



Homes for Generations

Frequently Asked Questions *About Service on the Aeon Board of Directors*

What qualifications are necessary? The most important qualifications are (a) commitment to the vision and mission of Aeon, (b) an ability and willingness to understand Aeon's work, (c) productive engagement with other committed board members about Aeon's future, and (d) the discipline to ensure organizational performance.

How does someone get considered? Either (a) call Aeon's Board Chairperson or President/CEO, or (b) send a completed Board Candidate Information Form to lbaregi@aeonmn.org. The board maintains a list of potential candidates. Candidates will be contacted and, depending upon the availability of board position vacancies, candidates will ultimately be interviewed by members of the Executive Committee. Unless there is a mid-year vacancy, board appointments are made in the first quarter of each calendar year.

What is the time commitment for a member of Aeon's Board of Directors? A director is expected to attend most of the ten regular board meetings, which are usually on the 4th Tuesday of the month.

Although Aeon's policy governance approach significantly limits standing committees, from time to time there may be a special task force. Except for the Executive Committee (board officers and members) and service by some directors on Aeon's Advisory Board, committees and task forces are usually not part of regular board service.

There are also 4 to 6 special events annually for which reasonable board member attendance is expected, including the Annual meeting (in March), the annual Beyond Bricks and Mortar fundraising breakfast (spring), and various ground-breakings or grand openings for affordable housing projects (often during the day).

The average annual board time commitment is approximately 35 hours per year, with approximately 9 additional hours for first-term board members for required orientation and governance training.

How long is a term for a Director? Each term is three years. Special neighborhood director positions, or persons appointed to the remainder of an un-expired term, may serve a shorter first term. Directors often serve more than one term, but there is a nine-year consecutive-service limit.

Do Directors have to raise money for Aeon? Directors are expected to help engage the community with Aeon in a number of ways, including inviting people to attend Aeon's "Building Dreams" informational sessions and its annual "Beyond Bricks and Mortar" fundraising event. But Aeon directors are not required to ask anyone for money.

Is a Director expected to make a charitable contribution to Aeon? Yes, although there is no expected minimum annual level of giving. It is very helpful to Aeon's fundraising efforts to be able to inform outside parties that every board director makes a charitable contribution to Aeon, thus indicating their commitment.

Are there legal responsibilities for a Director? Yes. State law requires board members to act thoughtfully (Duty of Care) in the best interests of the organization, putting the good of the organization first and avoid engaging in transactions with the organization from which the director will benefit (Duty of Loyalty), and to follow the requirements of the law and the organization's governing documents (Duty of Obedience).

Do I have to provide personal information? Yes. Some funders or lenders require certain information, including social security numbers from board members, to avoid doing business with anyone who has defrauded them in the past. This information is kept in a locked file at Aeon and is accessible by, and submitted by, only one staff person.

Does Aeon carry Directors & Officers liability insurance? Yes. While the State of Minnesota provides limits on the pass-through of liability to directors, Aeon carries corporate D & O Insurance in an overall amount of \$5,000,000.

What expertise do I have to have to be a good Director? While you don't need to be an affordable housing or real estate expert, you are expected to be willing to learn about Aeon, its business and its goals, and to actively bring your perspective, experience and sound judgment to board discussions and deliberations. It is especially important to understand Aeon's governance policies and plans, which are fundamental to shaping how Aeon achieves its goals and fulfills its mission.

Do I have to understand complex financial information? Yes. It is a duty of each board member to reasonably understand Aeon financial information and to make decisions based upon it. Each board member receives an orientation and a financial orientation, and as much as possible reports are "dashboard" in nature. Although the

information can be complex, the board Treasurer, the Chief Financial Officer, the President/CEO, and others will answer questions and explain financial issues. Aeon's work is interesting but complex, and questions are encouraged.

Some nonprofit organizations rely on the Executive Committee to make decisions and the Board acts more like a "rubber-stamp." Does Aeon work this way? No. Aeon's governance policies do not allow the executive committee to make board decisions between meetings. Aeon's policies set clear expectations for the behavior of the entire board, individual directors, the executive committee, and the chief executive officer (President/CEO).

Some boards rely on the Executive Director or President-CEO (staff), and they essentially "rubber-stamp" his/her recommendations, creating a "staff-driven" kind of organization. Does that happen at Aeon?

No. Aeon's board governs by setting thoughtful, comprehensive and clear Ends and Limitations policies, which it monitors carefully. The President/CEO is expected to achieve the Ends and stay within the limitations ("Executive Limitations") set by the board. The board's goal-setting and parameters guide the work of the President/CEO and staff. Functional governance is not about "who has power," but "who is accountable for what."

Does Aeon's Board deal with day-to-day management issues? No. The board sets direction and limitations. The board hires staff to implement that direction and stay within the limitations. Staff implements day-to-day functions. The board gauges performance against their established ends and limitations expectations.

Is it a conflict of interest for a Director to belong to another organization that might influence Aeon's work, or that might be influenced by Aeon's work? Generally a legal conflict of interest only exists when an individual director might financially gain by a decision made by the board of directors. Each director is required to vote in the way that he/she thinks is best for Aeon (not what's best for him/herself or another organization). Sometimes there are perceived conflicts of interest that could be equally damaging to both Aeon and the director. Each case is different, but a director should be sensitive to each specific situation and may sometimes abstain from discussion and voting, stating the reason why. Aeon's governance policies and the "Duties of Directors of Charitable Organizations" from the office of the Minnesota Attorney General further address this issue. Aeon has conflict of interest policies, and every board member and staff person annually completes a conflict of interest statement.

Should I abstain from voting if I am not sure about an issue? Not usually. Making decisions is not always easy, but it is a key board responsibility. If a director truly doesn't think he/she has enough information to make a good decision, he/she should ask for the information needed, or make a motion to table discussion until the desired information is provided. Simply abstaining does not get the important work of the organization done.

What if I disagree with an action taken by the Board? Do I have to support it? Generally, yes. It is the responsibility of a director to behave in a manner that is in the interest of the mission (and decisions) of an organization. There are always going to be differences of opinion about specifics. However, once a group decision is made after due deliberation, then an ethical director must support that decision. The only exception to this required support is if the action is illegal. If a decision or direction is extremely reprehensible to a director, and perhaps against his/her fundamental values, then he/she should perhaps consider leaving the organization.

Does Aeon's Board use Robert's Rules of Order? Technically, yes. However, Aeon board meetings are generally run in a fairly relaxed manner unless there is a particularly demanding issue or vote, or the meeting needs to be moved along. Directors are encouraged to use standard meeting behavior to move items to conclusion, and to perform the business of the board. This means making appropriate motions in a timely manner, and otherwise helping focus all discussion and decisions on agenda items. Information about parliamentary procedures and how to have effective meetings is in the Aeon board manual.

Can a Director ask staff for information or to do a task? Yes, but an individual director can't require it. In general, all staff will try to help directors do their job, but the actual response will depend upon the magnitude or implications of the request. Technically, all staff answers to the President/CEO, and the President/CEO answers to the board as a whole, not to individual directors and not even to the board chair or executive committee. Ideally, everyone understands their role and works together as a team to achieve the goals set by the organization.

Do Aeon Directors get paid? No. There is no pay or stipend for Aeon board members. However, food is served at almost every meeting!

For more detailed information, please refer to the Aeon Board Manual or ask the Aeon board Chairperson or the President/CEO.

Aeon

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