



# Effective Board & Staff Relationships

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# Introductions - Bill



- Charleston, South Carolina
- CAE – ASAE
- US Chamber – IOM
- Jordan, Palestine, Lebanon,
- Turkey, Nigeria, Tunisia, etc.



- [www.AssociationOptions.com](http://www.AssociationOptions.com)
- [wpawlucy@AssociationOptions.com](mailto:wpawlucy@AssociationOptions.com)



# Experience



# Learning Objectives



"In the realm of nonprofit, where the board and staff reside, communication, trust, and a shared goal must be the guide. For without them, conflicts will rise, and the relationship between the two, will wither and die." – William Pawlucy, CAE

# Board and Staff Roles



# High Performing Board



# High Performing Staff





Govern More - Manage Less!

**BOARD GOVERNS  
STAFF MANAGES**

# Boards are Responsible for Governance

*To Govern is to Steer*



## Board Members

- steer through STRATEGIC LEADERSHIP, selectively implement through RESOURCE DEVELOPMENT, and protect through OVERSIGHT

## Chief Executive

- IMPLEMENTS an efficient and effective path forward, within boundaries, toward the Strategic Vision in ways that are responsive to stakeholders

SCAN ME



# CLEAR CUT GOVERNANCE

The Board is the governing body responsible for  
(1) Strategy, (2) Policy, and (3) Oversight

## STRATEGY



Setting the strategic direction and vision. Advancing the organization's multiyear strategic plan

## POLICY



Creating policies (internal) and positions (external) to benefit members and advance the mission

## OVERSIGHT



Overseeing resource allocation, including adoption of the annual budget, and evaluating performance of programs, products, and services

The Executive Director is responsible for management of the organization, including staffing, physical office, protection of assets and other responsibilities associated with a corporate CEO.

# Authority to Govern

## State Corporate Status

- “Not for Profit Corporation”

## Federal Dept. of Treasury, IRS

- “Exempt from Federal Income Tax”
- Form 990 - Public Record



# Trustee of a State Corporation



Tre Hargett  
Secretary of State

Division of Business Services  
Department of State  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

## Filing Information

Name: TENNESSEE SOCIETY OF ARCHITECTS, THE AMERICAN INSTITUTE OF ARCHI>

### General Information

**SOS Control #** 000085442  
**Filing Type:** Nonprofit Corporation - Domestic  
12/14/1967 4:30 PM  
**Status:** Active  
**Duration Term:** Perpetual  
**Public/Mutual Benefit:** Mutual

**Formation Locale:** TENNESSEE  
**Date Formed:** 12/14/1967  
**Fiscal Year Close:** 12

### Registered Agent Address

TENNESSEE SOCIETY OF ARCHITECTS, THE AMERI  
1105 GARTLAND AVE  
NASHVILLE, TN 37206-2746

### Principal Address

1105 GARTLAND AVE  
NASHVILLE, TN 37206-2746

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
04/08/2022	2021 Annual Report	B1197-6289
04/14/2021	2020 Annual Report	B1020-4153
03/12/2020	2019 Annual Report	B0832-5890
05/21/2019	Assumed Name Renewal	B0704-4739
Assumed Name Changed From: AIA Tennessee To: AIA Tennessee		
Expiration Date Changed From: 07/08/2019 To: 05/21/2024		
03/26/2019	2018 Annual Report	B0679-0455
03/28/2018	2017 Annual Report	B0524-5304
03/21/2017	2016 Annual Report	B0366-1970
03/22/2016	2015 Annual Report	B0221-1201
02/03/2015	2014 Annual Report	B0049-3533
07/08/2014	Assumed Name	7359-1386
New Assumed Name Changed From: No Value To: AIA Tennessee		
03/25/2014	2013 Annual Report	A0226-0951
Registered Agent Organization Name Changed From: No Value To: TENNESSEE SOCIETY OF ARCHITECTS, THE AMERICAN INSTITUTE OF ARCHI>		
Registered Agent First Name Changed From: CONNIE To: No Value		

# Sample IRS Exempt Form 990

Annual Information Return  
Guidestar.org

efile GRAPHIC print - DO NOT PROCESS As Filed Data -		DLN: 93493319148619
<b>Form 990</b>	<b>Return of Organization Exempt From Income Tax</b>	OMB No 1545-0047
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)		<b>2018</b>
Do not enter social security numbers on this form as it may be made public		Open to Public Inspection
Go to <a href="http://www.irs.gov/Form990">www.irs.gov/Form990</a> for instructions and the latest information.		

