Training & Orientation Tool for Nonprofit CAA Tripartite Boards

Community Action Partnership of Utah Virtual Conference
Wednesday, June 24, 2020

PRESENTED BY:
Jonathan Cohen, Esq.
Community Action Program Legal Services
jonathan.cohen@caplaw.org
www.caplaw.org

NONPROFIT CAA BOARD TRAINING TOOL
CSBG Organizational Standard 5.8

Private
Governing board members have been provided with training on their duties and responsibilities within the past 2 years.
Training & Orientation Tool for Nonprofit CAA Tripartite Boards

Board Roles & Responsibilities: Nonprofit Community Action Agencies PowerPoint Presentation

This presentation was created in response to a need in the network for training and orientation materials that share Community Action Agency (CAA) roles, roles, data, and resources with the Network. This presentation was designed specifically for tripartite boards that have staff working with the board’s role in the organization. This presentation is a guide for those training or orienting board members on the board’s responsibilities.

To download this presentation, please fill out the form below:

Name: 
Email: 
Organisation: 
Submit

https://caplaw.org/resources/PublicationDocuments/TrainingToolforNonprofitBoards.html
Training & Orientation Tool for Nonprofit CAA Tripartite Boards

Board Roles & Responsibilities: Nonprofit Community Action Agencies
PowerPoint
Free Distribution

This presentation was created in response to a need in the network for training and orientation materials that state Community Services Block Grant (CSBG) offices, state associations and individual Community Action Agencies (CAAs) can use to educate their own boards and staff about the work of the board in the organization. This presentation is specifically for tripartite boards of nonprofit CAAs and acts as a guide for those training or orienting board members on the board’s responsibilities.

The various ways we envision the Community Action networks using the presentation include:

- Giving the presentation in its entirety;
- Presenting the slides in sections as noted on the web page and/or;
- Augmenting an existing presentation with specific slides from this presentation.

Introduction to and Tips when Presenting:
Board Roles & Responsibilities: Nonprofit Community Action Agencies

This presentation was created in response to a need in the network for training and orientation materials that state Community Services Block Grant (CSBG) offices, state associations and individual Community Action Agencies (CAAs) can use to educate their own boards and staff that work with the board on the board’s vital role in the organization. This presentation is specifically for tripartite boards of nonprofit CAAs and acts as a guide for those training or orienting board members on the board’s responsibilities.

All of the slides include questions and answers and are all annotated in the notes section of the PowerPoint. The presentation provides the presenter with an understanding of the information that CAPLAW aims to convey when presenting on the topic addressed in the slides. The various ways we envision the Community Action network using the presentation include:

- Giving the presentation in its entirety;
- Presenting the slides in sections as noted on the web page and/or;
- Augmenting an existing presentation with specific slides from this presentation.

The slides do not include all of the information that is important for tripartite boards to know. The slides are only intended to acknowledge and address the information that most tripartite boards will be tasked with overseeing. Every CAA is different and the way in which your CAA operates and the programs it runs will likely affect the information that is highlighted and included in a board roles and responsibilities orientation or training.

Tips
Here are a few points to think about when working with the presentation:

- We intend for CAAs to use the PowerPoint in ways that will be most responsive to and effective for a particular CAA, state association or state CSBG office. Depending on the training and educational needs, the presenter may use all or some of the slides and may present the slides in an order that makes the most sense for the training. On the website, we make the slides available as an HTML presentation or as sections to help presenters recognize the flexibility we tried to build into the resource;

Resources by Topic:
- ACA
- Community Action Network
- Community Development Block Grant
- CSBG
- CSBG: New Beginnings
- CSBG: Financial Management
- CSBG: Accountability
- CSBG: Additional Topics
- Compliance
- Evaluation
- Federal Grants
- Legal
- Leadership and Public Affairs
- State and Tribal Relations
- State and Local Government
- Grants
- Training Tools
- Free to Members
- Publications will soon be available via the CAPLAW member area.

Free to Members
Publications will soon be available via the CAPLAW member area.

Introduction to and Tips when Presenting:
Board Roles & Responsibilities: Nonprofit Community Action Agencies
Board Roles & Responsibilities: Nonprofit Community Action Agencies

Agenda

- Legal Requirements Governing Tripartite Boards
- A Few Brief Points About How a Board of Directors Operates
- Role of the Tripartite Board
- Key Responsibilities of the Tripartite Board
Legal Requirements Governing Tripartite Boards

Legal Requirements

CAA Boards

Federal CSBG Act, block grant regulation, guidance

State CSBG statute, regulations, policies

CSBG grant agreement/contract with state

Other federal/state funding requirements

Articles of incorporation & bylaws

State Nonprofit Corporation Act

IRS tax-exempt org. requirements

State Nonprofit Corporation Act

State CSBG statute, regulations, policies

CSBG grant agreement/contract with state

Other federal/state funding requirements
State Nonprofit Corporation Act

- Generally, sets minimum standards of compliance and “default rules.” **True** or **False**
  - For example, may establish vote requirements for certain actions; removal provisions; committee composition requirements, etc.

