

## National Sawdust

# TEACHER NOTES

### Learning Objectives

- Understand the roles, structure, and responsibilities of a board of directors.
- Discuss the specific requirements and expectations that an arts organization should have for its governing system.
- Recognize and judge how altering the size of a board of directors members may impact an organization.
- Assess and recommend policies and procedures for members serving on a board of directors.

### Topics For Discussion

#### • Financial Obligations for Board Members

- ♦ The case of National Sawdust centers in part around the required \$25,000 minimum annual donation. Based on what is revealed in the case about the organization and its trustees, should this threshold remain at \$25,000 or be raised? If it is raised, should this new amount be applied to just new members or to all members?
- ♦ The Nominating Committee of the National Sawdust board is charged with overseeing elections and evaluating member performance on the board. It also places value on non-monetary services or in-kind donations, which can count toward a board member's annual giving. What are some ways that consistent valuation of donated goods and services can be achieved?
- ♦ What consequences should members face from the Nominating Committee when a trustee has not met the \$25,000 minimum donation? What dollar figure constitutes "missing the mark"? Should a probationary period be put in place for future years or should the member be excused immediately? To what degree should the Obligation Guidelines legislate consequences for members unable to produce the \$25,000 required donation?

#### • Board Recruitment

- ♦ The case explains National Sawdust's desire to expand membership by seven people on the board of directors. Board chair Kevin Dolan has advised, "You can go through board lists of other organizations and invite and attract [potential trustees], but I'm not sure I found that to be a fruitful way to find members. Nor is broad-base

solicitation.” What are the most efficient and effective ways to recruit potential members, members who may be motivated by National Sawdust’s mission?

- ♦ What if the minimum gift amount intimidates a candidate, but that person appears to have other qualities that would work well on the board of directors and its committees?
- ♦ Looking at the composition of the current board of directors of National Sawdust, is the makeup unbalanced in terms of expertise? What additional fields might be beneficial to have for board-level decisions?
- ♦ One of the challenges for many organizations (for-profit and not-for-profit alike) is obtaining a wide array of demographics represented on the board of directors. In the case of National Sawdust, potential board candidates have been turned down not just for financial shortcomings, but also because they are judged to be unestablished in their careers or too young (or both). Given its missions, should the board of National Sawdust make a special effort to recruit these types of people or candidates from underrepresented minority groups?
- ♦ The benefits of adding new members can greatly impact the income of an organization. What are some other ways a larger board can assist an organization? On the other hand, what obstacles or unintended consequences could result from an expanded board?
- ♦ Board members typically expect something in return for donating time and money to an organization. What does National Sawdust offer its board members? How can the benefits of board service be tied into recruiting efforts?

#### • Revisions to the Board Obligations document

- ♦ The case reveals National Sawdust’s Obligation Guidelines, which are currently divided into five main areas (**Appendix 1**). The central task of the case is to revisit this with the eyes of a project consultant. What language should be modified in the existing sections of the document? What key areas of board responsibility have been missed?
- ♦ The Nominating Committee plays a major role in assessing the contributions of its members annually. How should individual contributions and committee work be assessed? Should the board guidelines detail charges to each committee?