**A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization  
 AMERICAN INSTITUTE OF ARCHITECTURE EASTERN OKLAHOMA

**D** Employer identification number  
 73-0758597

**E** Telephone number

**F** Name and address of principal officer  
 DAVID REED

**G** Gross receipts \$ 233,011

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
 If "No," attach a list (see instructions)

**H(c)** Group exemption number

**I** Tax-exempt status  501(c)(3)  501(c) ( 6 ) (insert no )  4947(a)(1) or  527

**J** Website: WWW.AIAARCHITECTS.COM

**K** Form of organization  Corporation  Trust  Association  Other

**L** Year of formation 1961 **M** State of legal domicile OK

**Part I Summary**

**1** Briefly describe the organization's mission or most significant activities  
 FACILITATE UNITY, FELLOWSHIP, AND EDUCATION AMONG MEMBERS, PROMOTE THE VALUE OF AIA ARCHITECTS, AND EDUCATE THE PUBLIC OF THE IMPORTANCE OF GOOD DESIGN AND ITS CONTRIBUTION TO THE QUALITY OF LIFE

<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	3	11
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
<b>5</b>	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	1
<b>6</b>	Total number of volunteers (estimate if necessary)	6	
<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	7a	13,231
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	7b	-10,098

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)	86,923	94,378
<b>9</b> Program service revenue (Part VIII, line 2g)	43,682	100,948
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,969	1,110
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,245	13,231
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	147,819	209,667
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)		0
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		0
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	57,964	66,073
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		0
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)		
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	79,985	110,110
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	137,949	176,183
<b>19</b> Revenue less expenses Subtract line 18 from line 12	9,870	33,484

	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)	60,203	88,007
<b>21</b> Total liabilities (Part X, line 26)		0
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	60,203	88,007

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	11	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	11	
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
<b>6</b> Did the organization have members or stockholders?	6	Yes
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	8a	Yes
<b>b</b> Each committee with authority to act on behalf of the governing body?	8b	Yes
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?	10a	No
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	No
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
<b>13</b> Did the organization have a written whistleblower policy?	13	Yes
<b>14</b> Did the organization have a written document retention and destruction policy?	14	Yes
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	15a	Yes
<b>b</b> Other officers or key employees of the organization	15b	No
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

# IRS Highly Recommended Policies (990 Part VI)

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Conflicts of Interest Policies

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Whistle Blower Policies

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Document Retention and Destruction Policies

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Executive Compensation Policies

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Joint Ventures Policies (dependent)

# Protections for the Board

Directors and Officers (D&O)

Incorporated

Volunteer Immunity

Indemnification



# You are a Fiduciary

## Duty of Obedience

- Faithful to mission and goals
- Following the governing documents
- Gavel-to-gavel authority

## Duty of Care

- Good business judgment at all times
- Due diligence in decision-making
- Utilizes expert advice when needed

## Duty of Loyalty

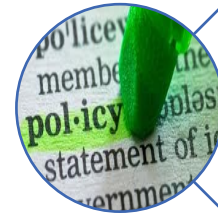
- Act in the best interest of the AIA Component and its stakeholders
- Avoid conflicts of interest
- The Board speaks with one voice

# Governing Documents



## Mission

(Purpose for existence; **IRS** submission)



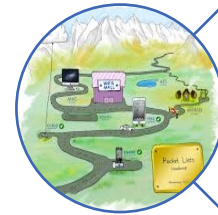
## Policies

(Interpretation of bylaws, **wisdom** of prior boards)



## Articles of Incorporation

(Relationship to **state** government)



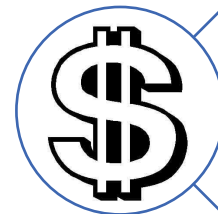
## Strategic Plan

(**Roadmap** for the organization.)



## Bylaws

(Relationship between board and **stakeholders**)



## Annual Budget

(**Financial** projection and position.)

