



**REACH Healthcare Foundation**  
**Board Self-Assessment**  
Interpretive Memorandum

**David Styers**  
**Senior Governance Consultant**

**June 1, 2009**

BoardSource  
1828 L Street, NW, Suite 900  
Washington, DC 20036  
202-452-6262/877-89BOARD  
[www.boardsource.org](http://www.boardsource.org)

## **Table of Contents**

<b>Preliminary Recommendations for Consideration</b>	<b>3</b>
<b>A. Introduction</b>	<b>4</b>
Background and Methodology	
Caveats	
Broad Findings	
<b>B. Detailed Findings</b>	<b>6</b>
Determine the Foundation’s Mission and Purpose	7
Engage in Strategic Thinking and Planning	8
Approve and Monitor the Foundation’s Grants, Programs, and Services	
Create Grantmaking Guidelines	9
Practice Investment Management	10
Provide Effective Financial Oversight	
Perform Legal Responsibilities	11
Maintain Board Structure and Operations	
Retain Appropriate Board Membership	12
Oversee Foundation Operations	13
Uphold Professional and Community Relationships	14
Understand Relationship between Board and Staff	
<b>C. General Board Assessment</b>	<b>15</b>

## PRELIMINARY RECOMMENDATIONS FOR CONSIDERATION

BoardSource congratulates the board members of the REACH Healthcare Foundation for taking time to assess board performance and, thereby, to prepare to strengthen the foundation's governance policies and practices. Self-assessments primarily focus on areas for improvement, but the board should not lose sight of any recent or past achievements. At the same time, the board should make sure that the basics of effective governance are in place and that relevant policies are established to guide future board and staff leaders. This board self-assessment feedback is a notable opportunity for change, renewal, and deepened commitment to the foundation.

The board self-assessment reveals a board that is justly proud of its accomplishments. Yet, the findings also point to several opportunities for the board to deepen its engagement and increase its contribution to the foundation. This memo is designed to focus attention — at the board level — on the most important issues. To that end, the following preliminary recommendations are offered as a starting point for board discussion and action:

1. **Determine how to measure success:** Although board members feel they have a good understanding of what the foundation does, there is concern about knowing how successful it really is. Developing performance metrics for the board to track results and measure the impact of its grantmaking will 1) help engage board members more, 2) help the foundation to make its case, and 3) help with setting the strategic direction for the future by knowing what is working well now and where change is necessary.
2. **Provide board education to increase governance knowledge:** Many board members express a desire for increased understanding of important board issues, such as the mission statement, grantmaking guidelines, investment management, legal responsibilities, bylaws, succession plans, and human resources policies. To support board members' desire to embrace continuous learning, the board should look for ways to set aside time both inside and outside board meetings and identify ways for board members to educate themselves about critical areas of governance responsibility.
3. **Develop practices and processes to strengthen board composition:** Many comments focus on the transition that the board is currently undergoing as new members are recruited and founding members are leaving. The board needs to work to ensure inclusive and proactive board membership. Effective governance practices such as term limits, optimal size, diverse composition, thorough orientation, and efficient committee structures can all contribute to enhanced identification, cultivation, and engagement of current and new board members.
4. **Enhance community relationships:** An area highlighted for improvement is board members' role as ambassadors for the foundation to the community. The foundation's board members should serve as the voice of the mission and should speak on behalf of the foundation in as many settings as possible. As primary advocates for the foundation, board members are often in a better position to do this than anyone else by having more authority and clout.

## A. INTRODUCTION

### **Background and Methodology**

The results of how your board views itself will provide information to help support and strengthen commitment to and advancement of your mission. Of the 18 questionnaires that were distributed, 18 were completed and returned, a perfect response rate of 100%.

The purpose of this memorandum is to summarize the opinions and suggestions made by board members. The memorandum does not attempt to offer prescriptions for resolving problems or weaknesses that are revealed, but does offer some best practices from BoardSource's extensive work with nonprofit boards. Specific solutions will require further discussion of the issues by board members to determine what might work best for the REACH Healthcare Foundation. Areas of board responsibility that naturally relate to each other will be grouped together. Quotation marks ("...") are used either to frame text from the survey questions (*italicized*) or to present verbatim written comments by responding board members.

