

**THE NEEDMOR FUND
FAMILY SURVEY OF MAY 2003
Submitted by Mark Lindberg, consultant**

Introduction and Key Points:

In May 2003, family members were interviewed by phone to get their views on five issues about the Needmor Fund: family control, participation, communication, the involvement of younger generations, and commitment to the mission.

The key question, mandated by the Board and reviewed in three ways, was, "Should Needmor continue as a family foundation?" When asked for a "yes or no answer," the response was overwhelmingly "yes," as all but two respondent agreed.

All five questions were asked as if they were independent topics, but discussions often revealed patterns of linkage and trade-off among them.

For example, respondents who wanted frequent communication were often those who wanted frequent participation. The wide variation in communication preferences suggested the value of a "menu" approach, with outreach and access (e.g. email vs. phone) tailored to individual members.

Further, the desire to spend resources on new generations varied, often, on how deeply one felt the need to continue family control.

Finally, the interview conversations quickly surfaced the tension between family control and mission. Respondents observed that continuing the family foundation offers the challenge and opportunity to work through differences -- listening and responding to voices because they are family, not because they agree; younger members inevitably have new ideas, applying pressure on the mission to change over time. Conversely, priority given to the mission, as stated, might well require "letting go" of family control. The watchwords for many respondents were "balance" and "flexibility."

The interviews included many rich stories, revealing the raw materials of family and foundation strength. In the final analysis, the Stranahan "family narrative" and the Needmor "corporate culture" might play an even more conscious and powerful role, using legends, heroes, rituals, and symbols to embrace their identity and fulfill their vision.

At the end of May, the findings were presented twice - to the Annual Meeting of members, and to the same group expanded to staff and non-family board members. These sessions generated feedback, discussion and additional insight. This report, assimilating the survey findings and meeting discussions, is not intended to bring closure, but rather context and focus for future action.

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Report to the Needmor Fund A STRUCTURE AND COMMUNICATIONS ASSESSMENT

This is a report to the Needmor Fund as it assesses its programs, its governance structures, and the engagement of its founding Stranahan family. This review is overseen by the Structure and Communications Task Team and incorporates findings from an extensive survey with foundation stakeholders. It analyzes which governance structures are working well and which need attention. As the Fund considers which options for change best serve Needmor Fund, we assume the central criterion is what structure and communications decisions will result in the most effective, outcome-driven, grantmaking foundation.

This study found great strengths within Needmor, such as its nationally recognized leadership in community organizing support and investment issues, the commitment and leadership of family, the expertise of staff and leadership of the Board. There is real consensus on which areas of governance structure and communications need renewal. The next, creative step is developing new governance models that support the foundation's mission and developing the collegiality to move these plans forward.

Needmor is governed by a Trust Agreement and Operating Guidelines that provide for a Board of Directors elected by a Members structure.

Board of Directors Issues

There is general sentiment among Board members that, of the considerable time they volunteer, not enough is applied to issues they deem appropriate, substantial, and program-related.

Regarding standing committees, the assessment found the Executive and Finance committees generally are working well. The Personnel Committee might be merged into the Executive Committee with an ombudsperson appointed as a staff contact.

Concerns with the Nominating Committee result in recommendations to:

- Expand its functions to Board Development and Evaluation;
- Once larger structure issues are addressed, clarify how the Nominating Committee is established;
- Identify expertise needed in Board candidates and officers; then identify and research candidates with input of key foundation stakeholders;
- Develop and implement an orientation process for new Board members;
- Create a system of periodic assessment of the Board and individual members.

Number of meetings: The report recommends considering 1) interspersing 2 in-person Board meetings a year with two briefer telephone Board meetings, 2) holding one meeting a year in concert with an in-the-field learning experience with nonprofits, and 3) striving for a shorter meeting time at least once a year.

Size of Board: It is recommended that Needmor consider a smaller Board and an uneven number of Board members.

Terms: The foundation should consider:

- A policy to limit Board members to two consecutive terms of from 3 to 5 years, followed by 1 year rotation off the Board before eligible for re-election;
- Term limits for officers, with 2-year terms enabling re-election;
- Identical policies for family and civic Board members unless a limited category of current family are to be grandfathered.

