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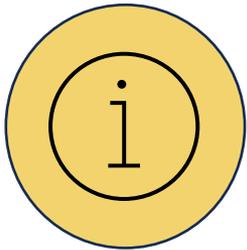
**SOLUTIONS BEYOND
THE OBVIOUS**

Board Oversight and Not-for-Profits

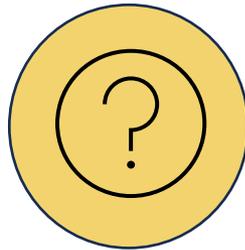
August 27, 2024

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We will send
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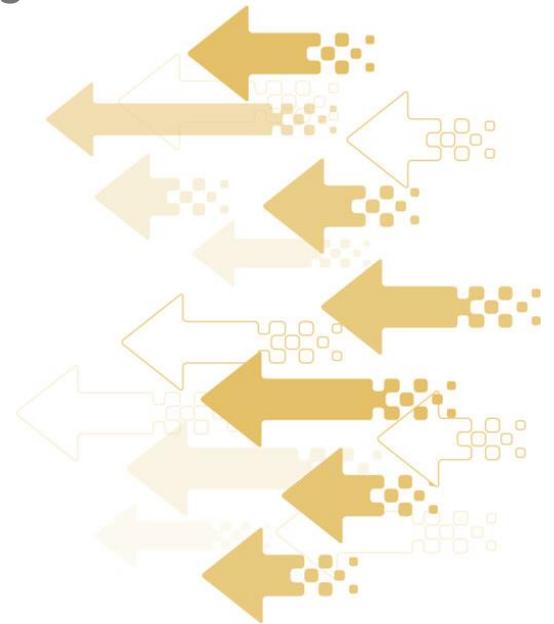
Today's Presenter



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Topics

- Board Responsibilities and Fiduciary Duties
- Policies and Procedures
- Board Committees
- Maximizing Value During Board Meeting
- Rebuilding your Current Board
- Crisis Management
- Fundraising Responsibilities



Why Board Engagement Matters

- An engaged board is a forward-thinking board that strives for a collaborative partnership with the CEO/executive director.
- Engaged boards “work” between board meetings and attend meetings well prepared.
- They are willing to deliberate candidly, confidently treading on sensitive topics that may result in “messy” discussions because they trust one another and are comfortable with the culture of the Organization, confident that everyone values mutual respect.

Board Responsibilities



Fiduciary Duties

- **Duty of Care:** Board members need to exercise reasonable care in overseeing the organization's financial and operational activities. Although disengaged from day-to-day affairs, they should understand the nonprofit's mission, programs and structure, make informed decisions, and consult others — including outside experts — when appropriate.
- **Duty of Loyalty:** Board members must act solely in the best interests of the organization and its constituents, and not for personal gain.
- **Duty of Obedience:** Board members must act in accordance with the organization's mission, charter and bylaws, and any applicable state or federal laws.
- **Duty of Confidentiality:** Board members must keep certain types of information confidential. They must not use the information they see or hear in the scope of their position for personal gain.
- **Duty of Prudence:** Board members are expected to handle matters with a high degree of professionalism and be accountable approving expenditures wisely.
- **Duty to Disclose:** Board members to be forthright in their speech and behavior. If they have information that would influence their decisions or impact the decisions of other board members, they have a duty to make that information known.

Policies and Procedures Goals and Key Areas

Goals

- Protects the resources of the Organization
- Facilitates the maintenance of accurate records of the Organization's financial activities
- Provides for consistency
- Provides a resource for training staff
- Assists with compliance with government, legal and reporting requirements.

Key Areas

- Conflict of Interest Policy
- Related Party Transaction Practices
- Whistleblower Policy
- Code of Ethics
- Travel & Expense Reimbursement Policy
- Gift Acceptance Policy
- Document Retention Policy
- Cybersecurity /IT Policy
- Equal Employment Opportunity Policy



Board Committees

- Most boards cannot do all the work and do it well during a normal board meeting. That is why it is important to have well-functioning committees to assist the board with its work.
- Committees are created to provide counseling and advice for the board or to handle certain tasks on the board's agenda and is comprised of individuals with special expertise.
- Committees allow the Organization to make decisions when the board is not in session. This is helpful for larger boards and boards that do not meet monthly.
- Some board committees are authorized to take final actions, without further board approvals, such as an executive or audit committees.