In the questionnaire, respondents were asked to rate their level of satisfaction with board performance on a scale of 1 to 4, where "1" signified "very dissatisfied" and "4" signified "very satisfied." Responses are computed as average scores, so the lower the score, the lower the level of satisfaction. Answers of "not sure," "not applicable," and lack of response are not reflected in the averages, so the averages may in some instances not reflect the entire picture.

### **Caveats**

The extent of our findings, conclusions, and preliminary recommendations are limited strictly to BoardSource's experience and knowledge in working with nonprofit organizations for more than 20 years. Should additional information become available, we reserve the right to modify our report accordingly.

Any analysis of this sort is – by its very nature – limited by time and scope. As such, we have maintained our focus on the most significant governance issues facing the REACH Healthcare Foundation at this time in its history.

### **Broad Findings**

The following table represents the average scores on each section in order as it appears in the assessment. In addition, the average score has been converted to a scaled score using a 1-100 scale.

<b>Responsibility</b>	<b>Average</b>	<b>Scaled Score</b>
Determine the Foundation's Mission and Purpose	3.67	91.75
Engage in Strategic Thinking and Planning	3.62	90.50
Approve and Monitor the Foundation's Grants, Programs, and Services	3.74	93.50
Create Grantmaking Guidelines	3.65	91.25
Practice Investment Management	3.63	90.75
Provide Effective Financial Oversight	3.73	93.25
Perform Legal Responsibilities	3.79	94.75

Maintain Board Structure and Operations	3.73	93.25
Retain Appropriate Board Membership	3.52	88.00
Oversee Foundation Operations	3.77	94.25
Uphold Professional and Community Relationships	3.55	88.75
Understand the Relationship between Board and Staff	3.82	95.50
Individual Board Member Self-Evaluation (Part 1 of 2)	3.71	92.75
Individual Board Member Self-Evaluation (Part 2 of 2)	3.52	88.00

Areas of **greatest satisfaction** with the board's performance include

- Understand the Relationship between Board and Staff
- Perform Legal Responsibilities
- Oversee Foundation Operations

The areas where board members expressed the **least satisfaction** with their group performance are

- Retain Appropriate Board Membership
- Uphold Professional and Community Relationships

This implies that there are mutually agreed upon boundaries of the board's vs. the staff's roles, and that the board takes its oversight and legal roles very seriously. As with most boards, however, the biggest challenges include ensuring the best composition and positive external relations.

Individually, board members rated their own performance very high, and there were only 3 out of 20 questions with any dissatisfaction:

- *“take advantage of opportunities to enhance the public image of the foundation and philanthropy by periodically speaking to leaders in the community about the foundation and its work”*
- *“take advantage of opportunities to enhance the public image of the foundation and philanthropy by periodically engaging peers in the grantmaking community in advancing the foundation's goals”*
- *“suggest agenda items for future board and committee meetings”*

Overall, this feedback is very positive, and even though the rest of this memo concentrates on areas for improvement, the board members of the REACH Healthcare Foundation should not discount how successful and accomplished are its current members and operations.

## B. DETAILED FINDINGS

The following graph represents a picture of the board’s responsibilities’ ratings from highest to lowest:



Overall, the top tier of the board’s strengths focuses on operational issues of the board. The middle tier shows concern about board structural and directional issues. The lowest tier expresses issues of planning and personal relationships.

