

## **SECTION 12**

## The Carver Model – Policy Governance

The attached document outlines the principles of the Carver Model policy governance for non-profit boards, which has been adopted by the CareerSource Heartland Board of Directors as the model by which this Board operates. This model clearly establishes oversight responsibilities of the Board of Directors and clarifies the delegation of authority to the President/CEO, who has been given full and direct control of staff. This model assures that members of the Board of Directors will not be involved in the day-to-day operations of the organization, but will provide necessary guidance and establish policy that allows the President/CEO to fulfill this obligation, on their behalf. The President/CEO interacts with the Board's officers and respective committees to ensure the most current philosophy and proactive measures are taken toward accomplishing the organization's overall workforce development mission.

The following text and explanation was taken from the Carver Governance website. More detailed information can be obtained from <http://www.carvergovernance.com>.

The Policy Governance Model is an integrated board leadership paradigm created by Dr. John Carver and designed to empower boards of directors to fulfill their obligation of accountability for the organizations they govern. As a generic system, it is applicable to the governing body of any enterprise. The model enables the board to focus on the larger issues, to delegate with clarity, to control management's job without meddling, and to evaluate the accomplishment of the organization.....to truly lead it's organization.

In contrast to the approaches typically used by boards, the policy governance theory separates issues of organizational purpose (ENDS) from all other organizational issues (MEANS), placing primary importance on those Ends. Policy Governance boards demand accomplishment of purpose, and only limit the staff's available means to those which do not violate the board's pre-stated standards of prudence and ethics.

The board's own Means are defined in accordance with the roles of the board, its members, the chair and other officers, and any committees the board may need to help it accomplish its job. This includes the necessity to "speak with one voice". Dissent is expressed during the discussion, preceding a vote. Once taken, the board's decisions may subsequently be changed, but are never to be undermined. The board's expectations for itself also set out self-imposed rules regarding the delegation of authority to the President/CEO and the method by which board-stated criteria will be used for evaluation. Policy governance boards delegate with care. There is no confusion about who is responsible to the board or for what board expectations they are responsible. Double delegation (for example, to a board committee as well as to the President/CEO) is eliminated.

Evaluation, with such carefully stated expectations, is nothing more than seeking an answer to the question, "Have our expectations been met?" The board, having clarified its expectations, can assess performance in that light. This focused approach reduces the mountains of paperwork boards often feel obliged to review. Those boards which might worry that they are only furnished the data that management wants to give them soon find that in clearly stating their expectations and expecting a relevant and credible accounting of performance, they have effectively taken over control of their major information needs. Their President/CEO no longer has to try to read their minds.

Policy governance is considered an effective change in the way boards conceive of and do their job. Board leadership isn't just rhetoric.....it's a reality.

# **“The Carver Model”**

## **Principles of policy governance for non-profit Boards of Directors**

### **Principle 1: The trust in trusteeship.**

The board of a non-profit or public organization represents the ownership of the organization. It governs on behalf of all the affected persons who are not seated at the board table. It must, therefore, establish, maintain, clarify, and protect its relationship with the organization’s “owners”.

### **Principle 2: The Board speaks with one voice or not at all.**

In order to lead and make authoritative decisions, a board must have a single voice on any given issue. The power of Boards of Directors is not as individuals, but as a group – a corporate entity entrusted by the owners with the authority to govern and lead the organization. Diversity of viewpoints from board members must be respected and encouraged. Rarely will votes be unanimous; however, those trustees who lose a vote must accept that the board has spoken and that its decision must be implemented as decided.

### **Principle 3: Board decisions should predominately be policy decisions.**

Board policies should be the expression of a board’s soul. They should embody the board’s beliefs, commitments, values, and vision. The board must address the largest or broadest values in four categories:

1. Ends. The board defines which customer results are to be achieved, for whom, and at what cost.
2. Executive limitations. The board establishes the boundaries of acceptability within which methods and activities can responsibly be left to staff, at the direction of the President/CEO. These limiting policies apply to means rather than to ends.
3. Board-staff linkage. The board clarifies the manner in which it delegates authority to the President/CEO, as well as how it evaluates the organization’s overall performance on achievement of the ends and executive limitations policies.
4. Governance process. The board determines its philosophy, its accountability, and the specifics of its own job.

