



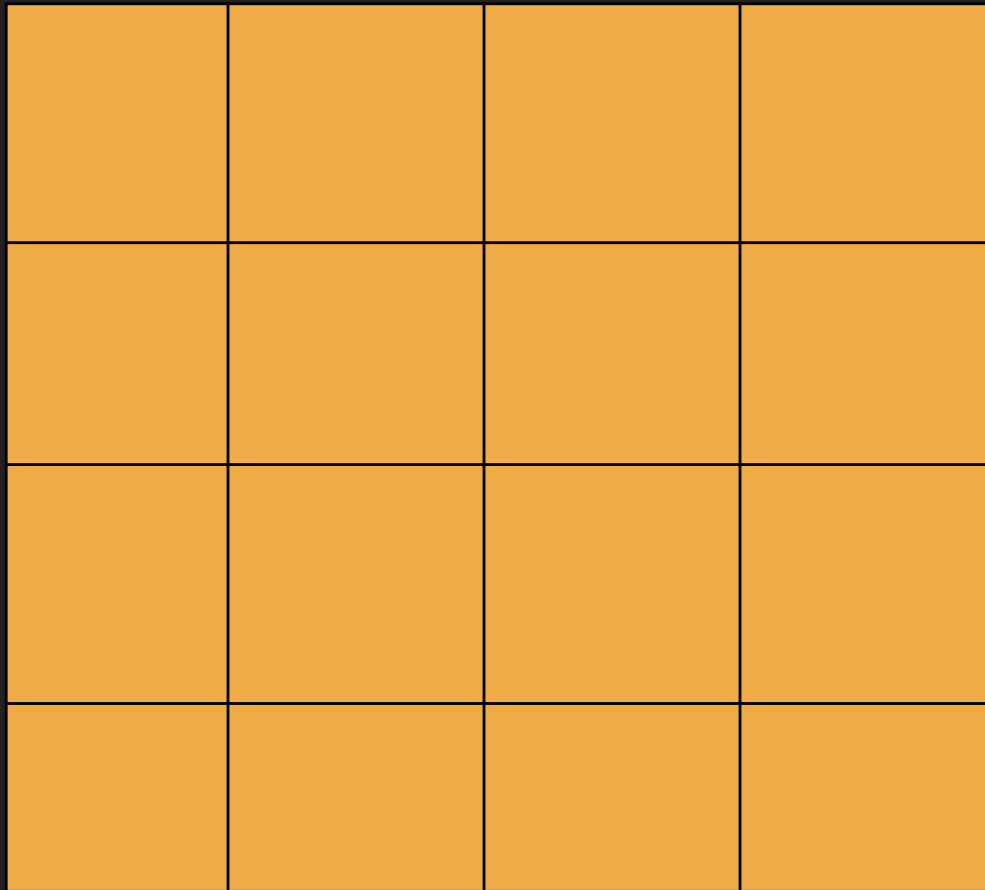
# HOW WE LEAD MATTERS

## THE HABITS OF HIGHLY EFFECTIVE BOARDS

- Traits of Good Board Members
- Distinctions between Governing and Managing
- How to delineate who does what: roles of staff and board
- Duties, responsibilities and potential liabilities imposed upon nonprofit directors
- Effective Leadership Skills

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# HOW MANY SQUARES?





Why serve on a board?

