



Board Training  
Tuesday, March 8, 2022

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## Why do we have nonprofit boards?

Two key principles in thinking about why we have nonprofit boards:

- Serving the public interest.
- Maintaining public trust.

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## What is the Public Interest?

**The Public Interest is defined through the laws, policies, and funding mechanisms that all support and regulate nonprofit organizations:**

- Federal law and tax code
- State nonprofit statute and regulatory agencies
- Local funding through government and private foundation grants
- Community interests

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## What is the Public Interest?

**Boards serve the public interest by:**

- Governing the organization and leading it through change;
- Determining the organization's mission and purpose;
- Planning and evaluating the organization's work;
- Establishing policies to guide that work;
- Ensuring adequate resources and support for that work;
- Hiring, nurturing, and terminating the Executive Director; and
- Troubleshooting and solving problems.

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## What do we mean by public trust?

Boards have certain “fiduciary duties.” Fiduciary means “trust.”

- The community provides the nonprofit with resources (funds, volunteers, ideas, knowledge, credibility)
- Laws and customs provide certain benefits to some kinds of nonprofits (e.g. tax deductibility, protection from liability)
- Done in the good faith assumption board will do what it says.

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## How do boards protect public trust?

Three Fiduciary duties :

### Duty of Care

*“Directors of Minnesota nonprofit corporations must discharge their duties in good faith, in a manner the director reasonably believes to be in the best interests of the, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.”*

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## How do boards protect public trust?

### Three Fiduciary duties :

#### Duty of Loyalty

*“Traditionally, directors have an absolute duty of complete, undivided loyalty to the organization. This means that directors should avoid using their position or the organization’s assets in a way which would result in pecuniary or monetary gain for them or for any member of their family. A director should put the good of the organization first and avoid engaging in transactions with the organization from which the director will benefit.”*

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## How do boards protect public trust?

### Three Fiduciary duties :

#### Duty of Obedience

*“Directors have a duty to follow the organization’s governing documents (articles of incorporation and bylaws), to carry out the organization’s mission and to assure that funds are used for lawful purposes. Also, directors must comply with state and federal laws that relate to the organization and the way in which it conducts its business.”* Included in this duty is the duty to furnish information to other directors.

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## How do boards protect public trust?

### Standards of Conduct:

- A director shall discharge the duties of the position of Director in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- A person who so performs these duties is not liable by reason of being or having been a director of the corporation.
- - *Minn. Stat. §317A.251, subd. 1*

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## How do boards protect public trust?

### Reliance

- A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:
  - One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
  - Counsel, public accountants, or other persons as to matters that the director reasonably believes are within the person's professional or expert competence; or
  - A committee of the board upon which the director does not serve, duly established under section 317A.241, as to matters within its designated authority, if the director reasonably believes the committee to merit confidence.
- - *Minn. Stat. §317A.251, subd. 2*

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## From Good to Great

...or, “What Makes This Board Stuff Meaningful and Valuable?”)

What is the role of individual board members?

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## The Role of Individual Board Members

- **Great ways to serve as a board member:**
  - Reach out to and involve residents
  - Learn about community issues
  - Ask hard questions about the purpose of the organization
  - Greet new participants at community events
  - Be aware of political environment and cultural changes

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## The Role of Individual Board Members

### Provide opportunities for celebration and fun:

- Invite guest speakers to board and community meetings
- Provide special reports and updates.
- Provide “Open Mic Nights.”
- Host holiday celebrations
- Appoint greeters at meetings to welcome new people
- Appoint facilitators to make sure everyone has a chance to speak up
- Have a social night
- Volunteer and donor recognition opportunities.

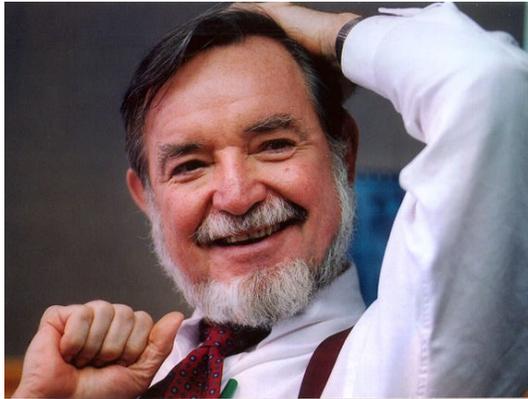
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## How do neighborhood organizations get power?

- **Neighborhood organizations achieve power through their ability to:**
  - Reach residents and stakeholders
  - Develop a shared sense of purpose and direction
  - Represent community interests
  - Mobilize resources:
    - People
    - Funding
    - Expertise

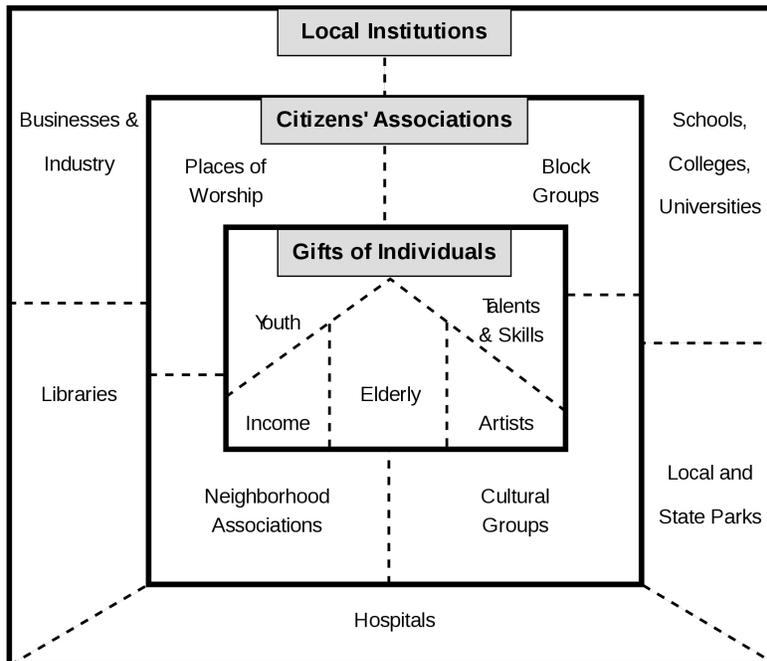
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## Asset Based Community Development



- *Everyone has gifts*
- *Relationships build a community*
- *Citizens at the center*
- *Leaders involve others*
- *People care*
- *Listen*
- *Ask*
- *Inside-out organization*
- *Institutions serve the community*

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### What does your Community Asset Map look like?

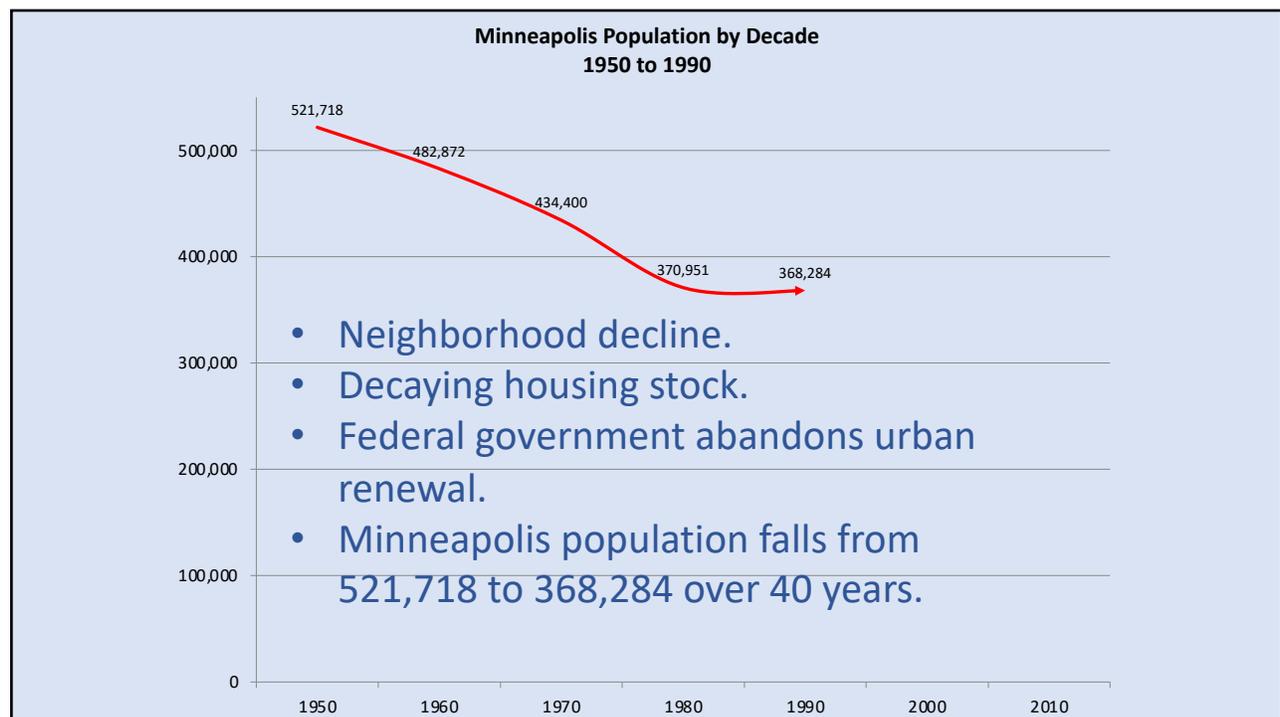
- **Human capital:** leaders, volunteers, residents.
- **Social capital:** network of relationships, connections.
- **Intellectual capital:** what people know about the community.
- **Financial capital:** financial assets available within the community.
- **Political capital:** what connections and leverage do we have to make change?
- **Physical capital:** land form and buildings in your neighborhood.

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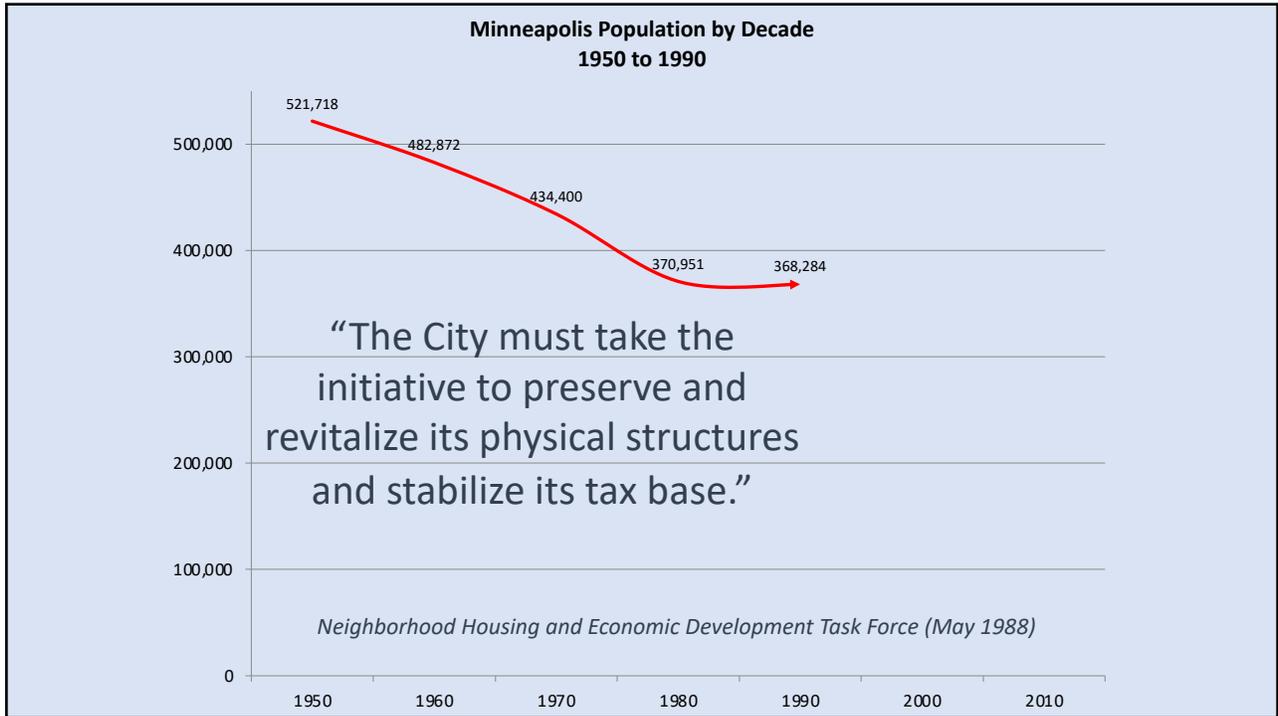
## Origins of the Neighborhood Revitalization Program

