

Friendship House, Inc. Board Member Guide

Introduction:

The mission of Friendship House, Inc may only be as successful as its board operates. Therefore, it is critical that we conduct ourselves ethically, legally and to our fullest potential. To that end, we also should think strategically, challenge ideas, and always seek better solutions. Please keep in mind:

- Board membership is not just a virtuous pastime, but a serious commitment of time, talent, gifts and service. Prayerfully, each Board member will experience joy and fulfillment as you serve your Lord and the clients of Friendship House.
- Our aim should be for consensus, especially as the prospect for organizational change presents itself relative to New Castle County's ever-changing social climate.
- We are accountable. Where "for profit" organizations are accountable to shareholders, Friendship House is accountable to make a difference in people's lives.

As you begin or continue to serve on the Friendship House board, this guide is intended to brief you on board functions, your roles and your responsibilities. Four committees comprise the Board. *Each board member is expected to actively participate* in one of them during your term. These committees include Strategic Planning, Assessment, Nominations and Resource. Further information concerning these committees is found within this guide. Feel free to discuss details about these committees with the Executive director, a member of the executive committee, or with fellow board members as you seek to find a meaningful place to serve.

This guide is divided into the following sections:

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In addition to this guide, many resources are available for more in-depth study of non-profit organization structure and procedures including books that may be borrowed from the Friendship House Administrative Office.

Welcome to the Friendship House, Inc Board. May God bless you as you give of your time and talents!

Part One: Basic Friendship House board functions

Basic responsibilities of the Board

1. As Board members, we are *charged to be committed to our mission* as found in the latest Annual Report and to the FH governing policies; moreover, as needed, we must review and update them as social and economic situations dictate. The Board has full and final authority over Friendship House, Inc affairs. That being said, Board members have authority only as a body and not individually. In essence, Board members need to understand and abide by our basic responsibilities.
2. The Friendship House executive director is hired by and reports to the Board. Thus we – the Board - have *certain responsibilities relative to the success of the executive director*:
 - i. Give the executive director the moral and professional support that he or she deserves while leading this non-profit organization.
 - ii. Conduct regular performance reviews to ensure they receive necessary support and remain on-target in their role.
 - iii. Ongoing, clear consensus among Board members is crucial concerning the executive director’s responsibilities.
 - iv. The Board will be charged to select a new executive director, as needed, due to retirement or other circumstances that may create that vacancy. As needed, a Board sub-committee will make a careful selection for the most qualified candidate to fill this unique and demanding position. Final approval will come from a majority affirmation from the entire Board.
 - v. Additionally, a Board Executive Committee shall be nominated and elected to include a President, Vice President, Secretary and Treasurer. The executive director, as well as program directors, will meet with the executive committee on a monthly basis to ensure that the FH mission is being effectively monitored and concerns are addressed.
 - a. We must *ensure effective planning*. The Strategic Planning Committee leads this initiative – headed by the Board president – to ensure FH remains vital, vibrant and true to our missions the world changes around us. Full Board retreats are regularly conducted as a means of monitoring our programs’ relativity.
 - b. The Board’s Assessment Committee – headed by the Board vice-president –will *monitor the Friendship House programs regularly*, and report back to the full board to suggest program modifications as needed. Typically, one program is monitored annually, but others may be added at the discretion of the Assessment Committee or at the recommendation of the executive director.

- c. It is crucial that the Board *protect our assets and provide financial oversight*. To that end, the Resource Committee – headed by the FH Board treasurer – recommends the budget for final approval by the Board. The Resource Committee will ensure that the proper financial controls are in place. The treasurer meets with the executive director and the board president semi-weekly (or more, as needed) to review the financial state of the organization. The treasurer also is charged to give updates to the full board at their quarterly meetings and at the Annual Meeting. From a fiduciary standpoint, the Board’s objective is to responsibly fulfill the FH mission and support its programs without taking any undue risks.
 - d. As a long-time, non-profit organization, we must continually strive to *maintain a competent, diverse, inclusive and engaged board*. The Nominations Committee, headed by the Board Secretary will focus their efforts on this objective. Our aim should always be to ensure all new FH board members are welcomed, oriented and their unique skill sets employed (Also refer to Part three of this guide).
3. Regardless of the fact that FH is a coalition of Christian churches, the Board must remain diligent in safeguarding its legal and ethical integrity. Board members must avoid conflicts of interest or personal profit, either incidental or intentional. Thus, any conflicts or relationships that may in any way impact the FH reputation should be fully disclosed. Three standards of duty include:
 - Care – actively participate and exercise best judgment in Board decisions.
 - Loyalty – No conflicts of interest, either personally or professionally.
 - Obedience – Ensure that Friendship House complies with all applicable federal, state and local laws. The Board should review this standard annually at a Board meeting (to reflect in the meeting minutes). For example,:
 - Per the IRS Code, Friendship House, Inc may not engage in excessive lobbying or contribute to certain organizations or political campaigns.
 - No “excess benefit” business or financial transactions are permitted by Board members.
4. Board members, either collectively or separately should strive to *promote FH’s standing* in the communities that it serves to avoid either real or perceived community conflicts or confrontations. It is in Friendship House’s best interest for our Board members to promote the public’s understanding and support of our organization.

