COUNCIL on FOUNDATIONS

Published on *Council on Foundations* (http://www.cof.org)

A Colleague's Perspective on Trustee Orientation [1]

By Anne H. Morgan

Becoming a trustee of a family foundation can be a complex, confusing and confounding experience. Suddenly you are thrust into a room full of persons whom you thought you knew, but now they are all in different roles. Your favorite aunt, who has always seemed so demur and self-effacing at family gatherings, is chairing the meeting with self-assurance, impartiality and a ring of authority to her voice. Two of your older siblings who have bickered over everything for as long as you can remember, are calmly and thoughtfully advocating a mutual point of view. And your grandfather, the foundation‟s founder, who has always presided so magisterially at the dinner table, is playfully coaxing distant cousins to join in while listening intently to the discussion underway. Like Alice who has stepped through the looking glass and discovered a world where nothing is what it had seemed to be earlier, you‟re about to begin working with your own family members in a new and satisfying way. Welcome to your first family foundation board meeting!

What you need—and as quickly as possible—is a road map, a process to help you find your place in this new environment where the faces are familiar but the roles and activities may be different. You need an orientation. In the past many family foundation trustees have assumed that because the board was composed primarily of their own relatives and perhaps one or two trusted surrogates, that little in the way of a formal orientation was necessary or even appropriate. As the trustee of a midwestern family foundation remarked of his first board meeting, "Without even so much as seeing the agenda, I was told to „show up, ratify Dad‟s decisions and have a nice lunch.‟ It was several years before I had enough background and confidence to speak up or even raise a question." Until recently, those family foundations who attempted to orient members often did so in the same hesitant manner in which generations of parents had chosen to tell their children about "the birds and the bees." New trustees would be given a stack of materials to read and everyone assumed that was sufficient.

But your first meeting need not be like the ones described above. With a thoughtfully planned process that acquaints you with the legal responsibilities and the various roles of a foundation trustee—policymaker, investor, grantmaker, evaluator—you can begin your career as a trustee with confidence and the ability to be an effective contributor.

There are many strategies for conducting an orientation and a range of substantive issues that should be explored. This packet will introduce you to some of the best practices of other family foundations and to help you identify the issues that need to be addressed. In addition to articles on how to organize the process and special topics that should be discussed, there are helpful bibliographic sources to lead you to other publications and sources of information.

In my experience, the best orientation for trusteeship of a family foundation begins when a young person hears his or her parents discuss the family‟s philanthropy over the dinner table. Later, as the potential trustee becomes an observer at board meetings or participates in an advisory capacity for grantmaking or site visits, their knowledge and interest may grow. At the very latest, trustee orientation should begin during the nomination process when potential candidates are informed of the foundation‟s mission and operations and both parties have the opportunity to discuss their expectations regarding time commitment and duties that will be required.

Once a new member has been elected, the board chair and the executive director may decide on any one or a combination of strategies to help the newcomer begin to function effectively and comfortably as quickly as possible. They may opt for a two-hour session in which they review the basic history of the foundation and conclude by attending a meeting of the distribution committee so the newest member can get a feel for grantmaking right away. Or they may decide to ask a senior board member to mentor the new trustee through the shoals of investment issues, site visits, grant review, conflict of interest policy and board/staff relationships. Some foundations choose to use the orientation of a new member as the opportunity to reacquaint all trustees with their duties and responsibilities. This is usually accomplished in a one or two day retreat where new trustees interact with senior board members in a more casual, social setting. This is an excellent strategy to begin molding an effective team and to permit family members to find new ways to relate to one another.

But whatever orientation strategy your foundation selects—a one time briefing or a continuing education process for all trustees—a basic board manual or resource book is an essential document. The packet should encompass everything from a brief history of the foundation with the appropriate legal documents and instruments to a summary of the current issues before the trustees. Creating such a manual is time consuming but time well spent as it will be a basic reference tool for both trustees and staff. A sample table of contents from one family foundation‟s resource manual is included in this packet.

Effective foundation boards do not come into being by accident. All trustees need to be trained and nurtured from within their own board and by their peers in philanthropy. Effective boards are carefully composed of persons of integrity and intelligence, who bring the experience and judgment to make difficult choices. These trustees also must have the capacity and willingness to learn and to grow. They need to be cognizant of their own faults and tolerant of shortcomings in others. Effective family foundation boards are made up of individuals who understand their legal responsibilities as fiduciaries and who embrace their role as stewards of the public trust. To develop an effective board means that each trustee—new recruits as well as old hands—needs to learn as much as possible about the history and practices of the family foundation they govern and about the community and the broader world of philanthropy they serve.

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