



# Building A Board

**From Governance and Institutional  
Development in Foundation Building  
Sourcebook: A practitioners guide based  
upon experience from Africa, Asia, and  
Latin America**

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## Section 1 **Building A Board**

This section examines issues around recruiting and developing an effective board. The first two examples explore some issues on building a board such as a board that reflects the various donor and beneficiary constituencies of the foundation and a board structure that can enable the foundation to function effectively. The third case discusses articles of a foundation's bylaws that help to define the responsibilities of the board and the contents and logistics of board meetings.

Example 1      Committees, Regional Advisory Committee  
*Foundation for the Philippine Environment*

Example 2      Committees, Regional Boards, Involvement in Annual Planning  
*Philippine Business for Social Progress*

Example 3      Board Criteria in a Constitution  
*West African Rural Foundation (Senegal)*

### What Is A Board?

Boards of directors or trustees are almost always required by law to act as the governing structure accountable for the actions and activities of an organization. Depending on how a foundation is registered—trust, foundation, charity or some other form of legal entity—the members of the Board might be referred to as trustees, members or directors.

Board members are guided by bylaws or some set of operating rules that are adopted in accordance with law, usually by the board. Such rules provide for matters such as the election of directors and officers, the conduct of meetings and a committee structure.

Boards discussed in this section play a role in many aspects of ensuring the effective functioning of a foundation. They oversee administration and operation. They strengthen the foundation with the expertise they bring to it, advising it on its initiatives, legal questions, accounting, management and other issues. Board members are emissaries of the foundation and are essential in strengthening and broadening constituencies and securing financial and other resources, while ensuring that the foundation steers a clear course towards its mission.

### Who Are the Board Members?

Many Boards are initially formed from the group of founders who have established the foundation and other individuals who get involved at an early stage in its development. Some common factors the three foundations in this section took into account in selecting Board members were:

- Diversity of interests represented (including but not limited to gender, ethnicity, geographic area, political views)
- Access to opportunities to mobilize financial resources
- Involvement of donors and/or potential beneficiaries
- Skills and professional expertise

Often Board members serve as volunteers. They may, however, be reimbursed for their attendance at meetings and other services they render as Board members. From time to time, they may be called upon to perform duties outside of their roles as Board members. When this occurs, it is very useful to have policies on board payment and reimbursement to guard against potential conflicts of interest.

As the context and strategies of a foundation evolve, often boards will seek individuals with new profiles to bring new skills and expertise onto the board. This process is helped by having clear and transparent policies on Board tenure and recruitment. The Board shoulders a responsibility and individuals often feel a strong sense of ownership and commitment to the work they are helping to move forward. It can be very difficult to leave. To clarify these issues, the West Africa Rural Foundation (WARF) has specified in its bylaws that the maximum term for a Trustee is four years.

#### What Are the Functions of the Board?

Boards meet at various times of the year as needed and/or as stipulated by the bylaws. The Board makes strategic decisions to guide policies, programs, services and finances of the Foundation. In addition, Boards often:

- Ensure that the mission is carried out through initiatives, programs and services
- Recruit and evaluate staff leadership (Executive Director, President or Chief Executive Officer, for example)
- Ensure the foundation has adequate funds to operate and manage its grantmaking program
- Enhance public standing and image
- Ensure that the foundation is transparent and accountable for what it does
- Recruit and orient new members

Often Board members divide themselves into separate working committees with specific tasks such as planning, endowment management, financial management and grants selection. All three organizations profiled in this section have some sort of board-convened committees that address specific issues that the Board itself is responsible for governing. The types and numbers of committees a Board has depends on its size and the needs of the foundation. Committees allow a selected group of people with specific expertise or interest to tackle a set of related issues. They then voice their suggestions and recommendations to the rest of the Board for endorsement of the action.

The role of Board members can potentially extend to all the foundation's activities. The composition of the Board and the functions of the president (or chairperson) are generally spelled out in the constitution (statutes and/or bylaws). Many foundations include clear definitions of roles of Board and executive staff roles in their documentation, such as in the case of the WARF that specifies the role of its Director in its bylaws.

