



## **YOUR MCH BOARD MEMBER ORIENTATION MANUAL INTRODUCTION**

Welcome to the Macon Citizens Habilities, Inc., Board. You've accepted a very important role. What you do as a board member will have great impact on our nonprofit organization for years to come.

This manual has been designed as a guide to the roles and responsibilities you'll assume as a board member. The chapters are divided to reflect the specific roles you can expect to fulfill. First, here's a brief overview of your major responsibilities.

### **YOUR RESPONSIBILITIES AS A BOARD MEMBER ARE TO...**

1. Meet the needs of the people you serve. Our board exists to serve the people in our community and our clients. Thus the "bottom line" of every decision you make should be, "How will this help us serve our clients better?"
2. Set policies that guide our organization. Your primary function is to help fashion and approve the policies that ensure our organization is run effectively, legally and ethically. These policies act as the foundation for the executive director who is responsible for implementing policies and managing the organization. While you may delegate the responsibility of developing and implementing policies to stay in compliance with the many requirements to the executive director, you as a board do ultimately *approve* the policies.
3. Approve long-range goals you plan for your organization's growth and development. The long-term plans you approve will be the guide for your executive director's short-term plans.
4. Support your executive director. Provide the direction that you want your executive director to take. Expect feedback from the executive director, and evaluate your executive director on how well he or she leads your organization.

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## **BOARD MEMBER CODE OF ETHICS**

Board members have an obligation to do more than just meet legal standards. Board members are expected to meet moral standards of conduct as well.

### **As a member of this board I will:**

- Represent the interests of all people served by this organization and not favor special interests inside or outside of this nonprofit.
- Not use my service on this board for my own personal advantage or for the advantage of my friends or supporters.
- Keep confidential information confidential.
- Approach all board issues with an open mind, prepared to make the best decisions for everyone involved.
- Do nothing to violate the trust of those who elected me to the board or of those we serve.
- Focus my efforts on the mission of the nonprofit and not on my personal goals.
- Never exercise authority as a board member except when acting in a meeting with the full board or as I am delegated by the board.
- Embrace the points of the Employee Code of Ethics and set an example to employees.

**See Attachment – Employee Code of Ethics**

## **BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY**

### **PURPOSE**

The purpose of this policy is to ensure that the deliberations and decisions of the MCH Board are made in the best interests of the whole organization and to protect the interests of the organization when it enters into a transaction, contract, or arrangement that might benefit the private interest of a Board member or officer.

### **POLICY**

The MCH Board will assure that their deliberations and decisions are made in the best interests of the whole organization and to protect the interests of the organization when it enters into a transaction, contract, or arrangement that might benefit the private interest of a Board member or officer. An interested member or officer may not use his or her position with respect to the MCH Board or confidential information relating to the organization in order to achieve a financial or other benefit for himself/herself or for a third person such as a family member. This policy is intended to supplement and does not replace any laws which govern conflicts of interest in nonprofit and charitable corporations.

In addition, because of the nature of MCH services, Board members whose family members are recipients of services or employment should make decisions based on the best interest of organization and/or facility as a whole and not just for the personal gain of their special interest.

### **Procedures**

1. Not less frequently than annually and usually at the annual meeting in February, the Board shall require a statement from each member and officer which sets forth all business and/or other affiliations related in any way to the business, services, and activities of MCH. The statement may be reflected in Board minutes if the interested member is present at the meeting or may be by written statement and incorporated in the minutes.
2. No member shall vote on any matter if he or she has a personal, material, or direct financial interest that will be affected by the outcome of the vote. In the event of such an abstention, the reason shall be noted in the Board minutes.
3. With respect to owning or being employed by a business or establishment with which MCH conducts business, a statement of position with the business should suffice. The Board should reflect in its minutes or attachments to minutes that it chooses to do business with the so named business(es). In respect to services or employment, no statement shall be necessary unless a situation arises which would be construed as a conflict of interest as determined by the full board.
4. An *Interested member* or *Interested officer* must disclose the existence and nature of his or her material interest to the Board prior to the consideration of any proposed transaction, contract, arrangement or employment.