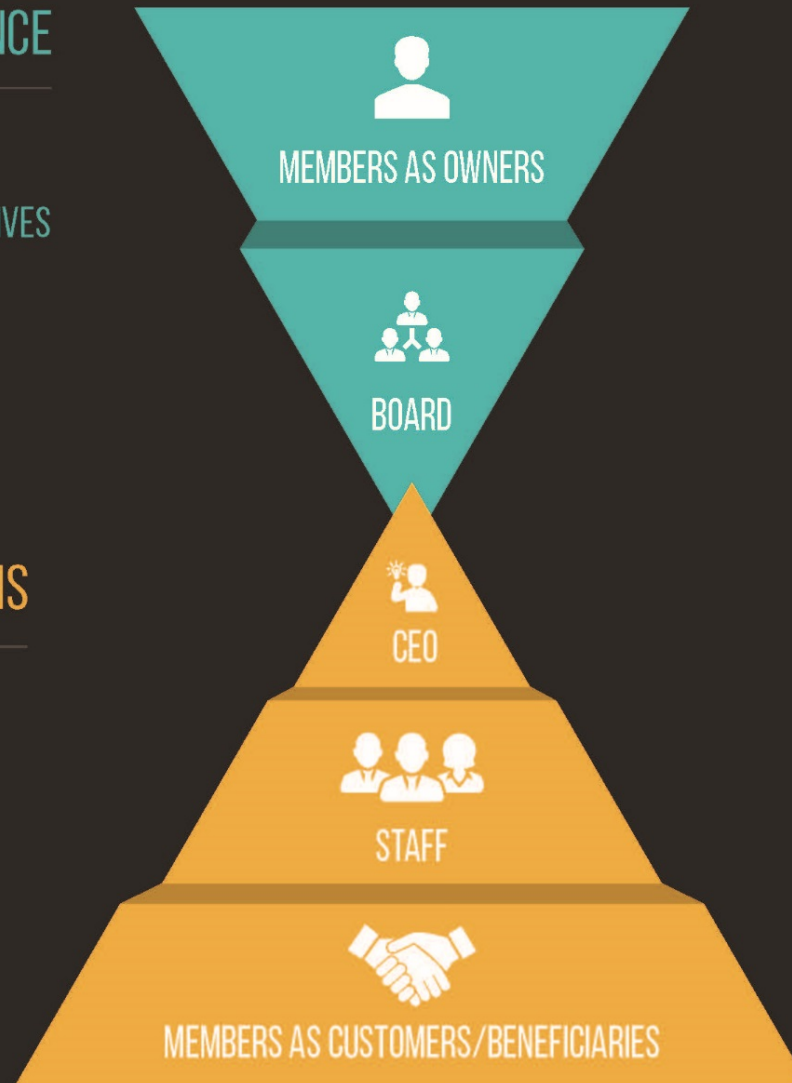
# THE GOVERNANCE POSITION

## GOVERNANCE

VALUES  
ENDS DEFINED  
GOALS, OBJECTIVES

## OPERATIONS

STRATEGIES  
TACTICS



# DIFFERENCES *between* GOALS, OBJECTIVES, STRATEGIES & TACTICS

## STRATEGIC CONVERSATIONS

GOAL

WHAT

GENERAL

OBJECTIVE

WHAT

SPECIFIC

## OPERATIONAL CONVERSATIONS

STRATEGY

HOW

GENERAL

TACTIC

HOW

SPECIFIC

# THE HIERARCHY *of* PLANNING DOCUMENTS



# Cheryl's 10 Rules of Thumb for Board of Directors

1. Board determines "WHAT"; staff and committees determine "HOW."
2. No surprises.
3. Volunteers direct volunteers, staff directs staff.
4. The Board works as a collective body.
5. The Board is responsible for the strategic plan.
6. The Board is responsible for their own succession.
7. The Board is responsible for their own performance.
8. The Board is responsible to the members/donors/customers/stakeholders.
9. Executive sessions are only for confidential, legal situations.
10. Strive daily to build mutual trust through communication and listening.


PROCESSES ARE EASIER TO  
CHANGE THEN PEOPLE











Scan  
Plan  
Implement  
Evaluate

# BOARD OF DIRECTORS JOB DESCRIPTION AND SELF-EVALUATION TOOL

## General Responsibilities

- To set policies for the future direction of the Michigan Society of Association Executives, ensure that the needs of the members are met, approve and evaluate programs and activities to meet those needs, to monitor progress and to support all MSAE programs.

## Examples of our Evaluation

- (1) Willingness to be an active, contributing member of the board.
- (2) Proven professionalism.
- (3) High ethical and moral standards that command respect from peers.
- (4) Ability to sublimate self-interest for the good of the organization.
- (5) Ability to openly express opinions without being opinionated.