### **Principle 4: Boards should formulate policy by determining the broadest values before progressing to more narrow ones.**

- The board should resolve the broadest or larger policy issue in each category before dealing with smaller issues in any category.

- The board should, if it wishes to address smaller levels, never skip levels but move to the next smaller level in sequence.
- The board should grant the President/CEO full authority to make all further choices as long as they are “within” the board’s ends and executive limitations policies.

**Principle 5: A board should define and delegate, rather than react and ratify.**

The very act of approving things forces boards to become entangled in trivia.

**Principle 6: Ends determination is the pivotal duty of governance.**

The justification for any organization lies in what difference it can make. A non-profit organization exists so that the world in which it operates can be a better place. The ends of an organization are the reasons for its existence. Careful, wise selection of ends is the highest calling of trustee leadership.

**Principle 7: The Board’s best control over staff means is to limit, not prescribe.**

The distinction between ends and means will enable the board to free itself from trivia, to delegate clearly and powerfully, and to turn its attention to the large issues of ends. Quite apart from ends, the board is also accountable for the way the organization conducts itself. This is best done by setting limits.

**Principle 8: A Board must explicitly design its own products and process.**

It is in the policy category of governance process that the board states what it expects of itself. This important category of board policy deals with a portion of the board’s own means; how the board will conduct itself, perform its own job, and evaluate its own performance. Boards must enunciate and hold fast to the principles guiding their own operation or they will appear directionless or even capricious.

**Principle 9: A Board must forge a linkage with management that is both empowering and safe.**

No single relationship in the organization is as important as that between the board and its President/CEO. This relationship supersedes any relationship with the other staff.

**Principle 10: Performance of the President/CEO should be monitored, but only against policy criteria.**

When the board has told its President/CEO to achieve certain ends without violating certain executive limitations, monitoring performance becomes no less, and no more, than checking actual performance against these two sets of expectations.

## **Role and relationships of the President/Chief Executive Officer**

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### **What is a President/CEO? Is there a difference between President/CEO and Executive Director?**

Boards use many different titles to describe the top staff person in their organization. We have seen executive director, superintendent, general manager, and many more. The title used, however, does not tell us if the incumbent of the position is a President/CEO (even if "CEO" is used as the title). The President/CEO, if one exists, is the first person below the board of directors who, as an individual, has authority over the organization. He or she is accountable to the board that the organization meets its expectations. And accordingly, the President/CEO, to be a real President/CEO, must have authority over the operational organization. Many top staff positions are given only partial authority to make decisions, and therefore cannot be held accountable for the performance of the organization. It is, after all, not possible to hold people accountable for decisions and actions over which they have no authority.

### **Is it necessary to have a President/CEO in order to use Policy Governance?**

No. It is true that if the operational or executive portion of an organization is headed by a President/CEO, governance is easier, for the board doesn't have to deal with division of labor and its accompanying multiple delegations. But the board can still use all of Policy Governance if it chooses not to create a President/CEO position. Without a President/CEO it is still true that the board should make clear the worth of expected results for intended beneficiaries. It is still true that the organization will produce more creatively and productively if the board stays out of the way except for setting prudence and ethics boundaries. So, unambiguous delegation of specified authority and mandatory accountability still must occur, even though without the simplicity of single-person accountability the board job is more difficult.

### **How does the board evaluate the President/CEO?**

The board's chief evaluative interest is whether the organization achieves the board's ends and operates within the board's executive limitations. If a board has a President/CEO, then it holds him or her personally accountable for that organizational performance. The board doesn't evaluate the President/CEO so much as it evaluates the organization and pins it on the President/CEO. The organization's performance is disclosed by a monitoring system that, on a continuing basis, provides the board with applicable data. The running revelation of that system is the President/CEO's evaluation. If the board wishes to punctuate that continual stream, it may do so, as in an annual evaluation, for example. But nothing can come up in the punctuation that wasn't already in the regular monitoring system, since that system is exhaustive.

### **Can the President/CEO be on the board?**

Yes, but not without a conflict of interest. It is an imprudent practice and one that is entirely unnecessary inasmuch as whatever value it contributes can be achieved with other ways that do not have so obvious a downside. After all, the board has complete access to the President/CEO without his or her having a board seat. And if the reason for a board seat is to give the President/CEO greater prestige, the board has only itself to blame for not vesting great prestige in the President/CEO role itself. As an aside, if the President/CEO is given a board seat without a vote, we treat that as not being on the board.

### **Can the President/CEO chair the board?**

No – never. The conflict of interest is obvious on its face. The fact that many if not most corporate boards in North America operate in this fashion is demonstration that their practices are not good models for anyone, even for themselves. This practice is open admission that the integrity of governance as a link in the chain of moral authority from owners-to-operators is woefully overlooked in the field.

### **Isn't it dangerous to give as much authority to the President/CEO as Policy Governance does?**

Policy Governance in itself doesn't give either more or less authority than traditional governance practices. But what it does give, it gives explicitly and traceably. It is common for boards not using Policy Governance to give their President/CEO a great deal of authority *implicitly*. (As just one example, for the President/CEO to be the main source of a board's agenda conceals a great deal of unnoticed authority.) Moreover, Policy Governance doesn't dictate how much authority a board should give or withhold. It sets out a *framework* in which each board makes unequivocal decisions about how much President/CEO authority there is to be.

### **Why give a lot of authority to the President/CEO?**

The President/CEO position is the board's guarantor of organizational performance. Once the board has defined desired performance, the real work begins. Boards that value performance desire and deserve a powerful President/CEO. So it is to the board's advantage that the President/CEO has as much authority as the board can prudently grant him or her. And, of course, it is to the board's advantage that the President/CEO be successful. The amount of authority given to the President/CEO is only limited by the board's own need to be accountable to the ownership and before the law. But since it is the board deciding how much authority to give, setting the limits, and defining success, the President/CEO is always less powerful than the board.

### **Doesn't Policy Governance require a great deal of trust in the President/CEO?**

A Policy Governance board sets out comprehensive expectations for organizational accomplishment, then demands credible performance data relevant to each expectation. The board can choose to receive these data from sources other than the President/CEO (e.g., an auditor). So Policy Governance does not require more trust than board practices in which expectations are less explicitly set and monitoring is less precisely targeted. It actually requires less. Frankly, the more substantial trust issue in organizations is for the President/CEO to be able to trust the board (e.g., never to evaluate on unstated criteria or never to leave the President/CEO to the mercy of individual board members).

Consequently, Policy Governance not only addresses President/CEO trust issues, but requires board behavior that is trustworthy.

(continued)



## The board's relationship with staff below the President/CEO

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### **Should staff attend board meetings?**

Staff under the President/CEO may attend board meetings, unless an “in-camera” item is being discussed; but should not be required to attend by the board. Occasionally the board may wish to obtain staff input about a decision the board is going to make, and asking the President/CEO for the attendance of staff members for such a purpose is fine. Sometimes, the President/CEO may decide that he or she will need the assistance of a staff member in giving input to the board, and the President/CEO of course has the authority to require staff attendance at such times. Perhaps the most important point, however, is that the board meetings belong to the board, not to the President/CEO and certainly not to the President/CEO's staff. Nothing should ever be allowed to cloud that distinction.

### **Isn't it a waste of talent if board members cannot help staff?**

It might well be. But there is nothing in the Policy Governance model that prevents individual board members from helping staff unless the staff does not want it. As long as only the board as a body can exercise authority over staff (and then only over the President/CEO if there is one), then individuals can relate in any way they wish. With this construction, it is obvious that board members cannot foist their advice on staff, but may freely give it if asked. The key is that the mechanism of advice must always be thoroughly under the control of the advisees.

### **Is it true that the board can't talk to the staff, and if so, why?**

No, this is not true. In Policy Governance, anyone can talk to anyone. What is true, however, is that the use of authority between board and staff is very carefully controlled. Only the board issues instructions; board members—even the chair—do not have the authority to do so. And board instructions go to the President/CEO, if there is one. In addition, board members as individuals or as a group are not permitted to make assessments of the performance of sub-President/CEO staff members. Having the right to judge performance is actually almost the same as having the right to set expectations. The board as a body assesses organizational compliance with its pre-stated expectations, and holds the President/CEO accountable for this compliance.

### **How can a board member contribute special skills or knowledge when the board must "speak with one voice"?**

Nothing in Policy Governance prevents a board member from advising or helping staff as long as two safeguards are in place: (1) The board has made clear that no board member has any authority over staff, even the authority to foist advice or even demand to be heard, and (2) the President/CEO or his/her delegate requests or accepts an offer of advice or help. With these rules in place, there is no limit to the amount staff can tap the special gifts board members might bring.

### **Does Policy Governance apply when there is no staff?**

Yes, but because very small organizations normally have less need for a sophisticated system, using Policy Governance may be like using an advanced management system for

our housecleaning. The way in which it can be most useful is in helping board members know when they are being a board and when they are being a staff, for different principles apply. For example, as board it is important that decisions be made by the group; as staff, it is important that individual decision-making be as unencumbered as possible.

**What about the clerical person who takes minutes and in other ways works for the board?**

While it is possible for a board to have a "secretary" that is apart from the President/CEO, doing so is normally not the best choice. Therefore, the board's clerical assistant works for the President/CEO, but is assigned by him or her to board service. If the board does not get from this help what it has said it wants, its recourse is upon the President/CEO, not the clerical person. In other words, the board holds the President/CEO accountable for providing a certain level of assistance.

**Staff is the most critical ingredient in success; why shouldn't the board have a hand in their selection?**

Ironically, this is why the board should not be directly involved except to choose a President/CEO. In any situation, accountability is maximized when as many of the factors of production as possible are in direct control of the one to be held accountable. When a board involves itself in any of those factors, it reduces the degree to which it can hold its President/CEO accountable. The best course for the board to take is (a) to demand performance and assess it rigorously and (b) to establish limits outside which President/CEO (thence staff) decision-making cannot go, and assess that just as rigorously. It is only when boards fail to do these things that they are tempted into 'getting into the kitchen.'

# FUNDAMENTALS OF PARLIAMENTARY PROCEDURE

Only the experts or “parliamentarians” must know all the rules and technicalities. The fundamentals listed below can help you participate in practically any meeting in an intelligent, decisive way.

## **Putting Ideas Before the Group**

### Obtaining the floor

Address the presiding officer by his or her official title. Wait for recognition. Once you have the floor, you may speak; and with exceptions, no one may interrupt you.

### Making a motion

All proposals for action by the group must be presented by a motion. Begin by saying, “I move that ...” Make your motion brief and concise. If possible, have it written out ahead of time. A copy of a written motion may be requested.

### Seconding a motion

Before an idea may be discussed, it must be seconded. You need not agree with a motion in order to second it. If the chair overlooks the absence of a second, and debate on voting has begun, the second becomes immaterial. An absence of a second does not affect the validity of a motion’s adoption.

### Amending the motion

To add to, substitute or subtract from a motion that someone else has made, submit your idea to the group by “amending the motion.”

### Amend the amendment

Altering the motion can be carried one step further by “an amendment to the amendment.” You now have a primary amendment and a secondary amendment to the MAIN motion. You may not have more than two.

### Point of information

If the issues become confusing, you may ask for clarification by asking for a “point of clarification” from the Chair.

### Divide the question

It is often possible that a motion may contain two or more parts that you wish to be considered separately. This often helps clarify the entire motion and keeps only those parts that most benefit the group. This is usually done by general consent, as it only requires a majority vote.

## **Stick to the Facts**

### Point of order

If you feel a violation in parliamentary procedure exists, call for a “point of order” to enforce the rules. The Chair rules, but is obliged to recognize you and pass your inquiry to the group.

### Appeal from decision of the Chair

If you disagree with the decision of the Chair, you can appeal, and it must be done immediately following the ruling and it does require a second. The chair must then state the question and the whole group votes on whether to overrule or sustain the Chair. Either majority vote or a tie will sustain the Chair.

### Orders of the day

If the meeting goes off on a tangent and does not follow the agenda or the order of business, you may remind the Chair by calling for “orders of the day.” This requires a 2/3 vote and is put to a vote at the discretion of the Chair.

### Motion to limit debate

To prevent a discussion from dragging on endlessly, you can: a) move to limit each speaker’s time; b) move to limit the number of speakers; c) move to limit the overall time of debate; and d) move to close debate at a set time and vote.

These questions require a 2/3 vote. This is an important safeguard, as it proves that twice as many votes are for an issue as are against it.

### Motion to refer

When it is advisable to give further study to a proposal, move that the matter be referred to the respective committee.

### How to end debate

“Call for the previous question.” This will close debate on a pending question and require immediate vote by the group on whether to close debate. A 2/3 vote is required.

### Motion to table

A motion to “lay on the table” means to temporarily put aside one motion to consider another. It is not debatable and after a matter has been tabled, it may be taken from the table at the same meeting (if other business has intervened) or at the next regular meeting. After that, it would be “dead” and the matter would have to be reintroduced.

### Postpone to a certain time

“I move that action on this matter be postponed until (state time).” If carried, the matter is postponed to the time specified and will return as unfinished business.

### Postpone indefinitely

Primarily a strategic motion – used to reject the main question without incurring a direct vote on it.

## **Voting and Adjourning**

### Division of the house

To get a more accurate count than a voice vote, call for a “division of the house.” A demand of a single member compels the division. This is really a request for a revote. If no request for a division is made when the vote is announced, the only motions that can change a vote are to reconsider or to rescind.

### Motion to adjourn

May be made at any time – requires a majority vote.

## **Nice to Know**

### What’s the quorum in a committee?

A majority of its members unless otherwise stated in Bylaws.

### Does a committee have a secretary?

The Chair may act as secretary but in a large committee it is advisable to have someone else keep records for the committee’s use.

Can debate be limited in committee?

No.

What rights do Ex-Officio members have?

All of the rights of any other member but none of the obligations. Not counted in quorum, but must be notified of all meetings.

May a motion be withdrawn?

Yes. IF IT HAS NOT BEEN STATED BY THE CHAIR, the maker of a motion may withdraw his/her motion. A withdrawn motion does not appear in the minutes. Once a motion has been stated by the Chair, it can be withdrawn only by general consent or a majority vote.

How can action already voted on be reconsidered?

...By a move to reconsider the vote. This must be done on the same day the vote was taken and motion to reconsider may only be made by one who voted on the prevailing side.

In a standing committee or special committee, a motion to reconsider a vote may be made any time regardless of the time that has elapsed. It may be made by anyone who voted with the prevailing side or did not vote at all.

Can a motion be rescinded? When?

Any member can move to rescind a motion. The motion is in order at any time until action has been taken on the matter. The motion to rescind requires a majority vote with previous notice or a 2/3 vote without notice. The motion and the action to rescind appear in the minutes of the respective meetings where the action was taken.

What is a substitute motion?

A motion of similar but different intent than the pending motion. If a substitute motion carried by majority vote, the second motion becomes the pending question for consideration and the first motion is discarded and is no longer before the assembly.

Can the President/CEO introduce new business?

Yes, but the motion to act must come from the floor.

Must a motion be in writing?

If possible, write your motion. The President/CEO and/or secretary may request your motion in writing.

Reference: Participant's Manual, W. K. Kellogg Foundation and United Way Volunteer Leadership Development Program.

## Parliamentary Procedures At A Glance

To do this:(*4)	Say this:	May you interrupt speaker?	Must you be seconded?	Is motion debatable?	Is motion amendable?	What vote is required?
Adjourn the meeting	"I move that we adjourn"	no	yes	no	no	Majority vote required
Recess the meeting	"I move that we recess until .."	no	yes	no	yes	Majority vote required
Complain about noise, room temperature, etc.	"Point of priviledge."	yes	no	no - (*2)	no	No vote required (*3)
Suspend further consideration of something	"I move we table it."	no	yes	no	no	Majority vote required
End debate	"I move the previous question"	no	yes	yes	yes	Two-thirds vote required
Postpone consideration of something	"I move we postpone this matte until ... "	no	yes	yes	yes	Two-thirds vote required
Have something studied further	"I move we refer this matter to a committee"	no	yes	yes	yes	Majority vote required
Amend a motion	"I move that this motion be amended by -- "	no	yes	yes	yes	Majority vote required
Introduce business (a primary motion)	"I move that -- "	no	yes	yes	yes	Majority vote required

(1) The motions or points above are listed in established order or precedence. When any one of them is pending, you may not introduce another that's listed below it, but you may introduce another that's listed above it.

(2) In this case, any resulting motion is debatable.

(3) Chair decides.