### Summary Points

*An interim Board is a useful step in building a permanent Board.* The initial two-year phase of development of the Foundation for the Philippine Environment (FPE), under the Interim Board before the establishment of the permanent Board, provided FPE with the opportunity to move up a “learning curve” when the different constituencies had time to acquire a level of comfort in working together. This also allowed for the establishment and continuation of program operations while the permanent Board structure was being decided on.

*An initial consultative and exploratory process can lead to the creation of a suitable permanent board structure.* The highly consultative process undertaken by the Interim Board of the FPE allowed for the exploration of various board models so that the board would reflect the democratic decision making culture and the involvement of the non-governmental organizations (NGOs) as originally envisioned.

*Board committees can ensure the division of functions and proper management of the foundation.* Both FPE and the Philippine Business for Social Progress (PBSP) chose to create Board committees, each with different functions—such as finances or regional representation—to efficiently divide the responsibilities of board members. Committees also enable Board members to focus their attention in areas they have expertise in.

#### Example 1

Committees, Regional Advisory Committee  
*Foundation for the Philippine Environment*

FPE was founded in January 1992 through the cooperation between environmental and development NGOs in the Philippines and the US and governments of both countries. In creating a board structure for FPE, the Interim Board of Trustees had to consult with the various constituencies involved. They also had to ensure that the original vision that FPE would be wholly owned and managed by the NGO community of the Philippines, as opposed to a Manila-centered NGO, be reflected in the structure of the Board. At the same time, the Board structure had to avoid any potential conflicts between the board members whose organizations are recipients of FPE funds.

The consultative process included eight regional consultations, a national meeting of NGO networks, a study tour on philanthropy to the US and a final workshop in the Philippines. At the final workshop, it was decided that Nominating Committees for each region would be created.

FPE is governed through three distinct structures – the Board of Trustees, Board-convened committees and Regional Advisory Committees. FPE’s Executive Director gave this brief description of the governance structure.

[The Board of Trustees] by design operates to maintain maximum accountability and transparency. The eleven members are from various organizations representing different interests, but serve in their personal capacities. The nomination process incorporates a system of checks and balances where an individual can only be elected by the Regional Advisory Committees (RACs) in consultative assemblies. The three RACs – one in each of the three major regions of the country are composed of NGOs and POs from these regions. This process builds the “street credibility” and representation of the Board of Trustees (BOT) in the regions, but avoids politicization of the BOT, which would result if members were elected directly by the RACs.<sup>1</sup>

#### *Board of Trustees*

FPE’s bylaws and articles of incorporation establish the Board of Trustees as the sole policymaking body of the Foundation. The functions of the Board are to:

- Set policies, direction and over-all guidelines
- Monitor fund performance and utilization
- Approve grant program plans
- Approve projects for funding<sup>2</sup>

The Board includes two seats each for the three regions; one for the government (Philippine Department of Finance); one for an international NGO (currently World Resources Institute) and three at large. Each Board member serves a term of four years. According to a former FPE Executive Director, having a government representative on the Board was necessary “in order to lend credibility to FPE, especially in view of the nature of the endowment. The original US\$25 million is bilateral money, hence, technically, it is awarded to the Philippine government. We needed someone in the government as an assurance of our transparency to all sectors.” The founders also addressed the critical consideration of representation by having three members “at large” with a national reputation and six members from the three regions.<sup>3</sup>

Although representation on the Board of a foundation by government officials and individuals from other countries is not common, in the case of FPE the nature of the bilateral agreement between two governments (the US and the Philippines) required the participation of the department of finance and an international NGO on the Board.

FPE Board meetings are held quarterly. Venues may be the FPE office, offices of the Trustees based in regions outside of Manila, or offices of project holders.

