

# Making the Partnership Stronger

by Cindy Ratekin, Ph.D., and Gary Bess, MSW

*If you are working with a nonprofit child care center, then you are under the direction of a board of directors. You may have little or no experience working with boards. On the other hand, the board members of your organization may have little or no experience working with child care centers. What is the role of the board of directors, and how can the child care staff and director work with the board to produce the best results for your center?*

*The board of directors and the staff are the two pillars on which a child care center rests. If either pillar is weak, the center runs the risk of an imbalance, which, if not corrected, can lead to major decline — if not altogether toppling — into chaos.*

But why should this happen? Isn't it simply a matter of clear definition of who does what and when?

One answer is offered by Herman and Heimovics (1991), who speak of the assumption that organizations are "unitary, rational actors":

*In many nonprofit organizations the differing perspectives between service*

*delivery and fund-raising units, between paid professionals and volunteers, and between clinically prepared and management-trained staff also make achieving unity difficult.*

This article will focus on the role of the board of directors within nonprofit organizations and how the board and the child care center staff

can work well together for the agency.

Let's begin with a questionnaire designed to separate the responsibilities of the board and staff.

The answers, based on commonly applied organizational wisdom, are at the end of the article. If you are unsure as to the correct answer, a clue is to pay attention to key verbs which are often used in differentiating roles and responsibilities for board and staff. Words and phrases such as "approves," "establishes" (as in policy), or "authorizes" generally apply to the board of directors. On the other hand, "implements," "drafts," or "recommends" often pertain to staff functions.

Unfortunately, in some situations, words are used which do not clearly communicate where responsibility rests and thus, at times, ambiguity leads to conflict. The verb "plans," for example, is a function of both board and staff roles, as are words such as "represents," "oversees," and "develops."

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For each statement which follows, indicate whether the primary responsibility for the task rests with the board of directors (B) or the child care center director and/or staff (S). If you feel that more than one of the above groups are responsible, list each in order of their share of responsibility:

1. Drafts the center's annual budget for approval \_\_\_\_\_
2. Establishes personnel policies \_\_\_\_\_
3. Plans fund raising events \_\_\_\_\_
4. Approves legal contracts and agreements involving the center \_\_\_\_\_
5. Analyzes unusual budget line item revenues and expenses \_\_\_\_\_
6. Recommends possible new service directions for the center \_\_\_\_\_
7. Is legally responsible for the affairs of the center \_\_\_\_\_
8. Engages in grant writing to public and private sources \_\_\_\_\_
9. Prepares reports for funding agencies \_\_\_\_\_
10. Maintains center's financial records \_\_\_\_\_

These ten questions cover the four most common areas of board responsibility — finances, program planning, resource development, and personnel. Tasks in these areas are often relegated to committees of the board as provided for in the child care center's bylaws. They help to structure the agenda for most board of directors' meetings by organizing reports based on these four domains. They are also

areas in which the center director and staff are involved.

#### **Four Areas of Board and Staff Joint Involvement**

There are purposeful, practical, and legal reasons why the board of directors and child care center staff together address the four areas of center responsibility. The following is a brief description of each area

and the generally accepted role and responsibility for each party.

#### **• Financial Oversight**

A Finance Committee, often chaired by the board treasurer, is responsible for reviewing the agency's income and expenses, balance sheet, investments, and other matters related to the center's financial situation. It is also responsible for submitting the annual operating budget for the center to the board of directors for its approval, and for comparing income and expenses to the approved operating budget.

In most instances, the treasurer or Finance Committee members do not maintain the organization's books, but rely on the center director or an outside accounting or bookkeeping service. It is generally accepted practice for the center to produce a monthly report of income and expenses for the preceding month which, after review by the Finance Committee, goes to the board of directors for approval.