Board Role in Grantmaking

A majority of the Board feels not appropriately involved, or not clear on their roles, in the central work of grantmaking. Many stakeholders, however, are proud of Needmor's grantmaking decisions and relationships.

Recommendations:

- Explore a middle ground that empowers program staff as reviewers and recommenders of grants and grant directions and empowers the Board to approve grants and develop grant policy.
- Provide the Board 2-page summaries of proposed activities from the applicants, together with a staff write-up that evaluates and provides context. Consider posting full proposals on the foundation's web.
- Consider presenting some parts of the proposal docket for an omnibus vote of approval by the Board, such as renewals or grants under a certain dollar level. Reserve meeting time for discussion of proposals that present new issues, educational opportunities, or policy decisions.
- Survey Board members (and Members?) regarding logistical and communications improvements that would enable greater site visit participation.
- Reassess Learning Communities as grantmaking tools, either improving or replacing the process.
- Encode a policy on grant eligibility of nonprofits whose staff are on the Needmor Board.

Member Issues

The Members structure is composed of descendants of Duane Stranahan and their spouses and partners who pay the foundation at least \$1,000 annually. They are entitled to attend Board meetings, elect the Board, vote on changes in operating guidelines and grantmaking policies, and to terminate the Trust itself. These powers can be viewed as a balance of power with the Board or as a challenge to Board control and legitimacy. With the Board now including people from outside the family, the Members structure is seen as a guarantee of family control as well as a means to engage family participation and support.

Family Foundation and Civic Board Member Issues

There is strong support, but not unanimity, in the Stranahan family to maintain Needmor as a family foundation. Family are attracted to Needmor to participate in a family-generated philanthropy, to contribute time and leadership to social concerns, educate family members, and draw the family together around common goals and values. Needmor must take a first step of determining the degree of family involvement and control that most benefits the foundation in achieving its mission and that accommodates the unpredictable level of family involvement in the future.

Recommendations:

- Establish a task team process, with representatives of the Board and Members, to weigh the degree of family control most in the foundation's interest, now and looking out 10 –15 years. Then consider the various methods and their trade-offs to implement that vision for the foundation.
- If the conclusion is to maintain a diverse Board but guarantee family control, consider encoding a Board ratio with more family than civic members but otherwise with equal roles and powers.
- Weigh the current and potential contributions of the Members structure. If the Members structure still appears to benefit the foundation, consider adapting its roles to eliminate overlapping responsibilities between the Board and the Members, and leaving those roles with just one entity. With more family than civic Board members, the Members could nominate the family slate and develop family succession plans.
- If the determination is to allow Needmor to evolve as a less family-dominated foundation, with the degree of future family commitment uncertain, develop a model of what family presence is desired and reduce (or eliminate) the powers of the Member structure.

- If the Members structure continues, consider more formal structure with their election of a chairperson with a rotating term.
- Continue efforts underway to improve communications between the foundation and the Members, particularly in relation to areas of Member roles but also for opportunities to learn about the substance of the foundation's work with nonprofits.

With regard to other Member issues, the report suggests 1) delaying definitive guidelines for Member eligibility until its key roles are determined, and 2) factoring in the actual costs of Member participation before deciding whether to raise the fee or raise family funds to subsidize participation.

Civic Board Members

There is wide appreciation for the contributions of civic Board members. However, their participation in the foundation has been somewhat tinged by what most acknowledge in hindsight was a lax and poorly communicated process for planning their introduction and for identifying and orienting them. The survey revealed a sentiment among civic members that family issues and internal management concerns have intruded too much on foundation time. Civic members also seek clarification of the powers of the Board with regard to the Members structure in order to assess whether they are "advisory" or decision-makers.

Communications

There are ample opportunities to improve communications internally and externally as a means of building community and advancing Needmor goals.

Better communications might have prevented or lessened recent bumps in the road at Needmor.

Recommendations:

- Establish and communicate what communications are expected under what schedules to meet internal needs;
- Orient new Board and staff to communications goals and expectations;
- Periodically recall foundation Operating Guidelines in annual and Board meetings;
- Resume "Needmor Notes" format for internal purposes and consider investing in external communications to advance program goals;
- Survey stakeholders as to their preferred communications methods and volume;
- Consider a limited access, interactive web site for Needmor community.

