

[Client Logo]

Governance Overview

Mission 1

Charitable status 1

Board responsibilities 1

Full Board responsibilities
Expectations of individual directors
Fiduciary duties
Day-to-day management
Fundraising expectations
Public communications
Indemnification and insurance

Board composition 2

Number of directors
Independence
Goals
Process

Orientation | evaluation 2

Orientation and education
Periodic self-evaluation

Board terms 3

Term [and term limits]
[Staggered board]
Removal
Resignation

Committees | advisory committees 3

Committee structure
Committee charters and composition
Current Board and advisory committees
Ad hoc committees and working groups
[Advisory Council]

Board meetings 4

Meeting schedule
Meeting agendas
Advance materials
Meeting activities
Executive sessions
Other attendees
[Public meetings]

Action by written consent
[Action by e-mail]

Information | advisors 4

Access to information
Confidentiality
Outside advisors

Officers 5

Officer positions
Officer responsibilities
Officer terms

Certain transactions 5

Transactions with leadership
Loans to directors
Director compensation
Expense reimbursement

Fundraising | gift acceptance 5

Fundraising
Gift acceptance

Organizational compliance 6

Legal compliance
[Compliance program]
Whistleblower policy
Conflict of interest policy
Records retention policy
Compensation review policy

Financial reporting | disclosure 7

Financial reporting
Internal controls
[Audit committee]
[Annual audit]
Financial statements
Director independence
Form 990 preparation, review, and access
Governance documents

Relationship to other documents 7

Review 7

This document provides an overview of Client's governance arrangements and expectations. It serves as a reference, as an orientation and education tool, and as a vehicle for capturing certain governance policies and practices not otherwise reflected in separate documents.

[Note: In line with customary law firm practice, this template contains bracketed annotations to guide the drafter when preparing the document for a client, including references to underlying legal authorities and to other model O&T documents. These annotations are for reference purposes only and should be removed before sending a draft to the client. In addition, certain portions of the template reflect specific "best practice" guidance and recommendations from various sources, including the IRS, Independent Sector and other nonprofit resource providers, and law firms.]

Mission

Our mission is [conform to client articulation; add sections for Vision, Values, etc. as appropriate].

Charitable status

We are organized and operated for charitable purposes under section 501(c)(3) of the Internal Revenue Code.

We understand that, as a tax-exempt charitable organization, we must operate for public benefit and not for that of our directors, management, substantial donors, or other related or private persons or interests.

We understand that our assets are and must be irrevocably dedicated to charitable purposes, that we are limited in our legislative activities, and that we cannot participate in campaign activities on behalf of any political candidate. [Internal Revenue Code §501(c)(3)]

A number of the policies and practices set out in this Governance Overview reflect these central principles.

Board responsibilities

Full Board responsibilities

Under state law, Client's activities and affairs are conducted and all corporate powers are exercised by or under the direction of our Board. [California Nonprofit Corporation Law §5210] The Board's responsibilities include:

- determining our mission
- overseeing strategy development
- monitoring program performance, outcomes, and impact
- reviewing budgets and financial performance
- selecting, evaluating, and determining compensation of the CEO [and other officers]
- selecting and integrating new Board members
- setting fundraising strategy
- reviewing branding and outreach strategies
- providing financial, investment, risk management, legal, and tax oversight
- reviewing governance structure, policies, and practices

[conform to client specifics as appropriate]

Expectations of individual directors

We expect each individual director to fulfill these responsibilities by:

- learning about our strategy, programs, planning processes, [key metrics,] and financial statements
- preparing for Board and committee meetings
- attending at least [75]% of Board and committee meetings and other Board activities
- [serving on at least one Board committee]
- contributing to the Board's functioning, including assuming leadership positions and suggesting agenda items
- supporting fundraising activities, [including making personal contributions]
- complying with our conflict of interest and other policies

[conform to client specifics as appropriate]

Fiduciary duties

Directors have two basic state law duties to a corporation: a duty of care and a duty of loyalty.