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5. After disclosure of material interest, the *disinterested* members of the Board shall determine whether a conflict of interest exists. There should be no vote until the Board has addressed the actual or possible conflict of interest.
6. Any matter which concerns a recipient of service or employment which appears to be a conflict of interest should be referred to the disinterested members of the Board.
7. Board consideration will not be required where the Interested member fully discloses to the Board his or her interest and abstains from participation in the Board's consideration of the proposed transaction, contract, or arrangement.
8. If a matter has been referred to the Board, and it has been concluded that a conflict of interest does exist, the president of the Board shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction, contract, arrangement, or situation. After exercising due diligence, the Board or Committee shall determine whether MCH can enter into a more advantageous transaction, contract, or arrangement to avoid a conflict of interest.
9. If a more advantageous transaction, contract, or other arrangement is not practical or easily attainable under circumstances that would avoid a conflict of interest, the Board shall determine by a majority vote of the disinterested members whether it is in MCH's best interest to enter into the transaction, contract, or arrangement in conformity with such determination.
10. If the Board has reasonable cause to believe that a member or officer has failed to disclose an actual or possible conflict of interest, it shall inform the member or officer of the basis for such belief and afford the member or officer an opportunity to explain the alleged failure to disclose.
11. If, after hearing the response of the member or officer and conducting further investigation as may be warranted depending on the circumstances, the Board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall recommend appropriate disciplinary and corrective action.
12. Violation of this conflict of interest policy may constitute cause for removal or termination of a member or officer, or the termination of any contractual relationship that MCH may have with an interested person or other party.

## **YOUR POLICY MAKER ROLE**

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Board members are responsible for making policy decisions. Policy decisions are those that affect your organization as a whole; management decisions affect individual programs, services, or people.

When you're faced with an issue and question if it's a **policy decision**, ask yourself these questions:

- Will this decision help determine procedures, activities, programs or services that affect the entire organization?
- Is this decision required by law or regulatory agencies?
- Is this an issue that our executive director has requested our assistance on?

On the other hand, there are also questions you can ask that will pinpoint the issue as a **management matter**. For instance:

- Does this issue affect an individual employee?
- Does it relate to the efficiency and quality of service provided by a specific program or facility?
- Does it relate to an administrative area that is operational in nature or affect specific programs or facilities versus the entire organization?

### THE EXECUTIVE DIRECTOR'S ROLE

1. **Planning:** While the board participates in long-range plans, the executive director is responsible for making short-term plans to fulfill the current year's budget and objectives. For instance, you as a board member, may decide that your organization needs to expand the programs and services it offers the people you serve. But your executive director has the responsibility (and authority) to determine precisely how that should happen.
2. **Organizing:** An executive director must organize an internal structure to help him or her deliver MCH's services.
3. **Staffing:** Your executive director and/or program director along with the HR manager is in charge of hiring, firing, evaluating and disciplining all staff members. (*You, on the other hand, are only responsible for one employee: the executive director.*) You need to step back and let your executive director supervise staff as he or she sees fit. Of course, you should follow your grievance policy if there is a serious problem.

As a board member, you should judge the executive director by the performance of the entire organization -- not of individual staff. Let your executive director assess the performance of individual staff members.

4. **Directing and leading:** An executive director also motivates staff. He or she should inspire them, give them direction and communicate with them. Although board members are leaders of the entire organization, you're not leaders of the staff -- you should not tell staff how to do their jobs. Your executive director directs and leads staff. As a board member, you direct and lead only through your executive director.
5. **Controlling:** The executive director monitors and controls the internal, operational activities at MCH. For instance, the board sets and approves your annual budget. But your executive director makes the day-to-day decisions about how the budgeted monies are spent.

