ESTABLISHING A STRUCTURE

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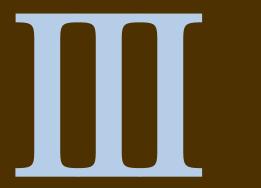## FIGURES

GOVERNANCE
Vision, Trust, and Moral Imagination in Trusteeship

by Jason C. Born, Deborah A. Brody, Virginia M. Esposito, and Tory Dietel Hopps

There are those who will come to their family foundation trustee role with the experience of having served on countless nonprofit boards. For them, trustee life is expected to be pretty much a matter of course. Been there, done that, will do it here. Others will have waited years (some might say, years and years) for their turn to serve. Their service may mean validation, trepidation; even "it's finally my turn."

Most boards will have family members of the founder. Those family members may wonder if foundation trustee life is different from other family life. Do I still defer to Dad as a good and dutiful daughter should? Many boards will include trustees who are not members of the family. They may be trusted advisors, friends, or those new to the "family circle" — those selected for their expertise or perspective. They may wonder how they are expected to relate to this family enterprise. Do I get in the middle of a family fracas? What is my responsibility to this donor and to this family?

In creating this family foundation, everyone is — in a sense — new. Even family foundations that are decades old are constantly renewing the process of trusteeship, reflecting the dynamism of families and participation by new members. Regardless of the circumstances and experiences that bring you to the table of a family foundation boardroom, take a moment to consider the complexity in your role. As a trustee of a foundation, you have both a special privilege and an awesome obligation.

Just consider: you have taken on both duty and opportunity; you will be encouraged to be expansively creative while exercising prudent due diligence; you will have the remarkable good fortune to meet and support remarkable people doing astonishing work and you will not be able to support nearly as many as are deserving. As the late Paul Ylvisaker noted in his 1990 essay on family foundations, you have been offered "a free-wheeling opportunity to be socially and publicly influential. Without having to meet the tests either of the market or the ballot box, private persons can independently determine what the needs of society are and how best to go about them."

As a trustee, you will be taking the private charitable legacy of a philanthropic family into the community (even the world). Trusteeship is — first and foremost — a very personal commitment to a public trust.

In this chapter, you will learn the variety of governance structures that other family foundations have used to bring focus and coherence to their policies and procedures. You will have the opportunity to explore the roles and responsibilities of trusteeship. You will be invited to step back and think about trusteeship: what it means to you and others, including your fellow trustees, and — unknown to you now — those who may one day take a role as a trustee of your foundation.

The words of two prominent foundation trustees will take you through your brief introduction to governance and grantmaking. By interweaving their wonderful presentations on trusteeship, you have the chance to think about your commitment as a trustee to ensure that vision, moral imagination, and trust are the hallmarks of your service.

The Founding Vision

Most of those who set up foundations are innovative builders who decide to assign their business gains to philanthropic purposes. This inspired act is, like patriotism, an expression of concern about others. Honoring that benevolent intent is not just honoring a donor's name; it is honoring a donor's overarching original vision. But merely honoring the past does not inspire; reflecting on roots and origins can.

SOURCE: Margaret E. Mahoney, "Trustees" (The President's Essay). *1994 Annual Report of The Commonwealth Fund.*

In her essay on trusteeship, Margaret Mahoney eloquently expresses her belief that the governance of private foundations begins with the founder's vision. Having guided The Commonwealth Fund to reflect the vision of founder Anna Harkness and her son, Edward, Mahoney well understands that trustees are likely to find both the source of their private compact and public stewardship roles by exploring that vision.

David Dodson has worked closely with three very different philanthropic families and serves as a trustee of the Mary Reynolds Babcock Foundation, a family foundation in North Carolina. His insights into the personal dynamics and higher purpose of family philanthropy are captured in an inspiring presentation on trusteeship. Elaborating on the themes of "holding trust" presented by authors Richard Broholm and Douglas Johnson in their monograph, *A Balcony Perspective: Clarifying the Trustee Role* (The Robert K. Greenleaf Center, 1993), Dodson explained:

As trustees, it's clear that we hold in trust the material assets of our foundation. But I believe strongly that we also hold in trust certain intangible assets that are equally valuable currency of our foundations: the history, the traditions, the values of the donors, the institutional principles that have accrued over time and that give our foundations their character and their sense of purpose. . . . We have a moral responsibility to see that successive generations of trustees and staff understand the convictions and impulses that brought our particular foundations into being in the first place."

SOURCE: David Dodson, "Personal Responsibility, Public Trust." Presentation to the 1996 Council on Foundations Trustee Workshop.

The Trust in Trusteeship

But if Mahoney and Dodson understand well the legacy of values and vision left to family foundation trustees by their founders, they understand equally well the privilege of the public responsibility of the trustee role.

The legal presumption that exempts nonprofit institutions from taxation is that those institutions are operating exclusively for the public good, that they are private institutions serving a public trust. …Foundation trustees act for the benefit of the public at large — that ultimate but nebulous body of individuals that may or may not stand to benefit directly from the good work of foundations. Some years ago Thornton F. Bradshaw, then chairman of the John D. and Catherine T. MacArthur Foundation, noted that not having to answer directly to any constituency increases the "extraordinary" power foundations hold. "It means," he said, "that organized philanthropy is restricted in its actions only by the intelligence and conscience of those who run foundations."

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SOURCE: Mahoney Essay.

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Dodson echoes that sentiment by explaining Broholm and Johnson's second principle of trusteeship: building trust — "with the board itself, between board and staff, and between the foundation and the external publics that it serves."

To build trust suggests that we need to live out our ethic of integrity and consistent relationships … doing what you say and doing what you mean. This is how trust is built. This is how trust is earned. No institution, particularly foundations, can be considered trustworthy unless the communities and stakeholders with whom it interacts view it as honorable, honest, and faithful to its own stated values."

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SOURCE: Dodson Presentation.

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Moral Imagination

Paul Ylvisaker once cautioned that, while "healthily disciplining," the term stewardship might be too passive. There will be nothing passive about your stewardship of a family foundation. But it is very likely that the lively, dynamic process of what Mahoney calls "setting the course" will be a most energizing, occasionally frustrating, but always fulfilling experience.

Responsible boards are not born. They are composed carefully. A board must be large enough to be diverse, yet small enough to be deliberate. Certain personal characteristics of board members are essential — competence, integrity, intelligence, judgment, and empathy. …A foundation needs trustees who can work together productively, but it does not require that they be unanimous in their opinions or uniform in their outlook. … A foundation's extraordinary potential for good springs from its board's ability to act as a collective, to be cohesive in fulfilling its public trust. As Alfred North Whitehead remarked, "No member of a crew is praised for the rugged individuality of his rowing." Success in fulfilling their collective responsibility lies with trustees recognizing that the act of giving is secondary to the importance of the work supported.

