

# Introduction to Policy Governance

United Way of Dane County  
Leadership Development for Nonprofit Board Members Conference  
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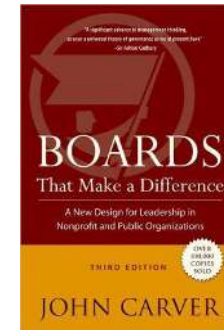
# Objectives

- Basic understanding of policy governance.
- Policy governance in relationship to other board responsibilities.
- Is policy governance right for your board?

# Where did policy governance come from?



John Carver created the Policy Governance Model in the mid 1970s. “Boards that Make a Difference” was published in 1990. Books, consulting organizations, and associations have helped develop and apply the model.



## Good Governance for Nonprofits

Developing Principles and Policies for an Effective Board



Authors: Frederic L. Laughlin, Robert C. Andringa  
Pub Date: 2007  
Your Price: \$27.95  
ISBN: 9780814474525  
Format: Hardback

[Order this Book](#)

The links below—and the descriptions—are for all of the 16 handouts for *Good Governance for Nonprofits*. We provide this page for customers who have purchased the book and want to use the forms for their organizations. You can open them in Word and adapt them to your own needs. If you have not purchased the book, you may view, but not adapt, these forms. Under no circumstances can they be resold.

# What is Policy Governance?

- A board governance and leadership system or model
- Integrated and coherent
- Focuses on the “how” of governance
- Separates governance from other board functions (e.g. advisory, fundraising)

# What do we mean by governance?

*The board's primary job is assuring that the organization produces the results expected by its owners using acceptable means. Board governance is how the board controls the organization to provide that assurance.*

*The purpose of governance is to ensure, usually on behalf of others, that an organization achieves what it should achieve while avoiding those behaviors and situations that should be avoided. (John Carver)*

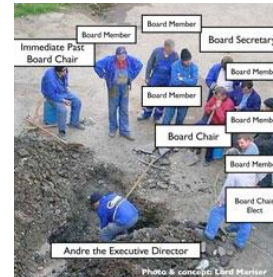
*The governing board should provide effective and ethical governance leadership on behalf of its owners' interest to ensure that the organization focuses on its purpose and outcomes... (CARF)*

# Why should you care?

1. Better results – good intentions are not enough
2. More effective boards and less dysfunction



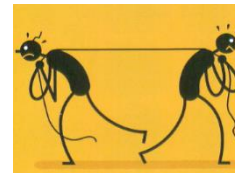
Rubber stamp  
for CEO  
decisions



Micromanaging  
board of directors



Ineffective or  
inefficient  
board meetings



Lack of  
alignment

**2. Executive Limitations Policies:** Define unacceptable and imprudent actions.



Danger! Avoid these situations!



**1. Ends Policies:** Establish desired benefits, for whom, and at what cost.

**3. Monitoring:** Determine compliance with ends and limitations policies.



**noredink**

# Ends Policies



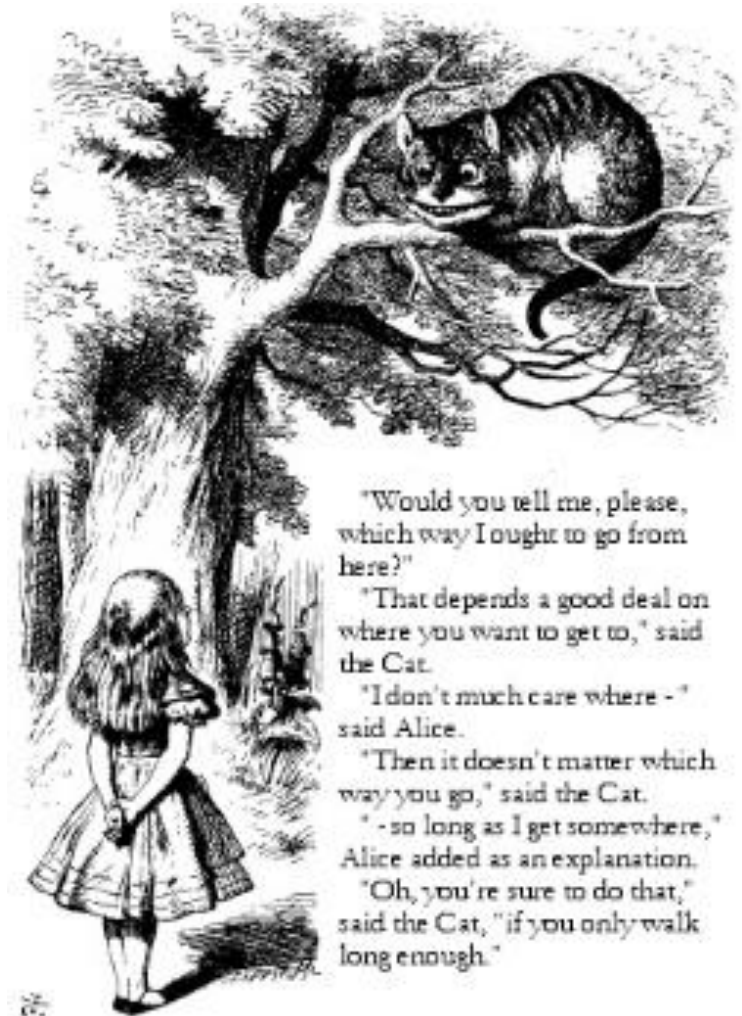
Who benefits?



