

# AGENDA

## EMERGENCY MEETING PLACENTIA LIBRARY DISTRICT BOARD OF TRUSTEES

Thursday, September 18, 2008

4:00 P.M.

Placentia Library Meeting Room

The Purpose of the Placentia Library District is to provide services and materials to our ever changing and diverse community.

To accomplish this goal the Library will:

- Provide a qualified staff to acquire, organize, and maintain a collection of print and non-print materials in an easily accessible facility and assist the public with its use.
- Provide literacy outreach and services to the community.
- Provide a special collection to document and preserve Placentia's History and Authors.
- Present programs and provide technology access to everyone in order to promote reading and lifelong learning.
- Promote the Library's vision through consistent messages to the public.

**AGENDA DESCRIPTIONS:** *The Agenda descriptions are intended to give members of the public notice and a general summary of items of business to be transacted or discussed. The Board may take any action which it deems to be appropriate on the Agenda and is not limited in any way by the notice of the recommended action.*

**REPORTS AND DOCUMENTATION:** *Reports and documentation relating to Agenda items are on file in the Administrative Office and the Reference Department of Placentia Library District, and are available for public inspection. A copy of the Agenda packet will be available for use during the Board Meetings. Any person having any question concerning any Agenda item may call the Library Director at 714-528-1925, Extension 203.*

1. Roll Call
2. Adoption of Agenda

Recorder

4:05 PM

*This is the opportunity for Board members to delete items from the Agenda, to continue items, to re-order items, and to make additions pursuant to Government Code Section 54954.2(b).*



Presentation: Library Director  
Recommendation: Adopt by Motion

3. Oral Communications

*At this time, in accordance with California Government Code Section 54954.3, members of the public may address the Library Board of Trustees on any matter within the jurisdiction of the Board.*

*In accordance with Library Board Policy adopted on April 13, 1992, presentations by the public are limited to 5 minutes per person.*

*In accordance with California Government Code Section 54954.3, members of the public are also permitted to address the Library Board of Trustees on specific Agenda Items before and at the time that an Item is being considered by the Board.*

*Action may not be taken on items not on the Agenda except in emergencies or as otherwise authorized by Government Code Section 54954.2(b).*

*M1 - GW  
M2 - RAD  
as written  
sealer &  
primer*

4. Award of interior painting contract

Presentation: Library Director  
Recommendation: Action to be determined by the Board of Trustees

5. Award of children's department furniture disposal contract

Presentation: Library Director  
Recommendation: Action to be determined by the Board of Trustees

6. Closed Session to Discuss a Personnel Matter

*Pursuant to California Government Code Section 54957 a closed session will be held to discuss a personnel matter.*

Presentation: Library Board President  
Recommendation: Action to be determined by the Library Board of Trustees

**ADJOURNMENT**

7. Agenda Preparation for the September Regular Meeting, which will be held on Monday, September 29, 2008 at 6:30P.M.

8. Review of Action Items.

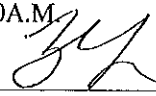
*No action or discussion shall be taken on any item not appearing on the posted Agenda, unless authorized by law.*

9. Adjourn



\*\*\*\*\*CERTIFICATION OF POSTING\*\*\*\*\*

I, Wendy Goodson, Administrative Services Manager for Placentia Library District, hereby certify that the Agenda for the Thursday, September 18, 2008 Emergency Meeting of the Library Board of Trustees of the Placentia Library District was posted on Thursday, September 18, 2008 at 11:00A.M.

  
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# Board & Administrator

FOR ADMINISTRATORS ONLY

July 2008 Vol. 24, No. 11

Editor: Jeff Stratton

## Performance planning and review takes the pain out of administrator evaluation

*New approach delivers better results*

Too often, it seems board members would rather have a root canal than conduct the administrator's performance appraisal, said Executive Director Stephen Hansen (Vancouver, British Columbia).

That mind-set can create trouble. That's because the administrator's evaluation is frequently ignored or left to the last minute, Hansen said. "When the board doesn't provide an appraisal for several years, that's a significant problem and also a missed opportunity," he said.

What's even worse is a board that leaves the evaluation alone for years and then zaps the administrator when there is a problem, Hansen said.

A Performance Planning and Review process can eliminate problems like these while increasing dialogue and discussion about the exec's performance, Hansen said, pointing out that he doesn't know of any successful organization where the board doesn't have a solid relationship with its administrator.

Traditional Evaluation vs. Performance Planning and Review	
Traditional Evaluation:	PPR:
Looks back	Looks ahead
Summative	Formative
Episodic	Ongoing
Judgmental	Collaborative
Source: Stephen Hansen, executive director, British Columbia School Trustees Association. ■	

PPR, which Hansen characterizes as a new way to approach assessment, has an annual three-step circular cycle, he said.

1. Begin with Performance Planning, to develop Key Results and Key Competencies the executive director should demonstrate.

2. Engage in Ongoing Communication throughout the year.

3. Participate in Review and Learning, the feedback portion of PPR.

The PPR approach creates confidence between the board and administrator, said Hansen. "It's something you use if you want to keep your administrator and build confidence," he said.