- Articles filed and bylaws created pursuant to the Act
  - If provisions of articles or bylaws are not consistent with the Act, then they will have no legal effect
Federal CSBG Act

- The tripartite board composition is a suggested practice and not required by the federal CSBG Act. **True or False**

1/3 elected or appointed public officials

At least 1/3 low-income representative

Remainder individual or group from private sector

- Requires tripartite board to be fully engaged in the development, planning, implementation and evaluation. 

42 U.S.C. § 9910

Tripartite Composition Resources

www.caplaw.org
A Few Brief Points About How a Board of Directors Operates

Board Operations Scenario Two

Tony has been on the board for two years and LVES it! His fellow board members are very personable and friendly but Tony is continually confused about the vote that is required to take actions as well as the number of meetings board members are required to attend.

What should Tony do?
What should the Executive Director do?
Bylaws serve as an organization’s operational guide

See bylaws for information about:
- Board member composition
- Meeting frequency, notice
- Officers
- Committees
- Votes, quorum
- And more...
Fiduciary Duties
NONPROFIT BOARD MEMBERS

- Duty of Care – Diligent
  - Acting with the care of a prudent person in similar circumstances
  - Asking hard questions
  - Reading materials
  - Deliberating the decision

Role of Tripartite Board Scenario

The board is considering whether to begin an afterschool college prep program. Its board chair asks board members, Larry, Marsha, and Devon to review the staff’s preliminary research and make a recommendation to the full board on the program’s potential impact and financial viability.

As a committee, they examine proposed budgets, a needs assessment, staffing and training requirements, and survey data from CAAs with similar programs. They question staff and then prepare a 10-page report for the full board, recommending the program. At its next meeting, following a 90-minute discussion, the board unanimously votes to fund the program.

Unfortunately, after a year, the program is much more expensive than the initial projections and youth participation lower than expected. The board has no choice; it must end the program.
Duty of Care Scenario

- Did the board fulfill its duty of care? Why or why not?
  - Board committee tasks
    - Review mission
    - Review needs assessment
    - Examine proposed budgets
    - Assess staffing and training requirements
    - Collect data from others with similar programs
    - Question staff
    - Prepare report for the full board, with a recommendation
  - Full board:
    - Engage in discussion prior to vote

Fiduciary Duties

NONPROFIT BOARD MEMBERS

- Duty of Loyalty – Faithful to CAA
  - Act in good faith and in the best interests of CAA
  - Disclose and avoid conflicts of interest
  - Not engage in self-dealing

See page 9 of the Toolkit for more on fiduciary duties
**Who Does What Around Here?**

**Fill in the Action**

<table>
<thead>
<tr>
<th>Role</th>
<th>Board of Directors</th>
<th>Executive Director</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy</strong></td>
<td>Establish, execute</td>
<td>Establishes,</td>
</tr>
<tr>
<td><strong>Mission</strong></td>
<td>Set, accomplish,</td>
<td>Sets, Reviews,</td>
</tr>
<tr>
<td></td>
<td>review, update</td>
<td>Updates</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Sets targets,</td>
<td>Sets targets,</td>
</tr>
<tr>
<td></td>
<td>evaluates, updates</td>
<td>Evaluates, Updates</td>
</tr>
<tr>
<td></td>
<td>executes,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>accounts for</td>
<td></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Supervise executive director,</td>
<td>Supervise executive director</td>
</tr>
<tr>
<td></td>
<td>Supervise staff</td>
<td></td>
</tr>
</tbody>
</table>

### Key Responsibilities of the Tripartite Board
Know Your Mission Exercise

1. Write down your organization's mission
   - If you don’t know it exactly, write down the gist

2. Briefly describe 3 ways in which your board works with your organization's mission
   - For example, we discuss it in relation to new proposals or recite it at every meeting

3. Think about 1 way in which your board could better incorporate the CAA’s mission in its board meetings and activities
Why Mission Matters

- Why mission matters:
  - Provide clarity of purpose to stakeholders
  - Guide major decisions
  - Prevent “mission creep”

- Why do you think mission matters?

