

Best Practices in Board Service for Historic Sites

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Agenda

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- Museum defined
- Historic house museums in general
- Nonprofit legal duties
- Board duties
- JVH Committees
- Staff role
- HHM Board duties
- Professional standards & ethics for museums
- Core documents needed
- Collection policies
- Accreditation
- AASLH StEPs Program
- Questions throughout please!

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Definition of a Museum

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- 1. a museum¹ that, using a professional staff,² is organized on a permanent basis for essentially educational or aesthetic purposes; owns or uses tangible objects, either animate or inanimate; cares for these objects; and exhibits these objects to the general public on a regular basis through facilities that it owns or operates.³
- Source: <https://www.imls.gov/grants/apply-grant/eligibility-criteria>
- Open at least 120 days a year (IMLS)

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What do museums do?

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- Manage objects in their collection in perpetuity for future generations
- Conduct research, interpretation, exhibition, storage, registration, conservation and security.
- May also deaccession objects if they are not within the collecting purview of the museum (Collection Policy essential)

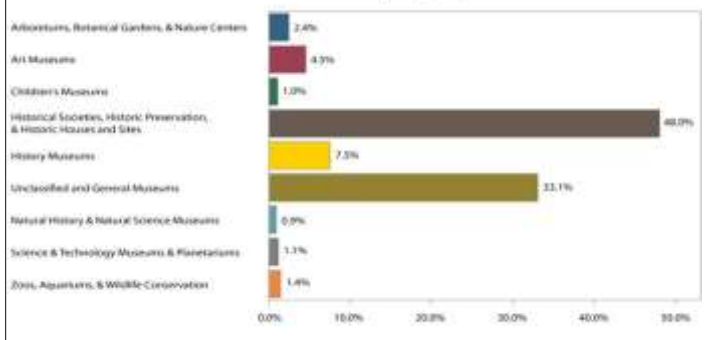
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How many museums in America? 35,000

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Distribution of Museums by Discipline, FY 2014



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SMALL historic sites & societies

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- Historical societies, historic preservation organizations, and historic houses and sites make up **the largest share of the total at 48%**; art museums, by contrast, constitute only 4.5%
- The majority of U.S. museums are small, nearly mom-and-pop affairs.
- Of the roughly 25,000 museums with income data in the file, 15,000 of them reported an annual income of less than \$10,000 on their latest IRS returns.

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Own vs. Lease the historic site

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Own the HHM

- Most own the building in which the objects are displayed.
- The largest artifact the organization owns in the house itself

Lease the HHM

- Fewer have long term leases with the governmental owner of the site.
- Clear responsibilities for ownership and care of the historic building are essential.

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Nonprofit Board Responsibilities in NJ

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NJ State nonprofit law

- Nonprofits are incorporated by the state and subject to state nonprofit law
- JVH is perpetual and a Membership corporation
- Mission statement—why we exist; purpose of corporation
- Bylaws govern actions of the corporation (play book)

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Oversight by state of NJ

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- Incorporated with the NJ Dept. of State
- Files annual NJ Charities Registration with Division of Consumer Affairs
- JVH is up to date in its filings



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Duties of Nonprofit Boards

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- Board members are fiduciaries
- Three duties of corporate board members
 - Duty of care
 - Duty of loyalty
 - Duty of obedience



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Duty of care

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- Level of competence expected of a board member
- The duty of care means that they must be careful in their work: be informed, participate in discussions, exercise their own judgment, and make decisions in a prudent manner
- Source: NJ Center for Nonprofits <http://www.njnonprofits.org/ThinkingOfForming.pdf>

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Ways to exhibit Duty of care

- Attend meetings
- Understand the organization
 - Bylaws
 - Financial statements & audit
 - Insurance/risk management
 - Strategic direction and accountability to members/public
 - Collection policies

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Duty of loyalty

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- Faithfulness to the corporation
- During board business, one's loyalty will be to the organization, staff and board and refers to working for the organization's mission and not one's own benefit.
- Avoid conflicts of interest and even the appearance of impropriety.

• Source: NJ Center for Nonprofits <http://www.njnonprofits.org/ThinkingOfForming.pdf>

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Ways to exhibit Duty of loyalty

- Assure confidentiality as needed
- Adhere to conflict of interest
- Prevent self dealing
- Don't act on inside information
- Don't compete with the corporation
- ...and not yourself

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Conflict of interest

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- Disclose your interest if a transaction, business decision or other matter involving organization
- Potential conflicts regarding:
 - Blood (family member involved)
 - Sex (personal relationships, self or family)
 - Money (business relationships, self or family)
- Contact the Board President first, then disclose to the Board
- Recuse yourself from discussions/voting

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Duty of obedience to the law

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- The duty of obedience means ensuring that the organization obeys the laws, including tax laws, regulations, employment laws, filing requirements and more.
- Source: NJ Center for Nonprofits <http://www.njnonprofits.org/ThinkingOfForming.pdf>



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Ways to Exhibit Duty of Loyalty

- Pay payroll taxes
- Adhere to policies/restrictions of grants/donors
- Not endanger tax status
- Make your IRS 990 available to public immediately (on your web site is best for transparency)
- To State laws
- NJ Charities Registration

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Some Bad Board Behavior

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- Care
- Loyalty
- Obedience



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What do Nonprofit Boards actually do?