What are the benefits?



What should it cost?



"Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where -" said Alice.

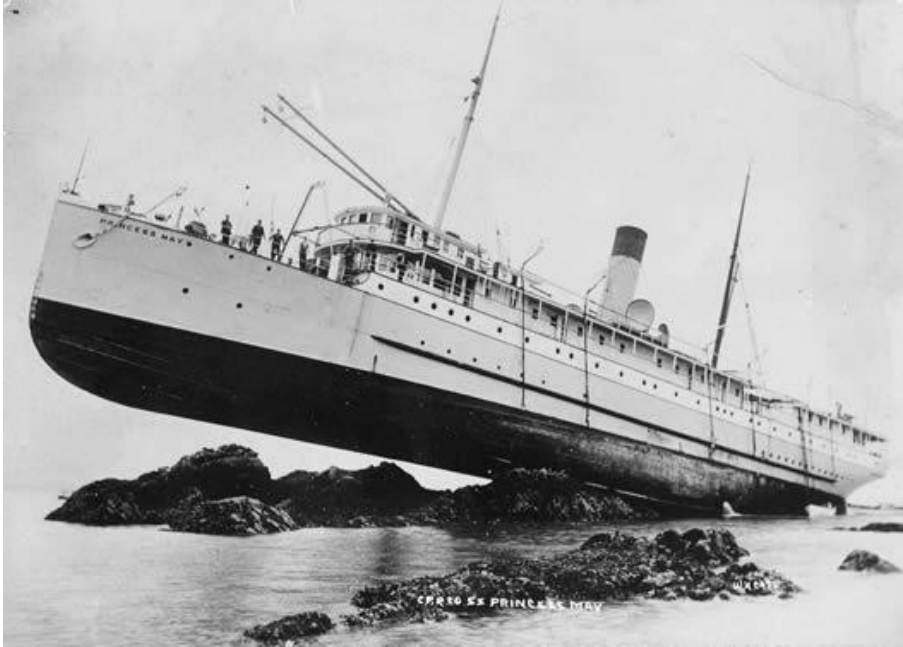
"Then it doesn't matter which way you go," said the Cat.

"-so long as I get somewhere," Alice added as an explanation.

"Oh, you're sure to do that," said the Cat, "if you only walk long enough."



# Executive Limitations Policies



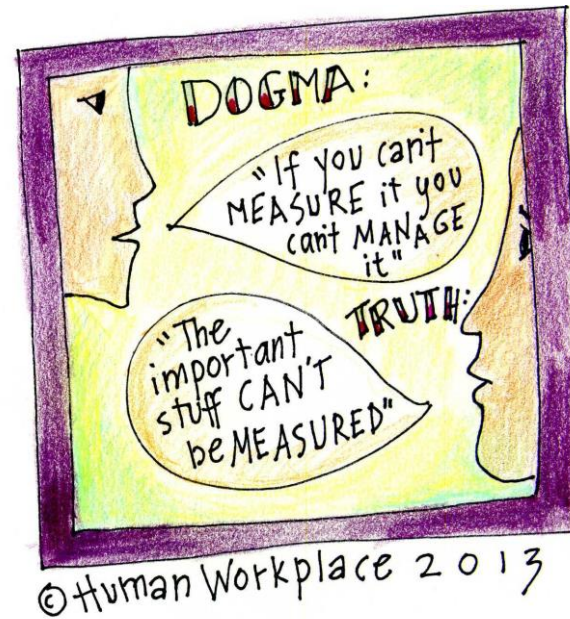
- Imprudent
- Unethical
- Illegal

*What is not prohibited  
is acceptable.*

# Monitoring



Is this your board?



Do you believe this?

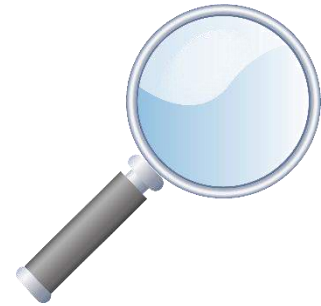
# Monitoring

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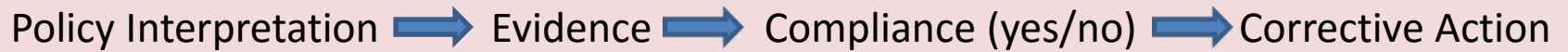
## CEO report



## Outside audit



## Direct inspection by the board



# Board Policy Document

1. Ends Policies
2. Executive Limitations Policies
  - a. Finance
  - b. Compensation and benefits
  - c. Employee projection
  - d. Succession
3. Board Governance Policies
  - a. Governing Style
  - b. Board job contribution
  - c. Code of Conduct
  - d. Officers and Committees
4. Board – CEO Relationship Policies
  - a. Delegation to the CEO
  - b. CEO job contribution
  - c. Monitoring executive performance



# Resources and Questions

## Resources:

My website: [www.robingates.net/nonprofit-board-governance/](http://www.robingates.net/nonprofit-board-governance/)

Governance video: [www.youtube.com/user/robingates](http://www.youtube.com/user/robingates)

Carver website: [www.policygovernance.com](http://www.policygovernance.com)

BoardSource: [www.boardsource.org](http://www.boardsource.org)

## Questions:

