

Figure 2: Board Decision-making Options for Family Philanthropy

| DECISION-MAKING OPTION | KEY ADVANTAGES/REASONS FOR USING THIS METHOD | POTENTIAL DISADVANTAGES OR DANGERS OF USING THIS METHOD | SITUATIONS WHERE THIS METHOD MAY BE APPROPRIATE |
|---|---|--|--|
| Unilateral Decision | <ul style="list-style-type: none"> • Quick, clear, and efficient • Decision maker gets what he or she wants | <ul style="list-style-type: none"> • Decision sometimes made with insufficient information • Little buy-in to decision from other board members • Decision more likely to be scrutinized and challenged by other board members | <ul style="list-style-type: none"> • Grant, governance, or management decisions that are clear and uncontroversial • Disaster or emergency grantmaking • Decisions that need to be made under very short timeframe • Trivial decisions |
| Unilateral Decision, With Input from Individuals | <ul style="list-style-type: none"> • Typically high buy-in from those whose opinions were sought • Allows board to share leadership, but still get things done relatively quickly • Preserves privacy for sensitive matters | <ul style="list-style-type: none"> • May yield decision that gets undermined in the future by those not consulted • Risk of those who are not included feeling left out • Those consulted may not best represent the views of the majority | <ul style="list-style-type: none"> • Staff compensation review • Discretionary grant review • Reviewing spending policy |
| Unilateral Decision, With Input from the Whole Group | <ul style="list-style-type: none"> • Decision maker gets a great deal of information in short time period • Likelihood of increased buy-in from those whose input is acted on • All board members get to hear ideas directly from one another and not filtered through third party | <ul style="list-style-type: none"> • May be hard to convene full group • May be difficult to have a fair conversation unless a facilitator is present • Creates likelihood that final decision may go against someone's publicly expressed point of view | <ul style="list-style-type: none"> • Disaster or emergency grantmaking (i.e., via conference call) • Decisions where everyone on the board has some information or expertise to offer • When the decision maker has a lot of control but needs information (e.g. how much to contribute annually to the foundation) • May be "Fallback" method for other options |
| Board Delegates to Sub-Group with Guidelines | <ul style="list-style-type: none"> • Transfers authority and leadership to small group of the most informed people • Frees other board members for different tasks • Those making the decision usually have a high level of buy-in | <ul style="list-style-type: none"> • Poor delegation can result in frustration for all—if the guidelines are unclear or inaccurate • Extent of subgroup's authority must be made clear • If inaccurate guidelines given, decision may not be viable • The people not chosen for the sub-group may be resentful | <ul style="list-style-type: none"> • Setting board terms and limits • Creating trustee qualifications • Creating or altering spending policy • Many committee decisions |
| Board Votes | <ul style="list-style-type: none"> • May be mandated by bylaws for certain decisions • Board members are likely to be comfortable voting because it is familiar • Votes produce a definite outcome, include everyone, and may be more likely to feel "fair" to all involved | <ul style="list-style-type: none"> • Creates "winners" and "losers" • Close votes indicate that winning proposal doesn't have full support • Vote can be empty gesture if board member who is on losing side is critical to implementation • Votes sometimes taken with insufficient discussion beforehand | <ul style="list-style-type: none"> • Typically necessary for certain decisions mandated by bylaws • Inviting new family trustees • May be "Fallback" method for other options, particularly Consensus |

Continues.

Figure 2: Board Decision-making Options for Family Philanthropy *Continued.*

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| <p>Board Reaches Consensus</p> | <ul style="list-style-type: none"> • May be required by the foundation’s bylaws for important decisions • Discussions leading up to a consensus decision can lead to shared understanding of what the board is trying to accomplish • Typically results in very high buy-in, and enthusiasm from the whole group • Implementation may proceed more quickly and smoothly as a result | <ul style="list-style-type: none"> • May be difficult or impossible to reach consensus if the issues under discussion are complex or heated • May result in “lowest common denominator decisionmaking,” where no one is satisfied with the outcome, and decision contains bare minimum requirements for people to agree • Trustees may agree just to get process over with, and then express dissent afterwards when it comes time to implement | <ul style="list-style-type: none"> • Decision to suspend grantmaking or dissolve the foundation • Decisions where a high level of involvement and buy-in are sought: <ul style="list-style-type: none"> - Hiring/firing executive director - Creating an annual report or website (i.e., deciding to establish a public presence) - Revising mission and guidelines - Inviting non-family to serve on board |