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Program Assessment Executive Summary

Four areas of Needmor programming were reviewed: grantmaking, field presence, mission-related investing, and community development investing. **The results are impressive: in each program area the foundation is meeting its goals and objectives.**

1. Grantmaking

Assessment criteria: (a) Needmor funds the kinds of groups it has stated are a priority; and (b) grantees are achieving outcomes consistent with Needmor's mission. These include: developing leaders, building coalitions, winning campaigns, creating systemic change, and engaging in innovative strategies.

(a) Needmor Funding Trends -- An examination of funding trends for the last decade (1993-2002) shows a fairly consistent funding pattern that is in line with Needmor's funding priorities. However, some variation emerged in the last five years, reflecting the program changes that occurred midway through the ten-year period.

- Average grant amounts increased after 1997.
- More groups that are regional and national in scope were funded.
- The proportion of SE and SW cluster groups increased compared to NLC groups.
- Advocacy groups, alliances and intermediaries received more support.
- The proportion of networks increased slightly.

For the most part, these shifts reflect the Fund's intent to broaden its definition of "multi-issue, membership-based, low-moderate income organizations" to include more diverse groups with power-building capacity.

(b) Grantee Accomplishments – Based on interviews with 18 grantees, Needmor is clearly funding organizations that can achieve the goals of its grantmaking program. Grantees are effectively building leadership, giving members a sense of their own power, winning concrete victories, striving toward systemic change, working in coalition with other stakeholders, and using innovative tactics. Few, if any grantees seemed to be engaged purely in 'stop sign' issues. Most groups, regardless of size, are balancing short-term goals with longer-term campaigns that get at more systemic problems.

In the area of *leadership and membership development*:

- Individual member groups' combined membership grew by 31%, to 21,000.
- Institution-based groups and coalitions increased the number of institutional members by 32% to a total of 720, representing over one million families.
- Among all 18 grantees, leadership grew by 53%, to more than 5500 core leaders.
- More than 200,000 people were mobilized in the 2000 and 2002 elections.

Needmor grantees are also growing power by *building strong coalitions* and alliances. Grantees are working with unions, environmental groups, other organizing groups, state policy centers, housing advocates, schools, student groups, farmers, global activists, maquiladora workers, chambers of commerce, child care providers, parents, legal services, disability rights groups, universities, faith-labor alliances, and settlement houses. Many grantees are participating in regional and national coalitions and campaigns on issues such as legalization for immigrants, welfare reform, and contingent work.

Needmor grantees have also achieved *significant victories* that benefit their members. For every dollar of Needmor money granted, organizations won \$512 in benefits for their communities.

The 18 grantees, who received a combined \$2,688,500 in Needmor funding, achieved the following combined wins:

for child care investments	\$ 33,500,000.00
for health care and restoration of Food Stamps for immigrants	\$ 95,500,000.00
for job creation, job training, and living wage wins	\$ 233,700,000.00
for K-12 educational investments	\$ 415,500,000.00
for affordable housing and community development	\$ 598,900,000.00
TOTAL dollars won by 18 Needmor grantees	\$ 1,377,100,000.00

Needmor grantees also sought to change the public discourse and *create long-term systemic change*. Several grantees focused on their locality's inequitable approach to economic development, altering the debate to focus on concepts like living wages, quality jobs, sustainability, working families, regional equity, and community benefits. Several grantees shaped the implementation of welfare reform at the state and local level by successfully reframing the issue—around jobs, work supports, and caregiving. Other grantees obtained community representation on key decision-making and advisory bodies, or pressured public agencies to incorporate the issue into their structure. Grantees are using *innovative strategies* to achieve their goals. These include: engaging new members or constituents in strategic ways; becoming more sophisticated in electoral politics; breaking out of traditional organizing molds to create hybrid organizations; and doing more sophisticated media outreach.

2. Presence in the Field of Philanthropy and Community Organizing (CO)

Assessment criteria: Staff and board are effective in promoting community organizing in the philanthropic community, through: their role on key boards and affinity groups; use of convenings and publications to educate, be educated, and foster linkages; use of reputation to influence peers; and ability to leverage additional resources.

