



**BOYS & GIRLS CLUBS  
OF AMERICA**

## *Board Structures*

# Participant's Guide

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## Basics of Board Governance: Board Structures

### Welcome & Introductions

In this section, we'll address Board Structures.

### Topic Objectives

By the end of this topic, you will be able to:

- Summarize the differences between committees, task forces, and advisory councils
- Utilize the committee structure trends to strengthen your board's committee and task force structure

### Lesson Titles

Within this topic we will cover the following lessons:

- Board Structures Overview
- Committee Structure Trends
- Tips for Successful Committees

## LESSON 1: BOARD STRUCTURES OVERVIEW

### Practices of Exceptional Boards

In its publication *The Source: The Twelve Principles* that Power Exceptional Boards, BoardSource indicates that how a board does its work (not just what it does) is an important aspect of creating an exceptional board. Principle 10 of *The Source* – Intentional Board Practices - speaks to the importance of board structure. This principle states that “Exceptional boards intentionally structure themselves to fulfill essential governance duties and to support organizational priorities. Essentially exceptional boards think explicitly about size and structure; they value efficiency and flexibility in leadership structures.”

### Board Size – Trends

Boards must be thoughtful and intentional about their size. There is certainly no one size fits all, but there are some specific trends we can look at.

According to the 2007 BoardSource Nonprofit Governance Index, over the last decade, average board size has stayed relatively constant at 16 members. In the survey across the Movement conducted by BGCA and BoardSource, it was identified that the average Boys & Girls Club governing board had 21 members in 2008.

There’s no one right size, however, so each board must determine how many members it needs to work efficiently and effectively. The 2007 BoardSource Governance Index does, however, surface a sweet spot. Boards with 15 to 22 members are rated as more effective by their chief executives and repeatedly report better governance practices.

Also, it’s interesting to note that in the BoardSource Governance Index, nonprofit chief executives experience a Goldilocks phenomenon. Those with large boards wish for smaller board, those with small boards wish for larger boards, and those with boards of 15 to 22 members feel their board size is “just right.”

A general rule of thumb in determining board size is that you want the board to be big enough to incorporate a diversity of perspectives and small enough to facilitate both active participation and effective decision making.

Let's turn our attention now to other components of board structure.

The enormous responsibilities of the nonprofit board cannot be accomplished efficiently through board meetings in which everybody does everything. To make effective and efficient use of time and resources, use small groups to perform the following functions:

- Investigate issues and identify pros and cons of various options
- Develop proposals for action
- Implement decisions as delegated

### **Types of Work Groups**

There are various types of work group structures that can exist in any given organization.

### **Standing Committees**

Standing Committees of the board are work groups that deal with ongoing issues, such as financial oversight or governance. While the members of these committees should rotate on and off, the committees themselves last indefinitely because there is a continuous flow of work for them to deal with.

### **Task Forces**

Task Forces are established to accomplish specific objectives – such as reviewing bylaws or planning retreats—within a specific timeframe. They are established on an as-needed basis; when the work is done, the group disbands.

### **Advisory Councils**

Advisory Councils are created to advise and support the Club. They may be designed to advise either the board or the staff. Advice can come in the form of technical expertise, connections, and assessment of various programs. Additionally, they may provide important fundraising/resource development assistance to the Club. Advisory council members have no legal responsibilities.

### Multi-Unit Structures

These groups are sometimes called advisory boards, especially if they are serving as a support mechanism for Club units or sites. However, use of the term “board” can lead to confusion as to what entity – the advisory board or governing board – carry actual and legal responsibility. In all cases, the governing board, sometimes thought of as the corporate board, is the ultimate authority. Using the term “council” can help avoid this confusion. Whatever term is used, it is important for everyone concerned to be aware of what kinds of responsibilities are carried by an advisory body and to whom it is accountable.

Additionally, there are some staff committees that implement the policies and direction set by the board. The staff committees typically report to the CPO.

A large club with sites in different locations may establish a unit advisory council for each site. Some Boys & Girls Club organizations have established unit advisory councils as a result of experiencing growth. With multi-units, Clubs have found unit advisory councils to be an integral component linked to the success of the organization.

For example, for a Club that has a unit that is geographically distant from other units, the unit advisory council is critical in focusing their work to represent the community. Mergers are another reason advisory councils have evolved. Management agreements between Clubs and other youth serving organizations have also led to the creation of unit advisory councils.

Some Clubs establish advisory councils to assist with specific duties such as fundraising or keeping in touch with particular constituencies.