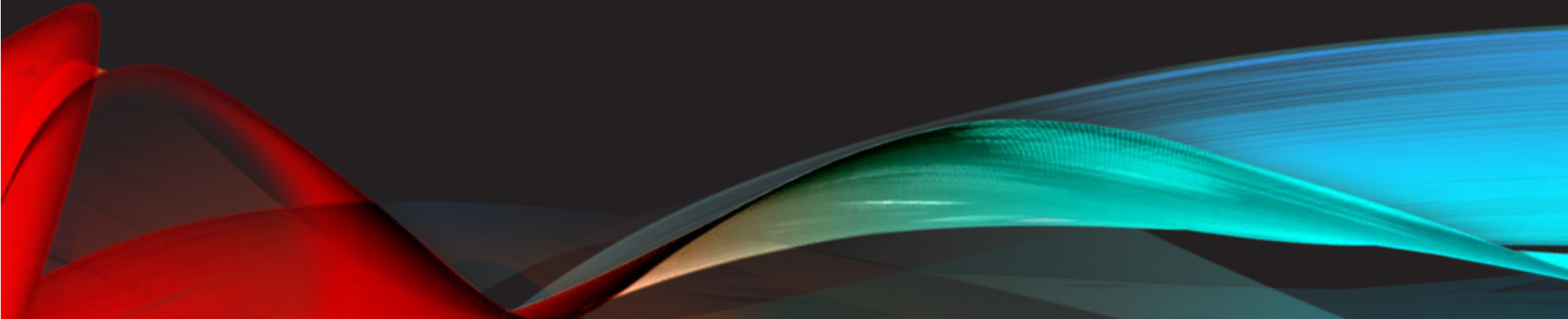
# CORE VALUES

- Commitment – Serving the profession of association management
- Integrity – Ethics, honesty, trust and respect
- Diversity – Seek it out
- Community – Allows us to leverage individual strengths



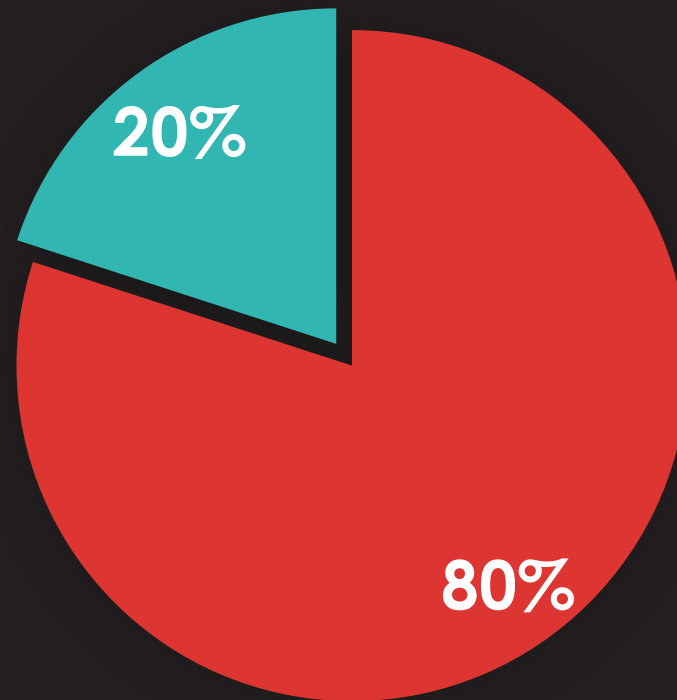
*TRUST*  
*FORGIVENESS*  
*RESPECT*  
*ACCOUNTABILITY*  
*RESULTS*  
*COMMUNICATIONS/CANDOR*