### **Determine the Foundation's Mission and Purpose**

*All grantmaking foundations are created for some philanthropic purpose that is usually determined by the donor or donors. The purpose can be as broad or specific as the donor desires, as long as it meets the Internal Revenue Service requirement that all charitable foundations be organized and operated exclusively for one or more of the following purposes: charitable, religious, educational, scientific, literary, or some other public good.*

*Where the donor indicated a specific or special purpose for the foundation, it is the board members' responsibility to remain loyal to that purpose and fund grants that meet the guidelines established by the donor. The broader the language of the original charter and bylaws, the more latitude current board members have in determining the best way to carry out the work of the foundation today.*

The average score in this area is 3.67. The foundation's mission statement is

to inform and educate the public and facilitate access to quality healthcare for poor and underserved people

Based on the survey results, board members feel very positive about the mission statement and goals guiding the foundation in translating the charter into action. There appears, however, differing views on familiarity with the current mission statement. One board member says, "I think we do an excellent job of frequently revisiting the purpose of the foundation, our mission statement, and goals. I believe we are all committed to making sure that the decisions we make fit our mission statement and goals and are relevant to the challenges facing society today;" whereas, several board members echo this statement, "I am not sure the last time the mission/vision statements were reviewed? We are just beginning a new strategic planning cycle and perhaps it will be a part of that process." Comments express concern about making sure new board members are familiar with the mission and ensuring meeting participation by all members.

All board members need to be familiar with the mission and vision statements so that they are engaged to fulfill them, and a strategic planning process is the perfect time to revisit and potentially revise them. As a couple of members express, "Consider including mission and vision statements with each board meeting agenda just to keep the specific language in front of everyone regularly."

Also, another way to accomplish this increased understanding is to build "mission moments" into board meetings by inviting someone whose life has been touched by the REACH Healthcare Foundation to make a short, personal testimonial on the foundation's impact. Board members will then leave meetings ready to recruit new board members and just generally spread the good news about the mission. The mission will become better known and so will the foundation.

### ***Recommended Resources***

- *The Nonprofit Board's Role in Mission, Planning, and Evaluation* by Kay Sprinkel Grace, Amy McClellan, and John A. Yancey  
[http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=118](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=118)
- BoardSource Topic Paper *The Mission Statement*
- BoardSource Topic Paper *The Vision Statement*

### **Engage in Strategic Thinking and Planning**

*One of the major contributions that a board can make is to establish the foundation's direction and major goals. At least every three to five years, the board should engage in a formal planning process. Changes in the environment may present new opportunities or challenges and may require changes in the way the foundation works or in its mission. Changes in organizational leadership or other internal factors may also affect what the foundation will seek to accomplish.*

Average scores in this area are 3.62. Although there is board consensus on the grantmaking priorities and strategies, there is some concern about measuring success. Results show 6% of respondents are dissatisfied that *"the board has identified key indicators for tracking progress toward the foundation's strategic goals."*

Comments reflect concern about the foundation's tracking progress, but board members see work beginning in this area: "I think we all recognize that a difficult issue facing us is how best to track progress toward our strategic goals. We are in the process of working through that again. I find that to be a positive attribute of this foundation." The board needs to focus not only on the planning process, but also on improved tracking of results afterwards. One specific suggestion from a board member includes, "It is tough to balance getting work done with the importance of maintaining strategic focus. Periodically maybe the board should take 30 minutes quarterly to focus on this question."

Although financial restraints are preventing a current retreat, the board should still consider implementing an annual retreat as soon as feasibly possible to help strengthen ties between board members and with staff, as well as focus the full board on a shared set of priorities for the coming year and better engage the members in their work.

#### ***Recommended Resources***

- *Presenting: Strategic Planning: Choosing the Right Method for Your Nonprofit Organization*  
<http://www.boardsource.org/Bookstore.asp?Item=179>
- *The Nonprofit Board's Role in Mission, Planning, and Evaluation* by Kay Sprinkel Grace, Amy McClellan, and John A. Yancey  
[http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=118](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=118)
- BoardSource Topic Paper *Roles in Strategic Planning*

### **Approve and Monitor the Foundation's Grants, Programs, and Services**

*It is the role of the board to support and supervise the foundation's grants, programs, and services. Each foundation should have a grantmaking strategy, describing the foundation's areas of giving, the types of grants the foundation makes, and the foundation's approach to grantmaking.*

