

Roles and Responsibilities of Board and Staff in Main Street Organizations

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Nonprofit board responsibilities

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- State nonprofit law
- Board members are fiduciaries
- To whom are board members responsible?
- Three duties of corporate board members



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Agenda for this section

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- Duties of all nonprofit directors
- Responsibilities of board members in general
- Committee overview
- Role of Main Street board members
- What makes MS unique?
- Role of staff in Main Street organizations
- Growth and Development of downtown organizations—Management phase
- Q & A

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- Duty of care
- Duty of loyalty
- Duty of obedience



Three duties of all board members

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Duty of care

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- Level of competence expected of a board member
- Duty of “care that an ordinarily prudent person would exercise in a like position and under similar circumstances.”

Source: Minnesota Council of Nonprofits



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Duty of loyalty

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- Faithfulness to the corporation
- “Discharge duties in good faith in the best interest of the corporation”
- ...and not yourself

Source: Minnesota Council on Nonprofits



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How to show Duty of care

- Attend meetings
- Understand the organization
 - Bylaws, laws and policies
 - Financial statements & audit
 - Risk management
 - Strategic direction and accountability to members

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How to show Duty of loyalty

- Comply with Open Public Meetings Act (if applicable)
- Confidentiality of biz information
- Conflict of interest
- Self dealing
- Inside information
- Competing with the corporation
- ...and not yourself

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Duty of obedience to the law

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- Being true to the mission and to the law
- Source: Minnesota Council on Nonprofits



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Bad board behavior

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- Care
- Loyalty
- Obedience



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How to show Duty of obedience to the law

- To the mission and bylaws
- Pay payroll taxes
- Adhere to policies/restrictions of grants/donors
- Not endanger tax status
- To State laws
- To Federal laws

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What do Main Street Boards do?

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Main Street Boards

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- Main Street Boards are both governing boards AND working boards
- Main Street Boards deals with the present AND the future
- Main Street is volunteer driven, not staff driven
- Board has sole responsibility to raise the money, not the staff

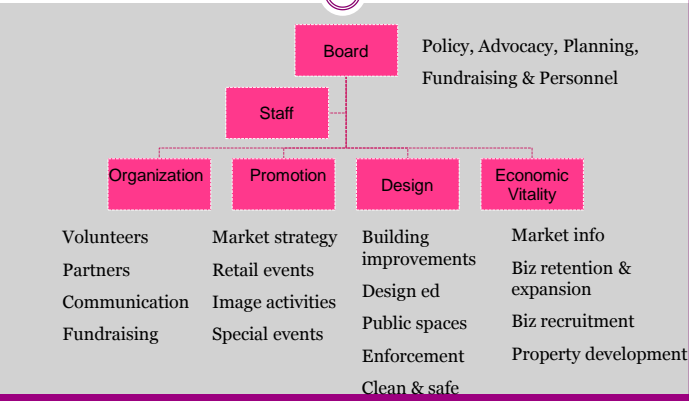
Committee Overview

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Typical Main Street Organizational Chart

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Organization Team

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- Present the program to the public using traditional and social media methods
- Recruit, retain and reward volunteers
- Assist the board with fundraising strategies
- Develop and assure organizational leadership
- Assist in personnel and office management

Promotion Team

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- Develop and improve special events
- Create unique retail oriented activities and events
- Define downtown’s market niche and target appropriate markets
- Create campaigns to improve the image of downtown



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Design Team

- Educate others about good design
- Encourage quality improvements to private buildings and public spaces in downtown
- Create incentives for quality building improvements
- Influence appropriate public design and planning processes
- Address clean, safe, green issues
- Foster historic preservation ethic and promote preservation activities

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Economic Vitality Team

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- Gather and analyze market information about the downtown
- Strengthen/retain existing businesses and help them expand
- Find economic uses for Main Street buildings
- Recruit new business
- Monitor the economic performance of the district and report



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Main Street Board Responsibilities

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10 Main Street board responsibilities

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- 1. Determine the mission and vision
- 2. Hire the Executive Director
- 3. Develop the budget; establish financial controls
- 4. Raise and manage the money
- 5. Understand all legal duties of all nonprofit corporations



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Typical Main Street Board tasks

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- Adopt the yearly work plan
- Adopt the yearly budget
- Review and approve monthly financials
- Hire, reward or terminate Executive Director
- Establish a chain of command
- Review IRS 990 form before filing



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10 Main Street board responsibilities

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- 6. Adopt work plans
- 7. Recommend names and orient new board members
- 8. Advocate for the local program
- 9. Monitor and grow the organization's programs
- 10. Support the Executive Director, evaluate regularly



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Typical Main Street board tasks

