The Geological Society of America Council Leadership Training 2018
Training Objectives

- Set the stage for GSA’s Council to be even more effective in leading the organization
- Provide basic information about non-profit organizations
- Share desired leadership processes
- Address conflict of interest policy
GSA’s Vision

To be the premier geological society supporting the global community in scientific discovery, communication, and application of geoscience knowledge
To advance geoscience research and discovery, service to society, stewardship of Earth, and the geosciences profession
Key Components of GSA’s Global Mission

- Scientific Research
- Scientific Communication
- Geologic Time
- Technological Innovation
- Education
- Outreach
- Public Policy
- Scientific Integrity
- Professional Development
- Workforce Development
- Diverse Community
- Philanthropy
1. Advance geoscience research and discovery.

2. Strengthen public recognition of the relevance of geoscience education and practice to societal needs and Earth stewardship.

3. Develop and foster a robust, diverse, and sustainable professional geoscience community.
GSA’s Strengths

- Clear and compelling Vision and Mission
- Highly respected society with a global reputation
- Committed, engaged Councilors who are comfortable dealing with complexity
  - Willingness, capability to shape GSA’s future
- Code of Professional Conduct and Code of Conduct for Events
- Competent and dedicated staff
- Effective and improving technology systems
Non-Profit Basics
Special Nature of Associations

- Purpose: influence members and society--promulgate ideas, create standards, mobilize public opinion, affect public policy
- Empower members to achieve a common good
- Foster interconnections
- Membership
Non-Profits are Mission-Based

- Mission distinguishes the “third sector” from government and business
- Internal Revenue Code defines tax-exempt categories and grants benefits according to mission
- Taxes, penalties can apply when non-profits operate outside their “mission envelope” or IRS regulations
- Loss of non-profit status can result
Categories of IR Code 501(c) Tax Exempt Organizations

- **501(c)(3)**—religious, charitable, **scientific**, public safety and educational organizations;
- **501(c)(4)**— civic leagues or organizations established for the promotion of public welfare;
- **501(c)(5)**— labor, agricultural or horticultural organizations; and
- **501(c)(6)**— business leagues, chambers of commerce, boards of trade that are not organized for profit
Exemption from federal and/or state corporate income taxes

Contributions to GSA are deductible by the donor

Public charity status under IRC 509(a)(2)-exempt from certain tax, distribution and other requirements

Possible exemption from state sales and property taxes (varies by state)

Ability to apply for grants and other public or private allocations available only to IRS-recognized, 501(c)(3) organizations

Use of non-profit postage rates
Unrelated business income (UBI) must be reported, may be taxable

GSA reports UBI, currently has one UBI tax liability

Cannot support candidates for public office

May lobby within certain expenditure limits

Reminder—seek tax and legal advice
Frequently possible to conduct government policy programs, IRC 4911(c)(2) contains expenditures test

- PACS, supporting candidates are not permitted
- Sliding scale up to $1 million based on exempt-purpose expenditures
- Up to 25% on grass-roots lobbying
- Detailed disclosure on 990 and membership dues statements required
3 Keys to Success for Associations

- Reputation for value—providing a portfolio of “good stuff”
- Enjoyable community based on trust
- Nimble infrastructure—fast, fluid, flexible and responsive
Legal Responsibilities of GSA’s Council & Leadership
Council Roles & Responsibilities

- Council is governing body accountable for direction of the society’s affairs.
- Ultimate legal responsibility for society’s actions and inactions lies with Council.
- Usually can legally act only by consensus at a meeting.
- May delegate authority to others.
- Individual Council members have no management authority unless delegated by Council.
Committee Roles & Responsibilities

- Serves advisory role to Council
- Have no management authority unless delegated by Council.
- Some states’ laws prohibit delegation of certain functions to committees—elect officers, fill vacancies on board or committees, amend bylaws, approve merger or dissolutions.
Executive Director Roles & Responsibilities

* Employed by the Council.
* Manages and directs all activities of the society subject to the policies of the Council.
* Employs, may terminate employment and fixes compensation of staff.
* Defines duties of staff, delegates responsibilities.
* Operates in best interests of society within approved budget.
Employee Roles & Responsibilities

* Have management authority as specifically designated in bylaws or by Council.
* Are accountable to Executive Director.
Member Roles & Responsibilities

* No management authority.
* Responsible for voting in GSA leadership & governance.
* May petition for amendment of Constitution or Bylaws.
* May convene a special meeting of the society.
The responsibility and authority of being in the governance structure requires:

- Duty of care
- Duty of loyalty
- Duty of obedience

*1) n. from the Latin fiducia, meaning "trust," a person (or a business like a bank or stock brokerage) who has the power and obligation to act for another (often called the beneficiary) under circumstances which require total trust, good faith and honesty.
Exercise ordinary and reasonable care in performance of duties

Exhibit honesty and good faith

Act in the best interests of the society

Undertake reasonable inquiry

Protected from personal liability with reasonable indication that actions are taken with due care and in good faith
- Faithfulness to the society
- Undivided allegiance when making decisions affecting the society
- Cannot put personal interests above the interests of the society
- Must disclose all actual and potential conflicts of interest
Duty of Obedience

Must act in accordance with:

- Constitution, Bylaws, Council Rules
- Applicable laws and regulations
- Protected by GSA Whistleblower and Non-retaliation Policy
Officers and Councilors may rely on written or oral information from 3 types of experts believed to be competent and reliable:

- Society officers or employees
- Legal counsel, or public accountants
- Committees
Must not remain willfully ignorant of the society’s affairs

Must not intentionally cause injury or damage to persons or property

Personal liability can result from such actions
6 Legal Issue Areas for Associations

- Employment issues
- Contract issues
- Publishing liability
- Conflict of Interest
- Apparent Authority
- Antitrust issues
Conflicts of Interest

- Cannot put personal interests above interests of the society: business, professional, financial, family interests.
- Cannot operate with conflicting duties of loyalty to competing organizations.
- Requires full and thorough disclosure and considerable scrutiny by Council.
The association can be held liable for the unauthorized actions of officers, directors and other volunteers even if the association does not know about, approve of or benefit from those actions as long as the volunteer reasonably appears to outsiders to be acting with the association’s approval (its apparent authority).
Avoiding Apparent Authority Liability

* Ensure scope of agent’s (officers, councilors, committee members) authority is clear to third parties.

* Ensure that scope of authority vested is clear to agents.

* Manage and control appearance of authority.
The Sherman Antitrust Act prohibits “contracts, combinations, or conspiracies... in restraint of trade.

Typical claims include price-fixing, unreasonable membership restrictions, certification, information exchange programs

Severe consequences, stiff fines, jail sentences
Protecting GSA and Volunteers

- Incorporation
- State limited liability laws
- Volunteer Protection Act of 1997
- Indemnification
- Director and Officer liability insurance
- Personal injury, publisher’s liability insurance
- Employment practice insurance
- Risk management
Reducing Personal Liability

* Be completely prepared before making decisions.
* Become actively involved in deliberations.
* Make decisions deliberately, without undue haste or pressure.
* Insist that meeting minutes accurately reflect vote counts by reading them before approving.
* Request legal consultation on matters that have unclear legal ramifications.
- Request assessment by accountants of matters with significant financial implications.
- Obtain and review periodic audited and unaudited financial statements.
- Attend meetings and read publications to remain fully apprised of policies and activities.
- Review Constitution, Bylaws and Council Rules
- Avoid completely any conflicts of interest, fully disclose potential conflicts.
GSA’s Insurance Coverage

- Property
- Business Income
- Data Processing/Cyber Security
- General Liability
- Business Automobile
- Umbrella Liability
- Foreign Package
GSA’s Insurance Coverage