*The foundation's grantmaking strategy provides a long-term, collective framework for giving, which separates "organized philanthropy" from an individual's donations to various worthy causes. Proper care in monitoring all activity helps the foundation to focus on the results it hopes to achieve with all grants, programs, and services, and identifies the most effective ways to accomplish this goal.*

The overall average for this section is 3.74. Ratings and comments from the board clearly show this area to be a great strength: "We have done an excellent job in this area." A couple of board members raise concern, however, about awareness of policies and integration of priorities. One comments, "There are certainly policies regarding the approval procedures for grants which typically are by size. But, I am not aware of policies regarding the number of outstanding grants." Also, another suggests a "better



integration of grantmaking priorities and strategies in the communications and advocacy-related work of the foundation.”

One of the crucial functions of any foundation board is to monitor and evaluate advancement in fulfilling its mission and, more specifically, in meeting previously set goals. A foundation’s staff can facilitate this process by providing accurate, timely, and relevant reports for board inspection and not by simply overwhelming board members with excessive and overly detailed data. One approach staff can take is dashboard reporting, which makes it possible to present succinct, easily readable performance indicators that allow the board to view grant and foundation status at a glance. Being able to quickly review results can generate more time in board meetings for more meaningful discussions and allow the board to monitor in a timely fashion the progress of its work.

### ***Recommended Resources***

- *The Nonprofit Dashboard* by Lawrence M. Butler  
[http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=1073](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=1073)
- *The Nonprofit Board’s Role in Mission, Planning, and Evaluation* by Kay Sprinkel Grace, Amy McClellan, and John A. Yancey  
[http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=118](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=118)
- BoardSource Topic Paper *Accountable Board*

### **Create Grantmaking Guidelines**

*Grantmaking is more than the “simple” selection of appropriate projects to fund; it is the description of interaction between the foundation and its grantees. As such, the process should be grounded in mutual respect for both the grantmaker and the grant seeker, and should not place an undue burden on either party.*

*A clearly defined grantmaking process will result in the awarding of grants consistent with the foundation’s mission, purpose, and goals. For this to occur, the foundation’s grantmaking guidelines should be clearly stated and readily available to potential grantees, and an effective process for attracting, receiving, and responding to grant applications should be in place. The more information grantees have about the process and the types of grants the foundation supports, the more likely it is that the grant proposals submitted will match these guidelines.*

The average score in this area is 3.65. The board agrees on the effectiveness of the foundation’s grantmaking process, but a few members express concern about impact evaluation and full understanding by board members. One states, “Once we have identified key strategies to achieve our goals and indicators of success, we will hopefully be better able to evaluate our grantmaking impact and effectiveness.” Other comments address the need to improve the follow-up evaluation process, engage in a retrospective review of the effectiveness of all grants, and provide the opportunity for site visits.

Continuous board education is also key, with 17% not sure that “*all board members understand and can explain the foundation’s grantmaking process.*” Thus, education about this process, either during orientation or at a board meeting, needs to inform all board members about the foundation’s grantmaking.

### **Practice Investment Management**

*The board is entrusted with providing public stewardship for the assets of the foundation. Board members are not expected to be investment experts, but rather ensure that the foundation's investment portfolio is managed with a reasonable level of skill and care, and keeping in mind duality of interest issues.*

*Because of the special skills and specific knowledge required for effective investment management, many foundations delegate this area of responsibility to a board committee or to outside investment advisors. It is important for board members to note, however, that regardless of who is providing investment advice, the board is ultimately responsible for the management and oversight of the foundation's assets.*

This responsibility area scored an average of 3.63. Although there is an 18% dissatisfaction rating and 6% not sure for “*the performance of the foundation's investment portfolio is currently meeting the investment goals established by the board,*” several comments indicate that the recent downturn in the economy is a major factor: “Given recent market conditions, I doubt that many foundations' investment portfolios have met their investment goals in the near term. Those goals are established for performance over long time periods.”

