



# *Webinars for Wise Nonprofits*

## **Board Committees: Engaging the Board in Challenging Times**

September 19, 2023

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# Presenter bios

## ***Hedwig O'Hara, Legal Director***

*As Legal Director, Hedy O'Hara oversees Lawyers Alliance's legal representation, educational, and client outreach services for nonprofits, and manages the in-house staff attorneys. Previously, she served as a Senior Staff Attorney, building Lawyers Alliance's program to serve nonprofits engaged in affordable housing development, neighborhood revitalization, supportive housing, and services to the homeless. Prior to joining Lawyers Alliance in 2002, Hedy was an associate with Paul, Hastings, Janofsky & Walker LLP; Battle Fowler LLP; and Brown & Wood LLP. She received her J.D. from Fordham University School of Law and B.A. cum laude from City University of New York at Hunter College.*

## ***Ciarra A. Chavarria, Senior Staff Attorney, Quality Education***

*Ciarra Chavarria is the Senior Staff Attorney responsible for Lawyers Alliance's Quality Education program area, which focuses on providing business and transactional legal services to nonprofits that support, deliver, and improve education and increase access to educational opportunities for low-income New Yorkers. Prior to joining Lawyers Alliance in 2017, Ciarra was a senior associate at Covington & Burling LLP; and Dewey & LeBeouf LLP. She is also a former Lawyers Alliance extern. Ciarra received a J.D. from the University of Chicago Law School and a B.A. in English Literature from Austin College.*



## Disclaimer

**Please note:** Today's presentation is informational only and is not intended to constitute legal advice. This presentation references both federal and state laws and regulations but primarily focuses on New York law. Please consult with appropriate counsel for guidance pertinent to your organization or situation.



# What qualities do you value in your directors?

Do you need:

advisors?

experts?

fundraisers?

tell us in the chat...!

*\*hint: there are no “wrong” answers!*



# Engaging your board takes work...and practice!

- Keep them informed
- Do team building exercises or activities
- Know their strengths and attributes
- Ask how they might like to help

*All of the above will help you learn how they can be helpful*



# Committees can help your board and organization





# Some basics...two types of committees

## Board committees

- minimum of 3 members
- directors only
- can make binding decisions...  
*but* there are 9 actions no committee can take

*Example: Executive Committee*

## Committees of the corporation

- anyone can participate
- make recommendations to the board
- cannot make binding decisions

*Example: Gala Committee*



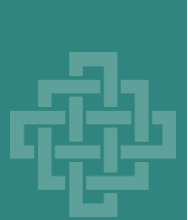
## More basics...what a committee can<sup>T</sup> do

- **Committees of the Board have no authority to:**
  1. Submit to members any action requiring members' approval under the NPCL
  2. Fill vacancies on the Board or any committee
  3. Fix compensation of directors
  4. Amend, repeal, or adopt bylaws
  5. Amend or repeal any Board resolution which by its terms cannot be amended or repealed
  6. Elect or remove officers or directors
  7. Approve a merger or dissolution
  8. Authorize the sale, lease, exchange or other disposition of all or substantially all the assets of a corporation
  9. Approve amendments to the certificate of incorporation





**Does your board have  
committees?**



**Support  
management**



## Support Management: The Executive Committee

- The Board approved a budget for FY2024 that included a plan to seek a \$750,000 line of credit. Recent NYC contracting delays have gotten worse. You now have serious cash flow issues. You need to seek over \$1M. Your 25 person board doesn't meet for another 2 months. How can you get approval to increase the line of credit?
  - A. Who needs approval? Just go ahead!
  - B. Ask the Board Chair to approve it.
  - C. By having the Board call a meeting of the Executive Committee!



## How to form a Board Committee

- Certificate of incorporation, bylaws or the Board may create a Board committee
- Minimum of 3 board members
- Board committee members are appointed by the Board
- Executive committee:
  - Appointed by a majority of the *entire* board
  - If Board has more than 30 members, appointment must be made by  $\frac{3}{4}$  of the directors present at a meeting at which there is a quorum



## Support Management: Governance Committee

- A dance school is newly incorporated. It manages to pull together a board of 9 people, including two lawyers who are eager to support dance education.
- The Executive Director is a former star ballerina with little nonprofit expertise. She recently learned that the bylaws she hastily prepared using an internet form were not compliant with NY law, but the thought of revising the bylaws is overwhelming.

What can she do?

Consider forming a Governance Committee





## Engage the Board: Committees of the Corporation

- You're a director on the Board of a nonprofit whose five year anniversary is coming up next year. The Board has been talking about putting on a special fundraising event to celebrate. If this event is going to be a success, it will take a lot of planning and preparation. You're willing to spearhead this project, but there's only one other director who seems at all interested in helping you, and there's no way just two people can get this done.

What can you do to pull off this event?

- A. Pull all-nighters for the next few months to get it done.
- B. Forget it, there's no way you can do it.
- C. Form a gala committee!



# How to Form a Committee of the Corporation

1. See if bylaws allow for the creation of committees
2. Get Board approval to form the committee of the corporation
3. Elect or appoint members

*Throughout the process, the board members serving on a committee of the corporation provide regular updates at the full board meetings*







## Improve efficiency

- Two years later, the dance school's auditor notes that the Board may not be paying proper attention to the audit oversight. The Board is not sure what its exact responsibilities are with respect to the audit (despite having a great Governance Committee!).

What can the Board do?

Consider forming an Audit Committee



# What is an Audit Committee?

- Oversees the accounting and financial reporting
- Comprised of “independent directors”
- May administer conflict of interest and whistleblower policies



# What is an Audit Committee?

- Audit committees have certain requirements if the organization has annual revenue over \$1M:
  - review scope and planning of the audit
  - annually consider performance and independence of auditor
  - audit committee must report to the board
  - have a discussion with the auditor on completion of the audit



## Improve efficiency: committee charters

- Adopt a charter!
  - includes the duties for the committee/how often it will meet
  - helps recruit directors to serve
  - Provide clear guidelines on responsibilities
- Make sure to include other committee responsibilities:
  - keeping minutes of meetings
  - reporting to the Board
- Board should provide clear authority/responsibilities to each committee



What would you put in a committee charter for an

1. Executive Committee
2. Governance Committee
3. Gala Committee





## Improving outcomes: other ways to use committees

- Advisory boards
  - engage former board members/experienced practitioners in your program area/experts in the field
- Youth committees
  - Foster future board members by having a “junior” board
- Subcommittees /Specialized committees





# Improving outcomes: tips for effective committees

- Keep committees active
  - don't set up committees you don't need!
- Choose the right committee members
- Conduct self evaluations
  - ask how can the committee do better?



# Thank you!

- Lawyers Alliance for New York is the leading provider of business and transactional legal services for nonprofit organizations and social enterprises that are improving the quality of life in New York City neighborhoods.

Join us for our upcoming webinars:

- *Becoming a Nonprofit: Incorporation and Tax Exemption* on September 28
- *Building Partnerships: Mergers and Strategic Alliances* on October 3

Register now at [lawyersalliance.org](https://lawyersalliance.org)!

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