PPR requires approximately 10-12 hours of meeting time between the board and administrator each

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### Board & Administrator

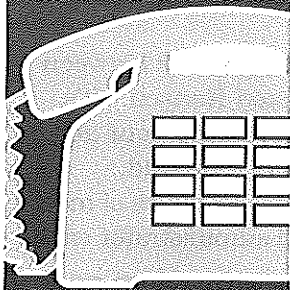
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### Board Issues Hotline

(515) 963-7972



## From The Board Doctor®

### *Did board members qualify as employees in terminated exec's lawsuit?*

If the board wrongfully terminates your employment, you certainly have the option of pursuing legal recourse. A recent U.S. Circuit Court of Appeals decision, however, suggests executive directors at smaller nonprofit organizations may not have any success pursuing federal claims for wrongful termination, arguing that the organization's board members are employees.

Fred Fichman was executive director at the nonprofit Media Center. After the board fired him, Fichman sued the Media Center for allegedly violating the Age Discrimination in Employment Act and the Americans with Disabilities Act.

A Nevada federal judge dismissed the case on grounds that the court lacked jurisdiction over the employment dispute because the Media Center did not have enough employees for either federal law to apply. Under the ADEA, employers must have 20 or more employees on the payroll, while the ADA requires at least 15.

Fichman appealed and argued that the Media Center's nine-member board along with about 80 content producers should be considered employees for purposes of ADEA and ADA coverage.

The U.S. Court of Appeals for the Ninth Circuit confirmed that the court could not exercise jurisdiction under either statute. To support its decision, the court noted that the board was an unpaid, voluntary body. The board, not the Media Center, selected its own members. In addition, the board was self-governed by its own bylaws, made policy, and supervised the executive director.

Case name: *Fichman v. Media Center*; U.S. Court of Appeals for the Ninth Circuit., No. 05-16653, January 14, 2008.

Sincerely,

Jeff Stratton [jeff\\_stratton@msn.com](mailto:jeff_stratton@msn.com); (515) 963-7972

P.S. I'd like to hear from long-time readers in advance of B&A's upcoming 25th anniversary of publication ■

### Assemble the board orientation manual with strategic intent

Most executive directors spend hours developing an orientation manual for new board members. I've reviewed many of them over the years and have come to realize that how the materials are arranged in the manual can drive home important messages.

An example: What should appear after the manual's table of contents? Most execs place the organization's mission statement there, and that makes good sense. Ensuring

achievement of the organization's mission is the board's first responsibility.

But what should follow the organization's mission statement in the orientation manual? Emphasize the importance of the board's work in meeting the mission by placing the board's meeting attendance policy on the facing page. You will strategically connect presence at meetings with the board's key job of ensuring that the organization's mission is being met. ■



## Executive pay increases with size of board

As board size increases, so does the size of the administrator's paycheck. That's a general finding from Board & Administrator's 2008 Nonprofit Executive Compensation Report.

You'll note in the chart below that administrators who work with a board of 6-10 members earn, on average, \$84,433. As board size increases through the next three board-size categories, the executive director's av-

erage pay increases \$5,000, \$19,000 and \$6,000 respectively.

In the chart, you'll also find data on median pay, average raise for the past 12 months, and average raise expected in the next 12 months all compared to board size.

The average salary for executives responding to B&A's survey was \$94,811 and the salary median was \$92,900. ■

# Board members	Avg. salary	Median salary	Avg. raise past 12 months	Avg. raise next 12 months
0-5	\$104,695	\$108,902	4.3%	4.8%
6-10	\$84,433	\$82,000	4.6%	4.4
11-15	\$89,615	\$92,900	6%	3.9%
16-25	\$109,233	\$107,500	5.3%	4.7%
25+	\$115,562	\$91,131	4.2%	3.9%

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## Is there a connection between board size and administrators' benefits?

The chart below shows comparative data for executive director benefits and the size of the board they work with. You'll find information on average value of the fringe benefits

package, average monthly vehicle stipend and average bonus (for administrators who reported receiving a monthly vehicle stipend and annual bonus). ■

# Board members	Avg. fringe benefits	Avg. stipend	Avg. bonus
0-5	*	\$400	\$19,000
6-10	\$18,172	\$507	\$3,700
11-15	\$16,153	\$577	\$4,190
16-25	\$19,525	\$484	\$10,100
25+	\$31,700	\$450	\$3,367

\* No data

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year, excluding the individual time the board and administrator invest.

Here's more on each step in the cycle:

**Step 1.** During Performance Planning, agree on three to four Key Results the board would like the administrator to achieve. These should be based on the organization's goals and priorities as identified by the board, ideally during a board self-appraisal, Hansen said.

In addition, set three Key Competencies the board wants its administrator to exhibit. Key Competencies include skills in areas like planning, governance and organizational management that require more description than a yes/no checklist evaluation approach to assessment, Hansen said.

"The board and administrator should agree on the results and competencies at a session where the board defines its priorities for the administrator to achieve," Hansen said. Performance planning should result in items with a reasonable expectation of being achieved by year's end, he said.

You can find an example of a Key Competency below, and an example of a Key Result in this month's report to your board.

**Step 2.** During the Ongoing Communication phase of PPR, the exec provides regular feedback to the board on the Key Results and Competencies. During these sessions, the board should provide positive reinforcement to the administrator for results and suggestions for areas that require improvement. Ongoing communication sessions should occur over the course of the year, Hansen said.

Administrator Keven Elder, Saanichton, British Columbia, said he and his board meet in one-hour closed sessions two or three times throughout the year prior to their regular meetings. "I update the board on my progress and the challenges I'm facing with the Key Results and Competencies," he said.