Also, one of the highest not sure ratings in the self-assessment is 28% concerning “*every board member understands the foundation's investment goals and strategies.*” One board member comments, “The foundation must find a way to recruit more board prospects with commercial investment experience, or explore using outside members on the investment committee if it wants to maintain the same level of expertise and diligence that the organization has benefited from thus far. This is a very difficult task given the daunting nature of the board nominations process.” Again, this response indicates another board education topic and criteria for new board members.

#### ***Recommended Resources***

- *Who's Minding the Money? An Invest Guide for Nonprofit Board Members* by Robert P. Fry, Jr.  
<http://www.boardsource.org/Bookstore.asp?Item=1090>

### **Provide Effective Fiscal Oversight**

*Boards members are generally held to the same standards of “reasonable care and skill” in overseeing the foundation's budget and expense as they are in overseeing the foundation's investments. The board should approve the foundation's annual operating budget, and then monitor the foundation's ability to adhere to the budget throughout the year. In addition, the board should require an audit once a year by an independent accountant to verify that the foundation is accurately reporting its income and expenses.*

This responsibility area scored an average of 3.73. Again, the board indicates strong performance in financial oversight. All board members need to understand the finances of the foundation, and new members recruited need to be proficient in financial oversight responsibilities as well: “Again, we have been fortunate in terms of early board appointees with significant finance experience, but this will need to be a priority in the board recruitment process and/or staffing considerations if we want to maintain the high bar that has been established.”

#### ***Recommended Resources***

- *Financial Responsibilities of Nonprofit Boards* by Andrew S. Lang  
<http://www.boardsource.org/Bookstore.asp?Item=113>
- BoardSource Topic Paper *Fiduciary Responsibilities*
- *Financial Committees* by Thomas A. McLaughlin  
<http://www.boardsource.org/Bookstore.asp?Item=149>

### **Perform Legal Responsibilities**

*Because foundations operate in the public trust, they are subject to numerous legal and fiduciary requirements from both federal and state governments. The foundation's tax-exempt status is contingent on its adherence to these legal and fiduciary requirements.*

*The board's overall responsibility in this area is to ensure that the foundation operates in keeping with both the donor's intent and the public good. In addition, the foundation must meet all federal and state requirements and restrictions for foundations, and engage in no actions that would jeopardize the foundation's tax-exempt status. By exercising the three legal standards – duty of care, duty of loyalty, duty of obedience – against which all actions taken by board members are held, members of the board will fulfill their legal responsibilities of active participation and best judgment when making decisions on behalf of the foundation, setting aside personal and professional interests for the good of the foundation, and ensuring that the foundation stays true to its mission and purpose by complying with all applicable laws.*

The average score in this area is 3.79, the second highest rated area. Even with this strength, responses again stress the need for ongoing board education on their legal and fiduciary responsibilities: “This is one of the board's strongest areas of performance. However, we probably need more and continued education on lobbying restrictions now that we are engaged in public policy work in a more formal way;” and “This year has been very educational. As a new member, I was aware of the history, but never really understood until this past year. We can improve by assisting new members with a historical overview and a way to measure if they really understand.”

#### ***Recommended Resources***

- *Legal Responsibilities of Nonprofit Boards* by Bruce R. Hopkins, JD, LL.M.  
<http://www.boardsource.org/Bookstore.asp?Item=116>

### **Maintain Board Structure and Operations**

*Boards carry out much of their work in meetings. Because meetings of the full board cannot always accommodate in-depth discussion and analysis of key issues, boards often work through committees and task forces, each of which draws on a small number of board members to focus on a particular area, such as a specific program, finance, investments, or governance.*

*To make board and committee meetings most productive, board members need to understand the bylaws and charter under which they operate, and should have the opportunity to review written material related to the agenda prior to a meeting. Each committee needs a statement of purpose, strong leadership, and the ability to develop consensus among its members and present its recommendations to the full board. In addition, individuals should be regularly rotated off the board and specific work groups, in order to infuse the board with fresh perspectives and new ideas.*

The average score for this responsibility area is 3.73. Responses indicate that the board has established and enforced policies related to term limits, board meetings, committee structures, and roles and responsibilities to clearly engage all board members in the work of the board. Two effective tools that often are found useful to help engage boards even more during meetings include consent agendas and executive sessions. The purpose of these particular tools is to save time and allow the board to address confidential matters and its own internal conflicts within a proper setting. A consent agenda is a component of the meeting agenda that groups routine items and resolutions that do not need any discussion before a vote as one agenda item. Unless a board member feels that an item should be

discussed and requests the removal of that item ahead of time, the entire package is voted on at once without any additional explanations or comments.

