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Executive Exchange

Nonprofit Entity Corporate Governance

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Nonprofit Entity Corporate Governance

November 4, 2015

Panelists

- **Dick Riley**
Foley & Lardner LLP
- **Jim McDonough**
Board Member, South Shore Health and Educational Corporation
- **Margaret McKenna**
President, Suffolk University and
Vice-Chair, Beth Israel Deaconess Medical Center Board
- **Joan Ruff**
Board Member and Secretary/Treasurer, AARP

Impact of Sarbanes-Oxley (10-12 years later)

- Audit Committee role and jurisdiction.
- Financial literacy and expertise.

Enterprise Risk Management

- Cybersecurity
- How to align management and board on most important risks and mitigation strategies.
- Group of risk managers meet periodically for largest nonprofits (higher education and hospitals).
- Greatest risk is for mid-sized nonprofits.

Board-Management Relations

- Too much detail can be included in information from management to board.
- Proper role of each?
- Transparency.
- Provide the right information in the right fashion.

Board-Management Relations (Continued)

- Growth by accretion: crisis (or just regular events) can cause extra reporting of specific information to the board that never stops. Cull information down periodically and reassess what is needed and pertinent for board.
- Be sure that the right information is provided in the right format to the board.
- Get rid of excess detail.

Board Composition

- Boards often lack people with sophisticated technology experience.
- May need special skills to help with certain issues.
- Too many philanthropic people on boards?
- Financial expertise is also a necessary skill.

Board Composition (Continued)

- Assess areas of expertise needed or identify a process to periodically recognize (such as a board self-assessment).
- What skills are currently present on the board?
- What skills are missing?

Larger Role of Board

- Culture of innovation.
- Board involvement in setting strategy and monitoring execution.
- Proper incentives for management, and oversight of those incentives.
- When to release assets for strategic purposes.
- When to “cut bait”.