Interviews with philanthropic peers confirm that this is a highly effective program area. Needmor is viewed as *extremely committed* to the goal of promoting community organizing within the field, through staff involvement in Interfaith Funders, the Neighborhood Funders Group, the State Strategies Fund and Council on Foundations; and staff and board involvement in the National Network of Grantmakers and Grantmakers Concerned with Immigrants and Refugees. Needmor is also seen as a *team player* that collaborates with other progressive foundations to promote community organizing as a social change strategy. Needmor has been instrumental in the development of *key publications* that promote organizing, such as the NFG community organizing toolbox, the Interfaith Funders state of the field report, and the State Strategies Fund report on Labor's role in progressive state coalitions. Peers distinguish Needmor staff as *reliable messengers* because of their in-depth knowledge of the organizing field. Needmor is a *respected presence* in the field because the Fund supports all kinds of community organizing, and does so in an ongoing, committed way.

3. Mission-Related Investing (MRI)

Assessment criteria: use of investment managers committed to social investing; application of screens to all investments; shareholder advocacy to influence corporate behavior; and shareholder activity on behalf of grantees for corporate campaigns.

According to Needmor's investment managers, the Fund is a leader within the foundation world with respect to MRI. Also, Needmor Fund Board members take a *leadership role* in speaking at various venues about MRI. The Needmor Fund's actions demonstrate a *strong commitment* to both screening out companies whose activities are inconsistent with Needmor's mission and engaging in shareholder advocacy as a way to help change corporate business practices. Since Needmor began cosponsoring resolutions in 2000-2001, the Fund has participated in 6-8 resolutions per year through Walden Asset Management. Needmor has *co-filed resolutions* on issues such as workplace diversity and discrimination, arctic drilling, greenhouse gases, sweatshops, and exorbitant drug prices. As a result, corporations are being forced to change their behavior. Needmor has used *shareholder activism* to buttress one grantee's corporate campaign. The Fund purchased stock in the company, and co-filed a resolution that 39 percent of shareholders supported, which means it will automatically appear on the ballot next year. Also, Needmor gave the grantee its proxies so that affected members could attend the shareholder

meeting. Overall, Needmor's initial foray into collaboration with a grantee on shareholder advocacy was a success.

4. Community Development Investing (CDI)

Assessment criteria: Needmor commits a portion of its endowment to support community development and community empowerment; and supports loan funds that provide credit to low-income people.

The Needmor board approved using one percent of the endowment for CDI in November 2000, and approved a CDI policy statement in June 2001. Needmor's CDI instruments meet the above goals and they also mirror the Fund's commitment to the two regional clusters as well as its national focus. Needmor's CDI portfolio is allowing individuals, businesses and nonprofits to **gain access to credit** that would not otherwise be available. According to Calvert, these investments have already achieved the following outcomes:

- Financing of 27 homes
- Development of 11 small businesses, creating 75 jobs
- Micro loans to 24 families
- Construction of 5 community facilities, including a day care center.

In conclusion, the Needmor Fund is indeed meeting its goals in all four program areas.

Recommendations are provided on ways to tweak the programs and to offer possible next steps to advance the program work further. Whether and how to do more in each of these areas will depend on competing foundation priorities and resources.

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THE NEEDMOR FUND OPERATING GUIDELINES

I. MISSION, VISION AND VALUES

Section A. Mission.

The mission and purpose of this trust is to work with others to bring about social justice. The Needmor Fund supports people who work together to change the social, economic, or political conditions which bar their access to participation in a democratic society.

Section B. Vision and Values.

The Board and Members have adopted the following statement of vision and values:

1. "We envision a nation committed to democracy. We believe that citizens should be free and equal to determine the actions of government and the terms of public policy and thus assure their right to: justice, political liberty, the basic necessities of life: food, shelter, access to health care, and safety, an education which enables them to be contributing members of society and the opportunity to secure productive work with just wages and benefits and decent working conditions."
2. "We believe that all citizens should be free to exercise these rights regardless of race, ethnic origin, gender, sexual orientation or religious persuasion."
3. "Our grantmaking philosophy fosters a spirit of individual and collective responsibility. We strive to remove systemic barriers to the practice of democracy by encouraging the efforts of people who have come together to work for justice and the common good. We seek always to engage those whose participation in the affairs of the community has been systematically denied, because we believe our nation will operate most equitably when all of its citizens can be actively involved in crafting the vision, values, and specific policies that guide its operation."
4. "We believe that the involvement of the Donor Family, their time, energy, knowledge, values, historical connection to Needmor and their ongoing financial contributions, is an important resource for Needmor and should be cultivated. As a family foundation we also believe that the family should serve Needmor rather than Needmor serving the needs of the family."

