.



# Basic Responsibilities (cont.)

7. Protect assets and provide proper financial oversight.
8. Build a competent board.
9. Ensure legal and ethical integrity.
10. Enhance the organization's public standing.

Reference: Richard T. Ingram, BoardSource



# K.I.S.S.

- Mission
- Policy
- Leadership
  - Board
  - Executive



# Some History of Health Care Reform

## 1970 - AMERIPLAN

- Health Care Corporations –
  - Comprehensive care to populations groups
  - Private and Public Financing
- Concepts embodied in the National Health Care Services Financing and Reorganization Act - introduced in Congress but not enacted



# History (cont.)

## 1993 - Clinton Plan

- Health Care Alliance - (Community Care Networks)
  - Integrated delivery systems, community based
  - Focus on wellness and health maintenance
  - Private and Public Financing





## History (cont.)

- 2010 The Patient Protection and Affordable Care Act (H.R. 3590) *and* Health Care and Education Reconciliation Act (H.R.4872)
  - Accountable Care Organizations -
    - Coverage for all
    - Focus on wellness
    - Most efficient and affordable care
    - Highest quality care
    - Best information.
    - Private and Public Financing



# Back to Governance

- K.I.S.S.
  - Mission
  - Policy
  - Leadership
    - Board
    - Executive



# Mission

- Initially established by articles of Association and By Laws
  - Mission is static
    - Mission Statement may change periodically; is reviewed and approved frequently by Board
  - Vision Statement - the stretch focus of strategic direction
  - Agenda is consistent with mission



# Policy

- The set of *basic principles* and *associated guidelines*, formulated and enforced by the governing body of an organization, to *direct and limit its actions* in pursuit of long-term goals consistent with its *mission*.



# Leadership

- CEO/Board - effective partnership
  - By definition a built-in tension
    - Each “represents” different constituencies
    - Unequal power
  - Complete, timely and relevant communication
  - Candid assessments and realistic appraisals of all issues
  - Requires trust and mutual respect



# Leadership (cont.)

- Board/CEO
  - Select CEO
    - Assure an effective and agreed to process for search and selection
  - SUPPORT and evaluate the CEO
    - Assure CEO has moral and professional support to further the goals of the organization.



## Leadership (cont.)

- Board Chair - Provides the key link between the Board and management.
  - Significant communication, coaching and team-building
  - Representing the owners and Board to management (through CEO)
  - Monitoring and evaluating the performance



# Leadership (cont.)

- Good governance
  - Creating a vision
  - Selecting and supporting the CEO
  - Securing and assuring the resources
  - Defining clear roles and responsibilities
  - Establishing benchmarks for performance and monitoring
  - Providing oversight and value added guidance
  - Overseeing strategic plan implementation





## Leadership (cont.)

**ASSURE EVERY ACT IS CONSISTENT  
WITH MISSION!!!**



# Thoughts in closing...

- Governance committee (Leadership Development)
  - Replaces Nominating Committee
  - Identify and nurture future leaders
  - Assess Board performance
- Public Members
  - Utilize effectively to force “big picture” thinking
- Appropriate Terms - long enough to be effective, short enough to assure creative energy



# Discussion - Q and A

- How are you doing?
- Where are your strengths and weaknesses as a Board...as a CEO...?
- Are your activities consistent with your responsibilities/accountabilities?



# Mission/Vision example

- Mission
  - ...assure a certification process for...  
(*profession*) nurses that validates knowledge gained through professional education and experience, ultimately promoting quality patient care.



# Mission/Vision example (cont.)

- Vision
  - Recognizing and respecting the unequaled excellence in the mark of the (*profession*) credential, (*profession*) nurses will seek it, managers will require it, employers will support it and the public will demand it.



**Thank you!**

# **Good Governance**

## **Addressing Challenges with Volunteer Boards**

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