It is important to recognize that while members of these groups take on important responsibilities in support of the unit, they are operating under the policies established by the Club’s governing board -- this is the group that carries legal authority and accountability.

### Advisory Councils

Advisory council members have no legal responsibilities; they have no vested right to serve; and they have no immunity from removal. It is wise to limit the council's actions to making recommendations and providing background information for board decisions.

A number of helpful resources exist which delineate the differences in roles and responsibilities between the governing/corporate board and unit advisory councils such as the Unit Advisory Council – New Council Member's Handbook and Orientation Guide.

An advisory council usually functions like any committee of the board. In establishing advisory councils, it is important to utilize the following guidelines to set the council up for success.

First develop a written statement with the council's

- Purpose
- Membership criteria and responsibilities
- Operations (Meetings? Attendance? Leadership)
- Reporting relationships (to board, CPO, or staff?)

To ensure effective operations and to avoid misunderstandings let each member know what is expected. BGCA has very thorough resource guide you can consult in forming advisory councils; the guide is called, UNIT ADVISORY COUNCIL NEW COUNCIL MEMBER'S HANDBOOK AND ORIENTATION GUIDE.

The form and structure of the advisory council will be driven by its purpose. However, three common committees on advisory councils include: Operations; Resource Development; Support Services. More information can be found on the aforementioned handbook – including information on officers.

### Job Description for Individual Unit Advisory Council Members

**Job Title:** Unit Advisory Council Member

**Accountability:** Corporate Board of Directors and or assigned board or staff delegate

**General Function:** To advise the corporate board and the assigned unit staff leadership of the Boys & Girls Clubs of **(Your City)** on specific matters regarding community needs, program strategy, facilities, and community awareness of the unit's role in achieving the organization's mission and purpose. To secure funding for the local Club as determined and appropriate.

#### **Know-How**

- Has achieved recognition and status within the community.
- Is knowledgeable about the social concerns of the community.
- Has the resources and ability to influence resources to apply to the needs of the Boys & Girls Club.

#### **Key Role**

Under the policies and procedures of the corporate board of the Boys & Girls Clubs of **(Your City)**, attend to the following key roles:

- Trusteeship: In keeping with the corporate mission, be responsible for protecting the mission of the local Boys & Girls Club unit of service.
- Advocate and Mission Messenger: Communicate the impact and mission of the unit Club and Corporation in meeting the needs of children.
- Build Community Awareness: Understanding the short and long terms needs of the community and its youth.
- Planning: Offer advice and insight in planning for the address future.
- Policy and Evaluation: Adhere to the evaluation and policies of the corporate board of directors.
- Networking and Collaboration: Interface with community business leaders and program partners to secure resources for the local Club.
  - **Resource Development:** Raise and contribute funds for benefit the unit Club and support corporate services.

#### **Competencies**

- Awareness and Understanding of the short- and long-term needs of the community and its youth
- Networking and Collaboration with community business leaders and program partners to secure resources for the local Club
- Serve as an Advocate and **Mission Messenger** for the unit Club and Corporation

### Duties

- Complete the unit advisory council profile and annual involvement plan.
- Participate in and complete an orientation session for new unit advisory council members.
- Serve as an active member of a least one (1) unit committee and other council-related work.
- Interact and participate in a positive relationship with other unit advisory council members, the corporate board, and professional staff.
- Serve as a spokesperson for the Boys & Girls Club in your formal and informal networks.
- Assist in financial development for the unit and organization by making a personal financial contribution and by participating in the unit's fundraising projects.
- Participate in the development of the unit's strategic plan; ensure congruence with the corporate planning process.
- Attend and participate in (X %) of unit advisory council meetings (weekly, monthly, etc.) and activities conducted or sponsored by the local unit, Boys & Girls Clubs of (Your City), and the community.
- Stay abreast and keep informed of Club activities by reading advisory council minutes and web-based information.
- Participate in evaluating your individual and the overall success of the unit advisory council.
- Participate in the completion of Commitment to Quality for the unit Club.
- Ensure open communication and proactive problem solving with the corporate board and its assigned delegates.
- Be single-minded in carrying out the mission of the corporation to meet the needs of the unit Club.

## LESSON 2: COMMITTEE STRUCTURE TRENDS

### Committee Structure – Trends

There are a number of important trends in committee structures that all Clubs and their governing boards should keep in mind when devising or revising their work group structures.