II. BOARD OF DIRECTORS

Section A. General Powers.

The powers of the trust shall be exercised, its affairs conducted, and its property controlled, by the Board of Directors except as otherwise provided in the Trust Agreement, any amendments thereto, or Ohio law.

Section B. Number of Directors.

Until changed in accordance with the provisions of this section, the number of Directors shall be at least seven (7), but not more than fifteen (15). The number of directors may be fixed or changed at the annual meeting of the Board, at which a quorum is present, by the affirmative vote of a majority of the Board.

Section C. Responsibilities.

The Board will:

1. Determine the organization's mission and purpose;
2. Hire, serve as counsel and support to, regularly evaluate the performance of, and dismiss when necessary an Executive Director;
3. Review and approve the budget and ensure that the Fund's assets are managed effectively, as recommended and presented by the Finance Committee;

4. Form standing and ad-hoc committees and monitor their activities throughout the year;
5. Approve grant awards;
6. Formulate long-range plans and carry out educational programs to give direction and dimension to the Fund;
7. Ensure that the public and charitable role of the Fund will be carried out in a way that is most beneficial to the community and consistent with the mission and purpose of the Fund through policy review, examination of past experience, and looking to new opportunities;
8. Serve as ambassadors for the Fund;
9. Assess its own performance;
10. Develop policies and procedures consistent with these Operating Guidelines.
11. Provide access and training for family members interested in and supportive of the mission of Needmor;
12. Ensure succession planning and leadership development of future board members, both family and civic;
13. Encourage continued support of Needmor with volunteer energy and financial contributions.

Section D. Board Member Expectations.

Each Board member is expected to:

1. Participate in Board meetings and committee meetings;
2. Be prepared for Board meetings and committee meetings; receive and read materials pertaining to Board meeting discussions;
3. Attend at least one site-visit and/or Needmor retreat, annually; and
4. Make a best effort to be responsive to the office and others regarding Board business.

Section E. Nomination, Election and Vacancies.

1. Directors shall be elected at the annual meeting of the Board; but when the annual meeting is not held or Directors are not elected there, they may be elected at a special meeting called and held for that purpose. Director candidates shall be nominated by the Board Development Committee. The election shall be by ballot whenever requested by any Board member, but unless so requested, the election may be conducted in any manner approved at the meeting. Only persons nominated as candidates by the Board Development Committee shall be eligible for election as Directors.
2. Vacancies in the Board may be filled by a majority vote of the remaining Directors for the duration of the term of the vacant position.
3. The BDC shall recruit donor family members for 51% of the Board seats. If there are not qualified, interested donor family members, or if vacancies occur, actual Board composition may be less than 51% donor family members. In that case, at the next board election, donor family members have a first right to nomination for the then available seats until they make up 51% of the Board.

Section F. Term of Office.

Directors shall hold office for three-year terms or until the annual Board meeting held in the year in which such Directors' terms expire, or until their successors are elected and qualified. A Board member may serve for an unlimited number of terms. The term of office begins at the end of the meeting at which the election is held.

Section G. Meetings.

At least two meetings of the Board shall be held annually. It will also meet as necessary to carry out its duties. Meetings of the Board may be held either in person, by telephone or by other electronic means. Board meetings are open to Donor Family non-Board members, who should notify the Board Chair of their interest in attending to observe.

Section H. Special Meetings

Special meetings of the Board shall be held at the call of the Chair or upon the written request of three members of the Board. The notice of a special meeting shall specify the business to be considered at such meeting and no other business may be conducted.

Section I. Notice of Meetings.

All members of the Board and those of the Donor Family who request notice will be notified of all meetings.

Section J. Quorum.

A majority of the Board shall constitute a quorum at its meetings. The Board shall act by a majority of those members present.

