

*The Critical Challenge
of
Governance
for
Charter School Boards*

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Roles and Responsibilities: The Individual Board Member

Duty of Care

- The duty of care describes the level of competence that is expected of a board director.
- The standard used is the care that an ordinarily prudent person would exercise in a like position and under similar circumstances. At a minimum it involves:
 1. Active participation and discussion in decision-making.
 2. Good business judgment.
 3. Financial integrity.
 4. Regular attendance at board meetings.
 5. Ensuring that all necessary policies are in place and current.
 6. Guaranteeing compliance with filing requirements, particularly annual information return: IRS 990. Information includes:
 - Number of voting members and independent members.
 - Family or business relationships.
 - Diversion of assets.
 - How minutes of meetings are handled.
 - Whether or not the board reviews the 990.
 - Policies in place: Conflict of Interest; Whistle-Blower; Document Destruction; Compensation
 - www.guidestar.org

Duty of Loyalty

- Board directors must never use their position, or the charter school's assets, or information obtained as a board member for personal gain for themselves or for any member of their family.
- To exercise the duty of loyalty, board members must:
 1. Avoid conflict of interest.
 2. Comply with the provisions of the school's charter.
 3. Comply with state and federal laws.
 4. Demonstrate public support for board decisions.
 5. Be willing to ask probing questions on behalf of school.

Duty of Obedience

- Requires that when board members make decisions they do so in accordance with:
 1. Federal and state statutes.
 2. The school's charter.
 3. The school's governing documents: by-laws and articles of incorporation.
 4. Board adopted policies and procedures.
 5. The internal policies and procedures of the administration.

Roles and Responsibilities: The Collective Board

- **Note:** The role of the board shifts as it evolves from *founding* to *working to governing board*. The material below is descriptive of a *governing board*.

*1. The Board's Role in Providing Strategic Direction **

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Establishes vision, mission, core values, and major goals for school. ■ Relies on principal to create work plan for achieving organizational goals. ■ Assesses compliance / progress in achieving educational goals and other outcomes delineated in strategic plan and charter contract. 	<ul style="list-style-type: none"> ■ Participates in establishing strategic direction. Develops organizational work plan based on the strategic direction as determined by board and the educational outcomes outlined in charter contract. ■ Develops reporting system to track progress towards achieving organizational goals.

- Vision: The future you want to create for the community you wish to serve.
- Mission: What you do to make your vision a reality. It is your reason for existing.
- Core Values / Beliefs: The universally shared values of your organization describing how you will do your work; how you will relate to each other, your clients, your community.
- Note: The board consistently uses the vision, mission, core values as guiding principles when making strategic decisions and setting goals.
- Goals: Major steps / initiatives / programs necessary to realize the mission.
- Note: Board meeting should be focused on strategic issues. Craft the agenda to reflect those items that truly come under the jurisdiction of the board. Avoid micromanaging. As per John Carver: the board establishes the ends, or major goals. The principal creates the work plan, or the means, to achieve those goals.

*Chart adapted from: Center for Nonprofit Management in Southern California.
 "Building and Managing an Effective Board of Directors."

2. Board's Relationship with the Principal and Staff

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Sets and reviews personnel policies. ■ Hires and supports the Charter School Administrator. ■ Evaluates the administrator's performance. 	<ul style="list-style-type: none"> ■ Implements personnel policies. ■ Recommends changes in personnel policies to the board. ■ Hires and evaluates all other staff.

- The relationship between the board and the principal is critical to the ultimate success of the school. Nourish it.
- Clarify roles and develop written job descriptions for the board and for the principal.
- Engage in effective hiring and evaluation processes.
- Maintain healthy and mutually supportive relationship between the board chair and principal.
- Establish personnel policies; ensure that they remain current.

3. *The Board's Role in Resource Development*

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Assures long-range commitments of resources; establishes a fund development plan. ■ Reviews and approves all major grant proposals. ■ Makes a meaningful annual gift. ■ Supports all fund raising efforts. 	<ul style="list-style-type: none"> ■ Assists in fund development efforts. ■ Develops grants and other funding applications; plans and supports fund-raising events.

- Board members are critical to the donor development process: cultivate, solicit, steward.
- The entire board, not just the resource development committee, must be involved. If you cannot bring yourself to solicit, you can still cultivate and steward.
- There must be **100% financial commitment** by the board. Give enough so that you care how your money is spent.