### Committee Structure – Trend #1

First, there is generally a movement away from committees that mimic operations (e.g. program). Generally, it is not advisable to have board committees that mirror staff structure as staff is already doing the job. Staff report to the CPO and oversight of staff and oversight of staff is not a board responsibility.

### Committee Structure – Trend #2

It is advisable to keep committee structure simple and flexible and aligned with the organization's strategies.

In general, boards are using fewer standing committees and making more use of time-limited task forces. In this way they are making more flexible use of board member time, interests, and knowledge.

In general, it's best to minimize the number of standing committees to:

- Three to four standing committees (e.g., Governance, Resource Development, Finance, Audit) and
- Make use of Short-term task forces as needed

Also, some are using a Zero-based committee structure. This method of forming committees prevents committees from becoming cumbersome and helps the organization remain innovative. Under a zero-based committee structure the board starts every year (or two) with a clean slate of no committees. When the organization decides its organization's priorities, for example through a strategic planning process, committees are formed to address these priorities. All committees are ad hoc and disband once they meet their objective(s).

Clubs with small budgets and with limited staff may determine that special task forces or committees (i.e., certain operational committees such as Marketing/Public Relations, Human Resources) are needed to carry out the work of the Club. Such groups can add to the expertise and people-power available to the Club. They do not, however, need to be composed of board members since they will essentially function as volunteer staff. This is also a good way to involve additional community members in Club support and may serve as preparation for later board service. Whether or not board members are involved, roles and responsibilities need to be clearly delineated and lines of accountability established. Groups that assist in implementing the work and plans of the Club should report to the CPO rather than to the board. Care needs to be taken to ensure the board does not intentionally or inadvertently move into a micromanagement role.

### **Committee Structure – Trend #3**

Evolve your nominating committee into a governance committee. In recent years governance committees have replaced nominating committees (used to identify and recommend new directors for the board). The governance committee broadens the scope, expands the importance, and is more proactive than a traditional nominating committee. The governance committee might identify special expertise needed by the board, ask a board member to step down to make room for someone whose skills are more urgently needed at a particular point in time, or it might recognize malaise on the board and recommend action to rectify. If your board prefers to call it by another name – that is just fine – but the charge of the committee should go beyond just nominations.

### **Committee Structure – Trend #4**

It is important to have a finance committee that knows its role and contains a number of members with some financial background.

The BGCA Standards of Organizational Effectiveness indicate that Clubs should have an active board finance committee that:

- develops and monitors financial practices,
- reviews financial statements and reports,
- develops an investment strategy, and
- assures the organization has a risk management plan.

For those Clubs with budgets larger than \$2 million, it is recommended that the Club have a separate Audit Committee.

In wake of self regulation in the nonprofit sector following the implementation of Sarbanes-Oxley in the private sector and a number of nonprofit sector scandals, a 2005 survey of nonprofits indicated that 20 percent of respondents had an independent audit committee (See "Nonprofit Governance and the Sarbanes-Oxley Act," by Francie Ostrower and Marla J. Bobowick). A more recent survey conducted by BoardSource (the 2007 Governance Index) found that 54 percent of those surveyed had an Audit Committee and 28 percent of organizations separate the audit from the finance committee.

If the committees are separate, the finance and audit committees should have different membership. These committees can also include non-board members who bring added expertise to supplement the knowledge of board members. It is important that this committee selects the auditor and ensures a good auditing process.

### Committee Structure – Trend #5

If a board has an executive committee, it is essential to ensure that it is not too powerful and that its purpose and authority level are defined in the bylaws. If the executive committee has the power to act on behalf of the board, the bylaws need to define the limits of this authority; otherwise it has a capacity to make major organizational decisions that normally should belong to the full board. To ensure that the full board remains in control, the decisions of the executive committee need to be confirmed during the following board meeting.

### Committee Structure – Trend #6

Regular meetings of the Executive Committee between board meetings is also an inefficient use of committee member time who end up in effect going to two board meetings.

Limit the role of the Executive Committee to keep the full board engaged

- Never have the Executive Committee meet regularly
- Give the Executive Committee two purposes: review CPO and handle emergencies
- Specify a limited role for the Executive Committee in the bylaws
- Ensure that the Executive Committee reports back to the board promptly

Finally, in establishing a work group structure, create a structure that builds productive relationships.