Section K. Conflict of Interest.

The Board shall adopt a conflict of interest policy.

Section L. Removal.

As described in Section D above, serving on the Board involves a commitment of time and work. Board members who fail to keep their commitments will relinquish their status as a Board member. If a Board member misses three consecutive regularly scheduled meetings, the Chair or the Chair of the Board Development Committee will notify that Board member that he or she is considered to have resigned from the Board. He or she may request reinstatement, which requires a vote of a majority of the Board.

Section M. Proxy.

For non-regularly scheduled meetings, a Board member may request to participate by proxy. He/she should contact the Director or the Chair and offer comments or concerns about the issue at hand and express an intended vote. The Board will consider such requests for participation by proxy individually, before deliberations begin, and on the record. This participation will count as being 'present' for the purpose of Section L. above.

III. THE DONOR FAMILY

Section A. Definition.

Donor Family members are the descendants of Duane and Virginia Secor Stranahan, who established the Needmor Fund, and any spouse or partner of a descendant.

Section B. Opportunities for Involvement.

Family members may participate in Needmor by:

1. Attending annual interactive educational meetings;
2. Volunteering for nomination to the Board;
3. Attending site visits (as deemed appropriate by Needmor staff);
4. Serving on committees;
5. Participating in other donor education opportunities.
6. Having access to various reports such as annual reports, Needmor News, the website, and other vehicles that communicate the work of Needmor;
7. Attending board meetings as an observer;
8. By financial support as their means may allow.

IV. OFFICERS

Section A. Officers.

The officers, all of whom shall be chosen from among the directors, shall be a Chair, a Vice-Chair and a Secretary/Treasurer. Officers shall serve for 3 years and until their successors are elected.

Section B. Election and Term of Office.

The Board Development Committee shall nominate a Board Chair, a Vice-Chair, and all Standing Committee chairs except for the chair of the Board Development Committee, who will be selected by the Board chair. The officers shall be elected by the Board of Directors at its Annual Meeting. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors.

Section C. The Chair.

The Chair shall have general charge of the affairs of the Fund, shall preside at the meetings of the Board of Directors and of the Executive Committee and shall perform such other duties as are provided in these Guidelines and as the Board of Directors may determine from time to time.

Section D. Vice Chair.

The Vice-Chair shall, at the request of the Chair, or in the event of his or her absence or disability, at any time and from time to time, perform any and all duties of the Chair and shall have such other powers and perform such other duties as the Board of Directors may from time to time specify.

Section E. Secretary/Treasurer.

The Secretary/Treasurer shall attend, and keep, or cause to be kept, the minutes of all meetings of the Board of Directors and shall attend to or cause the giving and serving of all notices of the Fund. He or she shall also keep, or cause to be kept, a record containing the names of all persons who are members of the Board of Directors of the Fund, showing their places of residence and shall, in general, perform all the duties incident on the office of secretary. He or she shall have such other powers and perform such other duties as the Board of Directors may, from time to time, specify.

The Secretary/Treasurer shall also serve as the chair of the Finance Committee.

Section F. Removal of Officers or Delegation of their Powers.

Any officer elected or appointed by the Board of Directors shall be subject to removal by the Board if, at any time, in the judgment of the Board, such action is in the best interest of the Fund. In case of the absence of any officer or agent of the Fund, the Board of Directors may, without removal of said officer, delegate his or her powers and duties to any other officer or suitable person selected by the Board for such period as the Board deems proper, subject, however, to any limitations herein contained and only to the extent permitted by law.

Section G. Compensation.

No officer or member of the Board of Directors of the Fund shall receive any compensation for his or her service as an officer or member of the Board.

V. COMMITTEES

Section A. Committees.

In addition to such other committees as the Board of Directors and the Executive Committee may from time to time authorize or appoint, there shall be the following standing committees:

Executive Committee, Finance Committee and Board Development Committee. Committees and committee chairs are appointed by the Chair of the Board based upon recommendations of the Board Development Committee and approved by the Board. The Finance Committee chair shall be the Secretary/Treasurer and shall be elected by the Board.

Section B. Executive Committee.