Foundation staff are responsible for preparing the Board for their meetings. Preparation for the December 1997 meeting, the 27th Regular Board Meeting, included a large loose-leaf notebook of background materials. This “briefing book” consists of 80 pages, including a number of pages that have been prepared as transparencies for use on an overhead projector. The focus of the meeting was to evaluate the 1997 performance of FPE and present its 1998 workplan for Board approval. Here are two transparencies from the book: the functional unit overview of the 1998 plan followed by an outline of the performance goals of the executive office for 1997:

### Foundation for the Philippine Environment 1998 Plan of Action

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#### 1998 FPR Thrust:

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“Strengthen FPE’s commitment to Biodiversity Conservation and Sustainable Development in critical sites.”

Priority Focus:	
Executive Office (EO)	Formalize commitments of DENR and other DONORS to critical sites.
Development Communication Unit (DCU)	Development of information kits on the critical sites
Project Development Unit (PDU)	Monitoring and Evaluation indicators of critical sites
Finance Unit	Setting up guarantee funds in critical sites
Human Resources Development and Administration Unit (HRDA)	Learn and tap communities’/POs’ indigenous knowledge systems for HRD training

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**Executive Office–1997 Performance Overall goals:**


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**Fund generation and facilitation:** To generate additional financial resources locally and internationally for funding qualified projects on environment protection, resource management, biodiversity conservation, and sustainable development.

**Networking and linking:** To expand linkages and networks with different sectors locally and internationally for environmental advocacy.

**Institutional strengthening:** To implement efficiently and effectively the directive of the Board of Trustees and ensure timely feedback to them of the developments affecting NGOs/PO [Peoples' Organizations] and partner local communities.

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Following the above exhibit, FPR presents specific objectives and activities for each overall goal along with tables of accomplishments. For example, to appraise the Fund generation and facilitation goal, the briefing book provides a Comparative Table of Fund Managers' Performance. The detailed Table's horizontal headings are:

Fund Managers	Date placed	Fund Balance Beg End	% to Total	Year to date (%)	Project yield % (p.a.)	Composite yield
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To appraise the Institutional Strengthening goal, FPE's Institutional Development and Information Resource Unit produced a Year-end Assessment and Planning chart. Its headings are:

Area	Objectives	Targets	Accomplishments	Unaccomplished	Problems/ Limitations	Recommendations
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*Regional Advisory Committees*

FPE's Board formed Regional Advisory Committees (RACs), autonomous local bodies comprised of NGOs in the three major island regions in the Philippines (Luzon, Visayas and Mindanao). The members of the RACs are nominated by the Regional Consultative Councils (RCCs), informal bodies that are convened occasionally as the need arises. The Board members, in turn, elect from among proposed nominees according to the vacated category, such as a regional NGO/PO representative on the Board or an "at large" member.

The functions of the RACs are to:

- Provide advice and assistance responsive to regional needs
- Nominate candidates for the Board of Trustees
- Approve all amendments to FPE's constitution and bylaws by a two-thirds majority<sup>4</sup>

One researcher describes the role of the RACs in the delicate balance of regional versus central representation:

The formation of the RACs by the Board provided an opportunity for the FPE to explain the mission, vision and values of the foundation and to disseminate this and other relevant information to regional and provincial NGO constituencies. The RACs provide an alternative mechanism to a Manila-centered, representative-based foundation and form a crucial element in the FPE's governance. The councils lend a national character to FPE and respond to the original founding members concern for the foundation to be sensitive to local community needs and requirements...<sup>5</sup>

#### *Board Committees*

FPE's Board decided to create Committees that would oversee specific policy issues that may arise between the quarterly held Board meetings. These Committees are the third component of governance. Two types of committees were created in July 1992 – the Executive Committee and the three Advisory Committees. The Executive Committee recommends action to the Board on general administration, as well as policy reforms and program and administrative measures for more effective program delivery and implementation. The Advisory Committees are:

- **Finance and Administrative Committee:** formulates and recommends to the Board short- and long-term plans and financial projections; monitors and reports on the Foundation's financial performance; and makes appropriate recommendations on FPE's financial and administrative systems
- **Governance Committee:** studies and makes recommendations on the foundation's governance structures, particularly RCCs and RACs; programs for outreach and constituency-building; grants policies and systems; and multi-year strategic plans
- **Program Development Committee:** makes policy recommendations on the grants program's goal, scope and priorities based on consultations with stakeholders, and works with the Governance Committee to develop three to five year strategic plans

These committees do not meet regularly and remain adjuncts to the organization mobilized on occasions when urgent and non-routine matters have to be discussed.