Explanation of unusual items among either income or expenses is often left to the center's director, who is more familiar with the actual transactions than members of the board. It is extremely helpful for the director to have reviewed the reports before the Finance Committee meeting in order to look into any extraordinary situation and to be prepared to explain, for example, why food costs were higher than usual this month or that tuition declined more than 10% from the prior month. The Finance Committee can only monitor how much money comes in and how much goes out; the director must be the one to explain why.

In addition to having responsibility for monitoring income and expenses, the board is responsible

for investing the organization's funds in a safe and prudent manner, and for making sure that all money is handled properly. It is best for an agency to have a financial procedures manual, approved by the board of directors, which specifies these procedures. In addition, an annual independent audit will provide assurance to the board and outside agencies, including funders, that the center's finances are properly managed.

### • *Program Planning*

This is one area where the expectation is that staff will lead and the board will follow. But not necessarily. On the one hand, the center staff is expected to be knowledgeable about developments in the field and to advise the Program Planning Committee about how things are going and what program improvements may be possible. On the other hand, however, depending on the background of the board members on the committee (e.g., professionals in the child care field, parents of enrolled children), ideas can be offered from their perspective, which are equally as valid.

Regardless of where the new program ideas are generated, the committee must assess the benefits and risks of each new venture from numerous viewpoints. These include the cost of a new service, the impact of a new service on current services, staffing requirements, promotional and marketing ideas, and whether the new program fits with the center's purpose and, if available, its strategic plan (Ratekin and Bess, 1995).

The Program Planning Committee is the filter through which the center's activities are managed. It is the board's way of assuring itself that services are being provided to families according to standards of qual-

ity approved by the board. Just as the Finance Committee conducts a monthly review of income and expenses, the Program Planning Committee reviews the services provided during the preceding month (e.g., average daily attendance, number of new children enrolled, community presentations made) in preparation for reporting to the board of directors.

Sometimes the committee's oversight extends to the center's compliance with grants or contracts where specific measures of performance are set. Many service contracts — especially those funded by government — are audited for proof of services rendered. Just as a financial audit can disallow expenses, a program audit can disallow services that were not provided as specified in the contract. Liability for deficiencies falls on the board of directors. Thus, the committee may request copies of staff prepared reports submitted in compliance with service contracts, in addition to requesting information from staff at its meetings on any issues associated with contract noncompliance.

From the staff's perspective, the Program Planning Committee is the vehicle for testing the board's response to new program ideas. This happens when a center staff member offers an idea to the committee, where it is examined at length, constructively challenged, and shaped, if necessary, for presentation to the board. If the committee supports the proposal, it will take the idea to the board, who will either accept or reject the committee's recommendation. If the committee is not supportive of the staff's plan, the staff member may revise the plan based on the committee's recommendations.

### • *Resource Development*

This is an area of great importance to the child care center. The Resource Development Committee is charged with the raising of funds and other beneficial resources for the organization. Referred to by some agencies as the Fund Raising Committee, the term "resource development" is a broader concept which refers to bringing several kinds of resources to the center. Donations such as equipment and supplies, in addition to volunteer services such as printing or computer consulting, allow for more of the center's income to be spent in other areas.

Though the committee serves as the coordinating body for all resource development ventures, there are separate and clear areas of involvement for center staff and board members. Traditionally, agency staff are involved with grant writing to public and private sources either at their own initiative or in response to formally issued requests for proposals. Although completed by center staff, it is not uncommon for board members to require that the board be informed of, and sometimes to approve of, each grant submission. This requirement can become cumbersome, especially when deadlines are involved. The Resource Development Committee can serve an important role by serving as a liaison between the center staff and board in these situations.

Board involvement in resource development often takes the form of special event planning; individual, business, and corporate solicitations; as well as raffles, product sales, and other forms of community wide fund raising. Though primarily the board's area, staff sometimes play an important role as well in helping to manage the numerous logistical details for each event. A common refrain on the part of staff is that the board does not do

enough in resource development, while committee members will complain that they are not supported in their efforts by either the staff or, often enough, other board members.