5. Board members need to read, understand and periodically review the current FH *mission statement, ministry method and core programs* as found in the front of the FH annual reports. This information is crucial to the organization's continued success and serves as a guide in all that the Board plans and carries forth.

Remember that an effective Friendship House Board is crucial to the overall success of the organization. Your active and enthusiastic participation in its activities is essential!

Part Two – Board of Trustees configuration

A complete list of members approved by vote to the Friendship House Board of Trustees may be found in the latest Annual Report published by the organization. The Board is comprised primarily of representatives appointed from New Castle County churches that desire a “Covenant” relationship with FH. By definition, covenant churches and their representative are committed to a long-term sustaining relationship with FH; they are active in the governance, strategy and maintenance of the FH character; their representatives also may be relied upon to be advocates within their churches and in the larger community.

Additionally, there may also be up to five “at-large” members who may be voted onto the Board in recognition of special skill sets (legal, financial, etc) that they may offer for the good of the organization. Our by-laws require that not less than 10 persons will be seated on the Board; ideally, no more than 14 persons will be seated for most effective governance. Please note that in our determination to maintain an organization of Christian character, the Board membership will always require a majority of church representation.

As noted earlier in this document, Board members will all be solicited to serve on one of the standing Board committees. Board members should consider serving on that committee where they feel their talents may be best utilized. As a very general rule of thumb, these committees will meet bi-monthly to conduct their business. Of course, as circumstances dictate, meeting frequency may be adjusted to ensure the provision of resources and to also ensure the interests of the organizational programs are met.

The Board has *an executive committee* (Board president, vice-president, secretary and treasurer) that oversees the day-to-day strategy and policy matters. This committee meets monthly with the executive director and program directors. Additionally the board president and treasurer meet bi-weekly and as needed with the executive director for budget, personnel and program updates.

As needed, *ad hoc committees* are formed to address specific needs of the organization. As these finite committees are formed, please consider lending your time and talent to ensure their success!

Not all churches that support Friendship House desire a seat on the Board. They do, however, lovingly provide significant monetary resources, volunteers, donated facilities, etc in support of the FH mission. To that end, these churches are considered “Ministry Partners” and part of the Friendship House

Coalition of Churches. They remain highly valued for their support. Every effort is made to include them in informative correspondence, workshops, etc.

Also included in the Friendship House Coalition are the “Helping Partners” churches that provide limited programs and/or financial support. Despite their limited resources in support of Friendship House, we continue to value their commitment to FH. Every effort will be made to ensure those churches are included in FH program communications and in the Annual Meeting, etc.

Part Three – Board of Trustees membership – for maximum effectiveness

FH Board membership has term limits of two three-year terms followed by a minimum of one year off. Term limits are designed to include the following potential advantages:

- Bring more diversity to the Board (age race, individual gifts...),
- Reinvigorate other Board members by bringing new ideas and renewed commitment; prevents burn-out among Board members.
- Develops new leaders, especially for executive officers and Ad-Hoc committees.
- Assurance for donors and other supporters that fresh ideas and attitudes are anticipated.

Reelection at the end of a Board member’s first three-year term is automatic. However, if Board members wish to opt off after serving just one three-year term, they should notify the Board secretary as soon as practical so that accommodations may be made for a replacement.

The responsibilities of each Board member are designed so that the work of the Board does not fall on the shoulders of a few members, but so that all members may share in the responsibilities and benefits of serving our customers, the clients of FH.

Board members will find benefit in preparing an “elevator speech” – that 30 second summary of FH to engage interest, inform and promote continuing enthusiasm with our potential and current donors at any given time. By doing so, they will gain confidence in the Board’s ability to effectively operate as we demonstrate our in-depth knowledge of the FH organization.

To shelter volunteers from personal liability arising from legal actions that may occur from such actions as financial mismanagement, faulty employment practices, etc, Friendship House has directors and officers (D&O) liability insurance.

Part Four – Board meetings and their importance

Members are expected to regularly participate in various meetings and programs to gain knowledge of the organization and thus become better acquainted with FH clients, employees and other volunteers. Members should use caution not to overstep one’s boundaries (i.e., take charge) simply because of being a Board member.

- Recognizing that Friendship House is a Christian corporation, meetings should be opened and closed in prayer. Meetings will also be conducted with mutual respect for each other as we

recognize that our “at risk” and homeless clients depend upon our professional conduct to serve them fairly!