#### Example 2

Committees, Regional Boards, Involvement in Annual Planning  
*Philippine Business for Social Progress*

#### *Board Roles and Activities*

Unlike the regionally and sectorally diverse constituents that comprised the FPE Board, the homogeneous composition of the Board of PBSP reflects its origins in the business sector. The Board was initially composed of the founding members, who were prominent businessmen. PBSP was established in 1970 by leaders from 50 Philippine corporations. These member corporations commit one percent of their pre-tax income to social development of which one-fifth is administered by PBSP. PBSP's Board is now composed of 21 Trustees which are elected annually

from among the representatives of the approximately 170 member corporations. It was agreed early in PBSP's history that members would play a greater role in the running of PBSP than simply contributing money. This commitment is reflected in member corporations' involvement in the Board. In most cases, the Trustee is the CEO of the member company. Therefore, the Board is generally composed of notable personalities in the business sector who have connections with both the government and private sectors.

PBSP Trustees serve as:

- **Fundraisers and resource mobilizers:** personally representing PBSP to new donors (introducing PBSP, presenting project proposals and following up with donors); directing the utilization of corporate human and physical resources for disaster relief work/other programs
- **Project/program consultants:** visiting projects, holding meetings and dialogues with community leaders, sharing strategic options and advising staff directly on program direction and management (such as technology development)
- **Promoters of corporate social responsibility (CSR):** participating in national and regional annual membership meetings and in fora on CSR with the business community at large; giving speeches at conferences and meetings
- **Negotiators with the government:** encouraging top-level officials (often peers) to work out the approval of PBSP's participation in foreign aid or government programs

The PBSP board has formed committees to help it fulfill its responsibilities.

The Executive Committee meets monthly to discuss management and financial matters, and occasionally adds agenda items for national Board meetings. Regional Boards (described below) also submit their main concerns through their chairpersons who sit on the national Board. Similarly, chairpersons of Board committees may add items to national Board meeting agendas. Thus the separate Boards are all linked.