As Erik Erikson believed, "Caring is the virtue that is born from the struggle to take responsibility." …Demonstrating that a foundation deserves trust begins with its board of directors consciously taking on the job of trusteeship, refining the habit of reasoned reflection, and keeping the institution faithful to the basic vision, while responding to the times. "None of us knows the single way to the greatest good," social scientist Gilbert Brim reminds us. But the justification for foundations existing at all is that that private wealth can risk the search for ways to enhance the broader good.

SOURCE: Mahoney Essay.

And, as the first two principles of *A Balcony Perspective* are holding trust and building trust, the last is logical as a conclusion and magical as a result: fulfilling trust. As Dodson explains, "that simply has to do with trying to live out the values that we say we live by and fulfilling the sense of promise and responsibility that is conferred upon us by society as foundations."

Fulfilling the trust society places on us calls on trustees to exercise what a former colleague called "moral imagination" — the ability to push ourselves beyond the moral minimum, to listen closely to the world around us and respond based on our highest and best institutional values. If we as trustees can pay attention to holding in trust history and values over time, building trust internally and in our external relationships, and fulfilling trust through exercising moral imagination, fitting our values to changing circumstances, and then rigorously assessing with the help of others whether or not we are living up to our potential, then we begin to create a culture of responsibility that is consistent over place, over time, and over generations.

SOURCE: Dodson Presentation.

Inspired, effective trusteeship of family foundations is rooted in the stewardship of both the founder's vision and in the concept of the public trust. It will never be either/or and there will likely never be a perfect balance. It may well be that dynamism that offers the greatest challenge, excitement, and opportunity of the family foundation trustee.

Structuring Your Board

The governance structure of your foundation determines who makes decisions, how these decisions are made, and how you and your board will act as stewards of the foundation's assets. This structure also determines how key stakeholders who do not serve on the board — family members, outside experts, nonprofit practitioners, and the constituencies you serve — can play an important and ongoing role in the life of the foundation.

From your initial choice of board members to your decisions about how best to orient and select future trustees, it is important that you spend sufficient time thinking about your options for effective governance structures. Although it may be hard to imagine now, if you plan for your foundation to continue more than one or two generations into the future, there are likely to be many situations in which clear guidelines regarding board structure will make all the difference between a smoothly functioning philanthropic institution, and one where perceptions of unfairness and uncertainty abound.

Assessing Your Family Structure and Goals

Prior to developing the governance structure for your foundation, consider the current structure and dynamics of your family and how these relate to your goals for the family's role in the foundation. Questions to address with your spouse and other family members include:

- What is your vision for your family foundation?
- Are you committed to working collaboratively to develop and govern the foundation?
- How many children do you have? How many children do they have?
- Do your children expect to be involved in the foundation? Do they expect their own children to participate in the foundation, either now or at some point in the future?
- Do you plan to involve several branches of the family in the governance of the foundation? Are the branches "spread" equally in terms of number and relative age of family members?
- Is the foundation expected to last in perpetuity? Do you have firm ideas about the mission of the foundation? Do you expect this mission to change over time, or to essentially stay the same? Do your children (or others you plan to involve) agree with and support this mission?

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fig 1 — Structuring a Family-Inclusive Board

The Surdna Foundation is one of the oldest family foundations in the United States. Founded in 1917 by John Emory Andrus I, it recently embarked on a bold new program to engage the extended family in the family's philanthropic activities. The trustees' task was formidable. At last count, the eight branches of the Andrus family, including spouses, numbered 343 and ranged in age from infancy to 92. Some 200 members of the fourth and fifth generations are over age 25. The sixth generation will be even larger. Working out an equitable and practical system for engaging so many family members requires the Surdna trustees to rethink the foundation's notions about inclusion and succession.

Broader family involvement had not been in the minds of those who led the Surdna Foundation during most of its history. In fact, only a select few in each generation were tapped to serve not on one, but on several of the family's charitable boards simultaneously. To the rest of the extended family, the activities of the Andrus' charities were a mystery. They knew that some relatives in New York gave away money but the family's philanthropies were far removed from their lives and thoughts. The current Surdna board wanted to change that. They believed that the time to open the philanthropies to the extended family was long overdue... .

EXCERPTED FROM *Sustaining Tradition: The Andrus Family Philanthropy Program.* Washington, DC: National Center for Family Philanthropy, 2001.

- How large a board do you want?
- What other opportunities are there to involve family members (or others) who do not officially serve on the board of the foundation?
- Are there family members or colleagues that are interested in serving on the board? Are there family members or colleagues who may be interested in participating in other ways?

Devoting time to these questions will be one of the biggest contributions you can make to the establishment of your foundation. The governance structure you develop will be greatly influenced by your answers. This assessment of your family's structure and dynamics is essential to the creation of a positive culture for the governance and management of a family foundation.

At the same time, you do not need to answer all of these questions up front. The foundation's board will be revis-

iting some of these from time-to-time over the life of the foundation. Having some idea of the answers to these questions will help you build in guidelines for the initial board structure, however, and will make many of these questions much easier to answer down the road.

Talking with other families and advisors as you move forward can be one of the most helpful methods for learning about how family structure and board structure are likely to intersect. Remember, many other families have been down this path before. "Part of our learning process was to meet with other families as a family

and go over in detail how they structured themselves," says John Abele, trustee of the Argosy Foundation. "It is enormously helpful and valuable to meet with other intelligent people and bare all and listen to what they have to say." For suggestions of families to talk with, contact the National Center for Family Philanthropy, your local regional association of grantmakers, or other support organizations you may know.

Choosing an Initial Board Structure

Foundations established as corporations can change the articles of incorporation by filing papers with the appropriate state agency; the board of a trust

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fig. 2

Membership System Includes Family Over the Long Run

The Taylor family (fictional name) created a structure where all family members above the age of 21 were given membership status within the foundation. The original members were also members of the third generation of the descendants of the founder of the family, Joseph Flagler.

At the first meeting of the members, the 16 eligible family members elected seven trustees of the foundation. The trustees of the foundation were given the authority to make decisions about grants and investments of the foundation. Other members are expected to play a supportive role, both by providing funds to the foundation and by providing ongoing feedback to updates on its programs. The members meet each year to formally elect the trustees and to hear updates on the foundation's activities. The members are also asked to contribute personally to the foundation through a letter that goes out annually from the foundation chair. This membership structure has allowed dozens of non-trustee family members to be involved in the foundation, as it has grown over the 51 years since it was initially established.

is bound by the trust indenture, which can be changed only by court order. Starting with simple but clearly defined policies is the most straightforward path to take in either form.

