

# **The Making of an Excellent Board Policy Manual**

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## Purpose of this Session

- To better understand ways that boards fulfill their responsibility and exercise leadership.
- To encourage a higher degree of engagement in the decision-making process.
- To introduce a model of management by establishing policies and setting outcome expectations.
- To provide a framework for developing a Board Handbook and Policy Manual.

## Importance of Board Governance

When a ministry encounters failure—or even worse, scandal—its difficulties can almost always be traced to a breakdown in governance.

The importance of an active, informed governing body cannot be overemphasized. Left unchecked, even minor board neglect can eventually intrude upon the accountability and effectiveness of the ministry. In contrast, the active, informed board will hold to the mission, protect the integrity of ministry objectives, and ensure consistent adherence to board policies.

Comments on ECFA Standard 2

## Who's in Charge?

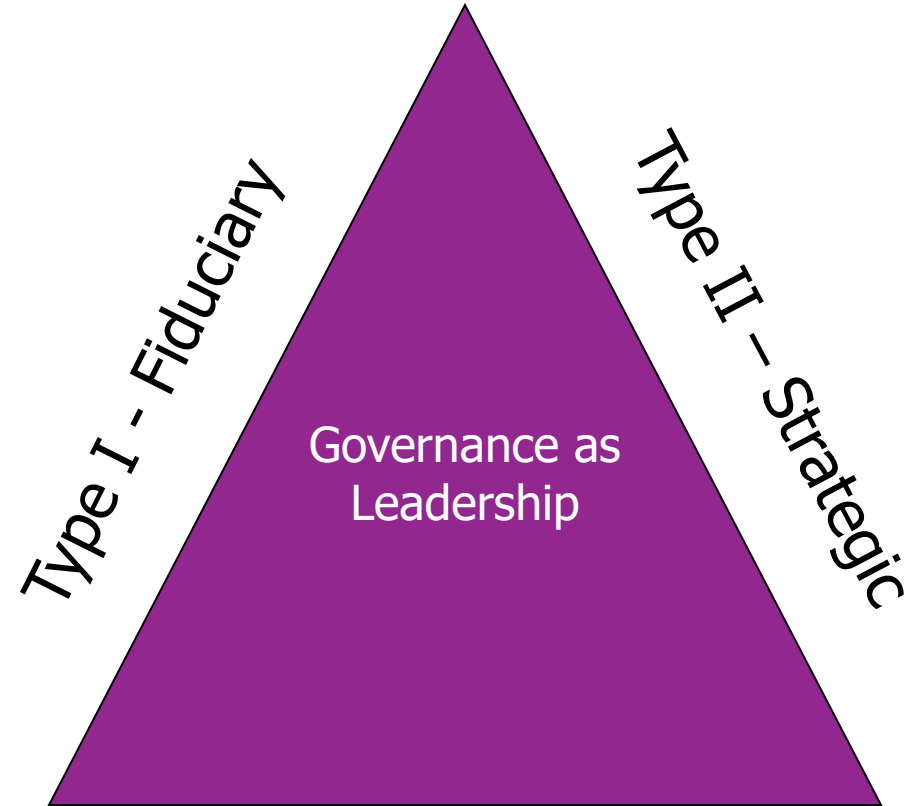
- The Board bears ultimate responsibility for the institution.
- The Board speaks with a single voice.
- There is growing demand for accountability of corporate, nonprofit, and college boards.

## Who's does What?

Board's Role	President's Role
Develop Mission Statement	Communicate Mission
Guide Strategic Planning	Implement Strategic Plan
Establish/Approve Policy	Implement/Enforce Policy
Select and Evaluate President	Provide KPI's and Timely Reports
Represent Constituency	Represent College/University

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## Three Types of Governance



Type III - Generative

*GOVERNANCE AS LEADERSHIP* by Chait, Ryan, & Taylor

## Three Types of Governance

- Type I – Fiduciary: the focus is on control and conformance.
- Type II – Strategic: the focus shifts to direction, policy, performance, and mission fulfillment.
- Type III – Generative: the focus is more on problem solving and realizing potential for the organization

*The best boards engage in all three modes.*

## Shared Governance

- Shared governance increases collaboration, builds trust, balances competing interests, and leads to better decisions.
- Shared governance gives voice (but not ultimate authority) to concerns common to stakeholders.
- Misconceptions
  - Everyone votes on decisions
  - Academic freedom trumps board authority
  - A faculty senate must be formed



## **How can a board best manage its authority, responsibility, and accountability?**

- Define, Document, and Communicate Expectations
- Be Sensitive to the Social Aspect of Governance
- Establish Good Policies

## Policy Governance – A Leadership Tool

- Carver Model
  - Ends – define organizational results
  - Executive Limitations – guide management decisions
  - Board/CEO Relationship – one employee reports to the board
  - Process – board’s operation and leadership; speak with one voice
- Adapted Variations of Carver that blend with Shared Governance

## Why a Handbook and Policy Manual is Essential

- The Temptation to Get Involved in Management over Policy
- To Maintain a Record of Policies Approved and Implemented
- A Necessary Resource for New Trustees
- To Provide Parameters and Guidance to New Presidents
- To Stay Focused on the Main Thing