- The NRP was created in response to growing concern about neighborhood decline, falling population, and decaying housing stock.

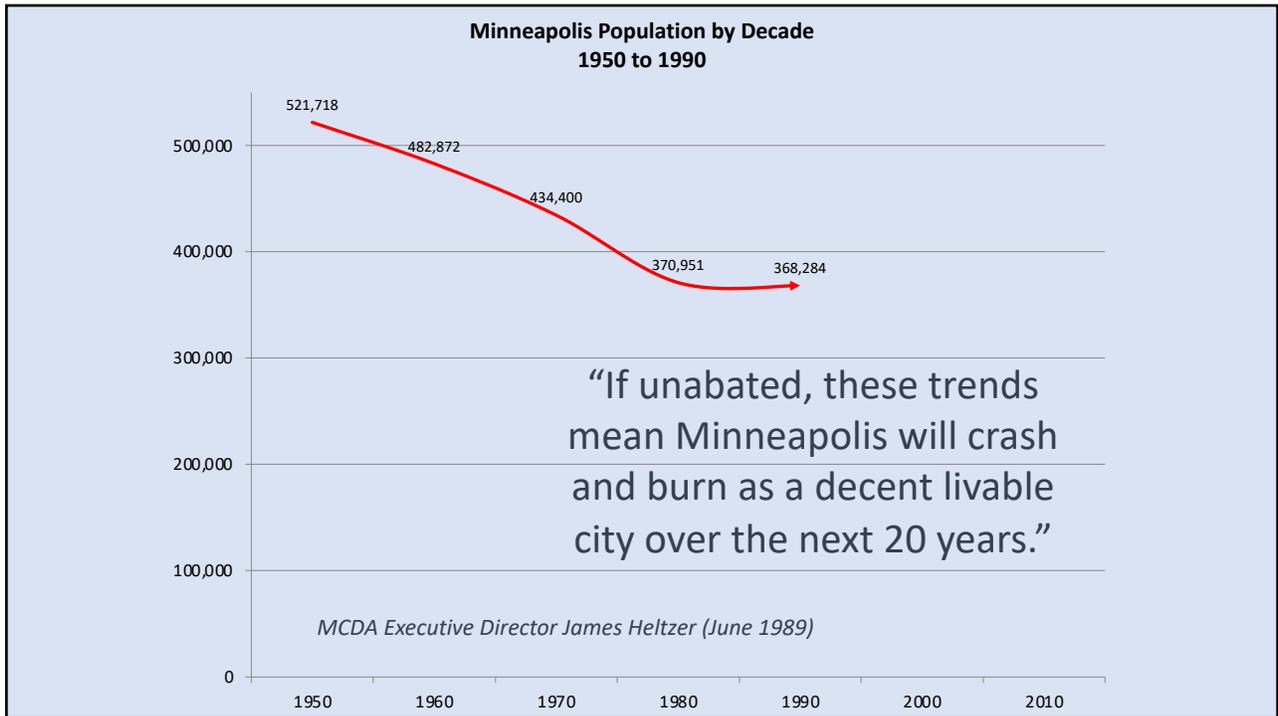
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## 20 Year Neighborhood Revitalization Plan:

- Residents must be intensively involved;
- A consistent strategy is required to encourage private investment and ensure completion of tasks;
- Adequate funding is needed on an annual basis;
- Funding strategies and commitments must be flexible to meet specific neighborhood needs.
- Decision making must come from the bottom up.