It is important to remember that each of these structures can be tweaked to the specifics of your situation — for instance, you may decide to go with a membership-based system, but reserve the right for you and/or your spouse to always have the option to serve on the board, regardless of the family vote.

Some families find that they are comfortable having a majority of nonfamily members on the board, as long as they retain long-term control over the foundation. One well-known family foundation uses a membership system whereby all family members above the age of 18 serve as corporate "members." Each year the members as a group elect five foundation trustees out of 12 total. Currently all five of these member-elected trustees are family members, although this may not always be the case. The remaining seven trustees are elected using a nominating committee process. To ensure that the family retains some degree of ongoing control over the board's membership, the members by majority vote can remove a trustee at any time for no specific reason. See the box at left for an example of another family that has chosen this basic structure.

Choosing Initial Board Members

Your initial choice of board members can have long-term effects on the direction of the foundation. Some founder couples start out with only themselves and a trusted advisor serving on the board. Others involve their children, siblings, or favorite nieces and nephews. Additional potential sources of founding board members include:

- Experts in a particular cause or field (scientists, artists, futurists, etc.);
- Spokespersons or authors about a particular cause or field;
- Local community foundation or private foundation trustees;
- Politicians and other community leaders; and
- Representatives from the constituencies you seek to serve.

It is important to identify initial board members who will help you develop the culture you seek to develop for your board. Key aspects of this culture may be that board members participate regularly, are engaged and knowledgeable about a broad range of issues, and are able to bring a variety of perspectives to the foundation's long-term strategies.

Founders and their families may wish to develop a board profile to help them think about potential candidates based on the attributes and skills that these individuals bring to the board. This "profile" may be useful both for the choice of initial board members, as well as for identifying and selecting future

trustees. Key categories to consider in such a profile might be:

- Areas of specific expertise (legal, financial, marketing, administrative, etc.);
- Areas of program expertise (can be of direct or indirect relevance to foundation's mission);
- Age (do you want multiple generations represented);
- Gender and Race/Ethnic Background;
- Geographic location (particularly if the foundation has a specific focus in one town, community, or region);
- Past board experience (nonprofit, foundation, and corporate); and
- Other skills and attributes that may be important to the founder or the family.

Another approach is to develop a short "job description" or a statement concerning the standards and values that you expect your board members to uphold. "Qualities of a Good Trustee," from *Foundation Trusteeship* by John Nason describes one set of desired qualifications and background (see next page).

Whatever your choice of initial trustees, it is important that you balance your desire for privacy and flexibility, with your potential need for outside guidance and experience.

Electing Board Members and Officers

This statement describes the process by which trustees are elected, including timing, training requirements, attendance requirements, and term limits. Officers typically include the president,

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Qualities of the Good Trustee

In *Foundation Trusteeship: Service in the Public Interest,* John Nason revisited his exploration of the role of philanthropic governance that he began in his 1977 landmark book, *Trustees and the Future of Foundations*. In his second volume, Nason offered a list of the ten qualities of a good trustee.

1. Interest in and concern for the foundation and its field or fields of operation. The job is too demanding for anyone who lacks a fair degree of enthusiasm for the task.

2. Some understanding of the area of the special purpose foundation and some broad perspective on the problems of society for the general-purpose foundation. Eleanor Elliott of the Foundation for Child Development suggests that every trustee should be able to answer the question: "Namely: in 50 words or less, what is this place all about?" (From: "On Being a Trustee," *Foundation News & Commentary*, May/June 1984.)

3. Objectivity and impartiality are a *sine qua non*. The board table is no place for special pleading, for temperamental bias, for personal whim. The trustee is judge, not advocate, save with respect to donor's priorities.

4. Special skills. The board will need certain special forms of competence among its members — management, investment experience, familiarity with budgets, and knowledge of the law. Not all trustees need possess all these attributes. The value of planning and …analysis of current membership lies in making certain that some trustees will possess some of these special kinds of expertise.

5. A capacity for teamwork, for arriving at and accepting group decisions. Irresolvable differences, the tactics of confrontation, *ad hominem* arguments, and lack of respect for one's fellow trustees are destructive of intelligent group decisions. These qualities demonstrate the danger of diversity carried to an extreme. Collegiality in the form of uniform outlook is stultifying; collegiality as a way of disagreeing, yet working harmoniously together is essential.

6. Willingness to work. This means a willingness to give time and thought to the affairs of the foundation, to arrange one's personal schedule so as to be available to attend meetings, to serve on committees, to undertake special assignments, and to wrestle with the problems of the foundation.

7. Practical wisdom. This is more easily recognized than described. It involves the capacity to see the whole picture, to recognize the validity of opposing arguments, to distinguish principle from expediency, and to temper the ideal with what is realistically possible.

8. Commitment to the foundation as a whole and not to special interests or constituencies. The trustee's responsibility is to the foundation.

9. Commitment to the idea of philanthropic foundations. No foundation is an island unto itself. Every trustee, even in small family foundations, has a responsibility to act in such a way that the foundation world is strengthened and not weakened.

10. Moral sensitivity to the act of giving and to the need for giving. Paul Ylvisaker called the latter a "sense of outrage"--outrage over people dying of cancer or of AIDS, over children born to poverty and deprivation, over the destruction of the environment, over the threat of nuclear annihilation. Merrimon Cuninggim [a former college president and foundation trustee] described the former as "the potential immorality of giving," the ego satisfaction of the giver, the corrupting influence of the sense of power.

(One family foundation found this list so compelling that the board drafted a Trustee Qualification and Values Statement based on it. For this statement, see p. 241.)

vice president, secretary, and treasurer, each with defined duties with respect to the board and the foundation

Setting the Number of Board Members

Some foundations choose to allow a broad range in the number of trustees that may govern the foundation, while others stick to a specific number. If the foundation has been established in the corporate form, you may state a range of acceptable sizes. In these cases, the minimum/ maximum may be changed by resolution of the full board. *Family Foundations: A Profile of Funders and Trends*, a report developed by the National Center for Family Philanthropy and the Foundation Center, states that the median board size for family foundations is between three and eight members, depending on varying levels of assets. Please note that — depending on the purpose of your foundation and how you have decided to govern its work — you may have significantly more or less board members than these averages.

Establishing a Committee Structure

Many family foundations (more than 50 percent, according to the Council on Foundations) establish one or more board committees to help govern and manage their work. Board committees can help accomplish several objectives, including:

- Distributing the administrative and management workload of the foundation, particularly when there are no staff;

- Dividing key work of the foundation into well-defined categories;
- Involving trustees (and in some cases outside experts and family members not serving as official trustees) in key activities of the foundation; and
- Introducing younger family members to the work of the foundation at their own pace.

The following committee names and descriptions are adapted from the bylaws of the Baltimore-based Marion I. and Henry J. Knott Foundation.