- The duty of care requires that each director be informed about organizational activities and participate in decisions. It also requires that the director do so in good faith, in a manner that the director believes to be in the best interest of the organization, and with such care, including reasonable inquiry, of an ordinarily prudent person in similar circumstances. [California Nonprofit Corporation Law §5231(a)]
- The duty of loyalty requires that directors act in the interest of the organization and not in their own interest or in the interest of another entity. [California Nonprofit Corporation Law §5233]

In carrying out their duties, directors are generally entitled to rely upon information, including financial data, provided by officers and employees, counsel, independent accountants and other experts, and Board committees, so long as they believe in good faith that such reliance is warranted. [California Nonprofit Corporation Law §5231(b)]

Day-to-day management

The Board selects, oversees, and monitors the performance of our CEO. The bylaws provide that

the CEO is the general manager of the corporation and is responsible for our day-to-day management. [O&T Bylaws §6.8] [A director's role focuses on policy-setting and oversight, not management.]

Fundraising expectations

We expect individual directors to participate in our fundraising activities. This includes volunteering at events, making introductions, seeking contributions, and/or making personal financial contributions that are meaningful to the director. [conform to client practice]

Public communications

We encourage directors to be advocates for the organization but not to engage in legislative activities, communicate with the media or make other public communications about Client except as coordinated with management. [see *Internal Revenue Code* §§501(c)(3), 501(h) re political activities and lobbying; consider whether client mission/activities suggest need for more extensive call-out re lobbying or other political activity; consider call-out re use of organizational name – see conflicts policy]

Indemnification and insurance

California law includes various protections for directors of nonprofit corporations who act in accordance with their fiduciary duties of care and loyalty. In addition, the law permits nonprofits to indemnify directors with respect to claims against them by reason of their status as directors, and to procure director and officer liability insurance. [California Nonprofit Corporation Law §§5238, 5239] Our bylaws contain indemnification provisions reflecting these statutory powers and limitations [O&T Bylaws §7], [and we maintain D&O insurance].

Board composition

Number of directors

Our bylaws provide that the number of authorized directors on our Board will be not less than ___ or more than ___. The Board fixes the exact number of authorized directors within this range. [conform as appropriate; O&T Bylaws §3.2]

Independence

[set out any client-specific mandatory board composition requirements, if any, and conform caption accordingly] [In addition,] as provided by state law and as stated in our bylaws, no more than 49% of the directors of Client may be individuals who have been compensated, or who have family members who have been compensated, by Client for services rendered to it within the previous twelve months. [California Nonprofit Corporation Law §5227; O&T Bylaws §3.3]

Goals

We seek directors who possess the highest personal and professional integrity and values, who have a passion for the work of Client, and who are committed to making decisions in the best long-term interests of Client. We want our Board to reflect diversity in experience, gender, race, and age. We look for practical judgment as well as programmatic, financial, and other technical expertise. [conform to client goals, including diversity; consider use of separate Board composition and nomination appendix if client has detailed goals]

Process

Our Governance Committee is responsible for identifying and recruiting candidates for election to the Board. In doing so, the Committee may: consider expertise, diversity and other composition goals; contact, vet, and recruit potential nominees; and recommend nominees to the full Board. The full Board considers the nominees and votes to elect the new directors. [California Nonprofit Corporation Law §5220; O&T Bylaws §3.4]. [conform to client practice; consider use of separate Board composition and nomination appendix if client has detailed review process]

Orientation | evaluation

Orientation and education

We conduct an orientation for newly-elected directors to help them start contributing as soon as possible. The orientation sessions may include:

- an overview of Client's history, organizational structure, and strategic plan
- meeting with the CEO, Board Chair, and other Board members
- an overview of Client's _____ programs
- an overview of key policies and metrics
- an introduction to Client's financial statements and fundraising strategy
- pairing each new director with a current Board member to provide support and advice

We also provide new directors with written materials about [our mission, operations, and governance arrangements] and carry out ongoing education activities with our directors. [California Nonprofit Corporation Law §5231(a), (b); conform as appropriate]

Periodic self-evaluation

The Board conducts periodic self-evaluations. These are intended to facilitate examination and

discussion by the Board of its effectiveness as a group. [Our Governance Committee oversees our self-evaluation process.] *[conform to client practices as appropriate]*

Board terms

Term [and term limits]

Our bylaws provide that directors serve __-year terms [and may not serve more than ____ consecutive terms] [unless otherwise determined by the Board.] [A former director, having reached the term limit, may be reelected after having been off the Board for one year.] [At the end of each ____-year term, the Board Chair will meet with each director to discuss continued membership on the Board.] *[conform to client practice; O&T Bylaws §3.4]*

[Staggered board]

[Our bylaws also provide for staggered terms, with approximately one-third of the Board elected or re-elected each year.] This arrangement promotes an appropriate balance of experience and fresh perspectives on the Board. *[California Nonprofit Corporation Law §5220(a)] [delete or conform as appropriate]*

Removal

Under our bylaws, directors may be removed with or without cause by a vote of a majority of the directors then in office. *[California Nonprofit Corporation Law §5222(a)(3); O&T Bylaws §3.7]* Directors should understand that continued failure to attend Board or committee meetings may give rise to removal.

Resignation

Directors who believe they are unable to carry out their responsibilities as directors are expected to discuss the situation with the Board Chair. Directors who wish to resign should provide notice in accordance with the bylaws. *[O&T Bylaws §3.6; consider call-out for resignation or removal due to director reputation issues]*

Committees | advisory committees

Committee structure

Our Board establishes and relies on committees to help it effectively and efficiently meet its responsibilities. *[California Nonprofit Corporation Law §5212(a)]* Under state law, the Board may create two types of committees:

- **Board committees** are composed entirely of elected directors. They may exercise the full authority of the Board, subject to statutory limitations and the Board's decisions about

their respective responsibilities. *[O&T Bylaws §5.1]*

- **Advisory committees** may be composed of directors and non-directors, including staff members, former directors, clients, policy advocates, volunteers, and community members. They make recommendations to the Board and help carry out Client programs and initiatives. Under state law, they cannot exercise the authority of the Board. *[O&T Bylaws §5.3]*

The Board formally creates all Board and advisory committees.

Committee charters and composition

We establish and maintain our Board and advisory committees as follows:

- The Board approves charters for each Board and advisory committee, setting out its responsibilities, limitations, and administrative features.
- Our [Governance] Committee makes recommendations to the Board about committee members and chairs.
- The [Board] appoints members and a chair for each committee.
- *[add other administrative features, as applicable; e.g., all officers or committee chairs serve on Executive Committee etc.]*

The Board has sole discretion to change Board and advisory committee structure, responsibilities, and composition in its sole discretion, in line with its authority and oversight role, [and subject to applicable law]. *[bracketed phrase reflects fact that Nonprofit Integrity Act mandates Audit Committee responsibilities]*

Current Board and advisory committees

We currently have [four] Board committees (Executive, Finance, Governance, and Audit) and [one] advisory committee (Fund Development).

[conform to client committee structure]

Ad hoc committees and working groups

The Board and its committees may form ad hoc committees, task forces, or working groups from time to time.

[Advisory Council]

Our Advisory Council is composed of national and state leaders in _____. Advisory Council members participate in our events, serve as ambassadors for Client, assist with fundraising, and provide an important source of advice and public support. They are not officers or directors and do not have

the authority or fiduciary responsibilities of Board members.] *[conform to client specifics as appropriate; O&T Bylaws §5.4]*

Board meetings

Meeting schedule

Our Board generally holds regular meetings _____ times per year, [including an annual retreat.] *[O&T Bylaws §4.1]* Our Board may hold special meetings as provided in the bylaws. *[O&T Bylaws §4.2]*

Meeting agendas

Our Board Chair and CEO collaborate to develop and prioritize agenda items for Board meetings, with the understanding that certain items necessary for Board oversight will be brought to the Board periodically for review, discussion, and decision-making. Any director may request that an item be included on a meeting agenda.

Advance materials

We provide our directors with regular financial and performance updates and with agendas, prior meeting minutes, and background materials that are important to the Board's understanding of the items to be discussed at Board and committee meetings. *[California Nonprofit Corporation Law §5231(a), (b)]* We try to provide those materials sufficiently in advance of the meetings to allow time for review and for efficient use of directors' time. We generally transmit materials electronically [through our online Board portal] with directors' consent. *[California Nonprofit Corporation Law §21]* *[conform to client specifics as appropriate]*

Meeting activities

Meetings generally involve management presentations, committee reports, and Board discussions. [For efficiency, the Board uses a consent agenda to approve more routine matters.] The Board typically meets at our headquarters office but on occasion may meet at other locations as well, or by video or telephone conference. [We expect Board members to actively participate in discussions, strive for consensus, and respect Board and management roles.]