As a side benefit, staff now view closed sessions as a natural event, because the board and Elder meet regularly in closed session for the PPR discussions. "These meetings have rid us of suspicions in the office about personnel issues," Elder said.

**Step 3.** Review and Learning. During the final step, the board gathers data and assesses the administrator's performance on Key Results and Competencies. The board and administrator discuss successes and areas to be developed, and then incorporate what was learned during the cycle into its plans for next year's PPR cycle.

Step three should result in a co-written narrative report that summarizes the process and its results, Hansen said. The report would satisfy any contractual provision requiring an evaluation of the executive, he said.

If PPR is conducted properly, the administrator shouldn't have to rebut the contents in the final report, Hansen said, because an issue would have been addressed much earlier in the PPR process. "If you have a surprise at the end of the PPR cycle, something went wrong," he said.

For information, contact Hansen at [shansen@bcsta.org](mailto:shansen@bcsta.org). ■

**Sample Key Competency No. 1**

Values and Ethics of Leadership: The Administrator will:

- Model appropriate values, ethics and morality.
- Balance community demands in the interest of those we serve.

**Indicators of Success**

1. The administrator will adhere to the core values to which he and the board aspire, namely compassion, fairness, honesty, responsibility and respect.

2. The administrator will demonstrate that he recognizes and responds appropriately to issues requiring an assessment of and action related to matters of morality, or "right versus wrong."

**Evidence (referenced to indicator numbers)**

Source: Adapted from Stephen Hansen, executive director, British Columbia School Trustee's Association. ■

## Key on board communications when money gets tighter

If you haven't already, you can expect to feel the U.S. economic downturn at your organization. You'll probably notice it most as contributions to fundraising appeals fail to meet goals, because people are worried about their own pocketbook issues.

Veteran nonprofit execs say that when you face a financial crunch, your handling of financial information to the board can build board confidence and trust. Consider these reporting strategies:

- **Provide financial education.** CEO Linda Doyle (Ames, Iowa) said that a part of each May retreat with her board is devoted to financial education. The review orients new members and gives a refresher to vets. The organization's CFO explains how to read balance sheets and income statements.

Executive Director Pamela Mott (Sayre, Penn.) said her organization uses the accrual method of accounting. "Sometimes that is confusing to board members, so I will bring in our accountant to our meeting to answer questions."

- **Get an early start on budget development.** Administrator Stephen Kleinsmith (Nixa, Mo.) said he begins gathering data for the coming year's budget right after the board approves it. "This helps us constantly revise information as more factors become known," he said.

- **Include the finance committee's meeting minutes in the board's meeting packet.** Mott said detailed explanation of variances in the minutes answers many board questions in advance of meetings.

- **Provide accurate financial figures.** When numbers are consistently incorrect or projected incorrectly, trust is eroded at the board level, said Administrator Lowell Billings (Chula Vista, Calif.). "The overall pattern of projections must be solid," he said. "That means a lot of work must be done up-front to check and recheck assumptions and conditions."

- **Give clear variance explanations.** Administrator Susan Fahle (Chula Vista, Calif.) said you need to show the reason the numbers have changed — higher product costs, additional personnel, state or federal funding level variations. "Board confidence builds when the explanation for changes is logical and presented in plain language," she said.

- **Develop trust via individual meetings with board members.** Administrator Donna Morelle

(Cumberland, R.I.) said there must be trust between board members, the administrator and her management team. "Consistency and clarity in communicating financial information is the key," she said.

"I find it helpful to invite board members in individually to discuss our finances periodically," Morelle said. "That helps me be certain that I understand any areas of question or concern on their minds."

- **Use a multi-year comparison sheet to illustrate the organization's financial history.** Administrator Mike Pettibone (Monroe, Ind.) shares a 5-Year Comparison update with his board on a monthly basis. The chart compares MTD revenue, YTD revenue, MTD expended and YTD expended, the unencumbered balance and the percent encumbered, and year-end cash balances for the current year and preceding four years.

He uses this report to explain unusual expenditures in the 5-Year Comparison. "We just had to replace a \$10,000 water heater and I noted which fund [the] money would be drawn from to pay for it," Pettibone said.

- **Educate, educate, educate on current issues.** Pettibone uses an annual state of the organization report to clarify the financial status. He explains the purpose of each of the organization's general funds, its recent history, and any current developments. In his report this spring, Pettibone wrote: "We've experienced a growth in students with special transportation needs, primarily wheel chairs; that growth has caused the purchase of additional buses." ■

### Financial strategies build board trust

The following reports and methods keep board members current on the organization's financial situation, said Administrator Stephen Kleinsmith (Nixa, Mo.).

- Monthly administrator's report at board meeting.
- Monthly financial statement.
- Monthly administrator's updates/reports for the board.
- Board retreats/study sessions, twice a year.
- Yearly budget study session.
- Annual audit report. ■

## Funding News

### The Caring Institute

**Scope:** Inspired by the example of Mother Teresa, the Caring Institute was founded in 1985 to honor and promote the values of caring, integrity and public service. The organization celebrates individuals who devote their lives in service of the disadvantaged, the poor, the disabled and the dying. Nominations are invited, describing individuals who have demonstrated selflessness, exhibited a long-term commitment to service and society, and have had a significant impact on the lives of others.

**Deadline:** Sept. 28.

**Funds:** Recipients are flown to Washington, D.C., honored at a special ceremony, and inducted into the Hall of Fame for Caring Americans. Young adult recipients are given an education scholarship.