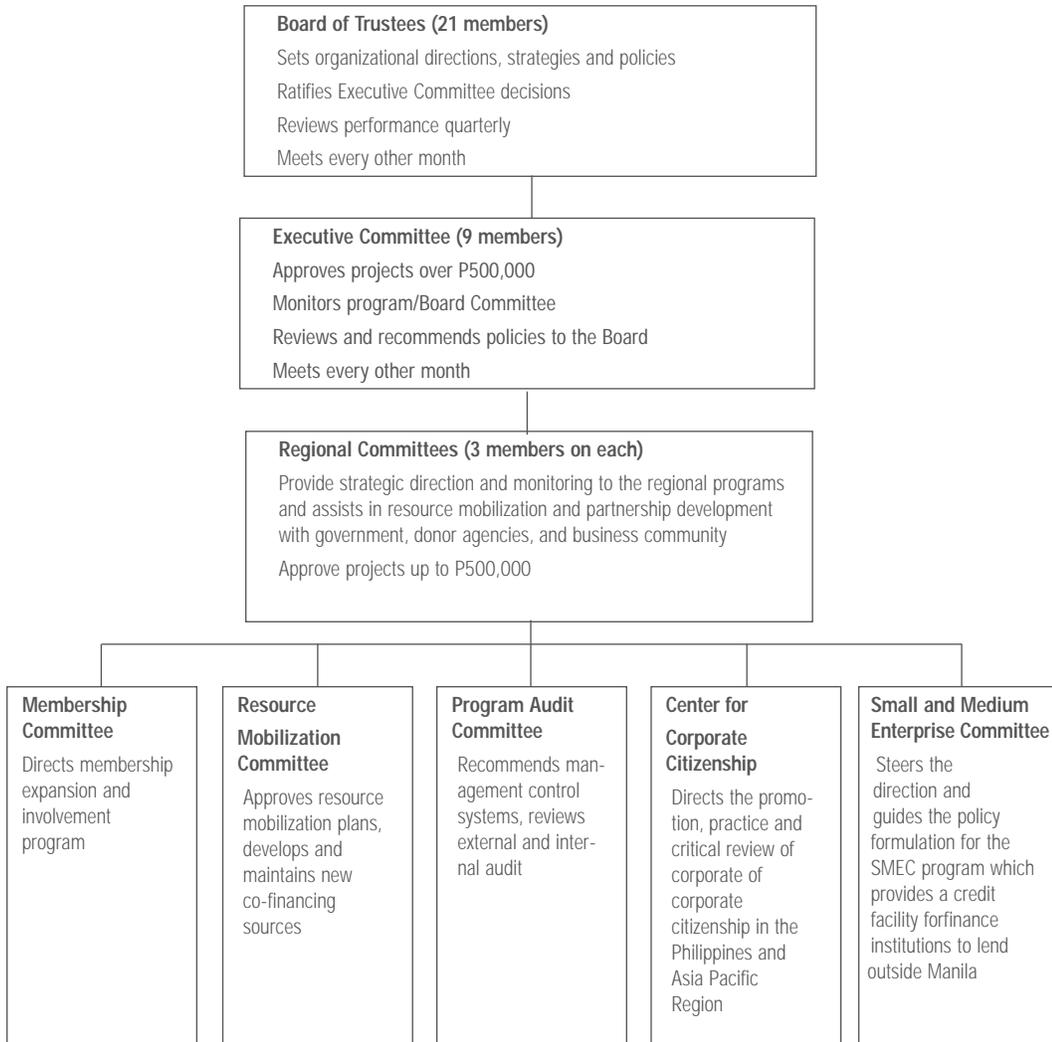
The PBSP Board approves policy guidelines on investments based on recommendations from the Executive Committee. The Executive Committee, thus, also acts as an investments committee. It reviews the guidelines periodically and recommends changes when necessary. Otherwise, based on an approved level of authority, the professional staff makes the investment decisions.

The Membership Committee recruits corporations to join PBSP and encourages them to fulfill their financial obligations.

The Audit Committee is responsible for the internal and, for selected programs, external audits down to the regional level. The committee works with internal and external auditors to make sure systems and procedures are followed, down to the sub-grantee level where acceptable systems are required to be in place. Staff groups assist the Audit Committee by preparing and finalizing the reports.

In conducting committee work, Trustees have the opportunity to work directly with the staff. Likewise the staff reports to Trustees with particular interest or expertise in a given area.

## Organizational Structure: Board And Committees<sup>6</sup>



### *Regional Committees*

During the early years in PBSP's development, the Board decided to create three Regional Committees to decentralize operations. These Committees provide strategic direction and monitoring to the region's programs and assist in raising resources and partnership development with government, donor agencies and the business community. The regional committees also oversee formal regional consultation sessions to get feedback and comments on PBSP's work in the regions directly from the beneficiaries. They direct programs to assure that PBSP is responsive to local needs. They approve projects up to Pesos 500,000, meet with donors and campaign for involvement of the local business community in key programs.

### *Board Agendas*

Staff put together Board meeting agendas that focus on the highlights of PBSP's performance according to targets set for the year. Occasionally, the staff identifies for discussion current issues that affect PBSP work or the business community. This allows it to get the perceptions of the Board on how these issues affect PBSP and its mission. Examples of such issues are development work in the country's high growth areas, resource mobilization in light of dwindling development funding, or the regional economic crisis.

