Alumni Corporation Governance

Alumni organizations should have a strong organizational structure with a Board of Directors. What is a Board of Directors and what role does a board play?

What Is the Board of Directors?

The Board of Directors is the governing body. Individuals who sit on the board are responsible for overseeing the organization's activities. Board members meet periodically to discuss and vote on the affairs of the organization. At a minimum, an annual meeting must occur with all board members present. Additional meetings are likely to take place throughout the year so board members can discuss and make other necessary decisions. Board memberships are not set up to be permanent positions; most organizations have terms set up for board members, which typically fall between two and five years. Some require membership from older and younger alums, some include an undergraduate or undergraduates on the board. Overlapping terms provide continuity.

What Role does the board play? Don't Confuse Governance for Management

The board is responsible for governance. Governance is high level: strategy, oversight, accountability. Management is the day-to-day operations. Governance also often has a longer time-frame, looking out 2, 5, or 10 years to consider the long-term health of an organization. Management is often more focused on the next 6-12 months. Some organizations have a separate Alumni Advisory Board. The Advisory Board is a group of alumni who can help with the management aspect of the chapter, often directly aligning with chapter officers (eg, Recruitment Advisor, Education Advisor, Philanthropy Advisor). This structure is most common in Panhel organizations. Other organizations have a single house corporation board that can serve in both roles.

Ideally, a governance team is different from its management team, The board of directors, as a governing body, should focus on the organization's mission, strategy, and goals. Officers and Committees and sometimes paid staff or contractors are responsible for the implementation of the mission. For example, you may outsource some project management tasks to the FCI Project Manager. You may have a House Committee responsible for building maintenance. You may have a Culture Committee or a Reunion Committee or a Risk Management or an Undergraduate Relations Committee all made up of other alums who might or might not be board members.

The Role of Officers

Organizations should have Officers, typically chosen from among the board members, who are given a higher level of responsibility compared to other board members. Much like board members, officers usually serve terms. Overlapping terms helps with continuity. Typically, an organization has at least three officers serving the role of President, Secretary, and Treasurer. Officer roles and their terms should be specifically defined in the organization's bylaws.

The President. The President heads up the board and supervises all of the business and affairs of the board. While the President usually serves as the Executive Director of the organization, keep in mind that these two roles are separate. The role of President is a matter of governance, while the role of Executive Director is management.

The Vice President. The Vice President supports the President and assumes the role of the President if the President is not available. Typically the Vice President collaborates closely with the President.

The Secretary. The Secretary records and archives the minutes, or record of discussion and votes, of each meeting of the Board of Directors. Additionally, the Secretary is responsible for keeping track of the organization's activities to make sure the actions of the organization are in accordance with the organization's Bylaws. The Secretary is usually the officer who keeps board members' contact information in order to inform them about upcoming meetings of the board. The Secretary is responsible for filing annual reports about the board membership with the MA Secretary of State.

The Treasurer. The Treasurer is the officer accountable for keeping accurate accounting records of the receipts and disbursements of the organization. This person is usually a signatory on all bank accounts, though he or she shouldn't be the only signatory. Additionally the Treasurer is responsible for keeping track of the organization's financial condition. This is an important role because it keeps the other officers and board members informed about the financials.

TREASURERS DON'T HAVE TO BE ACCOUNTANTS. You may use an outside bookkeeper or accounting firm to handle the official books. The role of the treasurer is to be the board's main point of accountability, even if the bulk of the responsibility is outsourced.

Though officers are typically chosen from among the current roster of board members, there are no statutory guidelines or requirements that an individual from outside the board cannot be elected to be an officer for the organization. That is, as long as the officer roles described in the organization's bylaws do not state otherwise. It is possible for an individual to hold two separate offices, with the exception that the President cannot also serve as the Secretary, which is prohibited in Massachusetts corporate law.

Who Makes a Great Board Member?

It helps if board members have management experience. Younger alums may not have as much but even their experience managing projects is good. It is important to have some local alumni who will interact directly with the undergraduates on a regular basis but not all board members need to be local. Remote board members may be able to join meetings via conference/video call. Diversity is important so choose a variety (age, race, ethnicity, religion, etc.) to understand different points of view for decisions you must make.

Other Considerations for Boards and Board Members

It is important that the Board have Director and Officer liability coverage through the chapter's insurance plan, as the Board members have responsibility for financial decisions. Board members subject to professional licensure (lawyers, doctors, nurses, accountants) will need to review this insurance with their employer to ensure they can serve, and may need to report their service to their licensing body. Board members who have umbrella insurance may need to disclose their volunteer roles.

Bylaws

Organizations are governed by a set of bylaws which should describe membership, governance roles and responsibilities, term lengths, meeting frequency, and election and succession rules. Other instructions may be broad enough to enable the board to interpret them as they see fit.