CSBG Organizational Standards

Mission

CSBG Org. Standard 4.1:
- Governing board has reviewed the organization's mission statement within the past 5 years and assured that: (1) The mission addresses poverty; and (2) The CAA's programs and services are in alignment with the mission.

CSBG Org. Standard 3.1:
- Organization has conducted a community assessment and issued a report within the past 3 years.

CSBG Org. Standard 3.5:
- Governing board formally accepts the completed community assessment.
Key Board Responsibility

Planning

Planning Exercise

- Name at least one of each of the following in relation to your CAA:
  - Strength
  - Weakness
  - Opportunity
  - Threat
Planning Under CSBG

Community Action Plan
3-Year Review
(Community needs assessment/CSBG-specific)

Strategic Plan
5-Year Review
(Organization-wide)

Development of Strategic Plan

Community Action Partnership & CalCAPA resource available at:
CSBG Organizational Standards
Planning

CSBG Org. Standard 6.1:
• Organization has an agency-wide strategic plan in place that has been approved and accepted by the governing board within the past 5 years.

CSBG Org. Standard 3.1:
• The organization conducted a community assessment and issued a report within the past 3 years.

CSBG Org. Standard 3.5:
• The governing board formally accepts the completed community assessment.

Consent Agendas

- Used for routine, procedural, informational, and self-explanatory non-controversial items
- Helps streamline meetings
- If use, should educate board members on:
  - Purpose, i.e., not used to ramrod decisions through
  - Process, i.e., allows for removal of item upon request
Traditional Board Agenda

1. Welcome and approve minutes of last meeting
2. Executive Director’s Report
   Verbal report on web site redesign update
3. Finance Committee Report
   Circulation of quarterly financial statements
   Treasurer or Finance Committee Chair presents a few variances between budget and actual, which are briefly discussed. Ask for a motion to approve change of signature authority on bank forms due to change in officers.
4. Nominating Committee Report
   Update on new candidates and who has held boards with whom to cultivate relationships
5. Program Committee Report
   Chair of Program Committee asks staff to provide a 10 minute verbal report on various programs that are being implemented to increase the community’s awareness of the agency’s programs and services. Discussion is tabled because time is running out.
6. Fundraising Committee Report
   Update on plans for Gala and reminder to purchase tickets
7. New Business?
8. Adjourn
   Meeting lasts two hours

Strategic Agenda

1. Welcome and Opening Thoughts
   (Different board members offer opening thoughts each meeting)
2. Consent Agenda
   Approval of minutes of last meeting and acceptance of items listed on consent agenda: previously circulated written report from ED on web site redesign, dashboard of revenue/expenses from Finance Committee, ACTION: approve change of signature authority on bank forms, Accept reports on board member prospects from Board Development Committee and from Nominating Committee.
3. Discussion of Strategic Initiative #1: Expand Community Awareness
   (Full board discussion facilitated by board chair. Are goals being met? What are board members hearing in the community? What are the barriers? What other avenues should be used to increase awareness? Consensus is to convene a communications task force to recommend how we can expand awareness.)
4. What’s keeping you up at night? (Use this brainstorming session to develop future issues for board attention.)
5. Adjourn
   Meeting lasts one hour
   Outcome: rich discussion on a strategic priority for the organization

Key Board Responsibility

Engagement
Engagement Scenario

Jack, a recently retired school superintendent, joined the CAA board 10 years ago and continually gets re-elected to the private sector. He assumes he is on the board because the CAA operates a Head Start program. He is tired of attending community gatherings and interacting regularly with others – he did it for over 30 years with his school job. He likes his fellow board members and makes a real effort to attend board meetings focused on early education matters, but doesn’t worry if he can’t make other meetings.

Is Jack an engaged board member? Why or why not?

Internal and External Responsibilities

With Board/Organization + With Stakeholders/Community → Engagement
Board Selection Procedure

1. Use board committee
2. Recruit smartly & strategically
3. Require applications
4. Follow selection procedures

Recruitment Matrices
Board Source & CAPLAW

- Board Source: https://boardsource.org/board-recruitment-matrix/
- CAPLAW: http://www.caplaw.org/resources/SelfAssessmentDocuments/CAPLAW_BoardComposition%20Matrix_April2012.xls
People: How do you get the right people on the Board?
Training & Orientation Exercise
What Would You Do?

- List the five most pressing topics for a board member orientation.
- List the five topics that you think are essential to be covered in board trainings.
- List three methods for providing training to the board.