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## Parliamentary Procedures At A Glance

To do this>(*4)	Say this:	May you interrupt speaker?	Must you be seconded?	Is motion debatable?	Is motion amendable?	What vote is required?
Object to procedure or to a personal affront	"Point of Order."	yes	no	no	no	No vote required, chair decides
Request information	"Point of information"	if urgent, may interrupt speaker	no	no	no	No vote required.
Ask for vote by actual count to verify voice vote	"I call for a division of the house"	no - (*5)	no	no	no	No vote required unless someone objects (*6)
Object to considering some undiplomatic or improper matter	"I object to consideration of this question."	yes	no	no	no	Two-thirds vote required
Take up a matter previously tabled	"I move we take from the table"	no	yes	no	no	Majority vote required
Reconsider something already disposed of	"I move we now (or later) reconsider our action related to .."	yes	yes	yes, if original motion is debatable	no	Majority vote required
Consider something out of its scheduled order	"I move we suspend the rules and consider --"	no	yes	no	no	Two-thirds vote required
Vote on a ruling by the Chair	"I appeal the Chair's decision"	yes	yes	yes	no	Majority in negative required to reverse Chair's decision

(4) The motions, points, and proposals listed above have no established order or precedence. Any of them may be introduced at any time except when the meeting is considering one of the top three matters listed above (motion to adjourn, motion to recess, point of privilege).

(5) but division must be called for before another motion is started

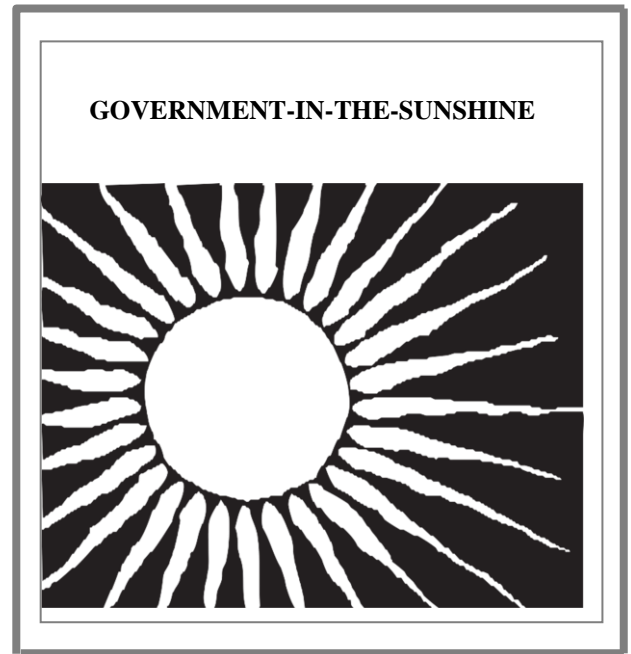
(6) then majority vote is required

## SUNSHINE LAW

The following are some bits and pieces concerning the Sunshine Law. For text and information please see <http://myfloridalegal.com/sunshine>

### Scope of the Sunshine Law:

Florida's Government-in-the-Sunshine law provides a right of access to governmental proceedings at both the state and local levels. It applies to any gathering of two (2) or more members of the same board to discuss some matter which will foreseeably come before that board for action. There is also a constitutionally guaranteed right of access. Virtually all state and local collegial public bodies are covered by the open meetings requirements, with the exception of the judiciary and the state Legislature which has its own constitutional provision relating to access.



### Basic requirements of the Sunshine Law

- Meetings of public boards or commissions must be open to the public.
- Reasonable notice of such meetings must be given.
- Minutes of the meetings must be taken.

### What qualifies as a Meeting

The Sunshine law applies to all discussions or deliberations as well as the formal action taken by a board or commission. The law, in essence, is applicable to any gathering, whether formal or casual, of two (2) or more members of the same board or commission to discuss some matter on which foreseeable action will be taken by the public board or commission. There is no requirement that a quorum be present for a meeting to be covered under the law.

### What constitutes "public records"

- Written documents
- Papers
- Maps
- Books
- Telephone conversations
- Photographs
- Film
- Sound recordings
- Records stored in computers
- E-mail

### Steps to take to abide by the Sunshine Law

- Provide reasonable notice to the general public of all meetings.
- The notice should contain time and place of meeting and subject matter summation.
- Notice should be prominently displayed in appropriate areas.
- Special meetings should have at least twenty-four (24) hour notice.
- Good practice includes use of press releases or advertising.