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10 Nonprofit board responsibilities

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1. Determine the organization's mission/purpose
2. Select the chief executive
3. Provide proper financial oversight of budget, establish financial controls
4. Ensure adequate resources
5. Ensure legal and ethical integrity/maintain accountability

Source: Board Source

10 Nonprofit board responsibilities

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6. Ensure effective organizational planning
7. Recruit and orient new board members; assess board performance
8. Enhance the organization's public standing
9. Determine, monitor and strengthen programs and services
10. Support and evaluate the chief executive

Source: Board Source

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HHM Board's role in fundraising

- Board adopts the annual budget
- Assures there is adequate funds to operate
- Board members make their own gift yearly
- Monitors organizational finances monthly
- Develop a long term funding strategy

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JVH Individual board members

- Every Board member:
 - serves on at least 1 committee
 - makes their own gift
 - works Colonial Christmas
 - participates in docent activities
 - participates in cultivation events
 - helps identify new board prospects, sponsors, donors

What's risk management?

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- Types of insurance policies
 - Liability insurance
 - Officers and Director's insurance
 - Insurance for events where alcohol is served
 - workmen's compensation
- Organizations are most vulnerable to legal action
 - Employment practices

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JVH Committees

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JVH Standing Committees

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- Executive
- **Nominating**
- Communications
- Development
- Education & Outreach
- Finance & Budget
- Long Range Planning
- Museum & Acquisitions
- Personnel
- Membership
- Auxiliary
- Facility
- Hospitality
- See handout

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Why bother with committees?

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- Implement activities— if it is a working board
- Framework for involving Trustees and volunteers
- Method for people to work together
- A leadership development vehicle



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What does the Executive Committee do?

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- Duties in JVH bylaws
 - conduct the business of The Friends between meetings of the Board,
 - conduct the business of the Board when an emergency situation arises
 - report to the Board at the next Board Meeting.
- SHOULD:
 - Take minutes, circulate them
 - Board should ratify any Ex. Ctty decisions
- *Great authority vested in a small number of people*

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Role of Board president

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- Official representative, spokesperson
- CEO, check signer
- Staff's supervisor
- Reports annually in writing to membership
- Chairs Board meetings, sets agenda
- Appoints committee members w/ Board advice & consent
- Appoints committee chairs w/ Ex Ctty approval
- Solves problems between board/staff, board/board, board/committee chairs

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Staff role

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Board role in managing staff

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- Museum Coordinator, part time
- Board hires, rewards and terminates the staff
- Board chair is day to day supervisor for staff
- Board members should not think they are “the boss of the staff”

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Museum Coordinator's job

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- Carry out the Board's vision for the organization
- Oversees program development, communications, record keeping (manage data bases)
- Responsible for fundraising as agreed with Board
- Volunteer coordinator
- Manages membership process, renewals
- Works 2 weekends a month, special events, attends board meetings, other duties as assigned

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Staff longevity is important

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- Turn over costs real money
- Really slows an organization down
- Turnover does not promote a quality image



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Other HHM Board Responsibilities

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Dual Role of HHM Boards

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- Small historic site boards are working AND governing boards
 - Board members **do the work** of the organization—docent, run events, fundraiser, maintain collection, schlepper
 - Board members **govern** the organization—review financial statements, oversee nominating committee process, follow and adopt strategic plan, adopt work plans and budget

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Statement of Professional Standards & Ethics

American Association for State and Local History

In fulfillment of their public trust, historical organizations must be **responsible stewards and advocates on behalf of the historical resources** within **their care**

See handout for specifics

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Core museum documents

- ✓ Mission Statement
- ✓ Strategic Institutional Plan
- ✓ Disaster Preparedness Plan

Collections Management Policy

Institutional Code of Ethics

- ✓ For historic house museums
 - ✓ Interpretive plan
 - ✓ Furnishings plan



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Collections Management Policy Contents


- Required elements for institutions with collections:
 - Acquisitions/Accessioning
 - Deaccessioning/disposal of collections/use of proceeds from the sale of deaccessioned collections
 - Loans, incoming and outgoing (if the museum does not lend/borrow, it should at least state this)
 - Collections care
 - Inventories and/or documentation
 - Access and/or use of collections
 - Borrowing policy, objects in temporary care

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AAM Pledge of Excellence

My institution pledges that, in fulfillment of our educational mission, we will strive to operate according to **national standards and best practices** to the best of our abilities and in accordance with our resources.



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2 types of Museum Accreditation

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American Alliance of Museums

- National Program
- Peer reviewed
- All types of museums, zoos, aquariums
- Pledge of Excellence
- Continuum of Excellence
- Paid staff needed

American Association for State and Local History

- National Program
- Self study program
- Geared to small sites
- StEPs program developed with AAM to fill a specific need for local history orgs
- No paid staff needed

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AASLH StEPs program

- Basic, Good, Better criteria for
 - Mission, Vision, & Governance
 - Audience
 - Interpretation
 - Stewardship of Collections
 - Stewardship of Historic Structures & Landscapes
 - Management
- See Handout
- - See more at: <http://tools.aaslh.org/what-is-steps/#sthash.lboDxAXM.dpuf>

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Ready for StEPs?

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- Board is eager for change
- Supportive Board of Trustees
- Using StEPs to steer everyone in same direction
- Want to use national museum standards to make their organization good or better

- Addressing museum standards brings clarity, community engagement and stability.
- **NO PAID STAFF OR BUDGET SIZE NEEDED FOR StEPs**

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JVH things to do next

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- Revise/update Collection Policy, understand it, and adopt it
- Begin to accession your collection
- Continue to raise money
- Review mission statement
- Adopt a code of ethics
- Always be on the lookout for new board prospects



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Questions?

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Contact me!

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