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- Set policies and update as needed
- Review mission and vision statements regularly
- Create and follow long term plans
- Understand risk management
- Plan an orderly succession process
- Assist in "friend raising"
- Become a walking, talking advocate for downtown

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**Your Main
Street Board
commitment**

- Serve on 1 Team, manage an event
- Attend as many Board meetings as possible—call in to the meeting if you cannot be there in person
- Attend and support most events and third-party events in the downtown
- Financially support the organization
- Represent board positions without bias
- Don't talk to the press, refer to staff

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**Board's
role in
fundraising**

- Board develops the annual budget
- Makes individual donations
- Assures there is adequate money to operate
- Monitors program finances monthly
- Approves expenditures through work plan process
- Develops a long term funding strategy

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Other Board tasks

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- Attend MS 101 training
- Go to the National MS conference
- Network with merchants/property owners
- Visit with merchants
- Present at City Council meetings



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Review Board Commitment Form

- Discussion about this form
- Use it for Board recruitment BEFORE the potential board member agrees to be placed for nomination to the Board
- Yearly review and signature by all board members
- Board contributions monitored by the Board president

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Being a better Main Street board member

- Read and know your bylaws
- Understand policies and procedures
- Create a Strategic Plan
- Memorize your mission statement
- Avoid conflict of interest
 - Understand what it is—conflicts are inevitable

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Individual board members should

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- Participate in the program with their
 - Time
 - Knowledge
 - Money or access to money
- Attend educational and training programs
- Ask questions

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Being a better Main Street Board member

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- Know and understand the organization's
 - budget
 - work plans, goals and objectives
 - financial statements
 - IRS 990 tax return
 - Audit (if required)
- Understand the chain of command



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Role of Board president

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- Official representative, CEO, check signer
- Sometimes the Spokesperson
- The Executive Director's supervisor
- Chairs Board meetings, sets agenda with ED
- Solves problems between board/staff, board/board, board/Team chairs

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More on Board president

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- Forges consensus, delegates responsibilities
- Appoints Team chairs
- Calls special meetings of the board
- Encourages everyone to attend trainings
- Works with the staff to solve problems



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Board burn out

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- Do not let a board member wear more than 2 hats
 - As a board member and as one of the following:
 - ✦ officer
 - ✦ Team chair
 - ✦ major event chair
- Do not expect board members to give more than 4-10 hrs a month exclusive of meetings
 - Board members should have a life too

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Team Chairs

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- Report up and down—to the board on the Team or task forces work—and to the volunteers doing the work so they understand where their work fits in the overall Main Street effort
- Seeks help from the board if task forces or teams are floundering



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What is unique about MS?

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1. The Board is both a working and governing body
2. Board is responsible for fundraising, not ED
3. Committee chairs on Board assure coordination
4. Work is delegated to committees, not to ED
5. Work Plan approval by board gives committees authority to spend money in work plan
6. Budgeting occurs through work plan process
7. Staff is coordinator, not the leader
8. Board chair supervises Ex. Director

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Staff role

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Executive Director supervises staff

- Hires additional staff as budgeted
- Manages staff on a day to day basis
- Coordinates staff responsibilities and hours
- Reviews staff at 90 days, 6 months, yearly
- Communicates with board on staff performance
- Fires staff if necessary after discussion with Board

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Board role in managing staff

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- Board hires, rewards and terminates the Executive Director
- Executive Director hires/fires rest of staff
- Board chair is day to day supervisor for Executive Director

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Role of the Executive Director

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- Coordinator
- Facilitator
- Instigator
- Communicator
- Quality assurance
- Double checker
- Professional “nudge”
- Does not implement Team work
- Communicates with and among Teams
- Supports the chair as spokesperson or serves as spokesperson
- The orchestra conductor

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Executive Directors are hired to....

- Manage staff
- Day to day administration
- Liaison with the city, county
- Handle record keeping
- Oversee PR
- Establish strong relationships with other groups
- Teach self help

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Executive Directors are hired to....

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- Be accountable to the board chair on a day to day basis
- Attend all Board and most Team meetings
- Give credit to volunteers and leaders

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Executive Directors are hired to...

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- Motivate volunteers
- Become a leader in town
- Be part of the team
- Educate the community about downtown issues
- Works for the board, but is supervised by Board chair



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A Executive Director does not...

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- Become the fundraiser--that is the board's job
- Take minutes at meetings--that is the secretary's job
- Chair, lead or preside at meetings-- that is the chair's job
- Do the books--that is the accountant's or treasurer's job

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A Executive Director does not....