**Eligibility:** Anyone may submit a nomination.

**Contact:** National Caring Awards, Caring Institute, 228 Seventh St., S.E., Washington, DC 20003, e-mail, [info@caringinstitute.org](mailto:info@caringinstitute.org), Internet, [www.caringinstitute.org](http://www.caringinstitute.org). ■

### Cruise Industry Charitable Foundation

**Scope:** The Cruise Industry Charitable Foundation focuses its philanthropic efforts on programs designed to improve the quality of life in communities served by the industry in the areas of civic and community development; job creation and training; educational opportunities for youth that improve literacy, teach basic life skills, and promote good citizenship; public health programs; and environmental preservation.

**Deadline:** Submit applications at the beginning of the year or the beginning of each quarter.

**Funds:** Grants are limited to three years.

**Eligibility:** Nonprofit organizations with 501(c)(3) tax-exempt status.

**Contact:** Cruise Lines International Association Inc., 910 S.E. 17th St., Suite 400, Fort Lauderdale, FL 33316; Attn: Cynthia Colenda, e-mail, [oklewicz@alcalde-fay.com](mailto:oklewicz@alcalde-fay.com); Internet, [www.cruising.org/industry/cruise-industry.cfm](http://www.cruising.org/industry/cruise-industry.cfm). ■

### A Room of Her Own Foundation

**Scope:** A Room of Her Own Foundation was established in 2000 to provide innovative arts patron-

age for women writers and artists, and to writers and artists. This year the foundation will bestow the annual Gift of Freedom Award to a female writer of fiction, creative nonfiction, poetry or playwrighting.

**Deadline:** Oct. 31.

**Funds:** The award is \$50,000 over two years. The grant winner must commit to a specific goal that will result in a finished work.

**Eligibility:** Applicants must be U.S. citizens living in the United States during the grant period.

**Contact:** AROHO, P.O. Box 778, Placitas, NM 87043; e-mail, [info@aroomofherownfoundation.org](mailto:info@aroomofherownfoundation.org); Internet, [www.aroomofherownfoundation.org](http://www.aroomofherownfoundation.org). ■

### American Foundation for Suicide Prevention

**Scope:** The American Foundation for Suicide Prevention, which is dedicated to research on and prevention of suicide, will fund research grants across disciplines — from psychiatry to health services administration — to probe the causes of suicide and factors related to suicide risk, or to test treatment and interventions to prevent suicide.

**Deadline:** June 15 and Dec. 15 for all categories.

**Funds:** Up to \$100,000 over two years for Distinguished Investigator Grants and Standard Research Grants; \$75,000 over two years for Standard Research Grants; up to \$85,000 over two years for Young Investigator Grants; up to \$100,000 over two years for Postdoctoral Research Fellowships (a \$42,000 stipend in the first year and \$46,000 in the second, with a \$6,000 a year institution allowance); and up to \$30,000 for one or two years for Pilot Grants.

**Eligibility:** For Distinguished Investigator Grants and Standard Research Grants, investigators at the level of associate professor or higher with an established record of research and publication on suicide; for Standard Research Grants, investigators at any level; for Young Investigator Grants, recipients are at the level of assistant professor or lower; and for Postdoctoral Research Fellowships, recipients have a Ph.D. or M.D., or other doctoral degree within the preceding six years and have not had more than three years of fellowship support.

**Contact:** Tracey Austor; (212) 363-3500, ext.15; Internet, [www.afsp.org](http://www.afsp.org). ■

## Tips From The Trenches

### Short-term committees have advantage over standing committees

Nonprofit consultant Terrie Temkin, of CoreStrategies4Nonprofits, said organizations that use short-term ad hoc committees formed for a specific purpose have the opportunity to build more community engagement.

"This approach allows you to use more people from the community," Temkin said.

If your organization uses very broad-based committees, like a development committee, that uses the same five board members for the full year, you lose the chance to engage more and different types of citizens with your organization.

But if you put together an ad hoc committee to research new trends in fundraising events, disband it and then pull together groups to produce two different events, you've introduced many more people to your organization, Temkin said.

"That gives them a chance to become passionate about what you do," she said.

For information, [corestrategies4nonprofits.com](http://corestrategies4nonprofits.com). ■

### Build contacts when you give a speech

In *10 Tips to Help You Conquer Your Fear of Public Speaking*, consultant Richard Male suggests distributing a sign-up sheet when you have a speaking engagement. Why? You'll generate names to put on the organization's mailing list to receive your newsletter and stay current with developments.

"When speaking to a small to mid-sized audience, pass around a sign-up sheet and ask the members to provide their name, e-mail address and mailing address," Male advises.

For information, [www.richardmale.com](http://www.richardmale.com). ■

### Build credibility with the board, day-by-day

The title "Executive Director" does not automatically confer credibility.

*Point:* You have to earn that every day, every week and every year.

Administrators should understand the importance of being honest and up-front with the board.

That's how you build credibility and board trust in your leadership ability. ■

### Keep the president informed

Plan on at least two face-to-face contacts per week with the board's chair and you'll not only keep her informed, but boost relations. Two ideas:

1. An in-person, midweek report. On Wednesday, get together to update the chair on the issues she's concerned with and the progress you are making.