## Hierarchy of Policy

1	Federal and State Laws
2	Accrediting Associations and Church Affiliations
3	Articles of Incorporation
4	Bylaws
5	Board Policy Manual
6	CEO Policies
7	Department/Staff Policies

## Developing Good Policy Statements

- Can't be done without proper planning and input
- Board policies guide the president
- Policies and Motions
- Policies and Procedures
- Be selective with what becomes policy
- Choose your words carefully
- Have the president and board chair prepare a first draft

## Example: Conflict of Interest Policy

### Components Include:

- Policy Statement
- Disclosure Review and Resolution
- Standards
- Maintenance of Records
- Annual Conflict of Interest Compliance Statement Form

## Conflict of Interest Policy Statement

The purpose of this Conflict of Interest policy is to provide for timely disclosure and to protect the interests of XXXXX College in the context of transactions or relationships involving the College in which a trustee or officer has a direct or indirect interest that may be adverse to the interest of the College, or may directly or indirectly benefit the personal interest of such trustee or officer.

Therefore, the Board of Trustees requires that *annually* each trustee and officer of the College shall:

- Review this Policy
- Disclose in writing any existing or anticipated Conflict of Interest transactions
- Acknowledge by signature on the Conflict of Interest Statement provided by the College that such trustee or officer is in accord with the letter and spirit of this Policy.

## Developing a Board Handbook and Policy Manual

- Major commitment of time and effort with ROI
- Assign Responsibility
- Establish a Timeline
- Agree on a Model
- Ensure Accuracy and Consistency
- The Board Handbook/Policy Manual is a Living Document
- Plan for regular review



## Contents of the Board Handbook

- Maintain an Accessible Digital Version
  - Board Portals (boarddoc.com, boardeffect.com, myboardpacket.com)
  - Outlook SharePoint, Google Drive, Dropbox, Box.com, etc.
- Key Sections
  - Section One: College Profile
  - Section Two: Governance Structure
  - Section Three: Governing Documents
  - Section Four: Board Approved Policies
  - Appendices
- Board Policies Manual Template - [theandringagroup.com/resources](http://theandringagroup.com/resources)

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## Sample Board Portal

**SharePoint**

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Trustees EDIT LINKS

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- Board Meeting
- Board Development
- Budget and Finance
- Document Folders
- Discussion
- Key Performance Indicators
- Strategic Plan 2017-2021
- Succession Planning
- Survey - Board Evaluation
- Recycle Bin

EDIT LINKS

#### Announcements

+ new announcement or edit this list

✓ Title	Modified
Upcoming Board Meeting	February 22, 2018

#### Calendar

October 2019

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17 9:30 am - 11:00 am President Alexander's Inauguration 8	18	19
20	21	22	23	24	25	26
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#### Newsfeed

Start a conversation

It's pretty quiet here. Invite more people to the site, or start a conversation.

#### Links

+ new link or edit this list

URL

- Association for Biblical Higher Education
- Association of Governing Boards
- Council of Christian Colleges and Universities
- HIU Website
- WASC

#### Documents

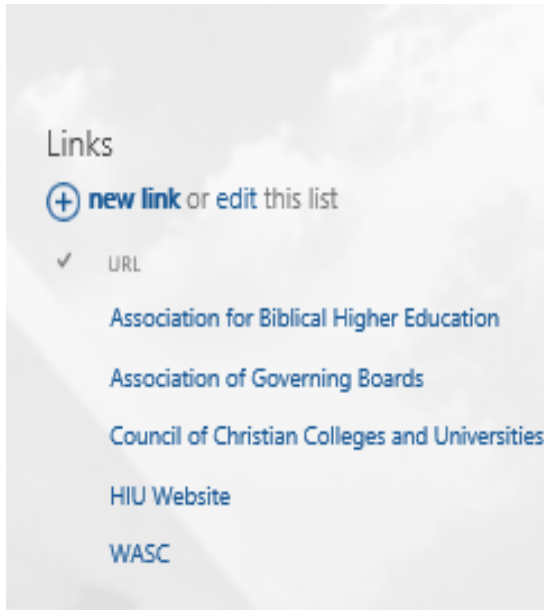
+ New Upload Sync

Name

- Accreditation
- Articles on Higher Education
- Board Development
- Board Documents
- Board Handbook
- Board Meeting
- Board Reports
- Budget and Finance
- Campus Development
- Crisis Management Plan
- Key Performance Indicators
- Merger - Nebraska Christian College
- Strategic Plan 2012-2016
- Administration
- Strategic Plan 2017-2021
- Succession Planning
- Board Evaluations
- HIU History and Heritage

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## Sample Board Portal



## Summary

- Make sure there is clarity in your policies on where the lines are drawn between the authority of the board and the decision-making role of the president.
- Find ways to make board meetings more efficient so you can spend time tapping into the wealth of wisdom and experience of board members.
- Regularly use your Board Handbook as a governance tool and not simply a reference book.

## Discussion/Questions