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## **CHAIN OF COMMAND CLEARS UP ROLE CONFUSION**

This simple question/answer illustration of the chain of command may help:

1. Who manages the people you serve → Your direct line staff
2. Who manages direct line staff → Managers/QP's
3. Who manages managers → Your executive director
4. Who manages the executive director → The board
5. Who manages the board → The board chairperson

## **EVALUATING YOUR EXECUTIVE DIRECTOR**

Part of your job as board member is to be your executive director's manager. This means you need to give clear direction and evaluate how well your executive director is implementing policy and managing day-to-day operations.

Most boards evaluate their executive director formally once a year. But to build a strong partnership with your executive director, you shouldn't limit your feedback to a once-a-year occasion. If your board (as a group) sees something that needs correction, the issue should be raised before it grows any bigger.

And, by the same token, if your board sees that your executive director is doing an exceptional job, you should pass that along as well.

## **YOUR FISCAL ROLE**

You set financial policy. This means you determine the areas your nonprofit or association dollars will go. Your policy decisions should be based on the goals you set for your organization during long-range planning.

You approve the budget. Your budget is the financial blueprint for your organization, based on the broad financial policies you have already set. You must make sure there will be enough resources available to meet the goals and objectives for the upcoming year.

**You delegate implementation of the financial policies and the budget to your executive director.**

It's your executive director's job to spend the money you have budgeted. So allow your executive director to make spending decisions within budget limits.

**You should monitor financial outcomes.** To monitor, consider these questions:

- Are we on target with our planned expenses and revenues?
- Are we financially solvent (money in the bank to pay current expenses)?
- Will we have income to meet future expenses?

To answer the 3 questions listed above, you're going to have to see some financial figures. But you don't want to be overwhelmed with unnecessary information either. Here are three tools that will give you the answers you need...

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**A basic financial statement.** A financial statement (income statement) can summarize revenues and expenditures in such a way that will give you a good idea of your financial condition.

**Historical figures to be used for comparison.** It's important that you be able to put the figures you're looking at into context.

Concentrate on any changes you see.

Secondly, if the numbers aren't making sense, ask the executive director for an explanation. Since he or she is in charge of your organization's day-to-day finances, the executive director can probably offer you the information you need to clarify the situation.

Don't expect your executive director to come to you for permission to buy every little thing your organization needs to go about its business. Except for large capital expenditures such as construction projects when exceptions are made, the spending limit is currently \$7500.

### **YOUR PARTICIPATION**

The MCH Board meets quarterly and attendance is essential.

The format for board meetings includes:

- Call to order
- Take attendance
- Recognize visitors
- Approve minutes of last meeting
- Review financial information and reports
- Hear committee reports
- Hear executive director's reports
- Consider unfinished business
- Consider new business
- Make announcements
- Adjourn the meeting

### **YOUR EVALUATOR ROLE**

No matter how much you learn about each of your board member hats, there's always room for improvement. That's why it's so important that you take some time each year to evaluate your

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performance -- patting yourself on the back for a job well done and coming up with strategies to improve.

<b>Considerations</b>	<b>5 Very good</b>	<b>4 Good</b>	<b>3 Average</b>	<b>2 Fair</b>	<b>1 Poor</b>
1. Board has full and common understanding of the roles and responsibilities of a board.					
2. Board members understand the organization's mission and its programs.					
3. Structural pattern (board, officers, committees, executive and staff) is clear to all board members and personnel.					
4. Board has clear goals and actions resulting from relevant and realistic strategic planning.					
5. Board attends to policy-related decisions which effectively guide operational activities of staff.					
6. Board receives regular reports on finances, budgets, program performance and other important matters.					
7. Board effectively represents the organization to the community.					
8. Board meetings facilitate focus and progress on important organizational matters.					
9. Board regularly monitors and evaluates progress toward strategic goals and program performance.					
10. Board regularly evaluates and develops the chief executive.					
11. Board has approved comprehensive personnel policies which have been reviewed by a qualified professional.					
12. Each member of the board feels involved and interested in the board's work.					
13. All necessary skills, stakeholders and diversity are represented on the board.					
14. Board members attend regularly and actively participate in the meeting.					
15. Board activities reflect the mission statement.					

Please list 3 - 5 points on which you believe the board should focus its attention in the next year. Be as specific as possible in identifying these points.