The Executive Committee shall consist of the Chair of the Board, the Vice-Chair of the Board, the Secretary/Treasurer of the Board, two members at large from the Board and the Executive Director (as a non-voting member). The Executive Committee shall act for the Board of Directors in the interim between Board meetings and such actions shall be ratified by the Board at its next meeting. The Chair of the Board shall be chairperson of the Executive Committee, the meetings of which shall be called by him or her at any time he or she deems necessary.

The Executive Committee shall cause minutes of its meetings to be kept, which minutes shall be submitted to the Board of Directors at its next meeting.

The Board Chair will appoint one of the members of the Executive Committee as personnel coordinator. The personnel coordinator will, in consultation with the Executive Committee and the Executive Director, see to the implementation of the personnel policies including the annual performance review of the executive director.

Section C. Finance Committee.

The finance committee manages the finances of the Needmor Fund. This shall include, but is not limited to, overseeing the investment of the Needmor endowment, creating a budget for the Needmor office, informing the Board of funds available for granting, maintaining an adequate cash flow for the Fund's activities, and soliciting contributions to the Needmor Fund. The finance committee will also create and review investment policies and objectives and ensure they are carried out. The budget prepared by the Finance Committee must be approved by the Board. The Finance Committee may seek approval from the Board to recruit outside members as it sees fit. The Secretary/Treasurer will be the chair of the finance committee and will organize, delegate and schedule the work of the committee.

Section D. Board Development Committee.

The Board appoints the Board Development Committee. Its job is to present the Board with a slate of qualified and prepared nominees for Board vacancies.

The Board Development Committee shall also:

1. Create a system of periodic evaluation of the Board and individual members to assess individual and group strengths, areas for improvement and plans to improve functioning;
2. Identify the expertise and diversity needed in Board candidates and officers, and find appropriate candidates with the input of key foundation stakeholders (staff, Board members, family members, peers, etc.);
3. Develop potential Board members' knowledge and familiarity with Needmor's work and mission;
4. Create an orientation structure for new board members, perhaps including assigning them a mentor;
5. Develop a subcommittee responsible for recruiting and training family members for future board leadership roles;

6. Periodically review the board terms, limits, etc. for appropriateness;
7. Oversee the implementation of board development programs.

Section E. Terms of Committee Membership and Committee Procedures.

1. Unless otherwise determined by the Board of Directors or the Executive Committee, the members of all committees shall hold office from the date of election or appointment to the next Annual Meeting of the Board of Directors. Any member of any committee who shall be absent from three consecutive meetings without having been excused by the chair of such committee shall be deemed to have resigned.
2. Vacancies in the membership of any committee shall be filled by the Chair with the approval of the Board of Directors.
3. The majority of the members of any committee shall constitute a quorum authorized to conduct the business of the committee. Meetings of each committee may be called by its chair, by the Board Chair or on the request of any two members of the committee on two days notice. Each committee shall have the power to adopt its own rules and procedures.
4. Meetings may be held in person, by telephone or by other electronic means.

VI. EXECUTIVE DIRECTOR

The Executive Director shall be the chief administrator of the Fund and shall have the duties of implementing the directives, decisions and policies of the Board of Directors pertaining to administration, personnel, programming, financing and public relations and shall generally promote, coordinate and supervise the efforts of the Fund. The Executive Director shall be responsible for the selection and the performance of staff.

The Executive Director shall serve at the pleasure of the Board, upon such terms in writing as the board may determine at the time of his or her appointment and from time to time thereafter.

The Executive Director shall not be a member of the Board of Directors, but shall serve on the Executive Committee (as a non-voting member).

VII. AMENDMENTS

These Operating Guidelines may be altered, amended or repealed at any meeting of the Board of Directors at which a quorum is present, by majority vote of those present, provided the notice of the meeting sets forth the proposed alteration, amendment or repeal.

VIII. MISCELLANEOUS

Section A. Fiscal Year.

The fiscal year of the Fund shall be from January 1st to December 31st.

Section B. Review.

Financial transactions of the Fund and its books and accounts shall be reviewed annually by an independent certified public accountant or firm of certified public accountants selected by the Board of Directors.

Adopted April 29, 2004 _____
Daniel Stranahan, Secretary/Treasurer
(Check website for latest update)