# Quiz Question

1. Who decides to increase membership dues?
2. Who signs contracts?

# Defining the Board Role and Commitment



- Address expectations/commitment with new board members BEFORE they apply
- Create position descriptions outlining:
  - Time Commitment
  - Travel Expectations
  - Position Description/Responsibilities
  - Desired Qualifications
  - Training (Available or Required)

20



Consent to Serve - Sample

## Consent to Serve (Board or Committee Commitment)

I have been nominated, asked, or expressed an interest in serving in a board or committee role in the organization. Should I be elected or appointed, I will act responsibly and prudently, and I consent to the following:

### RESPONSIBILITIES

I understand the roles and responsibility of this position and have thoroughly reviewed the position description and have asked or will ask any questions I have regarding the post.

### ORIENTATION

I understand that I will be provided with orientation materials which includes general information about nonprofit service, current policies, background on the organization, recent activities, and other information relevant to my duties and I commit to reading this information prior to my first meeting.

### ACCOUNTABILITY

I understand that I may or will have legal, fiscal, and ethical<sup>1</sup> responsibility for the well-being of the organization. As such, I accept it as my responsibility to:

- Be familiar with and protect organizational resources, funds, and intellectual property.

- Understand the applicable policies and programs and oversee or support their implementation.
- Be responsible for making decisions on organization issues and matters, by being an active participant at meetings.
- Respect the organization's values and recognize the official channels of communication.
- Stay current on the programs of the organization and the environment in which it operates.
- Excuse myself from discussions, decisions, and votes where I may have a conflict of interest.
- Adhere to state and federal laws, as well as the organization's governing documents.

### ATTENDANCE

I understand attendance at meetings, in person or by technology, is considered mandatory, recognizing that occasional absences may be

<sup>1</sup> Conducting myself with integrity and excellence.

# Tips for Incoming Leaders

- More you **prepare** before installation, the better your year.
- Work hard **first 3 months**; next 9 months smooth sailing.
- The **money belongs to the members**.
- It's **not about you**.
- Your best **partner is the AE**.

SCAN ME



## 100+ Tips for the Incoming President

"Don't take yourself so seriously"...and other nuggets of presidential advice!<sup>1</sup>

### Preparing for Your Role

1. The first three months into your term are the most time consuming.
2. Two months before taking office is often the highest dividend for planning your year.
3. The association belongs to the members, *not to you*.
4. Invite a newer member to serve on a project, program or committee; you'll be surprised years later when they recall that you were first person to ask them to take a leadership role.
5. Memorize the mission statement – it will frame discussion and decision.
6. Volunteers want to make meaningful contributions – you are the conduit or facilitator.
7. The president and the executive director work best as equal partners.
8. Serve food at meetings; but avoid too much sugar.
9. Do NOT ask staff to do anything personal for you. Staff are paid to manage the association – not to manage you.
10. Do away with "tired committees;" establish quick response teams and micro-task opportunities.
11. **You are the elected president; not the king or queen**.
12. When you spend money, always be ready and able to justify that it is in the best interest of the organization.
13. Know the law and the code of ethics – don't break either.
14. If you write your president's message in the newsletter – do it with intelligence and good grammar, don't ask staff to write your message. Consider that it will be in the association's permanent history.
15. Your term is most likely only 365 days; then you are history.



<https://www.dropbox.com/s/qzwwg8ye4mppqyc/100%2B%20Tips%20for%20Incoming%20President%208-17.pdf?dl=0>

# What Reasons Cause You to Remove a Board Member?

Infractions including but not limited to:

- Failure to comply with the code of conduct;
- Failure to disclose potential or perceived conflicts of interest;
- Failure to respect confidentiality;
- Use of a relationship or information for personal or professional gain;
- Unauthorized expenditures or misuse of organization's funds;
- Lack of respect or unwarranted attacks on any person;
- Misrepresentation of the organization;
- Lack of attendance exceeding policy requirements or without reason;
- Conviction of a felony.



