Board of Directors and Volunteer Recruitment

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The Community Reinvestment Act (CRA)

- The Community Reinvestment Act is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound operations.

- The CRA requires that each depository institution's record in helping meet the credit needs of its entire community be evaluated by the appropriate Federal financial supervisory agency periodically.
Performance criteria: community development services

The regulatory agencies may evaluate community development services pursuant to the following criteria:

1. The extent to which the bank provides community development services; and
2. The innovativeness and responsiveness of community development services
Volunteer hours may be considered for CRA credit under the Service test

• A community development service means a service that:
  1. Has as its primary purpose community development;
  2. Is related to the provision of financial services
Community development defined:

Community development means:
1. Affordable housing for low- or moderate-income individuals;
2. Community services targeted to low- or moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards; or
4. Activities that revitalize or stabilize certain geographies
Volunteer activities that may qualify for CRA credit

• Serving on the board of directors or loan review committee
• Developing loan application and underwriting standards
• Teaching financial education or literacy curricula for low- or moderate-income individuals
• Providing services reflecting financial institution employees’ areas of expertise at the institution, such as human resources, information technology, and legal services
• Assisting in marketing financial services, including development of advertising and promotions, publications, workshops and conferences
• Furnishing financial services training for staff and management
• Contributing to accounting/bookkeeping services
• Assisting in fund raising, including soliciting or arranging investments
Volunteering Benefits
Bankers and Nonprofits

- Opportunities for employees to develop skills and gain exposure
- Volunteers can pursue their passions and give back to the community
- Experts in field, experienced professionals
- Chance to build banking relationships and partnerships
On Boarding for Success

• Identify why want to serve
• Clear expectations
• Clear communication
• Use time wisely
• Follow through
• Thank
Why do people want to serve on a Nonprofit Board?

- Make a difference in the community
- Build experience and resume
- Connections and networking opportunities
Person of a certain age, gender, and ethnicity to give of their time, money, and community connections to use their unique personal qualities, style and expertise to work as a volunteer approximately 10 hours a month for the next 6 years and be legally responsible in the eyes of the government and the community for this organization to accomplish its mission through set strategies developed with other volunteers and staff to ensure that this nonprofit organization is ethically and financially sound.
10 Responsibilities of a Board

1. Determine Mission
2. Select the Chief Executive or Executive Director
3. Support and Evaluate the Executive
4. Plan and Evaluate
5. Recruit and Orient New Board Members
6. Enhance Public Standing
7. Assess Board Performance
8. Provide Financial Oversight
9. Ensure Integrity and Accountability
10. Ensure Adequate Resources
10 Questions I should ask before serving on a board

1. Is this an area where I have real passion and am I a good fit for the organization?
2. Ask yourself what you want to get out of serving on a board.
3. What is the expected time commitment?
4. Is there an expected financial commitment or requirement? If so, is there a “minimum” expected gift?
5. Do you have Directors and Officers insurance coverage? What about other coverage’s, such as liability?
10 Questions I should ask before serving on a board

6. How many are on the board, and who? How many are needed for a quorum?
7. What does the organization actually do?
8. How large is the annual budget and is the organization financially stable?
9. Has the organization or the board been sued or is it being sued?
10. Is there a new board orientation and is there opportunities for ongoing board training?
Board Orientation & Materials

Orientation:
• Organization
• Expectations
• Mentor

Materials:
• Board Information
• Bylaws
• Strategic Plans
• Financial Policies & Procedures
• Standard of Ethics
• Promotional Materials
Great Boards have the following components in place:

- Size and Structure includes board size, executive committee, effective committee structure, and affiliations
- Composition includes processes for recruitment, diversity, term limits, orientation of new board members
- Leadership structure includes who leads and for how long, succession planning for board and CEO, relationships and effectiveness of board leadership
- Processes include quality of preparation, effective meeting processes, fun and passion

Source: McKinsey and Co Nonprofit Board Assessment tool
Communicate:
Hold Productive Meetings

• Send info out ahead of time
• Chairperson runs the meeting
• Voting items in advance
• As much written material in advance as possible
• Agenda
• Start on time
• Quorum
• Strategic Discussions
• End on time
Board Packet

- Send out a week in advance
- Explore consent agenda
  - Agenda with save the date for upcoming events
  - Minutes
  - Financials
  - ED Report and Program Report
  - Committee Reports
How do I get involved?

First, Identify what talents, skills and connections you want to use on a board. Areas nonprofit boards need diversity in:

- Age
- Gender
- Race/Ethnicity
- Resources: Money to give or get
- Community Connections: religious, corporate, education, media, political, small business, social services, etc.
- Qualities - leaders, willingness to work
- Personal Styles: Consensus builder, good communicator, strategist, visionary, bridge builder
- Areas of Expertise: Special program focus, real estate, government, entrepreneurship in addition to the following list.

Nonprofits need to be excellent in the following areas to achieve their mission:

- Mission and Strategic Direction
- Governance
- Legal & Ethical Accountability
- Financial Management & Stewardship
- Technical Skills
- Operations & Evaluation
- Human Resources
- Fundraising, Connections, Networking
- Marketing Communications
- Information Management
- Board Development
- Leadership/Interpersonal Skills
How do I get involved?

- Identify nonprofit with a mission you are passionate about [https://utahnondonor.org/membership-directory](https://utahnondonor.org/membership-directory)
- Get to know the nonprofit
- Join LinkedIn Group: UTAH NONPROFITS ASSOCIATION & UTAH NONPROFITS ASSOCIATION BOARD CONNECTION and Join USA on FaceBook
- Volunteer on a committee or contact CEO or ED or board chair directly to determine if they are in need of board members
- Ask questions
- Network
Retention: Communication & Involvement

Summary

• Set up clear expectations from the beginning
• Orientation
• Job Descriptions
• Effective meetings
• Follow Up
• Thank
Board Assessment Resources

- https://www.councilofnonprofits.org/tools-resources/self-assessments-nonprofit-boards
Thank You

• Q&A