Executive sessions

Our Board and each committee may meet at their discretion in executive session without any members of management present, [subject to the requirements of applicable public meeting laws].

Other attendees

Our CEO attends all Board [and committee] meetings, except as may be directed by the Board, [and staff who support our Board and committees regularly attend their meetings]. *[O&T Bylaws §6.8]* The Board and each committee may request that any officer or employee, outside consultant,

counsel, or other advisor, attend and participate in its meetings, subject as appropriate to customary confidentiality undertakings.

[Public meetings

In line with our commitment to transparency, our Board holds public Board meetings, at which members of the public may observe. The Board retains the right to move meetings into closed sessions to discuss litigation, personnel, or other sensitive matters.] *[delete or conform as appropriate]*

Action by written consent

The bylaws provide that our Board may take action without a meeting by unanimous written consent. These consents may be obtained via e-mail, scanned PDF, fax, or transmittal of hard copy. *[O&T Bylaws §4.9]*

Action by e-mail

In circumstances in which it may be difficult to arrange a Board meeting or obtain unanimous written consent of directors, and as deemed appropriate by both the Board Chair and CEO, the Board may approve corporate action through e-mail communications so long as:

- each Board member is provided with relevant data and an opportunity to respond;
- Board members are given at least three days to respond;
- the proposal receives explicit, affirmative approval through a specific response from a majority of the directors then in office; and
- the action is expressly ratified at a later Board meeting.]

[Our Executive Committee may also act with full authority of the Board between Board meetings subject to statutory limitations and to any Board-imposed limitations on committee action.]

[delete or conform as appropriate; note that e-mail voting is not expressly permitted by the California Nonprofit Corporation Law. Use of the unanimous written consent process is preferred for Board action outside of a meeting as it reflects full Board participation. The procedure set out here reflects a practical approach in view of real-world client practices; the key step is for the Board to ratify the action at a later meeting, which is an accepted technique for formally approving prior actions. Do not include this paragraph unless the client uses and wants to continue to use e-mail for obtaining formal Board approvals.]

Information | advisors

Access to information

Under state law, directors have the right to inspect Client's books, records, documents, and physical properties. A director may conduct such inspection directly or through agents and may make copies of Client records in accordance with applicable federal and state law, including, without limitation, laws related to privacy and confidentiality. [*California Nonprofit Corporation Law §6334; O&T Bylaws §8.1*]

[We provide directors and relevant staff with ongoing access to information through our online Board portal. Available materials include governance documents, calendars, staff contact lists, agendas for upcoming Board meetings, minutes from past Board meetings, financial reports, and general reference materials.] [*conform as appropriate*]

Confidentiality

We expect directors and non-director advisory committee members to maintain the confidentiality of the Board's non-public deliberations, and of the information Client provides to them in writing and at meetings.

Outside advisors

The Board and each Board committee have the authority to engage independent legal, financial or other advisors as they see fit. Management will cooperate with any such engagement. We expect directors to disclose any relationships with outside advisors that may affect, or could be perceived to affect, the advisors' ability to provide independent and impartial advice to the Board or any committee. [*Internal Revenue Code §§501(c)(3), 4958; California Nonprofit Corporation Law §5233*]

Officers

Officer positions

The bylaws set out our officer positions. The Board appoints the officers. Under California law, officer positions may be held by directors, employees, or others; there is no requirement that officers must also be directors. Our bylaws provide that our Board Chair must be a director and that our CEO serves as our general manager and chief executive officer. [[*California Nonprofit Corporation Law §5213; O&T Bylaws §6*] [*conform to client specifics as appropriate*]

Officer responsibilities

We currently have five standing officer positions: [*conform to client specifics as appropriate, with particular attention to CFO/Treasurer matter*]

- The **Chair** presides over all Board [and Executive Committee] meetings, if present.
- The **Vice-Chair** presides over all Board meetings, in the absence of the Chair.
- The **Secretary** supervises Client's corporate records, including Board and committee minutes.
- The **Treasurer** supervises Client's finances and financial reporting. [The Treasurer serves as Chair of the Finance Committee.]
- The **CEO** is responsible for the day-to-day management of Client's activities and affairs.