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- Voice their own opinion publicly, unless it is consistent with the board's
- Implement Team activities--that is the Team's job
- Write the whole newsletter/web site/eblast--everyone's job



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Being a better Executive Director

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- Don't play favorites
- Ask board members to refer comments about your performance to board chair
- Insist on prompt evaluations, get help from ORG Team



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Being a better Executive Director

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- Establish line of communication with the board chair
- Have a mutually agreed upon list of tasks and who is responsible for what
- Meet with board chair regularly
- Have lunch, dinner, drinks with ALL of your board members at least once a year



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Being a better Executive Director

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- Review your letter agreement/contract before performance review
- Suggest changes based on peer experience
- Emphasize lessons learned from peers and training



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Executive Director job description

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- Job description should mirror the real job
 - Duties
 - Reporting relationships
 - Salary, evaluation date
 - Vacation, sick, personal, holidays
 - Unemployment insurance, workmen's comp.

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Performance evaluations

- At least annually, at a set time in the year
 - Should come before budget preparation
 - Should not be an "after thought"
- Entire board should review Executive Director in writing--questionnaire
- Executive Committee should review written responses
- Board chair should conduct evaluation

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Executive Director job description

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- Health, dental, disability insurance, optical
- Retirement, deferred compensation
- Comp. time policy
- Average hours worked and flexibility stated
- Severance

Executive Director retention

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- Board's job is to retain a quality Executive Director
- Constant feedback
- Make an effort to show appreciation, regularly
- Your Executive Director is the biggest volunteer

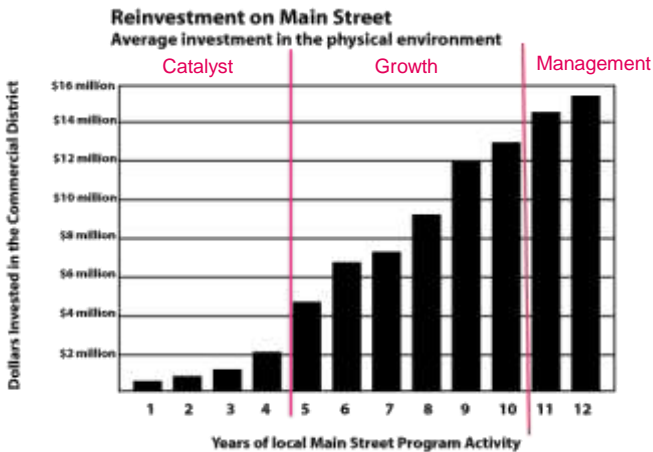
Retaining your Executive Director

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- Help the Executive Director delegate tasks
- Keep current on salaries and benefits
- Stress professional development
- Offer more vacation and insist they take it
- APPRECIATE YOUR BIGGEST VOLUNTEER

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Development of Main Street Organizations

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How Main Street Organizations Grow

3 Phases of organizational development

- Catalyst 1-3 years—learning about revitalization
- Growth—4-10 years —investing in downtown, major activities complete
- Management 10-forever-the mall manager, maintaining quality events, tenants and fostering growth as appropriate

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What is the management phase?

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- At least 70% of the buildings have been renovated
- Ground floor vacancies below 5%
- Upper floor vacancies below 20%
- Public awareness high
- Downtown is relevant to public
- Organization has made headway to overcome barriers preventing use of some buildings
- Figured out sustainable funding

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What do we do in Management Phase?

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- Monitor the marketplace
- Monitor the district
- Helps district make adjustments based on sound research
- Downtown is well maintained
- Continues to stimulate physical improvements
- Mall management

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How do we know if we are in Management?

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- Commercial district no longer perceived as being in distress
- District supports a wide range of uses than before
- Staff grows and assumes greater responsibility for day to day management
- Program becomes contractor to city for maintenance, security, parking, beautification services

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Identity crisis

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- Organization has made progress correcting problems that lead to the organization being created
- People perceive the downtown is DONE now
- Participants worry about what the organization should do NOW
- Tasks ahead are all different than the last five years
 - Board members need to change
 - Staff may need to change or be augmented
 - Less “fun”

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Lessons to learn/mistakes to avoid

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- Lessons to learn
 - Keep volunteers motivated
 - Keep the board fully involved
 - Still work the 4 points
 - Use the work plan to drive decision making
 - Thinking strategically in all you do
- Avoid these mistakes
 - Failure to work all 4 points
 - Lack of true public private partnership
 - Don't understand interdisciplinary nature of MS
 - Exclusive focus on downtown only
 - Failure to hire necessary staff
 - Inability to commit to long term revitalization process

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Questions?

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What should we do now?

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- Establish strategic direction for next 5 years
- Raise more money
- Build your board "bench"
- Build Nominating Committee
- Send brief committee reports sent in advance
- Take time for training
- Translate key documents to Spanish



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Contact me!

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