As an example, the agenda for the September 1996 meeting of the Board of Trustees of the Philippine Business for Social Progress (PBSP) contained the following items:

- I. Call to order
- II. Review and Approval of Minutes of Board of Trustees Meeting...and Exec. Comm. Meeting
- III. Business Arising from the Minutes
  - A. Follow-up on
    1. Recruitment of Hoescht Far East Marketing Corporation
    2. The status of the proposal for Kfw funded low costs housing
    3. The results of talks with Land Bank and Development Bank of the Philippines on socialized housing
- IV. Institutional Reports
  - A. On the results of operations
  - B. On the financial results of operations
- V. The 6th 5-year Strategic Plan
- VI. Presentation Reports
- VII. Other Matters
  - A. Center for Corporate Citizenship Updates
  - B. Board resolution for the right of way
  - C. Board resolution for the Philippine Council for NGO Certification contribution
  - D. The Festival of Trees
  - E. The Annual Membership Meeting
- VIII. Adjournment<sup>7</sup>

### Example 3

Board Criteria in a Constitution  
*West Africa Rural Foundation (Senegal)*

WARF was established with a unique mandate to serve Senegal, Mali, Gambia, Guinea-Bissau and Guinea. Its Board of Governors, the sole governing body, is made up of citizens from each of these countries. Governors serve on a voluntary basis.

WARF's bylaws clearly define the qualifications and responsibilities of the Board members. In WARF's case, where Board membership must represent the countries where it operates, it is specified in the bylaws that "all Governors must be citizens

of the countries where the foundation operates. The Board aims for balance among its members by country, profession and between women and men. All members serve as individuals on the Board, not as representatives of a sector, country or institution.” WARF’s bylaws also define the Board’s role in the grant approval process. It is clearly stated that “a Governor other than the Director may not propose a grantee organization or submit a proposal for funding nor may they participate in the negotiations for a grant.” In this case, it is necessary to specifically mention the limitations of the Governors in applying or negotiating for a grant so that there are no complications in the grant approval process. Excerpts from the bylaws follow:

**Article: Board of Governors**

1. The Board of Governors is the sole governing body of the Foundation.
2. The Board of Governors elects its own members at annual and semi-annual meetings by vote of the majority of existing members.
3. The number of Governors can be fixed from time to time by the Governors at any meeting of the Board, but can never be less than five (5) or more than eleven (11).
4. The first Governors draw lots to choose two among themselves to serve for a first term of two years, two for three years and the rest for a normal term of four years. All of the first Governors can be re-elected for normal four-year terms. For Governors chosen after the first ones, the term of each Governor will begin on the date determined at the time of that Governor’s selection and will end at the end of the last meeting of the Board in the fourth year of that term.
5. All Governors must be citizens of the countries where the Foundation operates. The Board aims for balance among its members by country, profession and between women and men. All members serve as individuals on the Board, not as representatives of a sector, country, or institution.
6. Each Governor can resign at any time by a letter addressed to the Chair of the Board, the Director, the Treasurer or the Board. A resignation takes effect from the date specified in the letter. Any Governor can be dismissed by a vote of three quarters of all the Governors. All vacancies resulting from a resignation, dismissal or other cause can be filled by a majority vote of the rest of the Governors, even if they total less than a quorum, at any meeting of the Governors. A Governor who is absent for three meetings will be considered to have resigned.
7. Each Governor will be reimbursed for costs related to service on the Board and receive a modest honorarium for attendance at the Board meetings. Governors cannot receive any other remuneration from the Foundation.

**Article: Officers**

1. The Governors will choose three officers: a Board Chair, a Director and a Treasurer. The election of these officers will be recorded in the minutes of the meeting.
2. Each year at the annual meeting, the Governors will elect a Chair for a one-year term, renewable for a total of four years.

