



FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

BOARD LEADERSHIP AND GOVERNANCE BEST PRACTICES

Cause-driven YMCAs are led by volunteers who are committed to effective board leadership and governance. A strong board consists of dedicated community leaders who contribute their expertise, time, talent, and resources to help ensure their YMCA has the capacity and credibility to advance the Y's cause of strengthening community. Cause-driven boards are active in providing fiduciary oversight, raising issues of strategic importance, and establishing the vision, goals, strategies, and resources necessary to ensure the Y is able to address pressing social issues and deliver meaningful, lasting change. Through the strategic leadership of engaged board members, YMCAs strengthen the Y's position as the nation's leading nonprofit for youth development, healthy living, and social responsibility.

1. LEGAL AND ETHICAL INTEGRITY

Ensuring compliance with all legal and regulatory requirements, upholding high ethical standards, and conducting business in a transparent manner inspires trust and reinforces the Y's image as a leader in the nonprofit industry.

- 1.1 NATIONAL COUNCIL MEMBERSHIP:** Membership requirements of the National Council (i.e., YMCA of the USA) are understood by all board members, and member certification status is maintained.
- 1.2 CORPORATE DOCUMENTS AND STRUCTURE:** The Y's corporate documents (i.e., articles of incorporation, charter, bylaws) and organizational structure are reviewed by the board every three to five years to ensure currency and consistency with state and federal nonprofit laws.
- 1.3 POLICIES AND PROCEDURES:** Written policies and procedures are adopted and adhered to by the board, including a code of ethics, whistleblower reporting and protection, records retention and destruction, expense reimbursement, and executive compensation.

1.4 CONFLICT OF INTEREST POLICY: A comprehensive conflict of interest policy is followed, thus avoiding any appearance of inappropriate self-dealing, and requires

- recusal and annual written disclosures;
- the independence of a substantial majority of the board (being neither an employee of nor an independent contractor for the organization, and not related to any employee or independent contractor);
- the roles of chief volunteer officer and treasurer be held by separate individuals; and
- any loan or equivalent be prohibited to any directors, officers, or trustees (including a loan guarantee, relief of a debt, lease obligation, etc.).

1.5 DISCLOSURE AND REPORTING: Full disclosure is made and timely and accurate reports are given to federal, state, and local government, including the IRS, Y-USA, and other stakeholders, including the following:

- A complete copy of the Form 990 is provided to and reviewed by the board before it is filed.
- Accurate information about operations, governance, finances, programs, and outcomes is regularly disseminated (via the YMCA's website and other media).
- Disclosure requirements of any contracts—credit agreements, grants, collaborations, etc.—are fulfilled.
- The strategic plan is published, and annual reports are made to community leaders on the achievement of goals that benefit the community.

1.6 FUNDRAISING STANDARDS: The legal compliance of the Y's fundraising activities and the Y's adherence to high ethical standards are ensured by the board, including

- ensuring that volunteer campaigners and those individuals managing fundraising activities understand their responsibilities and the legal requirements related to fundraising;
- not engaging in incentive or commission based compensation for fundraisers; and
- developing, and annually reviewing and adopting, gift acceptance policies, including any complex charitable gifts the Y is prepared to accept.

2. FIDUCIARY OVERSIGHT

YMCAs are deeply rooted in their communities with the credibility and commitment to bring people together to address their communities' most pressing needs. Public trust in the Y is enhanced when the board faithfully fulfills its fiduciary responsibilities to protect the assets of the organization and ensure alignment with the Y's cause and goals.

2.1 FINANCE COMMITTEE: A finance committee is in place that meets monthly to oversee the Y's fiscal policies, practices, and performance, making regular reports to the board and ensuring the following:

- The Y keeps timely, accurate, and complete financial records.
- Monthly reports are reviewed comparing performance to prior year actual and current year budget.

2.2 ANNUAL BUDGET: The annual budget is approved by the board, which monitors fiscal performance and ensures that the annual budget supports the Y's financial policies and strategic goals.

2.3 ANNUAL INDEPENDENT AUDIT: An annual financial audit is prepared by an independent financial expert, including a management letter carefully reviewed by the finance committee with a subsequent report to the board.

2.4 RISK MANAGEMENT POLICIES: Risk management policies are formally adopted and adhered to, including internal financial controls, personnel policies, emergency preparedness, and insurance.

2.5 FINANCIAL POLICIES: Financial policies are formally adopted and adhered to related to reserves, debt, growth, capital, and other financial leadership matters.

3. BOARD DEVELOPMENT

Cause-driven Ys build a strong board and effective processes to support their work. An intentional board development process ensures that the governing board comprises strong community leaders working together effectively and efficiently to strengthen the Y and enhance its community impact.

3.1 GOVERNANCE COMMITTEE: A governance committee is in place to develop, oversee, and guide a year-round board-development process.

3.2 BOARD STRUCTURE: The board structure is strengthened for more effective governance through role clarity, committee structure, clear commissions, charts of work, regular meetings, effective and efficient practices, and minute-taking.