There is a tendency on the part of board members and staff to assume that constant problems such as inadequate funding have been resolved if a Resource Development Committee is formed. After all, members have divided up the work of the agency by committee and those serving in other capacities are released of direct responsibility for resource development save for receiving reports at board meetings and attending events.

Unlike other committee assignments, however, the Resource Development Committee requires the personal support of virtually all persons who are affiliated with the agency. For events to be successful, everyone must pitch in and help. Leadership of this kind begins with the board of directors, who should each have contributed to the agency, and extends to the center's staff, who, too, should be contributors.

This latter point is sometimes difficult for some staff members to accept. Why should staff contribute to their employer when their compensation is less than what they deserve? The answer is found in an assumption that everyone, including center staff, is inclined to contribute a portion of their earnings to nonprofits of their choice. It is unthinkable that they would not support their own agency in this way. An immeasurable amount of good will is had when board members and staff are counted among active donors.

#### • *Personnel Management*

Personnel committees deal with the agency's most important resource —

its employees. After all, expenses for salaries, payroll taxes, and fringe benefits in most child care centers exceed 50% or more of the total operating budget. In a very real sense, the staff is our technology, the machinery by which services are delivered. Their skill level, their satisfaction with their employment, and their commitment to the agency and the population which it serves all contribute to their effectiveness.

In another context, however, there are state and federal regulations which govern how staff are to be treated as employees, what they are entitled to receive in compensation and other benefits, and what should be expected in their work environment. If an employee is dissatisfied with an aspect of employment, she or he can file a complaint with the local labor board and/or file a civil suit. In either situation, the board of directors is the liable party.

Given their legal liability, boards of directors sometimes misinterpret their role with regard to personnel matters. It is the board's responsibility to establish personnel policies which govern the employment of center staff. Personnel policies are made up partly of the legal requirements concerning employment, such as federal wage minimums and work day hours, and also the specific policies of the center, such as vacation and sick time accrual, holiday closings, employee evaluation, and grievance procedures.

The board is also responsible for approving and revising employee job descriptions and for setting salary levels. With the exception of the center director, whom the board hires, fires, and often negotiates separate terms of employment, the assessment of the performance of other employees is the responsibility of the center director or delegated to

other staff.

In essence, the board of directors provides the framework within which the staff, through its center director, is managed. The center director is responsible for implementation of the center's personnel policies. All too often, however, board members interfere with the center director's ability to manage the staff — either through giving input (solicited or not) as to performance, passing judgment regarding specific compensation, or soliciting input on "how things are going." By doing this, they have unintentionally communicated to staff that it is appropriate to circumvent the director and go directly to a board member with concerns.

This is not to say that the board and staff should not communicate with one another. There are numerous opportunities for constructive dialogue to occur. On matters of center business or at social events, this is most appropriate. The treasurer should be called by the bookkeeper with regard to financial matters, and members of the Program Planning Committee should be encouraged to meet with project directors to discuss new program plans. With regard to an employee's employment status, however, the line is clearly drawn.

### **Conclusion**

Working with a board of directors is a rewarding, frustrating, serious, and always challenging experience. But a strong board and a strong staff working together is what it takes to manage a child care center. The four areas of board involvement — finances, program planning, resource development, and personnel — provide a framework for building a strong enduring organization. Now take the quiz again and ask members of your board to take

**Answers to the Questionnaire  
(based on commonly applied organizational wisdom)**

1. Drafts the center's annual budget for approval	S
2. Establishes personnel policies	B
3. Plans fund raising events	B/S
4. Approves legal contracts and agreements involving the center	B
5. Analyzes unusual budget line item revenues and expenses	S
6. Recommends possible new service directions for the center	S/B
7. Is legally responsible for the affairs of the center	B
8. Engages in grant writing to public and private sources	S/B
9. Prepares reports for funding agencies	S
10. Maintains center's financial records	S

the quiz as well. This may be the start of a stronger working relationship between the staff and board members of your child care center.

## References

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