- *Executive Committee:* May exercise the administrative powers and authority of the full board, except the power to amend the bylaws or charter or approve any action not permitted by law.

- *Grant Committee:* Reviews grant requests and reports recommendation to the full board prior to a regular meeting. Recommends grantmaking policies and guidelines for approval by the board.

- *Nominating Committee:* Creates and establishes criteria for new trustees. Prepares a slate of nominees for trustees, officers, and committee members to be voted on at the annual meeting (sometimes called the "Membership Committee"). Some families also ask this committee to develop guidelines for board orientation and ongoing training.

- *Investment and Finance Committee:* Supervises the management of the foundation's assets and investments, develops guidelines and objectives for outside advisors, reports to the full board on foundation's finances, and approves annual budget for foundation activities.

Methods for Engaging Family Members and Other Individuals

One or more of the following options may be used to enhance the basic structure that you choose to establish. Each of these methods serves different purposes, and one or another may not be appropriate at all stages of the foundation's existence.

Setting Up a Board Membership Rotation System

Family foundations sometimes set up board rotation systems when there are now — or may be one day — a large number of eligible family members seeking to become involved in the governance of the foundation. Typically, representatives from specific generations or individual branches of the family will rotate membership on an annual or semi-annual basis. Founders may choose to "exempt" themselves from the rotation system, or to retain the option in any given year of rejoining the board. Families that use rotation systems commonly set up a staggered rotation, so that when new trustees rotate onto the board, there are still several board members left to ensure continuity and organizational memory to the board.

While it is unlikely that such a system will be appropriate at the founding stage of the foundation's existence — unless the founders have a large number of children or adult grandchildren — board rotation policies can be effective at specific points in a family foundation's existence.

Families that establish board rotation systems — as well as those who wish to engage the broader family on an ongoing basis — are encouraged to find effective techniques for keeping all family members updated on the work of the foundation. This may be through occasional email announcements; dis-

fig. 4 — Sample Board Rotation Policy

The Board of Directors shall consist of seven members. Five of these will be family, defined as direct descendants of the Foundation's original donor. Three of these will be children and two will be the grandchildren of the donor. The grandchildren will serve two-year terms on a rotating basis. Two of the board members will be from the community, not direct descendants of the donor, and will serve a maximum of two consecutive three-year terms.

The rotation of grandchildren serving on the board is determined by age beginning with the oldest grandchild. Each grandchild must be 21 before he or she is elected to the board. Minor children will enter the rotation on their 21st birthday.

SOURCE: Anonymous Foundation, from *Family Advisor* packet on Board Composition, Council on Foundations, 1996.

Family foundations sometimes set up board rotation systems when there are now — or may be one day — a large number of eligible family members seeking to become involved in the governance of the foundation.

tributing copies of meeting minutes and major grant reports; occasional briefings about the work of the foundation; a special page on the foundation's website or occasional newsletter; and other possibilities.

Deciding on Membership Procedures and Criteria

These procedures describe how families identify, select, and orient new board members.

They should be designed to:
- Help potential new trustees understand what is expected of them,
- Allow current trustees to gauge the interests and experiences of potential new trustees, and
- Establish the process by which new trustees are added to the board

Some families require potential board members to fill out an application form or take part in a formal training process. Others ask that they serve on

an adjunct board or meet specific qualifications or attributes.

"In some families, members of the second, third, and even fourth generations are eager to serve as foundation trustees," writes Michael Rion, author of *Responsible Family Philanthropy* (Council on Foundations, 1997). "In these cases, responsible philanthropy and ethical treatment of family members means developing specific criteria for trustees and applying these criteria objectively in inviting new trustees."

The Emily Hall Tremaine Foundation, a family foundation with more than 30 family members forming the pool from which the board is formed, strives for the following. The board should:
- Reflect the seven branches of the family's second generation;
- Not be dominated by any one branch;
- Reflect at least two generations; and
- Reflect diverse experience, skills and perspectives.

Selection of board members is based on core selection criteria, including energy and commitment to Emily Hall Tremaine Foundation's values and mission. Full board membership is preceded by a period of training and development.

Establishing Adjunct, Associate, or Next Generation Boards

Adjunct or next generation boards may be appropriate for situations where there are a large or growing number of younger family members who may want to become involved in the work of the foundation, but who do not yet have the available time or expertise required to serve as full board members.

Examples of adjunct/next generation boards abound. The Frees Family Foundation has created a "junior advisory board" for direct descendants of the Frees family who are aged 10–21 years. The foundation believes the adjunct board:
- Allows for a smoother inter-generational transfer of power and responsibility;
- Increases the likelihood of future interest and active participation in foundation endeavors;
- Provides training for foundation management;
- Provides an experience of the "reality" of involvement;
- Promotes the creation of new ideas, directions, and issues; and
- Helps internalize the values of philanthropy and volunteerism.

The Frees Foundation requires that grants recommended by its Advisory Board follow the overall Foundation guidelines, and places several other limitations designed to ensure that the Advisory Board members work together and consider the outcomes of their grantmaking. It is important to recognize that all grants made by adjunct boards must be formally approved or ratified by the formal board, and that board members are responsible for developing a process that ensures that these grants are made to eligible organizations.

The Self Family Foundation of Greenwood, South Carolina has also established a Next Generation Adjunct Board, made up of members of the next generation 18 years of age or older. Bubba Self, former chair of the Self Foundation's adjunct board and great-grandson of the founder, notes of his adjunct board experience that, "Being a successful steward and advocate for positive change is much more involved than just writing a check. It takes a proactive effort and much diligence along with careful, calculated decisions as to what programs and ideas are worthy of support and might become catalysts for other resources in the area. It's a constant learning process."

Alice Buhl, consultant to a number of family foundations, cautions that prior to involving the next generation in such a manner, it is important to accurately gauge the level of interest that exists. "Interest can be encouraged, but not forced," says Buhl. "There needs to be a genuine motivation to participate." In addition, it is important that you are clear about your expectations for younger family member's eligibility and expected length of service on such a board. If you set up an adjunct board for your grandchildren, and ask them to put in a great deal of time, energy, and commitment to this activity, at what point should they be formally considered for full board

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Model for Foundations with
Many Eligible Trustee Candidates

The Harris and Eliza Kempner Fund is a family foundation focusing its grant-making efforts on the greater Galveston, Texas, area. Board and family members reside in locations throughout the country. The Fund has developed the following model for involving current and future generations of family members in the work of the foundation.

The Harris and Eliza Kempner Fund has a professional staff of one (plus 1 1/2 support) and 43 family members of the third and fourth generation who are eligible to be trustees. There are nine trustees on the board, seven of whom are family. Up until 1988 trustees served for life. Two changes approved that year allow more rotation on the board: a mandatory retirement age (75) and nine-year terms (three family trustees were grandfathered and are exempt from the nine-year term limitation). Even with these changes, opportunities to serve are few and far between.