The lowest average score in this section, 3.29, is for “*board members are familiar with the charter and bylaws governing the foundation.*” Again, board education, and an established schedule to review bylaws, can help inform all board members of the governance documents in place. From one comment, a recent bylaw revision may need to be revisited: “Something that the board did not take into consideration in terms of length of service to the foundation during recent bylaw revisions, is the potential for someone to have two full terms on both the CAC and on the board, for a total of 12 years with the foundation. This runs counter to the stated intent of the foundation's charter, which requires that the board not become self-perpetuating. Turnover in leadership and ideas is needed to stay healthy as an organization. That said, it is logical that good CAC members would also make good board members.”

### ***Recommended Resources***

- *The Committee Series* by BoardSource  
[http://www.boardsource.org/Bookstore.asp?category\\_id=25&Item=146](http://www.boardsource.org/Bookstore.asp?category_id=25&Item=146)
- *Structures and Practices of Nonprofit Boards, Second Edition* by Charles F. Dambach, Melissa Davis, and Robert L. Gale <http://www.boardsource.org/Bookstore.asp?Item=114>
- *Ten Basic Responsibilities of Nonprofit Boards* by Richard T. Ingram  
<http://www.boardsource.org/Bookstore.asp?Item=190>
- *Meet Smarter* by Outi Flynn [http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=157](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=157)
- *Culture of Inquiry: Healthy Debate in the Boardroom* by Nancy R. Axelrod  
[http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=1076](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=1076)
- BoardSource Topic Paper *Board Member Independence*

### **Retain Appropriate Board Membership**

*A good board is made up of individuals who contribute critically needed skills, experience, perspective, wisdom, and time to the foundation. Because no one person can provide all of these qualities, and because the needs of the foundation continually change, a board should have a well-conceived plan to identify and recruit the most appropriate people to serve as board members.*

*New board members should be oriented to the foundation and provided with the training and information they need to succeed. All board members, new and seasoned, should be regularly rotated off the board to ensure new perspectives and skill levels without making the board so large that it becomes unwieldy. In addition, it is essential for the board to continuously cultivate board leadership. Even the most experienced and appropriate board members will need an effective leader to keep the entire board in check, working as a strong governing body in its entirety.*

The average score in this area is 3.52, which is the lowest rated area in the self-assessment and indicates an area in need of improvement. One board member comments, “The board has limited ability to recruit needed expertise or to influence the nominating process to strengthen board composition due to the structure of the foundation and the CAC's nominating role.”

Other comments and responses echo this sentiment: 17% are dissatisfied with new board member recruitment, 11% are not sure about the training and orientation of new board members, and 22% are not sure about officer succession. Regular turnover among board members, such as through established and enforced term limits, is an important practice to keep the board focused on its composition, to avoid stagnation, and to provide an efficient method to remove unproductive members and ensure diversity. A

board member comments, “I would like to see the CAC nominate more minority candidates for board positions.”

And by analyzing the present composition of the board through the use of a matrix for board recruitment, the board will be able to best determine what qualities, characteristics, and perspectives are missing. One board member suggests, “The new board is getting away from having enough health care professionals and more will be needed in 2010 when all the current MDs will be rotating off. In a healthcare foundation, a certain number of MDs are needed. Everyone should be required to attend a national meeting during the 1st term. They are very useful.”

