

CSBG Monthly Webinar—Organizational Standards & Board Roles

March 21, 2018

Housekeeping

- Updates from NASCSP (State Manager Training—2.27.18)

1. OCS –Is Issuing State finding for tripartite board vacancies:

Vacancies on Tripartite Boards (Per CSBG and OS 5.1)

--low-income no less than 1/3

--Public 1/3

--Feds see vacancy in either sector as counting against meeting the min. required representation for that sector.

2. OCS –Is Issuing State findings if unable to prove assurances:

Assurances---States need to prove how they were met

specifically interested in 678G (b): (this was added to FY18 CSBG application)

(b) Child Support Services and Referrals—During each fiscal year for which an eligible entity receives a grant under section 675C, such entity shall—

(1) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child support services; and

(2) refer eligible parents to the child support offices of State and local governments.

- **FY19 State Plan Survey—please enter 1 response per agency and submit by 3/30/18**
- FY18 CABG—Amendment #2—update
- Received Notice from OCS of CR#4 amounts (funding through 3/23/18)—but have not received award letter—when we receive it, I will send out requests for budgeting new allocation—and begin amendment #3

Organizational Standards & Board Roles

#1 Resource: IM #82—Tripartite Boards (Q&A format—FAQs about tripartite boards)

(Private) Tripartite boards are responsible for the oversight and governance of community action agencies

(Public) Tripartite Boards are responsible for the oversight of programs under their purview. Public tripartite boards should also have some oversight of budgets for those programs.

Both types of boards fully participate in:

the development, planning, implementation, and evaluation of programs. Both are required to conduct periodic needs assessments of the causes and conditions of poverty within their service area and decide what role, or mission, the agency will assume...in addressing those needs.

#2 Resource—CSBG Organizational Standards

Tripartite Board ultimately responsible for compliance with all of the organizational standards.

Section 5 of the Organizational Standards – specifically addresses Board Governance---but roles, leadership, and governance responsibilities woven throughout the organizational standards

Organizational Standards & Board Roles

What Does the Law Require? (From IM 82)

Roles and Responsibilities of Tripartite Boards

- Sections 676B of the Community Services Block Grant Reauthorization Act of 1998 requires that, as a condition of designation, private nonprofit entities and public organizations **administer their CSBG program through tripartite boards that "fully participate in the development, planning, implementation, and evaluation of the program to serve low-income communities."**

--- *Review IM 82—Question 4—p. 3 “What does ‘fully participate in the development, planning, implementation, and evaluation of the program’ mean”*

Board Composition

- Low-Income Individuals and Families **(Per IM 82: should be low-income and from community)**
- For **private nonprofit** entities, a **minimum of one-third** of tripartite board membership must be **democratically selected representatives of low-income individuals and families who reside in the geographic** area being served by the agency.
- For **public organizations**, such as city, county, or town governments, the law also requires that a **minimum of one-third** of tripartite board membership be comprised of **representatives of low income individuals and families who reside in areas served**. The statute allows public organizations to utilize State-specified mechanisms other than tripartite boards that "assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs..."

Organizational Standards & Board Roles

Vacancies
affect
compliance

- Notes from IM 82 on Board Composition:

For public organizations, such as city, county, or town governments, the law also requires that a minimum of one-third of tripartite board membership be comprised of representatives of low income individuals and families who reside in areas served. The statute allows public organizations to utilize State-specified mechanisms other than tripartite boards that "assure decision-making and participation by low-income individuals in the development, planning, implementation, and evaluation of programs..."



At least 1/3 low
income

OCS does not recommend including in this community representation category for either public or private agency boards individuals who provide services or supports to low-income residents but who are neither low-income or residents of the agency's service area. Such individuals may qualify for board membership as representatives of another board category – "major groups or interests in the community."



Who should not
be low income
rep

- Elected Officials or Their Representatives

One-third must be elected officials, holding office at their time of selection, or their representatives. If a sufficient number of elected officials or their representatives are not available to serve, appointive public officials or their representatives may take the place of elected officials.

- Major Groups and Interests in the Community Served

The remaining board members must be chosen from "business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served."



What gaps does agency
have—expertise, sector
representation..?

Help Your Board through Education on Responsibilities

- A Calendar of Board Actions helps board members know at a glance what action is needed/expected/required

Resource # 3: National Partnership (CAP) created a calendar based on frequency of Board Action required to comply with Organizational Standards

1. Maintain

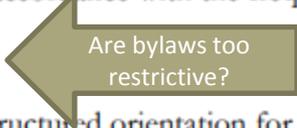
- 1.3 The organization has a systematic approach for collecting, analyzing, and reporting customer satisfaction data to the governing board.
- 4.5 The organization has a written succession plan in place for the CEO/ED, approved by the governing board, which contains procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as outlines the process for filling a permanent vacancy.
- 5.1 The organization's governing board is structured in compliance with the CSBG Act: 1. At least one third democratically-selected representatives of the low-income community; 2. One-third local elected officials (or their representatives); and 3. The remaining membership from major groups and interests in the community.
- 5.2 The organization's governing board has written procedures that document a democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.
- 7.7 The organization has a whistleblower policy that has been approved by the governing board.

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2.