# Board and Staff Relationships



# An Effective Board and Staff Relationship

## Roles and Responsibilities

- Clear understanding of respective **roles and responsibilities** to avoid confusion and overlap
- Board **sets overall direction and policies**, staff carries out day-to-day operations

## Planning and Implementation

- Board and staff **work together to develop a strategic plan** aligned with mission and goals
- **Staff implements plan**, board monitors progress and provides guidance

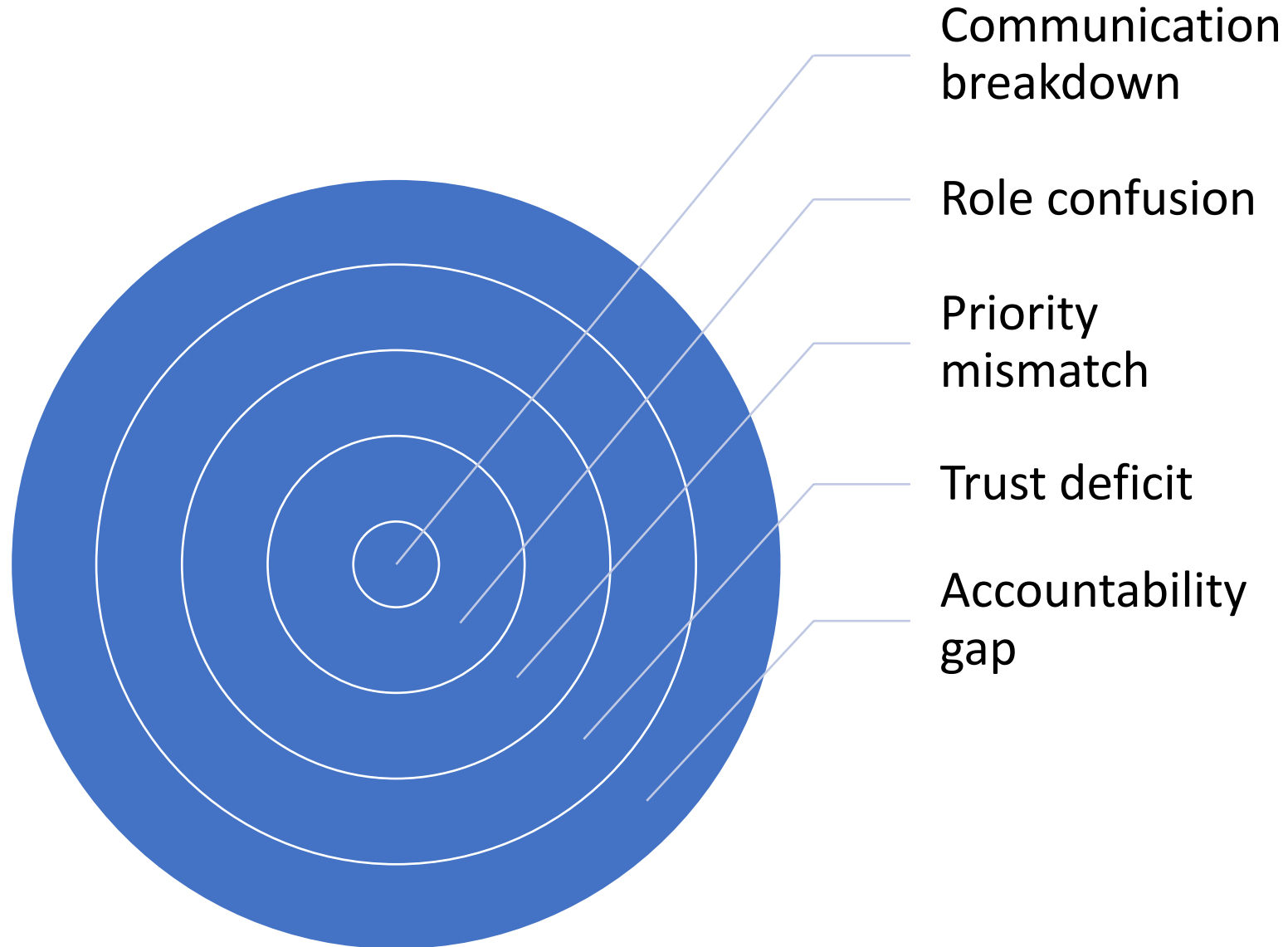
## Interpersonal Communication

- **Regular communication** between board and staff is essential
- **Regular meetings** to discuss progress, share information, and provide feedback
- **Open lines of communication** to address issues and concerns