4. The Board's Role in Board Development

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Strategically recruits board members. ■ Orients new members; sets expectations. ■ Manages "Founders Syndrome." ■ Assesses performance of individual board members as well as the collective board. ■ Ensures that the board is the correct size to effectively perform its responsibilities. ■ Ensures that critical structures are in place – specifically, committees to support the work of the board. ■ Ensures that board members are committed to the vision, mission, and core values of the school. 	<ul style="list-style-type: none"> ■ Facilitates training and information exchange for members in preparation for board service. ■ Maintains open and clear communication with board members. ■ Facilitates ongoing board education.

- Recruit board members strategically. This is not your mother's board!
Employ the elements of the Board Building Cycle: Identify, Cultivate, Recruit, Orient, Engage, Educate, Rotate, Evaluate, Celebrate. (See: Hughes, S., Lekey, B., & Bobowick, M. (2001). *The Board Building Cycle* for a complete description.)
- Create critical committees with clear roles and responsibilities (Finance, Governance, Audit). Be careful to distinguish between board committees and organizational committees.

5. The Board's Role in Community Advocacy

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Serves as ambassador to the greater community. ■ Does not speak on behalf of the board unless specifically designated to do so. ■ Ensures that an annual report detailing the academic progress and financial well-being of the school is prepared for the community. 	<ul style="list-style-type: none"> ■ Develops relationships with other charter schools and with supportive organizations in community. ■ Prepares annual report for the community.

6. The Board's Role in Fiduciary Oversight

BOARD	PRINCIPAL
<ul style="list-style-type: none"> ■ Approves annual budget. ■ Reviews financial reports (balance sheet, income statement, etc.). ■ Ensures that proper internal controls are in place. ■ Develops risk management policies and ensures their enforcement. ■ Insures that adequate insurance is in place. 	<ul style="list-style-type: none"> ■ Prepares annual budget with input from staff and finance committee. ■ Oversees preparation of financial reports. ■ Implements proper financial controls.

- Not every board member has to be a financial wizard; however, every board member must be educated in the financial basics of the school.
- The budget reflects the strategic direction of the school.
- The board monitors variances from budget.
- The board hires the audit firm and reviews the annual audit.
- The board is ultimately responsible for the financial viability of the school. Take whatever actions necessary to ensure that the board is educated in its fiduciary responsibilities and that sufficient time is allocated at each board meeting to provide exceptional oversight in this critical area.

7. The Board's Role in Programmatic Oversight

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Ensures that educational programs are consistent with the school's mission and charter. ■ Reviews strategic work plan and progress towards achieving goals. ■ Assesses compliance/progress in achieving educational and other outcomes agreed to in the charter contract. 	<ul style="list-style-type: none"> ■ Develops specific programs, objectives and tasks based on mission and vision. ■ Develops and implements program evaluation. ■ Informs board on progress towards achievement of goals.

- Know the strategic goals of your school and the promises contained in your school charter. Ensure that the academic program is directly linked to those promises.

- Establish time in board meetings for ongoing education about your educational programs. Understand what metrics (internal and external) are used to determine academic success and how the curriculum and teaching methods are modified in response to outcomes.
- Develop a board plan including the metrics you will use in monitoring progress towards achieving strategic goals.
- Remember, the academic progress of your students is the primary reason for the school's existence. Devote the time and energy necessary to ensure their progress and ultimate success.

8. The Board's Role in Legal and Ethical Oversight

BOARD OF DIRECTORS	PRINCIPAL
<ul style="list-style-type: none"> ■ Exercises fiduciary role to ensure that the charter school is properly managed. ■ Maintains legal status; insures the proper paperwork is submitted to governmental agencies. ■ Reviews financial and business dealings and exercises ethical judgment. 	<ul style="list-style-type: none"> ■ Provides information to the board to demonstrate that the charter school is well managed. ■ Compiles information for annual filing requirements.

- Ensure that critical policies are in place.
- Review 990's before submission.
- Hire audit company and review audit.
- Guard against private inurement and conflict of interest.
- Ensure that every action of yours (and your fellow board members) reflects the highest legal and ethical standards. You are a very visible representative of your school and the charter school movement.

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