2. An end of week summary. Consider stopping by the chair's house or business on Saturday for a review of the week. You'll have a chance to brief her in-depth on any issues that have popped up since the middle of the week. ■

### Help the board build a team with the administrator

Ask your board to work with you to develop a set of rules, or "norms," for maintaining an effective relationship. The board should consider norms like:

- Hold regular board workshops to focus on board roles and relationships with the administrator.
- "Break bread together." Do this regularly to better know each other on a personal/human level.
- Commit to attending training sessions together.
- Act as a team member, not an individual.
- Ask questions of the administrator before the board meeting, so staff can be prepared. Never play "Stump the Executive Director."
- Attend the organization's functions and be seen with the executive director. People need to perceive you as a team.
- Compliment your administrator and administrative staff, both publicly and privately.
- Never criticize in public.
- Set fair and reasonable compensation levels for the administrative staff. The board shouldn't lose a good administrator over a couple thousand dollars.
- Forgo incivility.
- Don't make promises the board can't keep.
- Avoid "running interference" for others, either individuals or special interest groups. ■



## Board Committee Mission worksheet

Each year, the board should discuss the mission of each standing committee. If the committee no longer serves its purpose, disband it. If a board committee has lost its focus, or is meddling in operational issues, redefine it, so that the board gets maximum value from its work. Start this process by having each standing committee complete the Board Committee Mission worksheet.

1. What are the goals and objectives for this committee?

Goal A:

Goal B:

Goal C:

2. How many committee members are needed?

3. Meetings:

How often?

When?

How many?

How announced?

Where held?

4. Budget:

How much was needed last year?

How much will be needed this year?

6. What goals and objectives did the committee accomplish last year?

7. What goals were not accomplished? Should they be kept on the committee's agenda this year?

8. With what other committees did you interact? Was the work duplicative?

9. How did you submit committee reports to the full board? How often?

10. What didn't you understand about your committee?

11. What changes to the committee would you like to see made?

12. Which board members would make productive contributions to this committee? ■

# Board & Administrator

FOR ADMINISTRATORS ONLY

August 2008 Vol. 24, No. 12

Editor: Jeff Stratton

## Recruit with "due diligence" to screen out potential problems

### *Form 990 changes drive need for stringent selection practices*

If you've paid attention to the changes the IRS has made to its Form 990, you know that the form requires more disclosure of board members' potential conflicts of interest.

Frank Kurre, national managing partner of Grant Thornton's not-for-profit industry practice, said this heightened interest by the IRS requires organizations to take a due diligence approach to the screening and selection of potential board members.

"Nonprofits around the country have sustained reputational damage over the last few years because they didn't realize that their board members had a direct or indirect relationship with the same people doing business with the organization," Kurre said.

The draft instructions for the 2008 Form 990 define a conflict of interest: "A conflict of interest arises when a person of authority over an orga-

nization, such as an officer, director or manager, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated."

The IRS is interested in the relationships board members have not only with each other or members of management but also with outside vendors who do business with the organization, Kurre said. "I've seen a situation where a member of the organization's board is also the personal legal counsel to the organization's president," Kurre said. "There has to be independence at the board level from management."

Due diligence will also help the board screen out potential members who don't understand their role and may cause disruptions to board teamwork, Kurre said.

Kurre said organizations should use procedures like the following when screening new board members:

- Assess whether the candidate has any existing relationships that could lessen her ability to be objective and independent. Relationships to consider include those with existing board members or the staff, Kurre said. "That's an important question to ask because the conflict-of-interest information being sought on the IRS Form 990 has been significantly revised," Kurre said. You should inquire

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### Board & Administrator

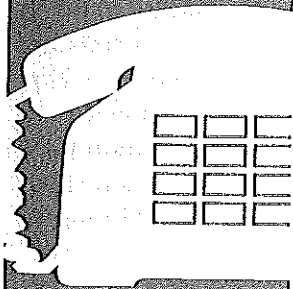
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### Board Issues Hotline

(515) 963-7972



## From The Board Doctor

### Form 990 draft instructions target board member conflicts

The Internal Revenue Service has issued its draft instructions for the 2008 Form 990 ([www.irs.gov/charities/article/0,,id=181091,00.html](http://www.irs.gov/charities/article/0,,id=181091,00.html)).

Steven T. Miller, commissioner, Internal Revenue Service recently called the redesigned Form 990's governance section the "crown jewel" in the efforts of the IRS to promote good governance. "I believe that poor governance leads to wasted assets, inefficient use of assets, and loss of public trust in the sector," he said.

"Over the past year, we have said repeatedly that we care because a well-governed organization is more likely to be compliant, while poor governance can easily lead to trouble," Miller said.

What's the message to nonprofit execs? Keep your board and its governance committee informed and educated about changes to the Form 990 and the coming final instructions.

In Section B of Part VI Governance, Management, and Disclosure, for example, the 990's draft instructions provide some insight into how the IRS thinks a nonprofit should handle board members' conflicts of interest. The instructions:

- **State what a conflict of interest policy should contain:** "A conflict of interest policy defines conflicts of in-

terest, identifies the classes of individuals within the organization covered by the policy, facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest."

- **Define "conflict of interest."**
- **Ask whether board members are required to disclose annually their interests that could give rise to a conflict.** The instructions also suggest that this disclosure include a list of family members, business or investment holdings, and transactions or affiliations with other businesses and organizations.