[We may also use the term "officer" for other roles, such as the chief _____ officer, but such positions are not officers for statutory purposes.]

Officer terms

The Chair, Vice-Chair, Secretary, and Treasurer each serve for terms of ____ years. [*conform to client specifics as appropriate*]

Certain transactions

Transactions with leadership

We will not engage in transactions with directors, officers, and key employees except as contemplated in our Conflict of Interest Policy and as permitted by applicable federal and state law.

Loans to directors

Except as permitted by California law, we will not make any loan or other advance of money or property to, or guarantee the obligation of, any director or officer. [*California Nonprofit Corporation Law §5236*]

Director compensation

We do not compensate our directors for services as members of the Board or any Board or advisory committee.

Expense reimbursement

We may reimburse directors for reasonable expenses incurred during their activities as directors in accordance with internal policy. As permitted by California law, we may also advance money to a director for expenses reasonably anticipated to be incurred in the performance of the director's duties, so long as the individual would be entitled to be reimbursed for such expenses absent that advance. [*O&T Bylaws §3.9; California Nonprofit Corporation Law §§5235, 5236*]

Fundraising | gift acceptance

Fundraising

We are committed to carrying out responsible fundraising activities, including ensuring that solicitation materials are accurate, that contributions and grants are used in accordance with donor intent, that we provide donors with appropriate acknowledgments, disclosures about our organization and use of funds, and other documentation, that we respect our donors' privacy, and that we comply with laws relating to fundraising practices. [*California Government Code §12580 et seq.; California Business & Professions Code §17510 et seq.; IRS Publication 1771*]

Gift acceptance

We will not accept any gift that may violate our policies, risk our tax-exempt status, be difficult to administer, or create undue expense or liability. We will also not accept a gift given for a purpose inconsistent with our mission or values, or that could damage our reputation.

We accept unrestricted gifts of cash and public company securities without review by our Board, it being understood that, for significant gifts [(\$___ or more)], management has first reviewed the identity of the donor for reputational, policy, and related concerns. [*conform to client practice; some clients have specific guidelines*]

We expect our management to review proposed restricted gifts of cash, public company securities or other assets and to consult with the Board as appropriate before accepting such gifts.

We expect our management to review proposed contributions of other assets, such as tangible personal property, real estate, private company securities, and trust interests, and to consult with the Board as appropriate before accepting such gifts.

The Board may adopt more detailed policies and consult with counsel as it finds appropriate. [*conform to client practice; IRS Form 990, Schedule M, Part I, Line 31*]

Organizational compliance

Legal compliance

We are committed to compliance with applicable federal, state and local laws, including laws relating to tax-exempt organizations and recipients of charitable contributions. We are committed to carrying out our contractual obligations.

Compliance program

We maintain a compliance program intended to help us ensure that we comply with applicable laws, including detecting potential criminal conduct by employees. The Audit Committee oversees our compliance program, including addressing allegations as appropriate under our Whistleblower Policy and receiving reports from management. [*delete or conform as appropriate*]

Whistleblower policy

We maintain a Whistleblower Policy intended to facilitate open and honest communications by employees, directors, officers, and volunteers concerning our finances, governance and other practices, and compliance with law, Client policy, and ethical principles. [Our Audit Committee addresses issues arising under the policy.] [*conform to client practice; IRS Form 990 Part VI.B, Line 13*]

Conflict of interest policy

We maintain a Conflict of Interest Policy intended to facilitate compliance with federal and state laws relating to our interactions with directors, officers, employees and other persons. The policy addresses, among other things, "self-dealing" transactions under California law. It reflects IRS principles regarding private inurement and excess benefit transactions, and our directors' duty of loyalty under state law. [*Internal Revenue Code §§501(c)(3), 4958; California Nonprofit Corporation Law §5233*]

The policy sets out procedures for addressing situations that involve, or may appear to involve, conflicts of interest. It also addresses loans to directors and officers, personal use of the Client name and assets, receipt of gifts, transactions with organizations that have common directors, and corporate opportunities.