# Governance Structure



# Broken Circle of Trust



# Examples and Results

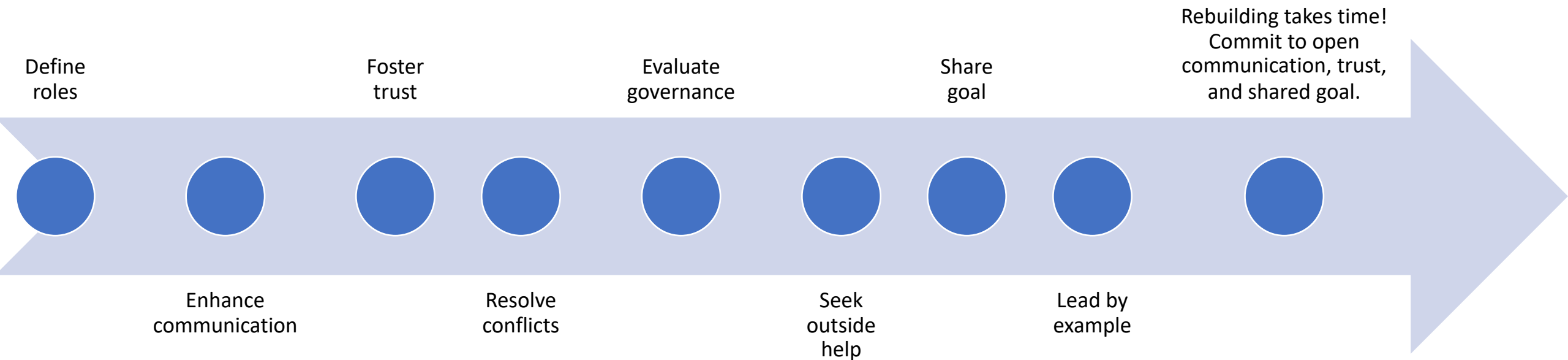
## Board

- The board makes decisions or implements policies without involving or consulting with the staff
- Results:
  - Distrust and frustration by staff
  - Reduced morale
  - Turnover
  - Harms mission