- Members should commit to regularly participate whenever meetings and special Board events such as Board retreats take place. The collective input of members, backgrounds, diverse talents and insights is critical to effective decision-making processes. Quarterly Board meetings are normally scheduled for the Administrative office conference room located at 1305 N. Rodney Street on the first Saturday in February, May, August and November. However, advance notices will be posted informing Board members of the specific date, time and location.
- As a non-profit organization, FH Board members are critical to keeping local churches, individual supporters and organizations informed of our ministry activities. Communicate to them the various means of keeping abreast of the organization’s activities (annual meeting, Facebook postings, website, etc).

Part Five – Fiduciary Responsibilities

Friendship House has historically taken a very conservative approach to the financial aspect of the organization. Also, because Friendship House highly values our ability to independently modify programs when the needs of our individual clients and our community change, our organization has never accepted – nor will it accept – governmental monetary support.

As noted in Part One (Resource Committee), to effectively manage our resources and manage our various programs and property, the executive director meets bi-weekly with the board president and treasurer to communicate the ongoing status of the budget. They review revenue received from grants and donors; and the expenses incurred. Monthly meetings are held with the executive director, program directors and the executive board to further review budgetary performance, potential concerns, and to formulate recommendations if necessary to ensure Friendship House operates efficiently, effectively and within its budget, as approved by the Board. Quarterly meetings to include the full Board are designed to keep the Board informed, to gain approval of annual budgets, and to make any changes in the budget and the scope of our various programs to ensure financial stability for the organization.

Audits are an important aspect of the fiduciary responsibility duty that Friendship House values. Apart from the continual internal oversight of our budget, an annual external audit is performed to ensure that proper accounting procedures are being followed and that our donors’ contributions are being managed properly.

Fundraising from a combined source of benefactors remains a vital part of Friendship house’s ability to complete our mission. Without the benevolent support of various corporate and foundation grants, the monetary support of the ecumenical church community within New Castle County, and the generosity of individual supporters Friendship House could not minister to the homeless and marginalized of our community. As a whole, board members should constantly be seeking opportunities to raise funds for the well-being of Friendship House. These opportunities may include:

- Strive to include Friendship House in your church’s “mission” budget.
- Promote participation within your church and elsewhere in fundraising events, such as the Highmark Walk, Annual Party, etc.
- Seek other opportunities for various groups within your church to raise funds for Friendship House.
- To once again make the point: Advertise the good works at Friendship House that are being performed on a daily basis! Various means of accomplishing this objective may include: write church newsletter articles; invite a senior member of the Friendship House staff to speak at the church; inform your church or other organizations of the Friendship House website or Facebook page.
- Without the continued support of volunteers, Friendship House could not exist in its present form. The value of the thousands of volunteers’ hours that are spent supporting the Friendship House programs cannot be overstated. As a Board member, your volunteer efforts demonstrate leadership by example.
- Talk to more senior Board members to discern what they are doing to communicate to their local church regarding support of Friendship House, Inc.

Part Six – Relations between the Board and the Friendship House staff

Board members and the Friendship House staff all have the same desire. That desire of course is to address our clients’ needs and strive to achieve a positive outcome for them. The Board focuses on the overall strategy and in setting guidelines that enables the staff to perform their jobs efficiently and effectively. Led by the executive director and the Board president, we strive to respect each others’ interests and perspectives in accomplishing our mission. Whenever Board members meet with staff members, especially senior staff, a concerted effort should be made to get to know one another socially in order to build a relationship of mutual respect and understanding. Obviously, these friendships are not to be used inappropriately in regard to the work of the organization.

The Board is charged with recruiting, compensating, evaluating and, if necessary, terminating the executive director. All other human resource decisions are delegated to the executive director, including compensation, job responsibilities and employment status. The executive director should be clearly communicating to the Board on a regular basis to ensure he or she is operating within budgetary guidelines and meeting legal obligations.

Ultimately, the Board benefits from the insights and guidance of an executive director and Board president who work cooperatively and communicate constantly.

Part Seven – Handling organizational change (while continuing to prosper)

Friendship House was indeed fortunate to have one executive director, Bill Perkins, for almost all of its first 30 years of existence. But Bill recognized that whether it occurs either sooner or later, change is inevitable. Thus he announced that the time had come for him to step aside and allow a new generation of leadership to take over. Through advanced planning, a methodical search and an

unbiased interview process for a new, highly qualified executive director, Kim Eppehimer was ultimately hired to fill the position after a brief, but intense and amicable transition period.

Thus, FH must be mindful of the potential need to replace our executive director as circumstances present themselves. A detailed process description for replacing an executive director may be found in *The Nonprofit Board Answer Book (A practical guide for board members and chief executives) Third Edition* published by BoardSource. A copy of this book may be found in the FH Administrative Office.

The need for the FH Board to work as a cohesive team is during organizational change is imperative. Our network of supporters is depending on our ability to effect a smooth transition and to ensure that the mission of Friendship House is carried forth for the continuing benefit of our clients.