

ICANN

BOARD GOVERNANCE TRAINING BARCELONA

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GOALS FOR THE SESSION

- Understand responsibilities and fiduciary duties regarding ICANN's Governance Guidelines and key committee charters / understand what is different about ICANN
- Distinguish between the functions of board governance and management
- Recognize the key responsibilities of a nonprofit board of directors
- Cultivate characteristics of high impact boards of directors within the context of being a U.S. nonprofit corporation with global directors operating internationally



AGENDA

- Introductions
- Definition of Nonprofit Governance (15 minutes) Difference between governance and management
- Building an engaged board (one hour)
- Break
- Nonprofit board responsibilities (45 minutes)
- Q&A (15 minutes)

THE ROLES OF THE NONPROFIT BOARD

#1: GOVERNING (FIDUCIARY) ROLE

- Serving as trustees (or stewards) to “protect the public interest”
- Define, protect, and advance the mission of the organization
- Define the business and stakeholders
- Define the value we bring to the community
- Determine organizational and future strategies
- Safeguard the assets (human, financial, and property) of the organization

THE FIDUCIARY RESPONSIBILITY OF THE BOARD INCLUDES:

- Identification of self-dealing transactions by board members
- Resolution of conflict of interest by any board members
- Recruiting, hiring, supporting, reviewing and, if necessary, removal of the chief executive

THE RELATIONSHIP OF THE BOARD TO THE CHIEF EXECUTIVE:

- Who is the boss?
- Governance vs. management
- The special relationship of the board chair and the chief executive

THE ROLES OF THE NONPROFIT BOARD

#2: SUPPORTING ROLE

- Support the organization's operations, accomplishment of its mission and strategic goals
- Serve as ambassadors to the world on behalf of the organization
- Abide by the decisions of the board
- Ensure adequate resources to carry out the mission
- Provide expertise and contacts
- Share specialized knowledge and time when requested by the organization
- Introduce key staff to external professionals

Legal Duties of Board Members are the standards by which all actions taken by directors are judged. The entire board and individual board members must adhere to these collective duties. Boards demonstrate accountability by showing they have effectively discharged the following 3 duties.



DUTY OF CARE

- Requires that directors of nonprofit organizations be reasonably informed about the organization's activities, participate in decisions, and do so in good faith and with the care of an ordinarily prudent person in similar circumstances. In short, pay attention to the organization's activities and operations.
- Attend board meetings and assigned committee meetings
- Prepare in advance for board meetings by reviewing agenda and materials
- Obtain information before voting to make sound decisions
- Exercise independent judgment
- Review the organization's finances and financial policies
- Ensure compliance with state and federal filing requirements, particularly annual reporting

DUTY OF LOYALTY

- Requires directors to exercise their power in the interest of the organization and not in their own interest or the interest of another entity, particularly one with which they have a formal relationship. When acting on behalf of the organization, board members must put the interests of the organization before their personal and professional interests.
- Adhere to the organization's conflict-of-interest policy
- Disclose any conflict of interests
- Avoid the use of corporate opportunities for personal gain or benefit
- Maintain the confidentiality of information about the organization

DUTY OF INQUIRY

- Ensure compliance with all regulatory and reporting requirements, such as IRS Form 990 and paying employment taxes
- Examine all documents that govern the organization and its operations, such as the bylaws
- Make decisions that fall within the scope of the organization's mission and governing documents

TIPS FOR BUILDING BOARD LEADERSHIP

WHAT THE BOARD CAN DO

- Consider and cultivate leadership within the organization
- Groom future leaders for key board positions
- Identify board leadership early
- Make sure that you have the right people leading committees and initiatives
- Make sure that board members exhibit appropriate behavior when acting on behalf of the organization



WHAT THE CEO CAN DO

- Treat building board relationships as a key responsibility
- Hold the board accountable for carrying out its roles and responsibilities
- Acknowledge board members' contributions and thank them for their time and commitment
- Educate the board on board leadership and build capacity

WHAT THE BOARD CHAIR AND CEO CAN DO AS A TEAM

- Develop a strong, trusting, transparent relationship
- Keep each other informed of key activities – no surprises
- Keep raising the standards of who you select
- Build a strong, engaged board culture

HOW TO BUILD AN ENGAGED BOARD CULTURE

- Be accountable. Board members who do not fit in the culture and do not fulfill their roles can drag down a good board
- Be respectful of board members' time
- Hold the CEO accountable
- Build a learning organization
- Recognize the CEO is a partner and not a direct report
- Focus on what is really going to make or break the organization

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THANK YOU