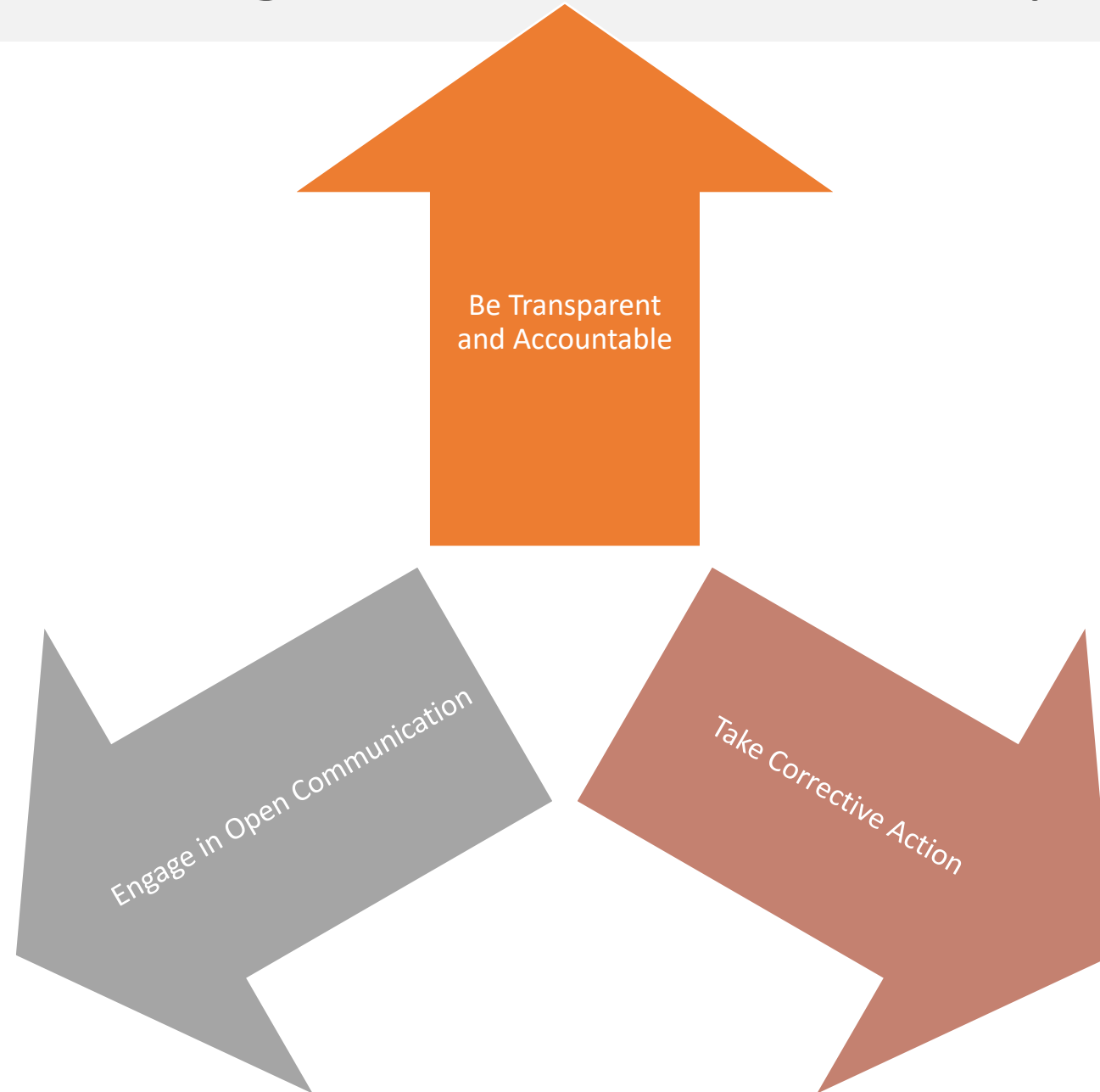
## Staff

- If staff members consistently **miss deadlines, do not properly manage their workload, or, neglect to follow established protocols**
- Results:
  - Erodes board trust
  - Damages organization's reputation
  - Prevents board from carrying out their fiduciary duties

# Fixes



# Fixing Broken Trust Recap



# When Trust Cannot Be Restored: Understanding the Limits of Rebuilding Trust

- Lack of remorse or accountability
- Repeat behavior
- Lack of transparency and communication
- Significant power imbalances

# Addressing Conflicts



# How to Address Conflicts

- Identifying the **Root Cause**
- Encouraging **Open Communication**
- Addressing Potential Concerns **Proactively**
- Establishing a **Clear Process**
- **Leading** by Example
- Working towards a **Resolution**
- **Following Up** after Resolution
- Remembering the Importance of **Proper Handling**
- Seeking **Outside Help** (as a last resort)

# Typical Conflicts

- We **can't agree** which way we want to go!
- We can't agree on where to spend the association's dollars and direct resources
- What is my and their **role**?!
- We don't know how to **communicate** with one another...
- What do we **expect** from each other, staff, and the association?
- We **hate change** so we resist with a passion!



# A Heated Discussion! (acting class)

**Board Member 1:** "I can't believe this! Our finances are in shambles and no one is taking responsibility."

**Board Member 2:** "What are you talking about?"

**Board Member 1:** "The budget report shows that we're overspending in several areas and it's unacceptable."

**Board Member 3:** "Who approved these expenses?"

**Board Member 2:** "I did. We needed to invest in some new equipment to improve our outreach programs."

**Board Member 1:** "That's not the point. We have to stick to our budget and prioritize our spending."

**Board Member 3:** "And you didn't think to consult with the rest of the board before making these decisions?"

**Board Member 2:** "I didn't think it was necessary. I was acting in the best interest of the organization."

**Board Member 1:** "That's not good enough. We need to work together as a team and make informed decisions. This kind of behavior is unacceptable."

# Setting Expectations



# Mutual Expectations

## Board Expectations:

- Professionalism and dedication to mission and goals
- Timely and accurate reporting
- Responsiveness to requests
- Sound judgement and expertise
- Compliance with laws and policies

## Staff Expectations:

- Clear direction and guidance
- Adequate resources, funding, and personnel
- Support and recognition
- Transparency and open communication
- Compliance with laws and policies
- Adequate governance structure and decision-making process
- Fair and impartial decision-making

Expectations must be clearly communicated and agreed upon

Regular communication and feedback to ensure expectations are met and address issues

Consult legal counsel and human resources for compliance with laws, regulations and organization's policies.

# Staff Informing Board

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Regular reports

---

Regular meetings

---

Special reports as needed

---

Transparency and open communication

---

Use of technology

---

Provide context and explanation

---

Compliance updates

---

Seek feedback

---

Timely and accurate information for informed decision making.