3.3 BOARD BUILDING CYCLE: A written board-development process is established based on the nine steps of the board building cycle:

- **Identify, cultivate, and recruit** passionate, cause-driven board members who have the influence, skills, experience, and background to support achievement of the Y's strategic plan.
- **Orient** all board members to their respective roles and responsibilities, the structure of the board, and the history, mission, strategic goals, and cause of the Y.
- **Involve** all board members in meaningful experiences, including well-run meetings and committees, which are aligned with their skills, passion, learning desires, and time commitment.
- **Educate** board members by providing ongoing opportunities for them to expand their knowledge, awareness, and understanding of the Y and its community.
- **Evaluate** the collective performance of the board against established criteria at least annually, as well as individual board member expectations and satisfaction.
- **Rotate** the board to achieve a balance between new members who bring new ideas and objectivity with seasoned members who possess institutional memory or other valuable resources.
- **Celebrate** the accomplishments of the board and establish practices to recognize the work that is achieved, individually and collectively.

4. CEO SELECTION AND SUPERVISION

Strong YMCA boards select and supervise a CEO who meets the Y's challenges as a cause-driven leader. Boards that thoughtfully attend to the hiring, supervision, and evaluation of their CEO attract and maintain dynamic chief executives with the passion, vision, and experience to successfully lead their YMCA, advance the Y's cause as part of the Y Movement, and make a difference in their community.

4.1 CEO RECRUITMENT AND HIRING: A chief executive officer is recruited and hired by the board using an objectively facilitated and competitive process to ensure that the candidate's leadership skills, competencies, and performance meet the YMCA's needs.

4.2 CEO ON-BOARDING: A comprehensive on-boarding process is provided for the incoming CEO that includes connection to and support from the Y-USA Resource Director.

4.3 CEO SUPERVISION AND SUPPORT: Ongoing supervision and support is provided by the board to the CEO, and a formal appraisal process is used to evaluate the CEO's performance at least annually.

4.4 CEO COMPENSATION: An appropriate level of CEO compensation, which complies with IRS intermediate sanctions rules, is set by the board and communicated to the full board.

5. PHILANTHROPIC LEADERSHIP

Cause-driven Ys are committed to ensuring sufficient resources are available to support the organization and the Y's cause. When boards foster a culture of philanthropy at their Y, they build community ownership in the Y, stronger community relationships, and produce the contributed income necessary to support needed programs and facilities.

5.1 FINANCIAL DEVELOPMENT COMMITTEE: A financial development committee is in place for developing and implementing a formal plan to guide the Y's fundraising and engage all board members.

5.2 ANNUAL CAMPAIGN INVOLVEMENT: A volunteer-led annual campaign is conducted in which the board leads by example with 100 percent of its members making a meaningful contribution.

5.3 ENDOWMENT DEVELOPMENT PROGRAM: An active endowment development program is in place, as appropriate to the organization, which focuses on soliciting legacy gifts to support the vision and sustainability of the YMCA.

5.4 CAPITAL PROJECTS AND CAMPAIGNS: Capital campaigns are utilized as the primary funding source for building projects and are preceded by a capital planning process to assure readiness and alignment with strategic goals that advance the Y's cause.

6. CAUSE-DRIVEN STRATEGIES

Strong boards plan and monitor strategies and goals that advance the Y's cause. Y boards monitor the effectiveness of programs and services toward achieving the desired impact in youth development, healthy living, and social responsibility so that everyone has the opportunity to learn, grow, and thrive.

6.1 BOARD EDUCATION: Education is provided to board volunteers to ensure that they can articulate the YMCA's mission, areas of focus, community benefit, history, and case for support grounded in the Y's cause of strengthening community.

6.2 PROGRAM IMPACT: The impact and efficiency of programs and services are monitored and periodically discussed by the board to ensure achievement of the Y's goals and strategies relative to the Y's cause.

6.3 STRATEGIC PLAN: A strategic plan is developed that aligns with the Y's mission, cause, and areas of focus; the plan is updated regularly and its implementation is monitored through regular review at board meetings.

6.4 STRATEGIC PLAN IMPLEMENTATION: The Y's resources, staff, and board committee structure and annual charts of work are aligned to support implementation and achievement of the strategic plan.

7. COMMUNITY AND MOVEMENT STANDING

YMCAs know that meaningful, lasting change can only come about when people work together. A Y's standing in its community and within the Y Movement is enhanced when the board makes a deliberate effort to cultivate relationships with government officials, key community leaders, the State Alliance, and other YMCAs.

7.1 STRATEGIC RELATIONSHIPS: Board members are encouraged and supported in identifying and pursuing opportunities for collaborations and partnerships that advance the YMCA's mission, cause, and strategic plan.

7.2 LOCAL ADVOCACY: Board members are encouraged and supported in building ongoing relationships with current and emerging public officials to ensure that they understand the value, cause, and impact of the YMCA.

7.3 STATE ALLIANCE ADVOCACY: Board members are engaged and connected to the YMCA Movement by encouragement toward participation and leadership in State Alliance work as well as other local, state, regional, and national YMCA events.

7.4 COMMUNITY BENEFIT: The community benefit of the Y is measured annually and monitored by the board with a resulting report to key stakeholders.

YMCA OF THE USA

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