Welcome

Christopher Johnson
Florida Philanthropic Network,
Director of Programs & Learning
@chrisj1914
@FLphilanthropy
Questions & Conversation

Submit your questions in the Chat Box

@flphilanthropy
#LearnFPN
IS’ Principles for Good Governance and Ethical Practice

- In response to accusations of malfeasance in the sector.
- IS established Panel on the Nonprofit Sector.
  - Recommendations to Congress incorporated into Pension Protection Act of 2006
- 200,000+ downloads and hard copies distributed.
- In 2015, second edition was published that incorporates advances in technology and ways in which charitable organizations function.
**IS’ Principles for Good Governance and Ethical Practice: Effective Governance**

- *Policies and procedures a board of directors should implement to fulfill its oversight and governance responsibilities effectively*

- Boards should be:
  - Independent
  - Diverse
  - Educated about their role & the organization
  - Self-evaluation
  - Program evaluation

- Risk tolerance
- Executive compensation
- New income streams
Principles for Good Governance and Ethical Practice: Effective Governance

Vernetta L. Walker, J.D.
Chief Governance Officer
BoardSource
@BoardSource

Building Philanthropy to Build a Better Florida
fpnetwork.org
Understanding Independent Sector’s Principles for Effective Governance
Your Presenter

Vernetta L. Walker, J.D.
Chief Governance Officer,
BoardSource
Effective Governance
Poll Question #1:
Do you provide a formal orientation for new board members?
Poll Question #2: How often does your board meet?

A) Once a year; B) Quarterly; C) Monthly; D) Other
Principle 10: Board Size and Structure
Poll Question #3
Has your board had a meaningful conversation about diversity and inclusion and how it impacts your mission?
Board Independence

CEO Evaluation and Compensation

Separation of CEO, Board Chair and Treasurer Roles

Chat Question:
How do you enforce conflict of interest policy?
Board Member Term Limits
Review of Mission & Goals

Management is doing things right. Leadership is doing the right things.

Peter Drucker
Board Compensation

Considerations:

- Reasonableness
- Board Independence
- Conflicts of interest
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<th>Topic</th>
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<th>Status &amp; Action Steps</th>
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*PRIORITY
1. Needs immediate attention: may pose risk to the organization
2. Needs attention but not urgent
3. Satisfied with current status
Which Effective Governance Principle is Most Challenging?

8. Board Responsibilities
9. Board Meetings
10. Board Size and Structure
11. Board Diversity
12. Board Independence
13. CEO Evaluation and Compensation
14. Separation of CEO, Board Chair, and Board Treasurer Roles
15. Board Education and Communication
16. Evaluation of Board Performance
17. Board Member Term Limits
18. Review of Governing Documents
19. Review of Mission and Goals
20. Board Compensation
IS’ Principles for Good Governance and Ethical Practice

Additional resources available online at www.principlesforgood.com include:

- The Principles and expanded Legal Reference Edition, in digital or hard copy
- Principles Online Resource Center, including a database of over 350 sector resources on ethics and governance
- State Laws for Charitable Organizations, which profiles state laws, regulations, and requirements that apply to charitable organizations in all 50 states and the District of Columbia
- Principles Organizational Assessment Tool
- Opportunity to Co-sign the Principles
Other Sector Resources on Ethics and Governance

- **AFP**
- **CODE OF ETHICAL STANDARDS**
- ** ACCREDITED CHARITY bbb.org**
- **LEADING WITH INTENT**
  - A National Index of Nonprofit Board Practices
  - JANUARY 2015
  - BOARDSOURCE®