Typical Board Committees

- Committees fall in several categories:
 - Required in the By-Laws
 - Can act on behalf of the full board
 - Advisory
 - Optional

Executive

Audit/Finance

Board
Development

Investment

Compensation

Fundraising



Maximizing Value During Board Meetings

- **Send out the agenda beforehand**, so everyone knows what to expect and can prepare as necessary: basic but important!
- **Stick to the agenda.** Give each agenda item a set timeframes on the agenda consistently shows board and committee members that they, and their time is valued.
- **Create the rules of engagement** for the meeting, such as sharing meeting norms and expectations, (i.e., cell phone use policy, if your meeting is virtual, is it acceptable for members to turn their video screen off?)
- **Complete post-meeting tasks.** Board meeting can't be effective if there's no follow-up. Find answers and supporting materials for any questions that might have arisen during the meeting and make sure unresolved items are placed on the next meeting's agenda.
- **Keep good minutes and document decisions.**

Rebuilding your Current Board – Assess What you Have

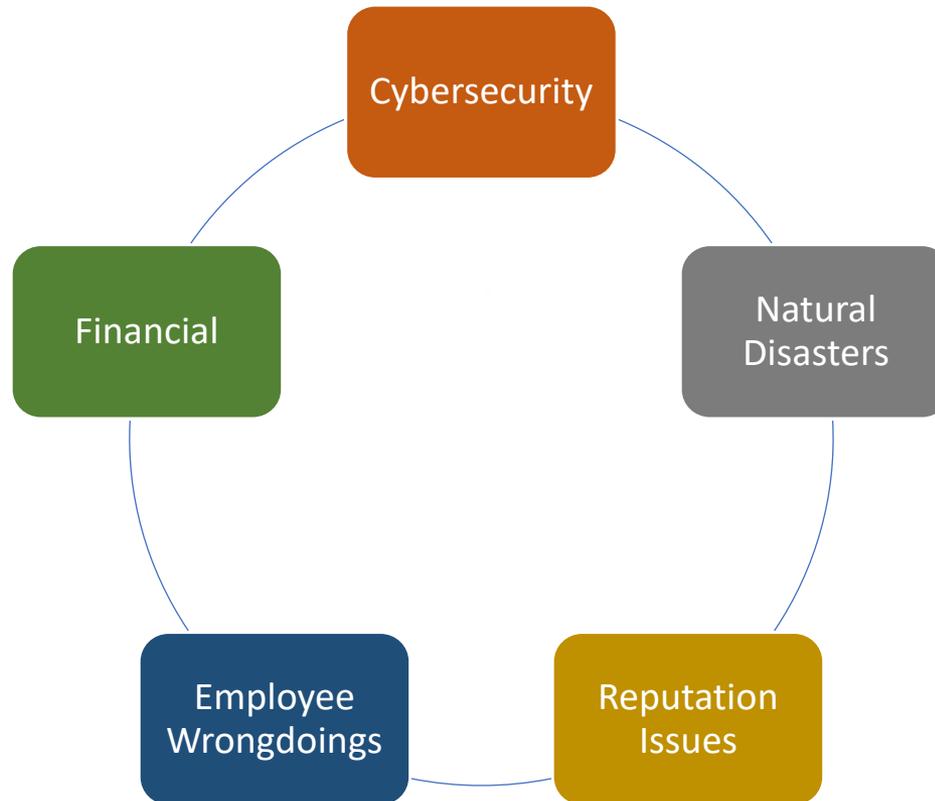
- **Does the board have too few, too many or the right number of members?**
 - The right board size depends on many factors, including your organization's size and complexity of operations.
- **Does its made-up represent a range of diversity and inclusiveness?**
 - Diversity can cover gender, race, religion, disability, geography, age, expertise and other factors. Inclusiveness is how well the board's makeup mirrors your organization's mission.
- **How does each member align with the mission statement of the Organization?**
 - Ask members to provide personal statements that define their passion for your cause and your organization's specific approach to the cause.
- **How does each member contribute?**
 - Some organizations ask board members to sign contracts outlining their commitment, including the time they'll commit, the funds they promise to donate or raise, and the duties they'll perform.



Rebuilding your Current Board – Find Qualified Candidates

- Identify potential board members that bring at least one of the three W's (Wealth, Work, and Wisdom) to the table.
- Ask current board members for help.
- Meet your donors with a board-aware mindset.
- Invite community leader to an event such as an informational luncheon or a meet and greet to learn about your organization and ask for recommendations.
- When making public appearances, mention that you're looking for people interested in becoming active volunteers or board members.
- Advertise in a local newspaper, alumni newsletter and newsletters.
- Consider whether any current volunteers are qualified to serve as board members.

Crisis Management - Types



Crisis Management – Best Practices

- **Anticipate, organize, and prepare**
 - Identify the most likely and impactful crisis scenarios
 - Create a crisis management response team
- **Protect your organization financially**
 - Identify the immediate impact of cash inflow and outflow
 - Analysis budget variances
 - Consistency of financial statements
- **Support your people**
 - Ensure your people have the tools necessary to continue their work
- **Facilitate open communication**
 - Communicate quickly and effectively
- **Reassess your risk profile**
 - Learn from the past
- **Be adaptative**

Fundraising Responsibilities

- Make a personal annual gift
- Understand your organization's fundraising programs and strategies
- Help thank donors
- Help identify prospective donors and oper introductions
- Help cultivate donors
- Only when appropriate ask for contributio
- Support and encourage the fundraising team
- Ensure the fundraising has adequate resources and support
- Attend public events and bring prospects



Motivate Board Members to Fundraise

- Set expectation
- Train board members to fundraise
- Explain why fundraising is important to your organization
- Set an individualized work plan for each board member
- Create opportunities for each board meeting
- Show support
- Share progress consistently
- Emphasize fundraising at every board meeting
- Make it fun





Questions

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