In 1990 the trustees approved Chairman Nonie Thompson's plan to establish advisory committees to provide opportunities for nontrustee family members to experience the grant process. Once a year three committees meet: one to select candidates for the Fund's student loan program and two to review grant requests related to environmental protection, population control, and third world development. There are 12-15 participants each year. They receive 4-6 grant requests to review and recommend. Their packets include suggestions for grant evaluation and information on how to review financial statements. Their committee's allocation is always less than the total being requested, so the members discuss, debate, and make the difficult allocation decisions. When time allows at their meeting, a workshop is provided on a subject relevant to foundation/philanthropic issues.

The value of this program is that the participants have an opportunity to find out if they have any interest in foundation matters. Those who do are easily identified: they sign up year after year, arrive with their homework done, take seriously the deliberation process, and understand the implications of their decisions. The advisory committee meetings usually occur in the same time frame as family business meetings and other family gatherings, allowing them to visit with trustees and other family members, many of whom have their own foundations. The executive director has frequent opportunities to interact with them.

When the time comes to consider a replacement trustee, the trustees have a short list, with all the candidates having a proven interest in and aptitude for trusteeship.

membership? Establishing clarity around expectations will help make this a positive learning experience, and one that does not result in feelings of undue entitlement or frustration.

Considering Community Advisory Boards

Another option used by many family foundations is an outside advisory board made up of community representatives, experts, or other individuals that may have a particularly valuable perspective to lend the foundation. *(Note: although some refer to advisory boards in the same way as adjunct or associate boards, in this chapter we refer to adjunct/associate boards as a specific type of advisory board in which younger family members are involved.)*

Advisory boards allow family foundations to be more directly connected and accountable to the communities they serve, and to have additional perspective on the latest trends and developments in a particular issue area.

The Springs Foundation of Fort Mill, South Carolina, recognized the potential for a community advisory board to inform family decisionmaking, and in the early 1990s established a Community Advisory Committee that they use to this day. To create the initial committee, the Springs board asked for nominations of community leaders in each of their three geographic target areas — Lancaster County and the towns of Fort Mill and Chester. Citizen

advisors are limited to three-year terms, and the Springs Foundation chose to create staggered durations to encourage continuity. Francie Close, family member and trustee of the foundation, notes that, "Even those who were very apprehensive about having outsiders involved now acknowledge it's the best thing going for us. We value their opinions enormously. It's how we make sure real needs and community voices drive the agenda."

Other useful strategies exist for families seeking to include the viewpoints of others without asking them to serve on the board or an advisory board. Some of these include:

- Inviting speakers to board meetings or luncheons;
- Meeting with representatives of the local community foundation, Jewish Federation, or United Way to learn about key projects and programs they are involved in;
- Holding a focus group on a specific program area;
- Commissioning or participating in a community needs assessment; and
- Developing a survey of grantees or community leaders about the strengths, weaknesses, and overall effectiveness of the foundation.

Regardless of the strategy chosen, finding ways to include outside perspectives is a proven means of informing family discussions and long-term foundation strategies.

Involving Nonfamily Members and Considering Diversity

While some families choose to include community representatives and other individuals outside the family on one or more advisory committees, a growing number include nonfamily members as official board members of the foundation. According to *Trends in Family Foundations Governance, Staffing, and Management* from the Council on Foundations, nearly three of five respondents had boards that included nonfamily members (community representatives and/or family or business associates). One family foundation board member explains: "The board members believe that outsiders can make a good situation better by bringing management experience and knowledge of community needs to the foundation."

There are many well-documented reasons for including individuals from outside the family and from a variety of backgrounds on the board. Nonfamily board members can enhance the work of the foundation by:

- Bringing specific expertise or experience that is missing from a board;
- Serving as a neutral moderator for family disagreements and discussions;
- Evaluating staff performance when the staff person is a family member;
- Providing an outside perspective, and an intellectual curiosity to the board, expanding the family's vision for the foundation; and
- Increasing the diversity of the board, and allowing the foundation to be more accountable to society at large.

How comfortable will you and your family be with nonfamily members in the boardroom? What level of confi-

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fig.
6   A Statement of Inclusiveness

One foundation that has actively reflected on the value and importance of diversity is the Z. Smith Reynolds Foundation, based in Winston-Salem, North Carolina. The foundation's board formally approved the adoption of a Statement on Inclusiveness, which reads in part:

The Foundation has the conviction that inclusiveness benefits everyone and is not only compatible with but also promotes excellence. The Z. Smith Reynolds Foundation's grantmaking policies reflect the belief that organizational performance is greatly enhanced when people with different backgrounds and perspectives are engaged in an organization's activities and decision-making process.

dentiality do you require? Are there individuals who you can trust to respect that confidentiality? Can you find nonfamily trustees who understand and respect the goals of the donor and the family, and who will be willing to help pass this legacy along to future board members?

It is perfectly reasonable to have separate selection criteria and board terms for nonfamily trustees, and/or other safeguards that give you and your family the authority to retain control of the foundation's long-term direction. As Deborah Brody, author and senior program director for the National Center for Family Philanthropy, once wrote, "While families can't choose their relatives, they do choose nonfamily trustees. And they must decide how to involve them."

GOOD ADVICE➣ "I think there is a lot of value to getting outside trustees. They can bring in specific expertise to help carry out foundation goals, as well as a broader perspective. Outsiders can also help bring professionalism to foundation operations. It's good to have that safety belt — someone who's outside in case there are things that get in the way of the family working together."

PENNY NOYCE, TRUSTEE OF THE NOYCE FOUNDATION

Over time, you may wish to develop a short history of the foundation's goals and activities, key accomplishments, and model projects.

Governing the Board

A first order of business for any governing board is, of course, to adopt policies and procedures for governing and managing itself. Following are suggestions on several subjects of importance in board governance and management.

Setting Board Terms and Limits

Thirty-five percent of family foundation respondents to a survey by the Council on Foundations indicated that they limit board service in one way or another for some or all board members. Of these, 73 percent limit the number of years per term that a board member can serve (median of 3 years), and 30 percent limit the number of consecutive terms that a board member can serve. Another common limit on board service for those responding to the Council's survey were minimum and maximum age limits. 37 percent of respondents reported a minimum age limit (median age limit of 21), while only 17 percent defined a maximum age limit (median of 70).

