

TAKING TIME

for Board Engagement Strategies

Amidst swirling discussions about corporate governance reforms, charitable giving legislation, and misconduct in the philanthropic sector, foundation boards are experiencing an unprecedented level of public scrutiny. Their role, responsibilities, and accomplishments have been brought into sharp focus, causing many foundations to review and make changes to board policies, committee structures, and other governance practices.

Whether or not serious governance issues need to be addressed, this is a good time to make sure appropriate policies and procedures are in place, assess how effectively the board is working, identify areas for improvement, and consider implementing new strategies to further engage trustees in the work of the board and the foundation. As health funders grapple with the call for increased accountability and strive to have a stronger impact within the communities they serve, the role of the foundation board is more important than ever.

A CHANGING ROLE

Health funders are closely involved with the communities they serve, their grantees, and the health issues addressed by their work. *Collaboration, partnership, sustaining, and leveraging* are words now woven throughout foundation value statements and grantmaking guidelines. Gone for many are the days when foundation board meetings were simply devoted to reviewing consent dockets and the return on financial investments. Trustees are now in a unique position of navigating foundation assets through variable market returns, adopting new grantmaking strategies to address emerging and critical health issues, and trying to gauge a foundation's impact on society.

"Foundation board positions are no longer ceremonial positions," says Emmett Carson, president and CEO, The Minneapolis Foundation, and vice chair, the Council on Foundations. "Board members must be fully engaged in the oversight of their foundations' operations and must actively seek to improve their skills" (Carson 2003).

REAFFIRMING COMMITMENT TO THE FOUNDATION'S WORK

Trustees are among a foundation's most valuable assets – the individuals devote numerous hours as volunteers; draw upon considerable areas of expertise; provide knowledge of key health issues or target populations; and, above all, display a steadfast commitment to the mission and values of the founda-

tion. These credentials often mean that trustees also have busy work schedules, multiple volunteer commitments, and a finite amount of time to dedicate to the foundation.

Although a board of directors can bring valuable knowledge to the board table and possibly represent the concerns and needs of key constituents, foundation trustees often miss other opportunities to develop, apply, and generate new knowledge about a foundation's programmatic goals and overarching mission. The following tactics can be considered and employed to ensure that a board does not become insular and can help re-energize trustees, educate them about key health issues, increase their involvement, foster stronger leadership, and renew board members' commitment to the foundation.

► Board Policies, Nominating Committee, and Orientation

- On an annual basis, the board chair and the executive committee should review the foundation's conflict of interest policy to see whether the language and codes of conduct are still appropriate. They should also make sure that each trustee signs the policy yearly and that the signed documents are on file.
- The nominating committee (sometimes called a board development committee or governance committee) plays a critical role – especially for foundations with self-perpetuating boards – in helping to create an effective and engaged board of directors. As committee members watch over board composition, they can make sure there are trustees who represent the communities being served, identify and bring before the board others who are committed to the foundation's mission, and help introduce succession planning for leadership positions.
- The board orientation manual can also be updated on an ongoing basis with newly adopted policies, procedures, and standards. This is a key tool for spelling out trustee roles and responsibilities, including required level of involvement, mandatory meetings, and approximate amount of time needed. Many foundations include a trustee job description and reserve time with the entire board to revisit the manual yearly.

► Board Meeting Agenda and Materials – The foundation's CEO or executive director and its board chair should:

- Periodically assess how board meetings and materials are structured, restate goals for the meetings, determine if

permanent agenda items should be added or deleted, and discuss board members' involvement in and contribution to these meetings.

- Ask board members in a questionnaire or in an open conversation if they feel that the current meeting format is effective and allows them time for open conversation, learning opportunities, interaction with program staff, etc.
 - Be open to new ways of doing business. One board chair recommends the following: at the end of each meeting, set aside 10 minutes to go around the table and ask each person to comment briefly on the meeting, the foundation, or any other relevant matters. Quiet trustees will have a chance to add to the discussion, and the board chair and executive director will receive input for future agendas and activities.
- **Ongoing Board Education** – Board education is an important component of board service and overall foundation effectiveness. It helps trustees to stay current with key issues, make informed decisions, and recognize new opportunities.
- Determine areas of interest for ongoing board education or special workshops, such as implications of health policy decisions and budget cuts, program evaluation outcomes, assessing the foundation's impact, or ethics. Have rotating board members work with staff to plan and help present the sessions or include outside speakers. These can be scheduled several times a year as part of regular board meetings.
 - Require that trustees accompany program staff on one or two proposal site visits per year or arrange board field trips. Some foundations rent a passenger van for trustees and visit grantees, tour neighborhoods, or attend special trainings. After the outings, reserve time at the next meeting for trustees to discuss their experience.
- **Board Self-Assessment** – One of the best ways a grantmaking board can improve its effectiveness is by creating a formal process for evaluating their own performance. Board self-assessments can help identify important areas of board operation that need improvement; measure progress toward the board's existing plans, goals, and objectives; define the criteria for an effective and successful board of directors; build trust, respect, and communication among board members; and enable individual board members to work more effectively as a team.
- **Experiment with New Approaches** – Another way to re-energize a foundation board and potentially improve foundation effectiveness is to experiment with new approaches to grantmaking.
- Ask staff to bring forward proposals that they think offer innovative solutions, even if the applicant does not have a track record.
 - Set aside a small portion of the annual grant budget for

funding risky ideas.

- Let staff discuss grants that did not work and support learning through failures
- Consider making program-related investments and joining funding collaboratives.
- Have board members report on their own discretionary grants, outcomes, and lessons learned.
- Look to make new partnerships with other sectors, such as corporations, schools and universities, or government.

LEADING WITH INTEGRITY

The role of a health foundation board member is to govern and support the organization; both the level of involvement and the nature of that involvement are important. The more a trustee is engaged with the foundation, receptive to learning and sharing, and able to represent the needs and interests of the community, the more valuable the experience will be for the trustee as well as the foundation.

SOURCES AND RESOURCES

BoardSource, *Self-Assessment for Foundation Boards* (Washington, DC: 2000). This guide can be ordered on-line at www.boardsource.org.

Carson, Emmett D., The Minneapolis Foundation, "Current Challenges to Foundation Board Governance: A Worst Case Scenario or The Perfect Storm?" remarks at Council on Foundations' Board Trustee Dinner, April 27, 2003. This speech can be downloaded from www.cof.org/files/Documents/Speeches%20Important%20not%20CEO/carsonspeech42003.pdf.

The Center for Effective Philanthropy, *Foundation Governance: The CEO Viewpoint* (Boston, MA: 2004). The report can be downloaded at www.effectivephilanthropy.com/research/CEOfdgovernance.pdf.

Hughes, Sandra R., "The Boardroom – Governing More, Nominating Less," *Foundation News & Commentary*, January/February 2003.

Klusman, James E., "The Boardroom – Bringing Personal Accountability on Board," *Foundation News & Commentary*, May/June 2003.

Masaoka, Jan, "Around the Horn," *Board Café*, February 14, 2003.

Masaoka, Jan, "The CompassPoint Model for Governance & Support," *Board Café*, July 22, 2003. Current and past issues of *Board Café*, the newsletter exclusively for members of nonprofit boards of directors, are available at www.boardcafe.org.

For additional help with governance issues, visit GIH's Web site at www.gih.org. Click on the "Building Effective Health Foundations" link on the homepage, and follow the link for "Board Issues." You can also contact GIH by phone at 202.452.8331 for more information.