As Needed/More Frequent than Annually

- 5.5 The organization's governing board meets in accordance with the frequency and quorum requirements and fills board vacancies as set out in its bylaws.
- 5.7 The organization has a process to provide a structured orientation for governing board members within 6 months of being seated.
- 5.9 The organization's governing board receives programmatic reports at each regular board meeting.
- 8.7 The governing board receives financial reports at each regular meeting that include the following:
 1. Organization-wide report on revenue and expenditures that compares budget to actual, categorized by program; and
 2. Balance sheet/statement of financial position.



Are bylaws too restrictive?

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3.

Annually

- 4.4 The governing board receives an annual update on the success of specific strategies included in the Community Action plan.
- 6.5 The governing board has received an update(s) on progress meeting the goals of the strategic plan within the past 12 months.
- 7.4 The governing board conducts a performance appraisal of the CEO/executive director within each calendar year.
- 7.5 The governing board reviews and approves CEO/executive director compensation within every calendar year.
- 8.2 All findings from the prior year's annual audit have been assessed by the organization and addressed where the governing board has deemed it appropriate.
- 8.3 The organization's auditor presents the audit to the governing board.
- 8.4 The governing board formally receives and accepts the audit.
- 8.6 The IRS Form 990 is completed annually and made available to the governing board for review.
- 8.9 The governing board annually approves an organization-wide budget.
- 9.3 The organization has presented to the governing board for review or action, at least within the past 12 months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary.

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4. Every 2 Years

- 4.6 An organization-wide, comprehensive risk assessment has been completed within the past 2 years and reported to the governing board.
- 5.4 The organization documents that each governing board member has received a copy of the bylaws within the past 2 years.
- 5.6 Each governing board member has signed a conflict of interest policy within the past 2 years.
- 5.8 Governing board members have been provided with training on their duties and responsibilities within the past 2 years.
- 8.10 The fiscal policies have been reviewed by staff within the past 2 years, updated as necessary, with changes approved by the governing board.

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5. Every 3 Years

- 3.5 The governing board formally accepts the completed community assessment.

6. Every 5 Years

- 4.1 The governing board has reviewed the organization's mission statement within the past 5 years and assured that:
1. The mission addresses poverty; and 2. The organization's programs and services are in alignment with the mission.
- 6.1 The organization has an agency-wide strategic plan in place that has been approved by the governing board within the past 5 years.
- 7.1 The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.
- 8.11 A written procurement policy is in place and has been reviewed by the governing board within the past 5 years.

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Resource #4: [CAP Utah Board Training materials --self-assessment form](#) (Could be updated with questions about ROMA)

- Expectation that each board member is active and engaged
- Know and support mission and vision of agency/department
- Attend meetings
- Participate in board training
- Be resource for Linkages in the community—financial, programmatic, needed expertise
- Be informed of contract performance and spend down
- Be informed of program performance
- Be informed of customer feedback and community surveys—recognize connection to the Strategic Plan
- Be active in developing the Strategic Plan and Community Action Plan
- Participate in the Needs Assessment—to promote greater understanding of unmet need in community and agency's role in addressing need
- Understand the relationship between programs and goals stated in the Strategic Plan and Community Action Plan
- Ensure proper fiscal controls are in place (as per board's authority)
- Receive/review/question fiscal reports/reviews/audits—prior to approval
- Ask questions when presented with program performance measures and drill down to what the numbers say about meeting Strategic Plan and Community Action Plan Goals.
- Revisit board bylaws—for specific roles and responsibilities identified—and to see if updates are needed.
- Avoid self-serving policies
- Avoid conflict of interest

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From CAP Utah

THREE TYPES OF BOARDS

1. Governing Board
 - a. A governing body for organizations
 - b. Makes policy decisions regarding purposes, functions, goals, and activities
 - c. Selects, employs and evaluates the executive director, who reports to the board and is responsible to it
 - d. Legally responsible for any and all issues encountered by the organization

2. Advisory Board
 - a. Primarily gives advice and makes recommendations, usually to the agency's executive director *and/or to governing board*
 - b. The executive director is not appointed by nor responsible to the advisory board and does not have to follow its advice

3. Administrative Board
 - a. A working board whose members may or may not receive a salary
 - b. Makes decisions regarding program and policy and acts as a plural chief executive of the agency
 - c. Members carry out their own policies through administrative activities

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From CAP Utah:

LEGAL OBLIGATIONS OF BOARD MEMBERS

Principles of *The Reasonably Prudent Person* and *Good Faith*

1. The **reasonably prudent person** avoids:
 - a. **Mismanagement:** A failure to follow fundamental management principles, e.g., failure to ensure that planning occurs; failure to review reports for problems
 - b. **Non-Management:** Failure to use existing opportunities for good management, e.g., failure to use available control systems
 - c. **Self-Dealing or Conflict of Interest:** Concerns board members voting on decisions in which they face possible personal or professional gain
2. Board members acting in **good faith** should:
 - a. Attend all board and committee meetings regularly
 - b. Have a thorough knowledge of the organization's charter and bylaws
 - c. Heed corporate affairs and keep informed of general organizational activities
 - d. Ensure that minimum legal/technical requirements are met
 - e. Record personal conduct and register dissents officially
 - f. Avoid any semblance of self-dealing
 - g. Make no financial profit except as allowed in bylaws

*** Liability is assumed by every person who serves on a board. You must understand that you are held legally responsible for each and every decision made by your board.

Help Your Board through Education on Responsibilities

- From the National Council of Nonprofits:
(Public tripartite boards—similar—Good Oversight)



Review resources available Community Action Partnership:

<https://www.communityactionpartnership.com/menus/organizational-standards.html>

Questions/Comments