Remember that:

- While all board members should be prepared to pitch in as needed, not all of them need to be on a standing committee
- Appoint effective committee chairs
- It is often possible to recruit outsiders to serve on board committees as appropriate (e.g., audit)

## Committee Structure Trends

### Trend #1

- *Movement away from committees that mimic operations (e.g., program)*
- *Don't have board committees mirror staff structure*
  - Staff is already doing the jobs
  - Staff reports to the CPO
  - Oversight of staff is not the board's responsibility

### Trend #2

- *Fewer standing committees and more use of ad hoc committees and time-limited task forces*
- *Minimize the number of committees to*
  - Three to four standing committees (e.g., Governance, Resource Development, Finance, Audit)
  - Short-term task forces
- *Consider zero-based committee structure*

### Trend #3

- *Increased use of Governance Committees (instead of Nominating Committees)*
- *Consider a Governance Committee*
  - Promotes and provides education about the Club, field, and governance
  - Assesses the Club's governance needs
  - Identifies, nominates, and orients new members
  - Initiates board assessment
  - Organizes the annual board retreat

### Trend #4

- *Effective financial committees have sufficient financial expertise*
- *Increased use of Audit Committees (separate from Finance Committees, if you can)*
- *Consider an Audit Committee for Clubs with budgets larger than \$2,000,000*
  - Independent committee
  - Different membership than the Finance Committee
  - Can include "outsiders" with financial experience
  - Selects auditor and ensures a good auditing process

### Trend #5

- *Clarify use of the Executive Committee*
- *Limit the role of the Executive Committee to avoid creating an inner and an outer circle*
  - Give the Executive Committee two purposes: review CPO and handle emergencies
  - Specify a limited role for the Executive Committee in the bylaws
  - Ensure that the Executive Committee reports back to the board promptly

### Trend #6

- *Create a structure that builds productive relationships*
  - Not all board members need to be on a standing committee
  - Recruit outsiders to serve on board committees and task forces, as appropriate

## Exercise: Reflect on Your Committee Structure

**1. Read the three definitions below:**

- **Standing Committees** are work groups that deal with ongoing issues, such as financial oversight or governance. While the members of these committees should rotate on and off, the committees themselves last indefinitely because there is a continuous flow of work for them to accomplish.
  
- **Task Forces** are established to accomplish a specific objective – such as reviewing bylaws or planning retreats—within a specific timeframe. They are established on an as-needed basis; when the work is done, the group disbands.
  
- **Advisory Councils** are created to advise and support the Club and its board. Advice can come in the form of technical expertise, connections, or assessment of various programs. Advisory council members have no legal or formal responsibilities.

**2. List all of your board’s standing committees in the table below.**

**3. Think about the committees you’ve listed.** Could any of the work of these committees be done as a task force? Could any of the work be tackled by an advisory council rather than the governing board? If so, enter the following: “TF” for a task force or “AC” for advisory council.

Your Board’s Standing Committees	Could the work of the committee be done by a task force (TF) or advisory council (AC)?

**4. Board Committees vs. Staff Committees**

Board committees are those that help the board fulfill its oversight and policy-making roles. Staff committees are those that implement the policies and directions set by the board and usually report to the CPO.

Could or should any of the committees that you’ve listed above be staff committees instead of board committees?

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### LESSON 3: TIPS FOR SUCCESSFUL COMMITTEE

#### Tips for Successful Committees

While these tips are presented as referring to committees, they are also relevant to task forces. A few simple guidelines can help ensure the success of both kinds of work groups:

1. Develop written statements of group responsibilities, guidelines, and annual goals and review and revise them periodically.
2. Appoint an effective chair who clearly understands the Club, the role of the group, and the importance of conscientious leadership.
3. Thoughtfully choose group members whose experience, skills, and interest support the goals of the group and complement the abilities of their fellow members.
4. Create written job descriptions for members. State expectations clearly. Distribute tasks reasonably among members.
5. Arrive at a clear understanding of the relationships and respective roles of board, committees, task forces, CPO, and other staff.
6. Give members thorough information to aid in their decision making.
7. Make timely reports to the board on committee actions and recommendations, allowing the opportunity for members to consider the information before discussion.
8. Set terms of service for committee members to ensure new perspectives and to give board members the opportunity to contribute in different areas.
9. Set meeting schedules well in advance, in consultation with members.

10. Make effective use of meeting time by sending materials and an agenda to members well ahead of scheduled meetings and by moving through the agenda in a businesslike way. Use a more informal format when that is appropriate for the specific committee or task force.
11. Schedule an orientation session for new committee members.
12. Conduct an annual evaluation to assess the committee's accomplishments in relation to its goals.
13. Recognize and express appreciation for the achievements of committee members.