Board terms can serve many useful purposes, including:

- Developing a shared understanding of the ongoing participation of board members
- Encouraging board members to take a break from the foundation and to step back and view the work of a foundation from a non-board perspective
- Allowing younger and extended family members join the board over time
- Helping board members realize that they have "permission" to step down

Developing a Foundation and Board History

Over time, you may wish to develop a short history of the foundation's goals and activities, key accomplishments, and model projects. This may include a history of the founders and their goals for establishing the foundation (often referred to as the donor legacy statement). Another useful piece of information to include in such a history is a brief overview of who has served on the board, particularly if this includes nonfamily members, or individuals who may not be familiar to future trustees.

Adopting Guidelines for Board Meetings

Some families choose to develop or observe guidelines for how they interact in board meetings and discussions. Robert Hull, author of *The Trustee Notebook*, describes one family's simple

but effective ritual of repeating the following pledge together before the start of each board meeting:

In deference to my solemn public trust as a trustee of this foundation I will hereby attempt to put aside my preconceptions, my biases, and any entangling relationships with my fellow trustees that might limit my ability to see things clearly or make rational judgments and decisions of behalf of the public good.

Families take varied approaches. Sarah Cavanaugh, a family trustee and former executive director for the Russell Family Foundation, focuses on the positives of family dynamics and history, and includes time in each board meeting agenda to celebrate and share family stories, photos, and heritage.

Agreeing Upon a Meeting Schedule

An agreed-upon meeting schedule provides guidance around the timing and location for the annual and other meetings of the full board. This helps ensure that trustees and other family members are able to plan for and participate in these meetings on a regular basis. Some families choose to have at least one of the meetings in conjunction with other annual family gatherings — Thanksgiving, Easter, or the annual family reunion — to minimize travel expenses and time, and to add a new level of meaning to these events.

fig. 7	Surdna Foundation Statement of Board Culture

- We have respect for one another and for one another's rights as a board member.

- We value honesty and truthfulness. We go beyond niceness, politeness and avoidance to niceness, politeness and directness. We owe each other both negative and positive feedback.

- We value due process. We seek a process on the board that will mirror our intention of personal empowerment. Just as we seek to empower others through our grantmaking, we wish our own process to empower ourselves and serve as a model for foundation governance.

- We acknowledge that differences can be energizing and can lead to learning. Collaboration and conflict go hand-in-hand.

- We seek to align ourselves around a common vision and deepen our conviction that our work together will make a difference.

- We seek to work together as a team, with a shared sense of purpose and inspiration. After bringing our unique insights as individuals to our collective process, we will endeavor to support decisions taken by the whole.

- We will seek consensus first. After airing disagreements, we will use voting as a fallback technique to permit us to move forward.

- We value Board leadership, which facilitates our process, and helps bring us to a consensus.

- We seek innovation and the group's acceptance and encouragement of individual initiative and risk taking.

- We encourage board members to commit fully to making the Foundation the best it can be.

- All board members share responsibility for facilitating our process and resolving conflict. We are committed to improving facilitation skills and sharing leadership roles.

Specifying a Quorum Requirement

This statement specifies the number of trustees required to constitute a quorum, the minimum number of trustees required to amend policy or vote on behalf of the full board. The statement should include a notation as to whether trustees connected to the meeting via conference telephone or similar equipment may be considered as participants in the meeting, and whether they may count to the overall quorum requirement.

Establishing Grounds and Process for Removal

Some families choose to state explicitly the circumstances under which a trustee will be asked to leave the board, and what the process is for doing this. The most likely reason for removal is non-attendance or non-participation. Other possible reasons include refusal to follow stated policies or guidelines of the foundation, divorce, or some other similar circumstance.

Filling Vacancies

It may also be helpful to develop specific guidelines about how to deal with a temporary vacancy on the board, particularly when there are several individuals in line for service, or if there is some form of branch representation in place.

Meeting State Regulations

Are there any state regulations that affect how your board is structured? One important example of such a regulation is the state of California's rules against compensating family members who serve as board members or staff for foundation boards in which more than half of the trustees are family members. Foundations established in the corporate form are typically required to file corporate annual reports with the Secretary of State. State law also establishes the fiduciary duties of board members.

Obtaining Directors and Officers Liability Insurance

Prudent boards may want to ensure that they are protected from a variety of potential lawsuits by arranging for directors and officers liability insurance. While such suits are rare, and successful claims even rarer, you may want to discuss this matter with counsel.

Developing a Board Handbook

This summary notebook should include copies of each of the policies you develop, as well as a history of the foundation, meeting schedule, and other key documents that your board members may need. This handbook should be updated on an annual basis — you may even wish to consider making this an online document, so that trustees can access it wherever they may be, and it can be easily updated.

Going Forward

A basic rule to keep in mind when considering and developing your foundation's structure is as follows: it is always easier to establish a policy regarding a specific situation before it becomes a burning issue. Establishing and amending structure by definition affects one or more of the stakeholders in your foundation. The more you and your founding board are able to anticipate and think through the likely consequences of your policies, the more likely it is that these consequences will be positive and reinforcing to the work of the foundation. Other key thoughts to keep in mind:

Remember the importance of expectations and clarity. Wherever possible, document your basic philosophy and expectations in writing or videotape, and have regular conversations with the board about these areas (some founders even put in their bylaws a requirement that future board members occasionally review the founder's values, philosophies, and particular interests). If your goal is to have future trustees develop their own mission statement and priorities, let them know this as well. You might be surprised at the importance these documents may have… and if you don't explain what your goals are, how can those who follow know?

Decide on which you value more — flexibility or control. Just as you need to check in from time-to-time with your mission and grantmaking guidelines, effective board structures must be able to adapt over time. You — and eventually your future trustees — will need to occasionally ask themselves the

following questions:
- Is our current structure working?
- Does it reflect the current priorities of the family and the foundation?
- Have conditions changed either in the family, or in the community?

You can't plan for every eventuality, and you shouldn't try to. Rather, seek to provide overall guidance and understanding about your goals and dreams, and to trust those who follow you with the wisdom and accountability that is required of all successful stewards.

Understanding Board and Trustee Roles and Responsibilities

When a man assumes a public trust, he should consider himself as public property.
— THOMAS JEFFERSON

All boards have some elements in common. For example, they must:
- Support and promote the organization's mission;
- Operate as a productive, decisionmaking group;
- Set up a process for board members' nominations, selection, and succession;
- Secure resources so that the organization can operate efficiently and effectively;
- Ensure that finances are being well spent and well managed;
- Set policy standards and guidelines;

- Hire, support, and evaluate the chief staff officer or determine other administrative and management structures; and
- Assess their own performance and effectiveness as a board.

This section addresses the following questions:
- What is the job of a family foundation trustee;
- How can we operate as a productive, decisionmaking group?
- What does good trusteeship require?

What Is the Job of a Family Foundation Trustee?