3. Each year at the annual meeting, the Governors will choose a Director, who will have principal responsibility for the execution and supervision of all operations and personnel of the Foundation, under the direction or approval of the Board of Governors. The Director will be the only member of the staff who is also a member of the Board of Governors. A member of the Board cannot be elected as Director before one year after the end of that member's term on the Board. A Director can be re-elected for a total term of eight years.
4. Each year at the annual meeting, the Governors will choose a Treasurer, who will work under the direction of the Director, will be a member of the staff and will also serve as Secretary of the Foundation, but will not be a Governor. The Treasurer will be responsible for recording the proceedings of all the meetings of the Governors, for giving notice for meetings, for the receipt, custody and disbursement of the Foundation's funds, for the custody of all financial documents and for other tasks that the Board may assign. A member of the Board cannot be elected as Treasurer before one year after the end of that member's term on the Board.
5. Any officer can resign by giving written notice to the Board, the Director or the Treasurer. The resignation will take effect as of the date specified in the letter and does not have to be accepted to take effect. The Governors can dismiss any officer at any Board of Governors meeting. All vacancies for any reason can be filled for the remainder of the term of that office by the Governors at any meeting.

#### **Article: Committees**

1. The Board may designate committees of its members. The Chair is automatically a member of any committee created by the Board. The Director is automatically a member of any committee created by the Board except the audit committee. All committees will have at least three members, and may choose their chairperson, who may be the Board Chair.
2. The audit committee chooses an external auditor each year to conduct an audit of all accounts of the Foundation at the end of each fiscal year. The committee will study the audit report and the Treasurer's annual report and make its recommendations to the Board.
3. The recruitment committee will study the list of Board members at each meeting and propose to the Board actions to choose new members, to re-elect existing members or to dismiss members who have not fulfilled their obligations in a satisfactory manner. The members of this committee will conduct interviews with potential members of the Board between Board meetings. The Foundation will cover their expenses for this task and provide secretarial services for it, but will not give supplemental honoraria or payment of any kind.
4. The fundraising committee will assist the Director in obtaining funds for the Foundation. During Board meetings, the fundraising committee will report to the Board on its efforts and will organize its future activities. The members of the fundraising committee will contact and meet with prospective donors between meetings of the Board. The Foundation will cover their expenses for these tasks but will not accord them any honoraria or fees of any kind.

### **Article: Program and Planning**

1. The Board of Trustees will ask the Director to propose for its approval at the annual meeting a report on the past year and a plan for the year to come. The annual report includes a summary of activities and grants over the past year and a financial report certified by an external auditor. The plan for the year to come includes a program plan, a staffing plan, an administrative budget and a financing plan.
2. The annual staffing plan presents the number of existing staff by category; any vacancies and a plan for filling them or an explanation why not; any proposal for adjusting the total staff salary pool for the coming year; and any request for staff training for more than one month. The Foundation seeks diversity in its staff by gender and ethnic group and among citizens of the countries in which the Foundation works.
3. The annual program plan presents a report on the past year and projections for the following year by category of program action, the number of actions by category, their cost, the total budget and a description of the program strategy that underlies these projections.
4. The administrative budget in the annual plan presents a report on administrative costs for the past year and projections for the year to come, by line item. If any line item for the year to come is more than 10% of its amount in the preceding year, the plan will explain the reasons. Administrative costs cannot be more than one third of the total annual budget of the Foundation.
5. The financing plan will present a report on funds received over the past year and projections for the following year, and the plan for managing funds for the following year. The Foundation cannot end its fiscal year in a state of deficit, nor can it keep in reserve more than twice its annual budget, except endowment funds.
6. At each meeting of the Board, the Trustees will study a summary of the Grants and Foundation Administered Projects (FAPs) approved by the staff during the preceding six months since the last Board meeting. A Trustee other than the Director may not propose a grantee organization or submit a proposal for funding nor may they participate in the negotiations for a grant.
7. Once a year the Treasurer prepares a report on internal financial controls, including recommendations for action, for submission to the Board with the annual audit at the semi-annual meeting.
8. The Board approves all grants above an amount fixed in the Foundation's management guide and delegates to the Director and staff authority to approve grants below that amount.

At least once a month, the Director will convoke the program staff and the Treasurer to decide which proposals and requests for the Foundation support to pursue and to approve grants. The Treasurer will record and file the minutes of these meetings and the Trustees may consult them during their meetings. The minutes specify which organizations were accepted or not into the pipeline and why, as well as which grants or DAPs were approved and why.