Board Key Behaviors to Steer Good Governance




## Board Meeting Time Allotment

■ Strategic Conversations   ■ Monitoring/Accountability



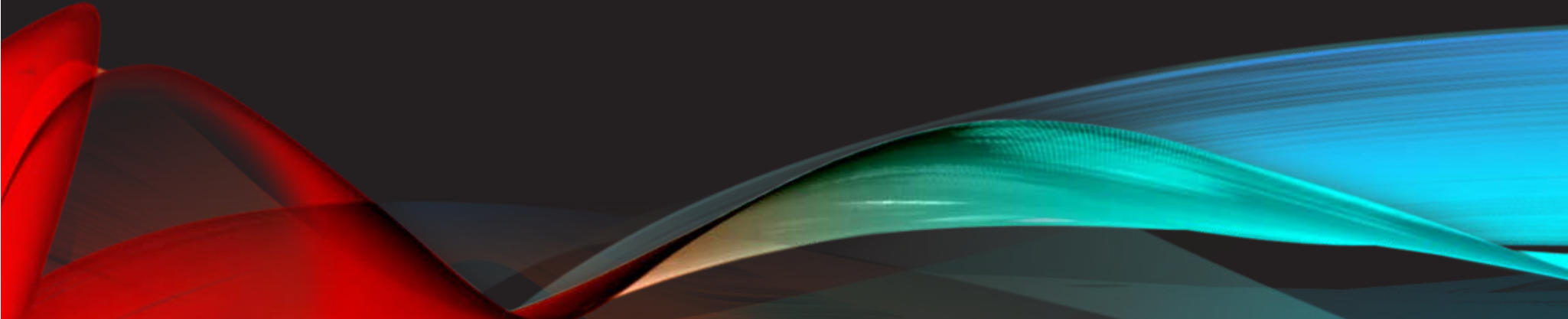




Every Board member for a  
nonprofit in the state of  
Michigan has a duty of **Loyalty**,  
**Obedience** and **Care**

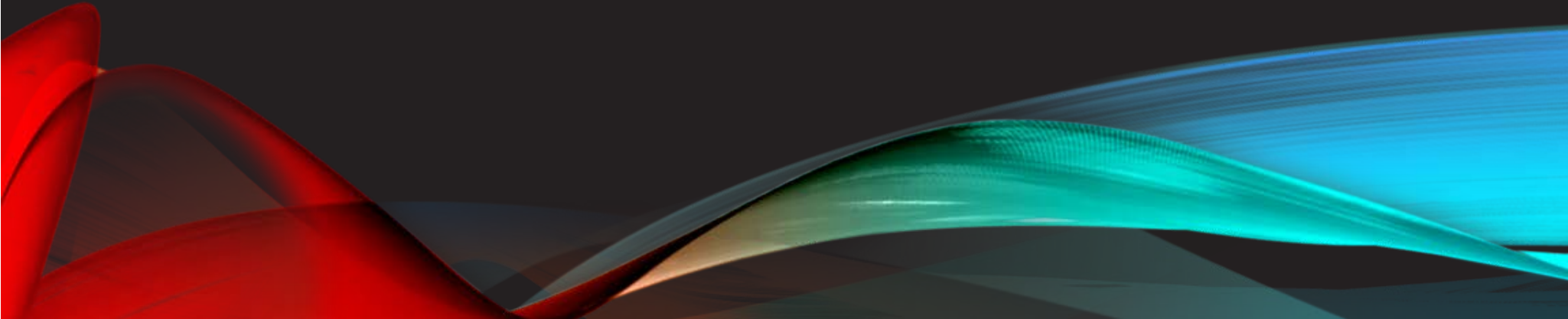
## DUTY OF LOYALTY

THIS IS THE UNDIVIDED ALLEGIANCE TO THE CORPORATION. SINCE THEY HAVE POWER AND INFORMATION THEY CANNOT USE IT FOR PERSONAL GAIN. WHEN ACTING ON BEHALF OF THE ORGANIZATION, BOARD MEMBERS MUST PUT THE INTERESTS OF THE NONPROFIT BEFORE ANY PERSONAL OR PROFESSIONAL CONCERNS AND AVOID POTENTIAL CONFLICTS OF INTEREST.



## **DUTY OF OBEDIENCE**

BOARD MEMBERS MUST ENSURE THAT THE ORGANIZATION COMPLIES WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS, AND THAT IT REMAINS COMMITTED TO ITS ESTABLISHED MISSION.



## DUTY OF CARE

MUST DISCHARGE THE DUTIES AS A DIRECTOR IN GOOD FAITH AND WITH THE SAME DEGREE OF DILIGENCE, CARE AND SKILL THAT AN ORDINARY PRUDENT PERSON WOULD EXERCISE UNDER NORMAL CIRCUMSTANCES.