Family foundation boards have advantages over other types of boards because families usually have an intimate knowledge of one another and a common ancestry that binds them together. Families can also have strong historical and emotional ties — both positive and negative — that can impede or enhance their decisionmaking.

Many family boards also include nonfamily members. These nonfamily trustees can play an important part in

helping the family broaden its perspective and networks.

Let's assume that you are joining your family foundation's board for the first time. How should you prepare? What do you need to know?

First, you will want to learn as much as you can about the communities your foundation serves. You can gain this knowledge by studying demographic, economic, and social trends, by being aware of issues facing the community, by talking with other community leaders and members of other boards, and by participating in your local regional association of grantmakers seminars and networking events.

In the early years of your foundation, trustees will have to address start-up issues including:
- Defining the mission and goals of the foundation, selecting and training the initial board members;
- Developing policies and procedures for operating as a board; and
- Structuring and then putting in place

The more you and your founding board are able to anticipate and think through the likely consequences of your policies, the more likely it is that these consequences will be positive and reinforcing to the work of the foundation.

the foundation's administrative and grantmaking processes.

Some fundamental responsibilities will be constants throughout the foundation's life. In addition to the governance responsibilities mentioned above, family foundations will need to:

- Approve and oversee the grantmaking strategy and grantmaking process;
- Manage and oversee the foundation's financial assets, budget, and expenses; and
- Ensure that the foundation operates according to the legal and fiduciary requirements of both federal and state governments.

All boards must change as their members change and their organizations evolve; however, a family foundation must be particularly flexible and prepared to deal with the changing nature of its participants. Marriage, divorce, death, and generational transitions all play a part in redefining your particular foundation. Reviewing the responsibilities of trustees on a regular basis is an essential part of the governance journey.

How Can We Operate as a Productive Decisionmaking Group?

A critical early board responsibility is to define and uphold a vision and mission for the foundation. Many new family foundation boards find that it is helpful to take the time for a board retreat and to hire an outside facilita-

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fig.
8 — **Sample Trustee Position Description**

1. To evaluate on a regular basis:
  a. The organization's effectiveness in accomplishing its mission;
  b. The role and performance of the Executive Director on an annual basis;
  c. The effectiveness of the allocation of resources;
  d. The effectiveness of individual trustees and of the board of trustees as a whole; and
  e. Whether the foundation should continue as an organization.

2. To establish and oversee:
  a. Institutional policies including but not limited to a policy of non-discrimination;
  b. Personnel policies; and
  c. Systems for fiscal accountability.

3. To take responsibility for planning by:
  a. Ensuring that there is a mission statement;
  b. Ensuring that there is a strategic plan; and
  c. Overseeing the implementation of the strategic plan.

4. To oversee the acquisition and allocation of funds by:
  a. Defining the investment goals;
  b. Monitoring the management of investments; and
  c. Approving the fund's overall program plan.

SOURCE: *The Trustee Notebook*, National Center for Family Philanthropy, 1999.

All boards must change as their members change and their organizations evolve; however, a family foundation must be particularly flexible and prepared to deal with the changing nature of its participants.

tor to interview board members and help you craft the goals and agenda for the meeting.

Following are key subject areas for consideration.

Set Policy Standards and Guidelines

Successful boards of trustees adopt policies that set standards for quality, ethics, and prudence in foundation operations. Your policies should:
- Define expectations for high quality grantmaking programs;
- Define expectations for the foundation's performance; and
- Require wise and prudent use of funds and management of assets.

Since many newly created family foundations do not hire an outside executive director — at least initially — it is doubly important to put policies in place so that trustees performing staff work are both guided and protected from conflicts of interest or other legal or ethical dilemmas. Depending upon how your family foundation is set up, the board itself may be responsible for carrying out these policies, or it may choose to delegate some responsibilities to an executive committee or to an executive director.

Family members often wear multiple hats. For instance, you may have a family member who is the foundation's executive director or administrator. In some cases, it might make sense for this

person also to be a trustee; however, you may decide that the clearest route to take to avoid any confusion is to have the family members choose to be either a staff person or a trustee.

Hire, Support, and Evaluate Management

If you choose to appoint an executive director or administrator, either from within or outside your family, successful governance depends on a good relationship between the board and this staff person. In general, your staff person will implement board policies, while the board will depend on the staff for guidance and educational leadership. This relationship works best when there are clear, mutually agreed-on expectations and job descriptions. The partnership thrives on open communication, confidence, trust, and support. To be effective, trustees and boards must:

- Clearly define what characteristics, qualities, and experience they are looking for in an Executive Director;
- Select and retain the best staff or management support possible;
- Define clear parameters and expectations for performance;
- Conduct periodic evaluations for the based on honest and constructive feedback; and
- Support the staff and create an environment for success.

Families that choose to have a family member as staff deal with a special set of circumstances. First, you must clearly define the job. Then it is essential to make sure that the family member is chosen fairly and has the appropriate skills (management, program, and interpersonal) to adequately perform the job. Perhaps most difficult of all, the family member's performance in this role — whether compensated or volunteer — will also need to be assessed in as unbiased and professional a manner as possible. Families with a paid nonfamily staff member may have an easier time, since the relationship may be conducted strictly on a business basis. Finding and retaining an effective staff person requires constant board diligence and oversight, including written personnel policies, job descriptions, and performance reviews. (See Setting Up Shop, p. 115.)

Evaluate the Board's Performance and Effectiveness

Effective boards engage in a continuing process of self-assessment or evaluation of their performance. They do so in order to identify where they are performing well as a board, and where they might improve. Discussion about board roles and responsibilities can strengthen communication and understanding among board members

Well-conducted board self-assessments lead to better boards. The results of an assessment may include:

- A summary of board accomplishments;
- A better understanding of what it means to be an effective board;

- Clarification of what trustees expect from each other and themselves;
- Improved communications among trustees and between the board and staff;
- Identification of problems, potential issues, and areas to improve;
- Opportunity to discuss and solve problems that may hurt board performance;
- Identification of strategies to enhance board performance;
- Agreement on board roles and trustee responsibilities;
- The setting of board goals and objectives for the coming year; and
- Renewed dedication to the board.

Evaluating the board's performance is not the same as evaluating individual trustee performance. The purpose of a board self-assessment is to look at the board as a whole; although, a side bene-

fit may be that individual board members gain appreciation for the roles and responsibilities of trusteeship.

Many board members are not sure how to evaluate themselves. The process of self-evaluation may be formal or informal. The important thing is that the process provides useful information for the board members. Informal self-evaluations may consist of an open-ended discussion in which board members identify those things that enhance and challenge effective participation and performance. Thus, the board may not need a self-evaluation instrument or survey.

A small committee of the board can be appointed to design and propose the process and criteria. Each and every board member should participate in the self-evaluation by completing a board self-assessment instrument (if used), being interviewed, or being active in the discussion.