- **Ask for a description of how the organization enforces its COI policy.** The draft instructions say the description should state which members are covered under the policy, the level at which decisions are made about whether a conflict exists, and the level at which actual conflicts are reviewed. The draft instructions also would require the organization to explain the restrictions imposed on board members who do have a conflict (refrain from deliberations and voting about the issue at stake in a transaction).

Sincerely,

Jeff Stratton ([jeff\\_stratton@msn.com](mailto:jeff_stratton@msn.com); (515) 963-7972) ■

### Execs share mileage reimbursement rates

Gas prices are going through the roof, so nonprofit executives should consider asking for more generous mileage reimbursement rates during their next salary and benefits discussion.

The IRS 2008 standard mileage rates for the use of a car (including vans, pickups or panel trucks) is 50.5 cents per mile for business miles driven. A quick poll of execs who read *Board & Administrator* shows many accept lower mileage reimbursement for

business-related driving — the same rate as staff in the organization: 1) A Canby, Ore., CEO receives reimbursement of 35 cents a mile; 2) Executive Director Fred Roberts (Alexander, Ill.) said he is reimbursed 34 cents a mile; and 3) Administrator Stacy Wigfield (Eau Claire, Wis.) negotiated a \$300 a month allowance from her board; \$200 is an auto allowance, and \$100 is for high-speed Internet access at home, she said. ■



## Male execs more likely to have annual evaluations

The chart below shows that male administrators receive an annual performance evaluation from their board at a higher rate than do female executives. Seventy-six percent of men receive an annual performance evaluation from their board, while 69% of women do. In addition, a higher percentage of women receive their evaluation every 2-3 years.

Other highlights:

- Women who receive an annual

evaluation earn, on average, \$85,986 with a median salary of \$84,000; men, \$107,297, with a median of \$101,500

- Men who receive an annual appraisal manage a budget of \$10.5 million; women, \$4.1 million.

- Men who receive their appraisal annually have, on average, 26 years of experience with 13 years in their current position; women have, on average, 21 years of experience with 11 of that in their current job.

	Annually	Every 2-3 yrs
Male	76%	12%
Female	69%	16%

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## Can a board make decisions in executive session?

If your board enters into executive sessions for decision-making, it should do so with some rules in place. Here are some ways to ensure executive sessions are well handled.

**1. Ensure you have by-laws language on executive sessions in place and a board policy.** Have an attorney review your by-laws language and policy on executive sessions. There should be a clear statement about why the board will hold an executive session.

**2. Don't exclude the executive.** Executive sessions that exclude the administrator are not healthy to the board-administrator relationship. They can damage trust between the board and executive director.

**3. Use executive sessions judiciously.** Overuse of executive sessions can make employees suspicious about

what is taking place ("Who are they talking about?"). That is not conducive to a healthy workplace. In addition, boards should operate in a transparent fashion. Overuse of executive sessions defeats that.

**4. Keep minutes of the executive session, but provide them to the board confidentially.**

**5. Enter executive session with a purpose.** Reasons might include but are not limited to:

Assessing, rewarding or disciplining individuals; meetings where the information being discussed may compromise the relationship of the nonprofit with others or the relationship with stakeholders; labor issues and human resources issues; personal health information regarding an individual; and matters related to civil or criminal proceedings. ■

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## Create a program committee to prevent micromanagement

Beware of the standing board program committee that doesn't understand its job. Administrators know that if the program committee doesn't have a well-defined purpose, they tend to become micromanagers that get in the way of staff, productivity and progress.

More than 30 years ago, CEO Reno Berg (Ames, Iowa) had a board that wanted to establish a program committee with the purpose of reviewing all matters related to the organization's programs, no matter how small. "I told the board that if this was how they wanted to operate, they could hire someone else to direct the organization," he said.

But executive directors can receive valuable assistance from a program committee by concentrating board attention on strategic and policy matters facing the organization's programs. Here's how:

**1. Give the committee a proper name, one that won't create confusion.** Berg's board has a "program development" committee. Its purpose is to review any new programs or directions that staff would propose, he said.

"This committee does not consider program expansions, only new programs that we currently do not operate," Berg said.

President/CEO Gretchen Lawson (Kealahoukua, HI) said her board's program services committee has a very clear job: "The committee reviews any new program initiatives we may be considering so that there is thorough discussion before it gets to the full board with a recommendation," she said.

**2. Write clear duties and responsibilities for the committee.** At Executive Director Ann Graff's organization (Marshall, Mo.), the program committee oversees program and facilities issues. It has these duties:

- Work with the executive director and designated staff to develop agency programs and services.
- Advise the board on strategic operational matters of the corporation.
- Review, monitor and evaluate all programs

through consultation with the executive director to ensure contract compliance.

- Conduct any evaluations that may be required by federal and state funding sources.
- Work with the executive director and designated staff to review needs for corporate facilities.

**3. Suggest a change in focus.** When a standing board committee involves itself too much in operational matters, tweak the committee's purpose. Executive Director Darrell Wilson (Redmond, Ore.) suggests focusing the committee's work on resource development. "That would include planning how to obtain things that are currently unaffordable," he said.

**4. Don't use a program committee.** What makes board members passionate at many organizations is the programs. But that doesn't mean you have to have a program committee. Executive Director Patti Manus (Hope, Ark.) said her board doesn't use one. "Because of interest expressed from members, we usually offer a report that has human interest information about each of our service areas," Manus said.