# One Team, One Mission, One Goal

- Shared goal
- Collaboration
- Communication
- Support
- Mutual respect
- Shared responsibility
- Working together
- Recognizing strengths

"As a team, we are stronger than the sum of our parts. With shared goals, open communication, mutual respect, and a commitment to collaboration, we will achieve the impossible." – William Pawlucy, CAE

# The Lanes of Authority



# Lanes of Authority



# Difficult Situations





# How to Handle Difficult Situations

- Identify the issue
- Encourage open communication
- Establish conflict resolution process
- Seek outside help
- Work towards resolution
- Follow-up
- Address proactively
- Lead by example
- Remember that conflicts are normal

# HR Issues



# How to Handle HR Issues

- Clear HR policies and procedures
- Open communication
- Prompt and thorough investigations
- Proactive issue management
- Follow-up
- HR training and education
- External assistance if needed
- Lead by example, commitment to healthy work environment

# Quiz Question

1. Who hires and terminates a long-term employee?
2. Who decides expense cuts when revenue isn't meeting expectations?

# Board Roadblocks

- Unprepared
- Lack of Quorum
- Conflicts of Interest
- Micromanagement
  - “Snupervision”
- Disrespect
  - People, ideas, staff
  - Bullying
- Abstentions
- Egos Checked at the Door
- Paralysis by Analysis



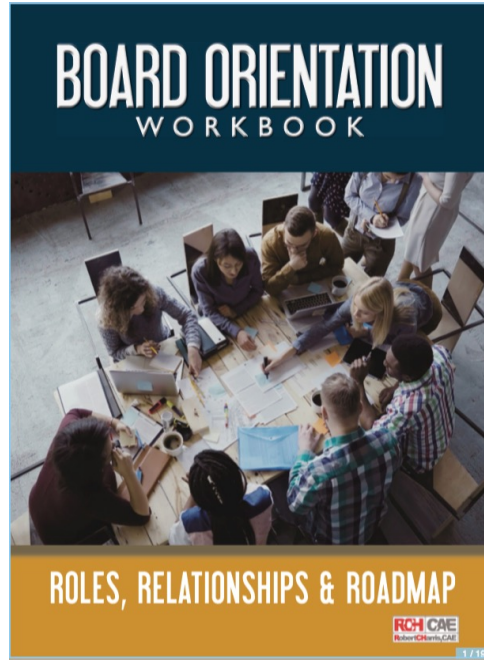
**ELMO,  
Enough, let's  
move on!**



# Quiz Question

1. Who hires/fires/Reviews the association CEO?
2. Who does staff report to?

# Board Development



YOUR LOGO HERE



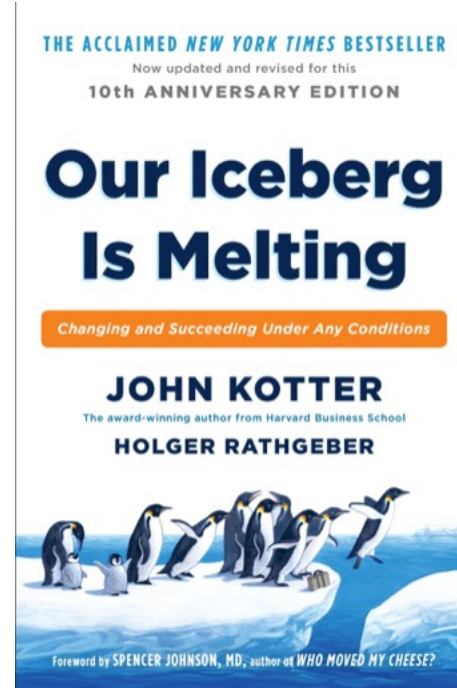
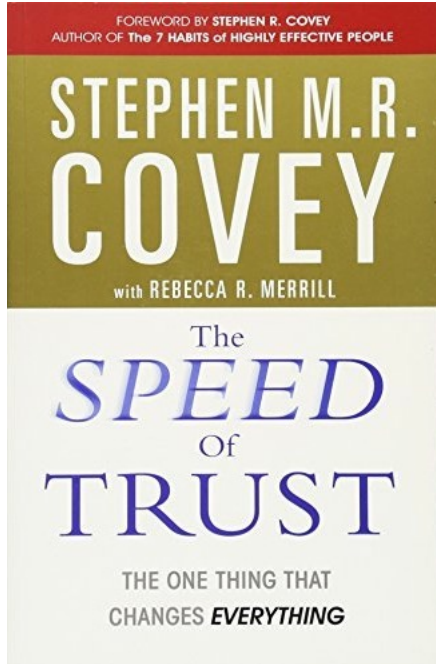
**BOARD ORIENTATION**  
 Association Name, Date and Location  
 The Fiduciary Responsibilities and Relationship with Staff

