



Community Action Agency Boards of Directors and the CSBG Organizational Standards

The Boards of Directors plays a unique and important role in the life of a Community Action Agency. While staff members transition, founding directors retire, and programs change, the board offers consistency in purpose, intent, and responsibility. The governing board acts as a body, not as individuals, and its members are bound by the Duties of Care, Loyalty, and Obedience, bearing legal liability for their individual actions as well as those of the corporation.

In Community Action Agencies, the board embodies the core belief and value of *maximum feasible participation*. Through its tri-partite structure and the involvement of those representing the people our Network serves, elected officials, and private sector individuals, this elegant, yet challenging board structure allows Community Action to be in and of the community, all across the U.S.

The role and responsibilities of nonprofit board members has grown in the past decade and today, board members shoulder significant responsibility for the oversight of finance, executive leadership, human resources, and planning. In addition, the CSBG Act states that boards must fully participate in the development, planning, implementation, and evaluation of programs supported by CSBG. Community Action Agency boards must find ways to fulfill their responsibilities while maintaining their governance role and not engage dipping into operational activities.

The proposed **CSBG Organizational Standards** are a new element of Community Action accountability that boards need to be aware of and consider when carrying out their responsibilities. These 56 Standards address three broad categories: Maximum Feasible Participation, Vision and Direction, and Operations and Accountability and include areas such as leadership, governance financial management, human resources, strategic planning, customer input, community engagement, community assessment, and data and analysis,

These Standards will likely be incorporated into your Community Action Agency's CSBG contract with your State CSBG Office over the next 1-2 years. Your staff will work to ensure your CAA meets all 56 Standards and very likely, your CAA already meets the vast majority of them. Part of meeting the Standards may mean adding some work to the plate of the Board of Directors in terms of oversight and approval, and may lead to some changes in general process. The Standards were designed, however, to minimize this while ensuring the board is informed over time of critical elements of organizational functioning.

It is important that Board members are aware of the Organizational Standards and that your CAA will be working to meet them. These Standards may cause new items to be brought to the board table for discussion or approval, or for new activities to be conducted. You may find that your CAA is already meeting the 56 Standards, or very close to that number; or you may find that your CAA has some work to do. This document is designed to assist you in explaining how the Standards may impact your regular board work. There are additional resources and other training videos on the Standards for boards that can help you dig a deeper into each area and explain the Standards in more detail. We also encourage boards to read the full Standards document and access these training materials at www.communityactionpartnership.com.

What does this mean for Board Members?

- **Your Duties of Care, Loyalty, and Obedience remain unchanged.** Your current legal requirements to be informed, conduct your duties in a prudent manner, ensure the agency meeting legal compliance, and work as a body remain intact.

- **Board meetings may include additional action items for approval, acceptance, or review.** The CSBG Act calls on boards to be engaged in the development, planning, implementation, and evaluation of CSBG activities. Boards carry out this responsibility through board action and oversight. Given this, the Standards may increase the number of action items you vote on at board meetings over the course of the year.
- **Strategic Planning will be an element of work the board carries out.** Many CAAs regularly conduct Strategic Planning but others do not. The Standards may impact your role in planning and the frequency in which it is conducted.
- **ED/CEO evaluation and compensation setting will be annual activities.** Many CAA boards regularly evaluate their Chief Executive and the Standards will require this as well as the annual update on compensation of the executive.
- **Financial and programmatic reporting may become more frequent.** Most CAAs receive financial and programmatic updates at each meeting and the Standards require it for those that currently do not. In addition, you will be asked to approve an annual agency-wide budget and for some CAAs, this will be new.
- **Customer Satisfaction Data will be collected and reported to you.** Standards related to satisfaction do not call on your CAA to achieve a certain satisfaction level, only that the board and staff collect, review, and use this information in your deliberations and planning.
- **Additional policies may be created.** The Standards call for certain policies and plans to be in place and the board will need to review and approve.
- **Legal review of documents may need to occur.** The Standards include legal review of bylaws and personnel policies periodically.
- **Training and Orientation of board members will occur.** As with any position, good orientation and regular training is important and the Standards provide for both for board members.

What does this NOT mean for board members?

- **Your role on the board has not changed.** You maintain the same legal responsibilities
- **You do not need to be onsite to observe the agency's procedures to ensure that all the Standards are met.** You need to maintain your governance role and leave responsibility for operations to your Chief Executive
- **Your board structure does not need to change.** There are no term limits, mandated committees, meeting frequencies, or other structural mandates in the Standards.

Please keep the lines of communication open with your Chief Executive and leadership team. They will have access to updates on how Standards are being implemented, tools to help CAAs be successful with implementing Standards that may be new to the agency, and resources for information and training.

Questions? The Community Action Network has several national groups that can assist you and your board as you learn more about the Standards. You may also have a State or Regional Association that can of assistance as well. Please don't hesitate to reach out if you have questions.

Community Action Partnership-Denise Harlow dharlow@communityactionpartnership.com