## Sample Board Officer Job Descriptions

### (CVO) Chief Volunteer Officer

#### *Sample 1*

**Title:** Chief Volunteer Officer Club (some organizations utilize the term chair or president to denote the position)

#### **Key Responsibilities**

- Presides at all meetings of the board, the executive committee (if the board has such a committee), and other meetings as required.
- Works with the chief professional officer (CPO), board officers, and committee chairs to develop the agendas for board meetings.
- Appoints volunteers to key leadership positions, including chairs of all board committees and service committees. The CVO is an ex officio member of all committees of the Club.
- Oversees implementation of organizational policies and ensures that appropriate administrative systems are established and maintained.
- Supports annual fundraising with his or her own financial contributions. Recognizes his or her responsibility to set the example for other board members. Thanks and solicits other board members and gifts from potential donors.
- Works with the Governance Committee on board development.
- Facilitates communication among the board and between the board and staff.
- Guides evaluations of the Club, CPO, and the board.
- Maintains visibility in the community.
- Works with the board and paid and volunteer leadership, in accordance with XYZ Club bylaws, to establish and maintain systems for
  - planning the Club's financial resources and setting priorities for future development
  - reviewing operational and service effectiveness and setting priorities for future development
  - controlling fiscal affairs
  - acquiring, maintaining, and disposing of property
  - maintaining a public relations program to ensure community involvement
  - ensuring the ethical standard
- Supports the Boys & Girls Club Movement

**Elected By:** Board    **Reports To:** Board    **Support:** CPO

**Length of Term:** \_ year(s)    **Time Commitment:** Negotiable

#### **Qualifications**

- A commitment to XYZ Club and its values; an understanding of XYZ Club's objectives, organization, and services; an understanding of the responsibilities and relationship of paid and volunteer staff
- Knowledge of and influence in the community

### **Sample 2**

*Responsibilities of the Chief Volunteer Officer (some organizations utilize the term chair or president to denote the position):*

- Presides at all meetings of the board
- Prepares agendas for all meetings of the board of directors in cooperation with the chief professional officer
- Chairs the Executive Committee (if the board has such a committee)
- Assures that all policies established by the board and provisions of the Club's constitution and bylaws are carried out
- Appoints all standing and ad hoc committees and serves as ex-officio member of each
- Assures that all officers, committee chairs, and the chief professional officer perform their duties and provide timely reports as deemed necessary
- Serves as primary volunteer spokesperson for the Club; promotes good community and interagency relations, interpreting the philosophy, goals, policies, and scope of the Club
- Assures compliance with the membership requirements of the Boys & Girls Clubs of America and maintains liaison with the Boys & Girls Clubs of America through the regional service center
- Attends and/or assures board representation at Area Council meetings, the National Conference, and other conferences designed for board volunteers
- Signs such documents as authorized by the board, including the annual report
- Chairs the annual performance review of the chief professional officer

### **Vice Chair**

**Title:** Vice Chair

#### **Key Responsibilities**

- In CVO's absence:
  - presides at meetings of the board
  - serves as chair of executive committee (if Club has such a committee)
  - serves as member of standing committees
- Provides leadership and guidance to designated committees
- Supports the Boys & Girls Club Movement

### **Secretary of the Board**

**Title:** Secretary of the Board

#### **Key Responsibilities**

- In advance of meetings, provides written agendas of the sessions of the full board and the meetings of the standing committees.
- In advance of meetings, distributes to board members appropriate background information on subjects to be discussed.
- Communicates with board members about meetings, attendance, and terms
- Prepares and provides written minutes to board members in the specified time.
- Files the approved minutes and maintains the official list of board members in accordance with procedure.
- Guards the Club's institutional memory by assuring the preparation, accuracy and timeliness of meeting minutes.
- Serves as a signatory on official documents.

### **Treasurer**

**Title:** Treasurer of the Board

#### **Requirements**

- Knowledge of the organization and personal commitment to its goals and objectives
- Understanding of financial accounting for nonprofit organizations

#### **Key Responsibilities**

- Serves as financial officer of the organization and as chair of the finance committee
- Manages, with the Finance Committee, the board's review of and action related to the board's financial responsibilities
- Works with the chief professional officer and chief financial officer (or other relevant staff) to ensure that appropriate financial reports are made available to the board on a timely basis and on other fiscal matters
- Assists the chief professional officer or the chief financial officer in preparing the annual budget and presenting the budget to the board for approval
- Oversees the integrity of the financial control systems
- Reviews the annual audit and answers board members' questions about the audit