10 BOARD Orientation Topics	
01	<b>WE VOLUNTEERS</b> Volunteer Roles & Responsibilities Define the fiduciary role of a volunteer to include the three key duties of care, loyalty & obedience.
02	<b>Mission, Vision &amp; Values</b> Review the organization's reason for existence, its desired future and core values.
03	<b>Strategic Plan</b> Review the strategic plan and its performance measures.
04	<b>Key Policies</b> Review key policies from the 990-T Part VI tax return plus others such as travel & reimbursement.
05	<b>Volunteer Service Expectations</b> Review codes of conduct, attendance policies, participation and other guidelines/expectations.
06	<b>FINANCE</b> Financial Statements Review the organization's financial statements and how the organization's overall health.
07	<b>TRUST</b> Fiduciary Duties (in depth) Review fiduciary duties in depth to include Care, Loyalty and Obedience and how it relates to state statutes.
08	<b>Bylaws Review</b> Review the organization's bylaws to understand the nuances around the "rules" in place.
09	<b>My role is</b> Staff vs. Volunteer Roles Review the difference between Governance vs. Management and the symbiotic relationship.
10	<b>Strategic Partnerships/Agreements</b> Review strategic partnerships or MOU's/agreements with the national organization.



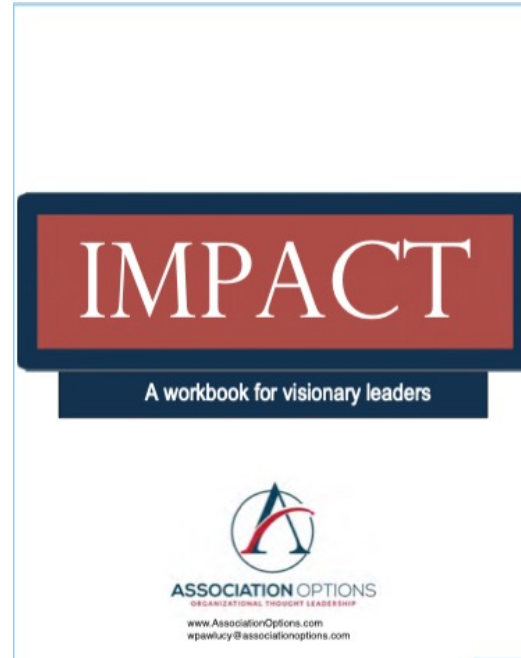
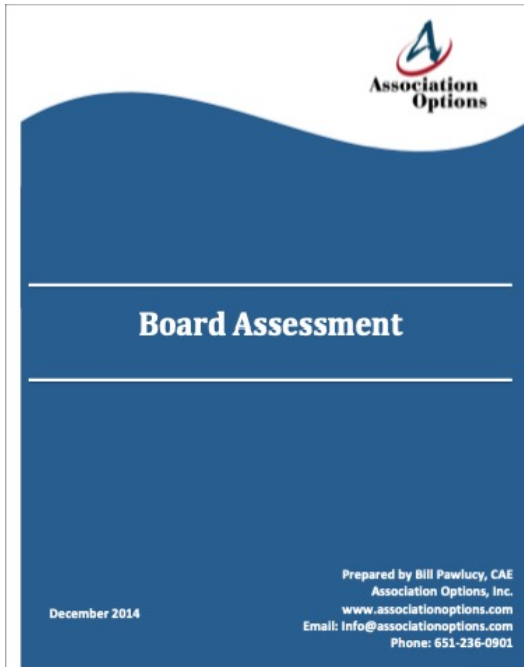
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 AssociationOptions.com  
 info@associationoptions.com

# Suggested Reading for Your Board





# Effectiveness Tools



Assess in the following areas for maximum effectiveness:

- Performance as a Group
- Board Composition and Quality
- Board Training
- Process and Procedures
- Strategy Development & Execution
- Board – Executive Director Relations

How can I help?  
What questions remain?





**ASSOCIATION OPTIONS**  
ORGANIZATIONAL THOUGHT LEADERSHIP

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