Board engagement is a critical key to successfully moving forward. The board has control over – and responsibility for – its own composition and performance. All board members need to be involved year round in helping build the board – from identifying, cultivating, and recruiting prospective members to orienting, involving, and educating all members on the board. Boards that can keep members fully engaged are more likely to fill vacancies and utilize their time and talents more efficiently.

### ***Recommended Resources***

- *The Board Building Cycle* by Berit M. Lakey <http://www.boardsource.org/Bookstore.asp?Item=115>
- *The Nonprofit Board Answer Book* by BoardSource [http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=1075](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=1075)
- BoardSource Topic Paper *Recruiting Board Members*

### **Oversee Foundation Operations**

*The role of the board is to oversee the effective management and operations of the foundation. Traditionally, the board fulfills this role by setting clear strategic direction and management policies for the foundation, and then delegating the implementation of these strategies and policies to the foundation’s professional staff.*

*If the foundation does not maintain professional staff, the role of board members includes the actual implementation of the operations of the foundation. To manage the heavy workload placed on board members in these foundations, it is essential that the board develop strong and efficient management systems to guide the work of board members.*

*If the board has chosen to hire professional staff to carry out the operations of the foundation, it is essential that a strong working partnership and a climate of mutual trust and respect exist between the board and staff. The roles and responsibilities of both board members and staff should be clearly defined and understood.*

The average score in this area is 3.77, which is the third highest rated area and an obvious strength of the foundation. The lowest rated question in this section, though, is “*the primary focus of the board is on policy setting and the long-term strategic issues facing the foundation.*” One board member particularly comments on this issue, “Our board is probably more involved in the work of the foundation and not just in policy making which is a strength of our organization. It needs to stay that way.” The board just needs to be clear that it is not micromanaging or displacing staff.

### ***Recommended Resources***

- FSG Social Impact Advisors <http://www.fsg-impact.org/>

### **Uphold Professional and Community Relationships**

*Members of the board – as the stewards of the foundation – may be called upon to establish and maintain relationships with a variety of professional and community leaders with whom the foundation interacts.*

*A foundation may want board members to seek out key business, government, philanthropic, and other leaders to inform them about the activities and plans of the foundation, and to learn about the concerns and interests of these various groups. While encouraging board members to spread the word about the foundation they help govern, the board should also have a policy about who should serve as the foundation’s official spokesperson when, for example, a news reporter requests an interview about a possibly controversial issue. Board members must remember that the board speaks with one voice.*

The average score for this responsibility is 3.55, the second lowest in the self-assessment and with high percentages of not sure answers. Comments and ratings indicate an area for board improvement, particularly in relationship to the role of the staff: “Our professional staff is involved with other organizations and community leaders more so than the board, on a regular basis. I think this will improve with our advocacy committee growing in importance.”

	<b>Dissatisfied</b>	<b>Not Sure</b>
Membership with other organizations	0%	22%
Interaction with other foundations	6%	28%
Participation in public forums	11%	17%

Board members should serve as an ambassador for the foundation to represent the board outside the boardroom. At times they may be asked to take on specific tasks, such as recruiting a new board member or soliciting support for an issue. At other times they should simply stand prepared to inform others about the foundation and to advocate for its issues and its opportunities. Being an ambassador also means bringing information back to the foundation that might be relevant for its current or future actions. Such information may include feedback about the foundation’s work or about new and emerging opportunities or threats.

Being an ambassador, however, does not include expressing personal opinions as though they represent foundation positions or making commitments on its behalf. The role of official spokesperson requires special authorization. The chief executive is usually expected to serve as spokesperson and may delegate specific representation responsibilities to other staff. The board chair often serves as spokesperson, either in partnership with the chief executive or alone. All board members need to be informed of what to do if approached by representatives of the media concerning anything related to the foundation or the board.

