



# Nonprofit Founders Society

## Implementation Guide

February 2023 | What Do You Need at Your Next Board Meeting?

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# Nonprofit Founder's Society Implementation Guide

## Video Content

### Introduction

Hi and welcome to this month's lesson: Boards: What Do You Need at Your Next Meeting? This month we are learning how to prepare for, run, and follow up after a Board meeting .

### What are Board meetings?

Board meetings are legal meetings where Board members govern the nonprofit organization.

### Why do we need Board meetings?

They help Board members meet their legal responsibilities. Board members have the legal duties of care, loyalty, and obedience. Board meetings give them the information needed to meet these duties.

Board meetings improve communication and operation. Sitting down face-to-face and taking care of the governance of the organization allows for strong communication. Getting together and going point by point on the issues that need decisions helps the Board govern the operations of the organization.

### Who are the key personnel when preparing and running meetings?

Secretary- puts together the Board package, creates the minutes, sends notice/reminder and documents Board members need to review before the meeting.

Treasurer- prepares financial reports and presents them

President- presides over the meeting and follows up with members after the meeting.

### What/How

#### What You'll Need

1. Board Notice
2. Agenda
3. Sign In Sheet
4. Last meeting's minutes
5. Financials
6. Supporting Documents

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## Preparation

Preparation is often overlooked on small Boards. There doesn't seem to be enough time to get things done so Board prep falls on the priority list until it's the day before and nothing is completed for the Board meeting. We've all been there. However, to respect everyone's time at the Board meeting and in the times in between, Board members need to have the following in plenty of time for review.

- A detailed agenda. This agenda should include the purpose of the meeting, topics, time allotted for each topic, and action items.
- Minutes from the last meeting.
- Any other documents needed to be reviewed before a vote.

These items are often called a Board Packet and can be emailed or snail mailed. The packet needs to get in the hands of the Board members no later than a week before the meeting so they may review. Making this part of the reminder- email or not- for the meeting (something most bylaws require) will help you make good use of your time.

Communication is paramount between the Board President and the Secretary. Traditionally, the Secretary is responsible for the minutes at each meeting and the Board notices. His or her job is to record the meeting, participants, and discussion of the meeting for organizational records. This perspective may be different than an individual's.

## Board Notices

Your Bylaws will dictate the specifics of your notices. It's typically prepared and sent by the Secretary. Here are the general requirements for Board notices. These notices should be delivered in a written form- either by email or snail mail.

## The Meeting

Make sure you are clear from the beginning you want to respect everyone's time so you will have your facilitator keep strict time limits. I recommend the facilitator not be the Secretary but in a pinch, they could be. If there is still discussion after the time limit is up, this item will be tabled for the next Board meeting or a special called meeting to only discuss the item. Both of these options are for a later date.

Everyone is expected to take their own notes. This is a good practice because each individual can record their own thoughts or questions, their action items, and things of importance to them. It also helps people pay attention. Remember, it's not the Secretary's job to keep up with individual action items after the meeting or to record the meeting for an individual. It is the Board member's.

Make sure there is a purpose for each item on the agenda and each Board member knows this purpose. Are you making a decision about the direction of the organization? Planning an event?

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Taking a vote on an issue? Before you begin discussing an agenda item, remind the Board why you are discussing this item and the result(s) you are looking for. An example:

Agenda Item: Spring Fundraiser

Purpose: We will be discussing the new Spring Fundraiser opportunity that has recently arisen in order to vote for approval or disapproval so the Fundraising Committee will have a direction to follow.

Each agenda item will have action items assigned to the appropriate people. The Secretary will record the action items for the organization. Again, each individual should make note of what they have agreed and committed to.

Reserve a few minutes at the end of the Board Meeting to review action items that were assigned. This will make sure everyone is leaving on the same page.

### **Minutes**

What goes into Meeting Minutes? These things are the

- Name of the organization
- Date and time of meeting
- Board members in attendance, excused, and absent
- Existence of a quorum noted
- Voting results
- Names of abstainers and dissenters
- Reports and documents introduced
- Future action steps
- Ending time of meeting
- Signature of the secretary
- Some boards also include motions made and by whom, and a brief account of any debate. Your board should determine how much detail is desirable without cluttering the document with irrelevant data.

### **Financials**

There are three financial documents that should be prepared by your Treasurer for every meeting. These documents will guide your financial decisions. They are Statement of Financial Position (AKA Balance Sheet), Statement of Activities, and a Budget Comparison. Let's talk about each of these.

**Statement of Financial Position (AKA Balance Sheet)**- The statement of financial position, often called the balance sheet, is a financial statement that reports the assets, liabilities, and equity of a company on a given date.

<https://www.myaccountingcourse.com/financial-statements/statement-of-financial-position>

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A balance sheet for a non profit should include Assets, Liabilities and Net Assets. The Implementation Guide has a template.

### Current Assets

- Cash and cash equivalents
- Accounts receivable
- Inventory
- Grants Receivable
- Contributions Receivable

### Long Term Assets

- Machinery & equipment
- Furniture & fixtures
- Leasehold improvements
- Land & buildings
- Investments
- (LESS accumulated depreciation on all fixed assets)

### Other Assets

- Intangibles
- Deposits
- Other

### Current Liabilities

- Accounts payable
- Grants Payable
- Notes, short-term (due within 12 months)
- Current part, long-term debt
- Other current liabilities

### Long-term Debt

- Bank loans payable
- LESS: Short-term portion
- Other long term debt

### Net Assets

- Net Assets with Donor Restrictions
- Net Assets without Donor Restrictions

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**Statement of Activities (Income/Expenses)**- A statement of activities quantifies the revenues and expenses of a nonprofit entity for a reporting period. It is divided into a section with income and another with expenses.

Line items may be separately presented for nonprofit revenues. Some examples:

- Contributions
- Fundraising events
- Gain on sale of investments
- Grants
- Investment income
- Member dues
- Program fees

Line items for expenses may also be separately presented, and in considerable detail. At a minimum, the statement of activities usually includes the following line items:

*Program expenses.* Those expenses incurred in order to deliver specific programs in accordance with the mission of the nonprofit. The presentation may include additional line items to break out the expenses associated with each individual program.

*Support services expenses.* Those expenses used to manage the organization and raise funds.

The net effect of all revenues and expenses is a change in net assets, rather than the profit or loss figure found in the income statement of a for-profit entity.

<https://www.accountingtools.com/articles/statement-of-activities#:~:text=What%20is%20the%20Statement%20of,of%20a%20for%2Dprofit%20business.>

**Budget Comparison**- this is a spreadsheet where budgeted and actual figures are recorded. See Resources in this lesson for a template.

### Supporting Documentation

Supporting Documentation is anything the Board needs to help them make voting decisions. They could include bids (voting to spend money), Board applications (new members), document in its entirety being voted on, relevant policies and procedures, etc. The Secretary can take care of this.

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### **Follow Up**

The Board President should follow up with each person assigned an action item at an appropriate time to see if the person working on the task has run into a roadblock or simply needs help with the item. This is not meant to micromanage the Board member but to help each Board member have success with the action item. Think of servant leadership here. It is the leader who holds the ultimate success or failure of a meeting.

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## **Worksheets**

[Board Minutes Template](#)

[Agenda Template](#)

[Board Notice/Reminder Memo](#)

[Financial Statements Templates](#)

Statement of Activities

[Budget Comparison](#)

Statement of Financial Position (Balance Sheet)