We require disclosure about these matters by our directors, officers and key employees, including completion of annual disclosure questionnaires signed by those individuals. [*IRS Form 990 Part VI.B, Lines 12a, b, c; Internal Revenue Code §§501(c)(3), 4958; California Nonprofit Corporation Law §5233*]

Records retention policy

We maintain a Records Retention Policy designed to help us manage our records efficiently, report our performance accurately, comply with applicable laws relating to preservation and confidentiality of such records, and take appropriate actions, including litigation holds, in situations involving legal proceedings. [*IRS Form 990 Part VI.B, Line 14*]

Compensation review policy

We maintain a Compensation Review Policy intended to facilitate compliance with California and

federal law and best practices relating to compensation of senior management. The policy sets out how our Board reviews and approves senior management compensation, including the use of external benchmarking information. [California Nonprofit Corporation Law §5213(a); California Government Code §12586(g); IRS Form 990 Part VI.B, Lines 15a, b; Internal Revenue Code §§501(c)(3), 4958]

[add references to other policies as appropriate]

Financial reporting | disclosure

Financial reporting

We are committed to recording transactions and reporting our financial position and results of operations accurately and in accordance with [generally accepted accounting principles] and applicable legal requirements.

Internal controls

We are committed to maintaining a system of internal controls designed to provide reasonable assurances that we efficiently carry out our operations, safeguard our assets, produce reliable financial statements, and comply with applicable legal and contractual requirements.

[Audit committee

The charter for our Audit Committee reflects the requirements of the California Nonprofit Integrity Act, including its requirements relating to appointment, performance review, and termination of the independent accounting firm, review of financial statements and audit, and approval of the performance of non-audit services by the accounting firm.] [California Government Code §12586(e)(2); IRS Form 990 Part XII, Line 2c]

[Annual audit

We engage an independent accounting firm to conduct an annual examination of our financial statements. The auditors examine our financial statements and internal controls, report on their examination, and make recommendations for changes in the financial statements, reporting practices, and controls. The auditor provides its report directly to our Audit Committee and Board.] [conform to client situation; California Government Code §12586(e)(1); IRS Form 990 Part XII, Lines 2a, b]

Financial statements

We make our annual financial statements and audit report available to the public on request as contemplated by the California Nonprofit Integrity Act[, as well as on our website]. We also make financial information available through our Form 990 filing. [conform to client practices as appropriate;

California Government Code §12586(e)(1); IRS Form 990 Part VI.C, Line 19]

Within 120 days after the close of each fiscal year, we provide each director with an annual report containing certain information as contemplated by California law. The report includes financial information for the fiscal year, as reflected in our balance sheet and income statement, and information about any transactions with officers or directors exceeding \$50,000 and any indemnification payments exceeding \$10,000. [California Nonprofit Corporation Law §6321, 6322]

Director independence

We are required to report the number of independent directors on our Form 990 return filed with the IRS, which has a similar, but separate, definition of “independent” compared with California law. [IRS Form 990 Part VI.B, Line 1b] Each year, we ask directors for relevant information in order to enable us to meet this reporting requirement.

Form 990 preparation, review, and access

Our finance team leads our Form 990 preparation and review process. Steps generally include interactions between staff and the independent accounting firm that prepares our return, and review and discussion of a draft of the filing among our CEO, CFO, and Audit Committee. [The full Board receives a copy of the Form 990 to review prior to filing.] Our Form 990s are available on Guidestar [and on our website]. [conform to client practices as appropriate; IRS Form 990 Part VI.B, Lines 11a, b, Schedule O]

Governance documents

We make our governance documents, including our articles of incorporation, bylaws, committee charters, and governance policies, available to the public upon request. [conform to client practices as appropriate; IRS Form 990 Part VI.C, Line 19]

Relationship to other documents

This document states guiding principles for our governance arrangements and practices and summarizes statutory provisions and provisions of our bylaws, Board committee charters, and specific policies regarding a number of topics. Nothing here limits, qualifies, or otherwise affects those materials; if there is any conflict between this Governance Overview and those documents, the documents will control. [Similarly, summaries of legal obligations are not intended to limit, qualify, or otherwise modify those duties under applicable law.]

Review

The Board will periodically review this Governance Overview, and may amend it at any time.

Last revised: _____