*Board Meetings*

The frequency (twice each year, in October and April), conduct and structure of WARF Board meetings are also laid out clearly in the Foundation's bylaws:

**Article: Board Meetings**

1. The Board will meet twice a year, at an annual meeting and at a semi-annual meeting.
2. The annual meeting of the Governors will take place in the same month each year. The Governors can change the month by unanimous decision at a Board meeting or by written agreement of all the Governors. The Board Chair, the Director or at least a third of the Governors can request the Secretary to call a special Governors meeting.
3. The Treasurer will notify the Governors of a Board meeting by letter at least one month before the date of the meeting. The letter will specify the place, date and hour of the meeting and in case of a special meeting, the purpose thereof. This constitution can only be amended or annulled at a meeting if the notice included a description of the proposed changes. If the Treasurer is absent or fails to act, the Chair or the Director can send a letter of notice for the meeting.
4. The Chair always presides at a Governor meeting. In case of absence the Chair can appoint a temporary Chair, or failing such action the Governors can appoint one of themselves to preside. In the Treasurer's absence the Chair of the meeting will appoint someone to act as secretary.
5. A majority of Governors then in office will constitute a quorum for all meetings. The act of a majority of Governors present at a meeting where there is a quorum will be the act of the Board of Governors. In the absence of a quorum, a majority of Governors present can adjourn a meeting until a quorum can be obtained. Each Governor at a meeting is entitled to one vote and no proxies may be exercised at Governor meetings.
6. If all the Governors give their written authorization for an action, that action will be as valid as actions authorized at a Board meeting. Any such unanimous consent will be filed with the Treasurer.
7. During the consideration of an action proposed by the Board, a Governor who is an officer, director, Governor, member or employee of the prospective beneficiary will withdraw from the meeting when the vote is taken. This withdrawal will not affect the existence of a quorum.

**Article: Closed Session**

1. At each Board meeting, the Board has a closed session to elect new members, reelect present members, dismiss unsatisfactory members and organize the recruitment for all existing or anticipated vacancies.
2. At each annual meeting, the Board elects the Chair, Director and the Treasurer for a one-year term and evaluates the performance, remuneration and contract of the Director. The Director negotiates the contracts, salaries and benefits of the other staff, including the Treasurer, during the course of the year.
3. At the annual meeting the Board approves the annual plan, with all modifications noted. At the semi-annual meeting, the Director presents a progress report on the plan and the Board

approves the recommendations on internal financial controls in the Treasurer's report with all modifications noted.

**Article: Agenda of Board Meetings**

1. A majority vote of the Board can change the agenda of any Board meeting.
  
2. The Agenda for the annual meeting is as follows
  - a. Verification that the meeting was properly convoked
  - b. Verification of a quorum
  - c. Presentation of the annual plan by the Director
  - d. Discussion of the plan
  - e. Committee meetings
  - f. Committee reports to the Board
  - g. Resolutions
    - i. Annual plan
    - ii. Audit
    - iii. Members
    - iv. Fundraising
  - i. Other business
  - j. Dates of the next (semi-annual) meeting

## References

- <sup>1</sup> Del Rosario, Teresita C., *Foundation for the Philippine Environment: A Case Study*. New York: The Synergos Institute, New York, 1997.
- <sup>2</sup> Foundation for the Philippine Environment By-Laws and Articles of Incorporation.
- <sup>3</sup> Asia Pacific Forum on Environment Funds Conference Report.
- <sup>4</sup> Foundation for the Philippine Environment, *1994 Progress Report*.
- <sup>5</sup> Del Rosario, *op cit*.
- <sup>6</sup> Tan, Victor E. and Maurino P. Bolante. *Philippine Business for Social Progress: A Case Study*, The Synergos Institute, New York, 1997.
- <sup>7</sup> Philippine Business for Social Progress, September 1996 Board Agenda.