**5. Reorganize the committee each year.** Because committees work closer to programs than the full board does, they need a certain amount of preventive maintenance so that they don't meddle. That's doubly true for a program-type committee. Reorganize your committees each year and you and the board chair will have a chance to state the committee's responsibilities and limits of their authority. ■

### In upcoming issues

Next month, *Board & Administrator* will celebrate its 25th year of publication. We'll take a look at some classic board relations strategies from the early days that still work well today.

Please contact me at [jeff\\_stratton@msn.com](mailto:jeff_stratton@msn.com) if you are a long-time reader of *B&A*.

Jeff Stratton

Editor ■



*Continued from page 1*

not only about a candidate's relationships with existing board members and their personal and family relationships, but also who they sit with on other boards, he said.

- Discuss the candidate's approach to board service. Topics to be covered, Kurre said, include commitment to the mission and a willingness to serve on a committee and to attend board and committee meetings.

"Sometimes board members come to the board with a personal agenda," Kurre said. "They want to bring in their friends to profit from the connection to the organization, sometimes they are making a power play and want to be chair of the board, or they want to act as management on a daily basis.

"If they don't understand your governance philosophy or will cause major disruption to the

board, you don't want them on the board."

Inquire whether your candidates have served on other nonprofit boards. In addition to seeking information about their length of service and leadership positions, Kurre suggests asking board members and staff from that organization about their performance as a board member.

"Ask about why they were on the board for a short period of time or what they believe the board member's role is," Kurre said.

Kurre suggests that reference checks should be handled by whoever might have a connection to the organization. "Call several people and get a feel for the candidate's service on that board," he said.

See the Board Member Profile on page 8 for a tool you can use to assess potential new board members.

Contact Kurre at [Frank.Kurre@gt.com](mailto:Frank.Kurre@gt.com). ■

### **Give full consideration to the benefits a candidate brings**

Frank Kurre, national managing partner of Grant Thornton's not-for-profit industry practice, said the board's screening of potential new members should not only include a full discussion of matters like the potential monetary contribution a member could bring or the list of valuable contacts, but also specialized areas of knowledge.

For instance, "one of the clients we work with was facing construction issues but had no one with construction experience on the board, so I suggested to the president that he needed that [skill] in a member," Kurre said. ■

## **Build trust with long-term record on financial communication**

Executive Director Mike Sweeney (Sutter Creek, Calif.) has 20 years of experience explaining financial challenges to a nonprofit board under his cap. Here are some of his strategies for getting through tough times:

- **Issue "reminders."** There are times you have to remind the board of what's happening in a given month, Sweeney said. "In December, we were giving out holiday bonuses to staff, so I had to remind the board that we still had good year-to-date numbers and that in January we would be back on track," he said.

- **Explain that depreciation doesn't mean cash flow is a problem.** "I've told the board that depreciation isn't really money out the door in a given month," Sweeney said. "Yes, you have to put aside money for replacements and renovations, but in a given month your cash flow is fine if you are down \$10,000 and your depreciation for that month is \$11,000."

- **Color-code financial information.** Sweeney said he uses highlighters to draw board members' attention to the line items he'll discuss that month. "It gets everybody's attention on the same line," he said. ■





## Funding News

### Kaiser Family Foundation

**Scope:** The Kaiser Family Foundation's Kaiser Media Fellowships Program will award mini-fellowships to print, radio, television and online journalists (and freelancers) to research and report on global health issues, with a particular focus on HIV/AIDS, tuberculosis and malaria. The program aims to encourage in-depth reporting of local or international health, social, economic, political and cultural implications on major public health issues and on the response to such challenges. Priority will be given to projects that are otherwise unlikely to be undertaken or completed, focus on unreported or underreported issues, and are highly likely of reaching a mass audience.

**Deadline:** October 2008. The foundation advises checking the Web site for the specific date.

**Funds:** Each fellow will be awarded up to \$10,000, based on estimated project needs.

**Eligibility:** The program is for journalists who work for English-language news organizations — publication, broadcast or online posting — with target audiences in North America or Europe. For example, this would include an African journalist reporting for a British news organization, or the Delhi bureau chief of a Canadian newspaper.

**Contact:** Penny Duckham, Kaiser Media Fellowships Program, Kaiser Family Foundation, 2400 Sand Hill Road, Menlo Park, CA 94025; e-mail, [pduckham@kff.org](mailto:pduckham@kff.org); Internet, [www.kff.org/mediafellows/minifellows.cfm](http://www.kff.org/mediafellows/minifellows.cfm). ■

### Ford Foundation

**Scope:** The 70-year-old Ford Foundation's mission is to reduce poverty and injustice and promote democratic values, international cooperation and human achievement. The grantmaker receives about 44,000 proposals and makes about 2,000 grants yearly for projects that cover the globe in regions where Ford has its 13 international offices — scattered from Santiago to Beijing — and elsewhere. Awards may include grants, recoverable grants, loans and loan guarantees to support carefully targeted projects to address site-specific needs within three broad programs: asset building and community development; peace and social justice; and knowledge, creativity and freedom. In the U.S.,

projects focus on region-specific needs in 13 areas: arts and culture; civil society; community development; development finance and economic security; education and scholarship; environment and development; governance; HIV/AIDS; human rights; media; religion, society and culture; sexuality and reproductive health; and workforce development.