#### ***Recommended Resources***

- *Generating Buzz: Strategic Communications for Nonprofit Boards* by Sally J. Patterson  
[http://www.boardsource.org/Bookstore.asp?category\\_id=0&Item=189](http://www.boardsource.org/Bookstore.asp?category_id=0&Item=189)

### **Understand the Relationship between Board and Staff**

*In foundations that do have staff, the board must have a clear understanding of the differences between its role and that of the staff. The board must also be aware that the respective responsibilities of the board and staff may change as the organization grows and changes. The old dictum that the board sets policy and the staff carries it out is oversimplified, since many important organizational issues require a partnership of board and staff if they are to be addressed effectively. The primary board-staff relationship is that between the board and the chief executive, and the quality of this relationship is of the utmost*

*importance. When other staff members are assigned to work with board committees or task forces, their role should be clearly defined and approved by the chief executive.*

The average score in this area is 3.82, which is the highest rated area. One question does have a 17% not sure rating: “*the board has adopted adequate and up-to-date human resource policies.*” Again, this response may be simply an indication of another board education topic.

The board needs to govern in constructive partnership with the chief executive, recognizing that the effectiveness of the board and chief executive are interdependent, and that they excel when they understand that they are mutually dependent on one another to create a successful foundation. The way that board members and the chief executive interrelate with one another can in effect create opportunities to collectively create something far richer and more powerful than any of them can create alone.

### ***Recommended Resources***

- *The Source: Twelve Principles of Governance That Power Exceptional Boards* by BoardSource <http://www.boardsource.org/Bookstore.asp?Item=171>
- *Governance as Leadership: Reframing the Work of Nonprofit Boards* by Richard P. Chait, William P. Ryan, and Barbara E. Taylor [http://www.boardsource.org/Bookstore.asp?category\\_id=55&Item=161](http://www.boardsource.org/Bookstore.asp?category_id=55&Item=161)

## **C. GENERAL BOARD ASSESSMENT**

### **What issues facing the board should occupy the board’s time and attention over the next year or two?**

A simple content analysis of all the written comments suggests that the board’s major focus should be first and foremost on the impact of the downturn in the economy, followed by strategic planning, health care reform, and board development. One board member summarizes, “Recruiting great board members to ensure depth in leadership and expertise. Strategic planning to set the course for the foundation over the next several years. Monitoring and influencing health reform efforts to have the greatest positive impact on our target population. Balancing the needs of foundation operating and grantmaking expenses in light of declining returns.”

### **How can the operations or performance of the board be improved in the next year or two?**

While several board members comment on the high quality of the board, the vast majority of the comments focus on increased communications and the current sea change happening with the board. Several specific suggestions include the following:

- “More board members need to go to national conferences like GIH to learn and increase their understanding of healthcare access issues.”
- “The board needs to continue their culture of informed debate, while remaining open to the perspectives of their colleagues.”
- “New board members needs need to be educated as to whence we came from to know where to go.”

- “As the board has and is drastically changing in size and members, I think it would be helpful to have some kind of casual, not necessarily strictly working, function at which current board members could get to know each other better.”

The board needs to engage all board members in all aspects of board work and get the “right people on the bus,” as Jim Collins, the renowned business management consultant and author, so precisely expresses.

### **What other comments or suggestions would you like to offer related to the board’s performance?**

Many board members have very positive comments about the REACH Healthcare Foundation board and its performance: “Overall our board is superb, engaged, enthusiastic and proud of our organization and want to keep our foundation as a model to others.” As the foundation grows and matures, the organization must continue to address the dynamic tensions in any lifecycle, particularly as it expands: “The focus needs to continue to move toward vision, mission and strategy, and away from operational concerns now that we have a fully functioning and capable staff.”

Overall, board members are generally satisfied with their service and experience as a member of the board with average individual board member self-evaluation scores of 3.71 and 3.52. One final note for improvement is helping the board *“take advantage of opportunities to enhance the public image of the foundation and philanthropy by periodically speaking to leaders in the community about the foundation and its work & engaging peers in the grantmaking community in advancing the foundation’s goals.”* Only the board can manage itself, and volunteer board members can be the best advocates for the foundation to the community.

Again, congratulations on your willingness to assess board performance and to strengthen your governance practices. A more effective board definitely will enhance the REACH Healthcare Foundation’s effectiveness.