If the foundation has an executive director or administrator, he or she is also an important resource. Varying levels of staff involvement in the assessment may be appropriate, from being a full participant in the process, to contributing advice and support for the process, to providing comments on the board/staff relationship. Some boards conduct the board and staff evaluations in tandem, since the success of one entity in the partnership depends on the effectiveness of the other.

fig. 11 Some Ways to Think About Board Effectiveness

Board Organization. Does the board operate as a unit? Does the board meet according to its policies, and engage in orderly meetings? Are officer responsibilities clear and do officers fulfill them? Do committees operate effectively and contribute to board success?

Community Representation. How does the board involve the community it serves? Does the board have strategies for seeking input from diverse interests?

Policy Direction. Do board members understand foundation's mission, policies and programs? What issues have most occupied the board's time and attention during the past year? Were these closely tied to the mission and goals of the institution?

Board–Executive Director Relations. Do the board and executive director/administrator have a respectful partnership and open communication? Are their roles clearly defined?

Foundation Operations. Does the board have clear policies related to fiscal affairs, asset management, and human resources? Does it have clear standards and processes for grantmaking? Does the board have and adhere to clear protocols for communicating with staff?

Board Behavior. Does the board behavior set a positive tone for the institution? Do board members work well together as a team? Are different perspectives encouraged and incorporated into decisionmaking? Does the board have and adhere to a code of ethics?

Advocacy. Do board members help portray the foundation in its best light? Do they attend foundation events? Do they help promote the image of the foundation in the community?

Board Education. Are new board members well oriented? Are all board members encouraged and supported in engaging in ongoing learning?

SOURCE: Adapted from the Association of Governing Boards of Colleges and Universities.

Consultants and facilitators are often helpful to boards in developing and conducting an evaluation. They can provide an independent, non-biased influence to help keep board discussions focused and positive.

Prepare New Trustees for Service

Bringing new trustees onto the board is going to be critical to your foundation's long-term effectiveness. This may include family members from the younger generations, community leaders, or professional experts (e.g., a lawyer, accountant, or financial planner). You might want to design a series of orientation sessions for the new trustees. These might include:

- Scheduling information and discussion sessions with the board chair, other experienced board members, and the staff, if applicable;

- Discussing protocols and guidelines for communicating with other trustees and staff;

- Requiring new trustees to read and discuss the foundation's bylaws, grantmaking guidelines, board policy manual, and other documents critical to the foundation's operations;

- Scheduling site visits to grantees or potential grantees with other trustees or with the staff; and

- Providing new trustees with copies of orientation materials from the family

philanthropy field such as the National Center for Family Philanthropy's *Trustee Notebook and Foundation Trusteeship*, a classic reference book for trustees available from the Foundation Center.

Create an Effective Board Meeting

What are the ingredients of effective board meetings? Board meetings are only as successful as the thought that goes into the planning. As you consider the suggestions presented below, keep in mind that what is an extremely effective board meeting for one family may not work for your family. What is important is to check in with each other about what works and what doesn't. Make sure that meetings remain a good use of people's time, that important issues are getting addressed and that the work between meetings is clearly defined and assigned. You want your board to be engaged and prepared for the next meeting.

Suggestions:

- Have a structured agenda. Provide an opportunity for board members to have input into the creation of the agenda, and send the agenda to the board in advance of the meeting. This helps everyone come prepared to accomplish the items on the agenda.

- Do strategic planning on a regular basis.

- Be sure that staff or the board member responsible prepares good briefing materials and sends them out well in advance of the board meeting.

- Be sure that all board members are kept fully informed between meetings. Whether one family member or a large complement of family members leads your foundation, the entire board is legally responsible for the foundation's activities.

- Board meetings should engage everyone sitting around the table. The most satisfying board meetings are those in which substantive issues are openly and fully discussed.

- Set aside time at least once a year to consider major issues that are likely to effect your foundation and its work in the years ahead.

However you choose to design your meetings, be sure to plan ahead, keep board members well informed between meetings and in advance of meetings, and take time to build board cohesion and have some fun.

GOOD ADVICE ➤ "We meet approximately monthly by phone to decide on grants. And then at the quarterly meetings we are much more likely to review some ongoing projects and at least once a year talk about the overall big picture of where we're going."
PENNY NOYCE, THE NOYCE FOUNDATION

Ensure Good Board Communication

While board meetings are of critical importance, the communication that goes on before, between, and after board meetings is equally important. Your board will need to determine what distinguishes official communications from unofficial communications. Will your board make use of written reports, periodic conference calls, or email? Who will oversee the collection and distribution of relevant material?

Increasingly, boards are making use of email and websites, but not everyone is comfortable with electronic forms of communication. In addition, you will need to find a balance between a sufficiency and an excess of information. This may take some time and need to be revisited over time. (See Communicating: Enhancing Process, Participation, and the Public Face of Your Foundation, p. 191.)

Offer Board Education

Board education comes in a variety of forms and is an on-going ingredient of a successful board. Some boards budget a specified amount of time and money for board activities that include.

- Bringing in outside presenters to board meetings to speak on specific topic (vary the speaker's focus over time to cover both programmatic content and board responsibilities);
- Encouraging trustees to attend professional meetings or conferences;

While board meetings are of critical importance, the communication that goes on before, between, and after board meetings is equally important.

- Using site visits to educate the board on grantee concerns and needs; and
- Creating a bibliography for board members.

GOOD ADVICE ➤ "We have three meetings a year, at least one of those is a day and a half and there is a social aspect to it. We bring in a speaker or a resource at two of the board meetings. We also send out regular news clippings and reports we think might be of interest."
NANCY DOUZINAS, THE RAUCH FOUNDATION

Summary: What Does Good Trusteeship Require?

Good trusteeship requires the ability to function as part of a team, and a team functions best when all members are encouraged to contribute their strengths and are committed to working together. Effective boards are thoughtful and knowledgeable. Trustees on effective boards listen well, ask good questions, analyze options, think critically, and clarify their most important values and priorities. They explore issues thoroughly and make policy decisions based on thorough deliberation and comprehensive understanding.

The best boards are future-oriented. They recognize that today's world requires flexible institutions and leaders who are willing to adapt and grow in response to the changing needs of society. Trustees who act with vision, with intelligence, with curiosity and with enthusiasm create a board that is an agent for positive change. Effective boards and trustees engage in ongoing learning about board roles and responsibilities; are curious and inclusive; are positive and optimistic, and support and respect one another.

While all this may seem a bit daunting, by starting a family foundation you have already become a trustee of the public good. Fortunately, you are in good company. An entire community exists to help you find your way consisting of fellow trustees of family foundations, organizations that offer support and services, and resource materials.