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## A Sample of Projects Supported By Investments from Neighborhood Phase I and II NRP Plans

- ◆ Thirteenth Ave NE street lighting, business improvements, bike racks
- ◆ Upton & 43<sup>rd</sup> Improvements
- ◆ “Slow Down” Campaign- 50<sup>th</sup> St



Armatage Park/School Improvements

- ◆ Affordable Housing Working Capital Fund
- ◆ Bassetts Creek Shoreline Improvements
- ◆ Bancroft Commercial Improvements
- ◆ Seward Coop
- ◆ Beltrami Park Soccer Field and Playground
- ◆ Bethlehem Stewart Community Center
- ◆ Block Club support and projects

- ◆ Bohanon Park Improvements
- ◆ Bracket Park
- ◆ Bridge for Youth
- ◆ Bryant Square Park Improvements
- ◆ Bryn Mawr Solar Improvement Grants
- ◆ Camden Physicians Clinic
- ◆ Cedar-Riverside Rental Housing Improvements
- ◆ Central Youth Collaborative Fund
- ◆ Central Ave Lighting and Improvements
- ◆ Central Ave Commercial Loan Programs



Eastside Neighborhood Services Construction

- ◆ Columbia Park Improvements
- ◆ Community Gardens
- ◆ Computer Facilities at Jefferson, Anwatin
- ◆ Cops on Bikes



Hosmer Library

- ◆ East Franklin Redevelopment
- ◆ East Phillips Park
- ◆ East Side Food Coop startup
- ◆ East Village Apartments
- ◆ Eat Street
- ◆ Claire Housing
- ◆ Farmers Markets - Kingfield, Fulton, Midtown
- ◆ Franklin Ave Streetscape
- ◆ Folwell Fun Factory

- ◆ Glenwood Lyndale Community Clinic
- ◆ Artspace Jackson Flats
- ◆ Harrison Community Center
- ◆ Hawthorne Eco Village
- ◆ Home Improvement Programs - numerous
- ◆ Jefferson Elementary Playground
- ◆ Jeremiah Project
- ◆ Kenwood Park/School improvements
- ◆ Lake Nokomis Improvements
- ◆ Lake Street Facade Improvements



McKinley CSA

- ◆ Linden Hills Library
- ◆ Lyndale School Playground
- ◆ Midtown Exchange
- ◆ Midtown Greenway
- ◆ Midtown YWCA
- ◆ Mujeres Latinas en Accion
- ◆ Nicollet Ave Bridge #4511 Improvements

- ◆ Northeast Green Campus
- ◆ Northeast Gateway
- ◆ Northside Childhood Development Center
- ◆ Park Siding Park Improvements
- ◆ Pearl Park
- ◆ Phelps Park Building Construction
- ◆ Pierre Bottineau Library



Pratt School Renovation and Reopening

- ◆ Rain Gardens - numerous
- ◆ Ritz Theater renovation
- ◆ St Anthony East Master Plan
- ◆ Security Lighting projects
- ◆ Seed Academy
- ◆ Shingle Creek Commons
- ◆ Small Area Plans
- ◆ Somali Women in Minnesota - SWIM
- ◆ Southeast Asian Community Council
- ◆ Southeast Industrial Area Planning
- ◆ Southeast Pollution Prevention Projects



Mercado Central

- ◆ Tree Planting
- ◆ Visiting Nurse Programs -Nokomis, Southeast, and Northeast
- ◆ Washburn School Computer Lab
- ◆ Artists on Chicago
- ◆ North Regional Library
- ◆ Whittier School/Park



Windom Community Center

and many more ...

## Pearl Diving 101

“Pearl Diving” is the technique of listening actively and carefully to identify the interests, and particularly the motivations, of community residents. The goal is to find the pearl hidden within each person.

### **Be prepared to put aside your personal or organizational agenda**

The resident you are talking to may not have an immediate interest in what is important to you.

### **Be an Active Listener**

“Listening” is an active behavior, while “hearing” is passive. Be prepared to be an active listener.

### **Allow people to vent**

People communicate verbally for several different reasons, such as getting to know more about others, sharing information, venting and getting out pent-up feelings, and to change attitudes or opinions. Sometimes, people need to get ideas or concerns out before you can talk with them. Give them the time to do that