CSBG Organizational Standards
Board Orientation and Training

**CSBG Org. Standard 5.7**

- Org. has a process to provide a structured orientation for governing board members within 6 months of being seated.

**CSBG Org. Standard 5.8**

- Board members have been provided with training on their duties and responsibilities within the past 2 years.
Key Board Responsibility

Generating Funds

Two Main Ways CAAs Generate Funds

**Fundraising**
- Soliciting gifts
- Putting on special events
- Capital campaigns

**Proposals**
- Writing grants
- Preparing bid proposals

*Board and executive director
*Executive director and staff
Generating Funds Quiz

A CAA cannot rely solely on its state and federal grants and should engage in efforts to generate unrestricted funds. True or False

Why?
- State and federal grants restrict use of funds
- Diversification of funding often essential for sustainability and flexibility
- Match requirements!

Generating Funds Quiz

Generating funds is mainly the executive director’s responsibility, not the board’s. True or False

Why?
- Joint effort – both bring different resources/skills
- If no unrestricted funds, board must spearhead fundraising efforts
Generating Funds Quiz

Tripartite boards cannot require members to give financially to the CAA because low-income representatives may be low-income themselves. True or False

- Why?
  - No legal prohibition against soliciting funds from all board members
  - Allow for varying levels of giving and non-financial ways to give
  - Foundations often want to see 100% board giving

Key Board Responsibility

Strategic & Programmatic Performance
**Program Performance Exercise**

- List 3 reasons why a tripartite board should have a framework in place for reviewing the performance of the CAA’s programs.
  1. Community Services Block Grant organizational standards require it.
  2. **ALL** funders expect organizations to demonstrate how programs and services are making an impact.
  3. It is the best way for the organization to know what’s working and what’s not.

---

**Regular Strategic and Programmatic Reviews**

<table>
<thead>
<tr>
<th>5-Year Review</th>
<th>Annual Review</th>
<th>Review at Every Board Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Strategic)</td>
<td>(Milestone / Programmatic / Strategic)</td>
<td>(Milestone / Programmatic)</td>
</tr>
</tbody>
</table>
### CSBG Organizational Standards

#### Strategic and Program Performance

<table>
<thead>
<tr>
<th>CSBG Org. Standard 6.1</th>
<th>• Organization has an agency-wide strategic plan in place that has been approved and accepted by the governing board within the past 5 years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSBG Org. Standard 6.5</td>
<td>• Governing board has received update(s) on progress meeting the goals of the strategic plan within the past 12 months.</td>
</tr>
<tr>
<td>CSBG Org. Standard 5.9</td>
<td>• Organization’s governing board receives programmatic reports at each regular board meeting.</td>
</tr>
</tbody>
</table>

### Key Board Responsibility

**Accountability**
Ensure Accountability

FINANCIAL

LEGAL

OPERATIONAL

Policies
Conflict of Interest

CSBG Org. Standard 5.6

• Each board member has signed a conflict of interest policy within the past 2 years.

*Sample policies and archived webinar on CAPLAW's website, www.caplaw.org
Policies
Whistleblower Policy

CSBG Org. Standard 7.7

- The organization has a whistleblower policy that has been approved by the governing board.

*Sample policies and archived webinar on CAPLAW’s website. www.caplaw.org

Additional Policies
Adopt org. policies, ensure they are being followed, and review/update them periodically

CSBG Org. Standard 8.10

- The fiscal policies have been reviewed by staff within the past 2 years, updated as necessary, with changes approved by the governing board.

CSBG Org. Standard 7.1

- The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.

CSBG Org. Standard 8.11

- A written procurement policy is in place and has been reviewed by the governing board within the past 5 years.
Additional Filings

CSBG Org. Standard 8.8
- All required filings and payments related to payroll withholdings are completed on time.

CSBG Org. Standard 8.6
- The IRS Form 990 is completed annually and made available to the governing board for review.

Developing a Culture of Compliance

10 ACTION STEPS TO COMPLIANCE AND ETHICAL STANDARDS

Exemplary Legal Practices and Policies Guidebook, Part I: Do the Right Thing: How to Cultivate a Culture of Compliance and High Ethical Standards
http://caplaw.org/resources/PublicationDocuments/DotheRightThing.html
Questions?

This training material was created in collaboration with Community Action Program Legal Services, Inc. (CAPLAW) and the Community Action Partnership (Partnership). The publication was created by National Association of Community Action Agencies - Community Action Partnership in the performance of the U.S. Department of Human Services, Administration for Children and Families, Office of Community Services Grant Number 90ET0465. Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the authors and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.