**Deadline:** Applications are considered throughout the year. After determining an idea falls within the foundation's interest areas, a prospective applicant may e-mail an initial inquiry, following a Web-based process that walks a grant-hopeful through the decision process. Responses should arrive within six weeks, indicating the suitability of the proposal. If the idea succeeds, a relevant program officer gets in touch to discuss the project in greater detail and help shape a full proposal. The approval process can take three months or more, depending on the scope and complexity of the project.

**Funds:** Funding varies widely, but typically less than 3 percent of inquiries result in a grant. For the United States, the foundation estimates awards totaling \$161 million and averaging \$338,435.

**Eligibility:** Activities must be charitable, educational or scientific as defined by the IRS.

**Contact:** Ford Foundation, 320 East 43rd St., New York, NY 10017; phone, (212) 573-5000; program staff, phone numbers and e-mail addresses are listed by region and area at [www.fordfound.org](http://www.fordfound.org). ■

### Wallace Global Fund

**Scope:** The Wallace Global Fund, named for the former secretary of agriculture and vice president under Franklin D. Roosevelt, is dedicated to promoting an informed and engaged citizenry, fighting injustice, and protecting the diversity of nature and natural systems. The foundation supports national and global activities.

**Deadline:** Grant review and processing is ongoing and usually takes one to three months.

**Funds:** Grants range from \$2,000 to \$400,000 and average \$50,000.

**Eligibility:** U.S. applicants must be nonprofit organizations with 501(c)(3) tax-exempt status.

**Contact:** Phone (202) 452-1530; e-mail, [tkroll@wgf.org](mailto:tkroll@wgf.org); Internet, [www.wgf.org](http://www.wgf.org). ■



## Tips from the Trenches

### Present 'hot' planning issues to the board

To keep the board in touch with its planning responsibilities, regularly give them a list of 10 hot issues affecting your organization and industry.

Then ask the board to select three of the issues they'd like to learn more about. Follow up with more detailed information on the issues the board selects. ■

### Perk up the board's meetings

In *Ways to Liven up your Board Meetings—and your Board*, consultant Gail Perry offers suggestions like these:

- Have the board interview the CEO. Ask her what keeps her up at night.
- Be creative with the agenda. Look for ways to humanize presentations to give them more life.
- Focus on problems. By doing so, you will tap into board members' natural skill sets and provide them with interesting meeting work.

For information, [www.guidestar.com](http://www.guidestar.com), [www.gailperry.com](http://www.gailperry.com). ■

### Use special meetings to define board's role

It's important to keep roles well-defined. Several times each year, hold a special meeting to inform the board about what's happening at the organization. The one-hour gathering should feature staff presentations that focus on programs and services.

The sessions should have a positive effect on how board members view their role in the scheme of your entire operation. Board members will come to understand that what happens at board meetings is a small slice of the whole. They will understand exactly what it takes to keep the organization running smoothly and observe that staff members are functioning and doing their job. This should eliminate the urge to get involved in staff issues. ■

### Give the board a quick parliamentary procedure quiz

Here are three true or false questions to keep the

board educated about parliamentary procedure.

1. A board president votes only in case of a tie.
2. At a meeting with four members present, a motion is made and seconded. The vote is 2-2. The motion is defeated.
3. On important questions before the board, you may limit the length of discussion on a motion.

Key: 1. False; 2. True; 3. True

Source: Indiana School Boards Association, Parliamentary Procedure Quiz, [www.tsba-ind.org](http://www.tsba-ind.org). ■

### Make the board mentor program effective

Three suggestions for improving your board mentor program:

1. Pair by mutual interest. Two board members who share an interest in planning, for example, will offer a better pairing than one who finds finance fascinating and one who is interested in programs.

2. Attend a function together. A veteran board member can make things more comfortable by making introductions to staff, clients and stakeholders.

3. Have the mentor impart a sense of history. Some new board members think the organization's history began with their election. A veteran mentor should always offer perspective on the nonprofit's history with the issues it faces. ■

### Personalize mailings to boost results

If your board members write appeals or thank you notes for gifts received, suggest they personalize their writing.

Consultant Jerold Panas suggests strategies like these to personalize mailings:

- Refer to last year's gift.
- Talk about connection to the organization. "If possible, talk about the prospect's days on the football team or in the marching band."

"In every situation, tell how much you know about the probable donor," Panas wrote. "It binds him or her to the institution."

For information, [icg@instituteforgiving.org](mailto:icg@instituteforgiving.org). ■



## Board Member Profile

Thank you for your interest in our board. We look forward to having you share your experience, skills and background with us. By providing us with the following information, you will assist us in creating a partnership that is mutually beneficial.

Name:

Home Address:

Home Phone:

Office Address:

(Please mark the address you would like us to use for mail and other written communication)

Office Phone:

E-Mail:

How are you familiar with our organization? Do you have any relationships with current board members or employees?

What would you hope to help us accomplish as a member of the board?

How do you view the role of a board member? Discuss your approach to governance and commitment and the importance of meeting attendance.

What specific skills or experience would you most like to share with us as a potential board member?

Educational background (please include schools/institutions, city/state, degree(s) — also continuing education):

What is your current occupation? (Please include a brief statement of duties.)

Boards on which you serve or have served:

Organization:

Type of Involvement:

Community and professional organizations:

Organization:

Type of Involvement:

Please provide the names of three references not affiliated with our organization:

- 1.
- 2.
- 3.

Which specific committees interest you?

- Finance       Fund Development       Personnel  
 Membership       New Program Development  
 Public Relations       Other (Please describe below) ■