# LIABILITIES OF DIRECTORS

- Breach of Duties
- Liability for Board Actions
- Directors acting as Officers
- Contractual liability
- Liability of Staff Activities
- Lack of Corporate Identity
- Statutory Liability

# PROTECTION FROM LIABILITY

The Michigan Nonprofit Corporation Act limits liability in three respects:

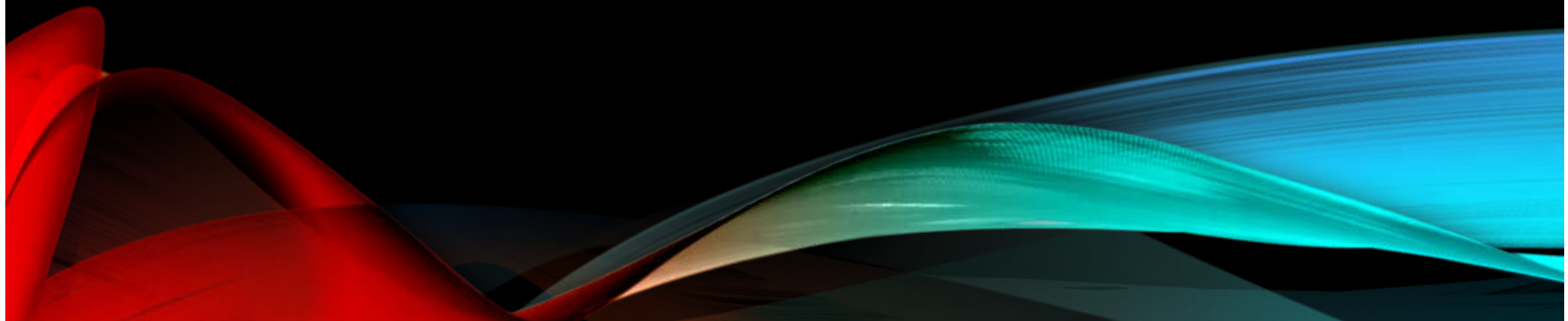
- For monetary damages for a breach of fiduciary duties
- Of volunteer directors to third parties for all acts and omissions, provided there was good faith
- Coverage through insurance such as D&O coverage and indemnification in Articles and Bylaws

# 10 WAYS TO BECOME A BETTER BOARD MEMBER TODAY

- Educate yourself on both the industry and association
- Do your homework before the meetings
- Be an engaged listener
- Have an open mind
- Learn and use facilitation skills
- Respect the board's time
- Respect board decisions and be a full participant
- Lead change and don't resist it
- Be fair and use processes consistently
- Challenge yourself to grow as a leader

❖ Best protection is compliance and care

Staying Current and Well informed on Trends













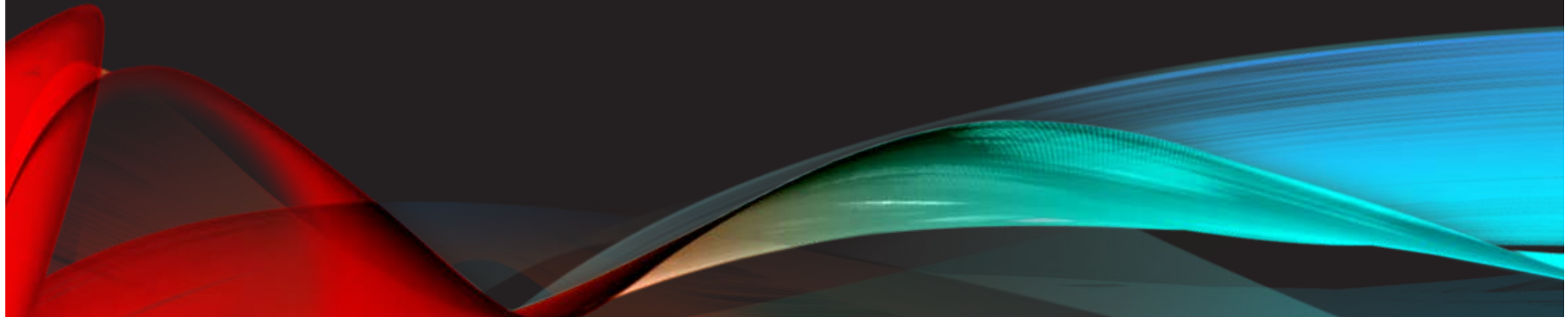
# LEADERSHIP PRACTICES PERSONAL INVENTORY

- Models the way
- Inspires a Shared Vision
- Challenges the Process
- Enables others to Act
- Encourages the Heart





IT TAKES LEADERS, EARLY ADOPTERS  
AND FOLLOWERS TO MAKE A  
SUCCESSFUL BOARD, BUT ALL HAVE TO  
HAVE LEADERSHIP PRACTICES.





Being on a board can provide  
personal growth – strategically  
select the board where you can  
provide the most value