- Worker’ Compensation
- Executive Liability Program (D&O)
- Crime Coverage
- Business Travel Accident
Fiduciary, Association Liability Insurance

- Protects volunteer leaders and GSA
- Provides funds for defending against or settling claims
- Defense can be costly
- Discrimination, harassment, wrongful termination, inefficient administration, waste of assets, misleading reports, libel and slander, failure to deliver services, acts beyond granted authority
GSA Structure
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Governance

Council

- Ad Hoc Committees
- Council Committees
- Society Committees
- GSA Staff
17 voting members
- 9 At-large Councilors + Student Advisory Council Chair
- 1 Councilor represents GSA Sections
- 1 Councilor represents GSA Divisions
- 1 Councilor represents Non-North American Members
- 4 Officers – President-elect, President, Past President, and Treasurer

Executive Director serves as Council Secretary as *ex-officio, non-voting member*
GENERAL DUTIES AND POWERS (from GSA Bylaws, Article V)

Duties. The management of the affairs and the property of the Society shall be the responsibility of the Board, which shall also be known as the Council. The Council shall have the authority, power and responsibility for the general management, control and general supervision of the affairs, business, activities, property and assets of the Society so that the corporate activities are consistent with the stated purposes of the Society and that no act is committed by the Society in contravention of its Articles of Incorporation or Bylaws.
Powers. In pursuance of such supervision, the Council, through its Councilors, shall have and exercise all such powers as are granted it by law and by the Articles of Incorporation and Bylaws.
Attend and participate in all Council Meetings
  * Two face to face meetings/year +/- teleconferences
  * Electronic discussions and votes

Serve on an average of two GSA Society and/or Ad Hoc committees

Serve as liaison to one or two GSA Divisions (Attend their management Board Meetings)

Encouraged to attend Section Meetings
GSA Councilors Duties

* Maybe called upon by the GSA Executive Director or President for **ad hoc advise or service**
* Financially **support the GSA Foundation**
* **Support other GSA activities and programs as appropriate**
**Summers:**

- Some Committee meetings (Nomination Committee)

**Falls:**

- Annual Meeting
  - Council Meetings
  - Division Management Board Meetings
  - Committee Meetings
  - Other Annual Meeting Activities
**GSA Cycle of Activity (FY)**

* Winter:
  * Programmatic Overview Committee meeting
  * Some Committee meetings

* Spring:
  * Most Committee meetings
  * Council Meeting in Boulder
    * Section Secretaries, Division Chairs and Associated Societies meet
    * Annual Corporate meeting
  * Section Meetings
Executive Committee

**Members**
- 4 Officers
- Councilor at-large
- Executive Director – *ex officio, non-voting*
- GSAF President - *ex officio, non-voting*

**Duties**
- Empowered to act for the Council between its regular meetings. All actions shall be subject to ratification by the Council at its first meeting following such action.
The mission of the Geological Society of America Foundation is to develop and provide funds to support the goals and programs of the Geological Society of America. These funds are distributed according to the needs of the Society and in a manner consistent with the desire of the donors.
GSA Foundation

* President
* Director of Development
* Assistant Director of Individual Giving
* Office Manager
* Board of Trustees (up to 24)
  * Chair
  * Vice Chair
  * Treasurer
GSA Foundation

- GSA Council approves a list of potential GSAF Trustees
- Created December 1980 as a 501(c)3
- Transfers restricted and unrestricted funds to GSA
- Develops corporate partners and sponsorship
- Conducts funding campaigns for GSA
GSA Council Leadership Processes
3 Philosophical Approaches for Governing Bodies

* Strategic—strong core values, clear mission. Discusses what matters to the profession or cause.

* Policy-making—defines limitations for staff, addresses short- and long-term financial needs. Reviews reports and ratifies recommendations.

* Operational—hands-on management of activities and programs. Directors are committee chairs and make implementation decisions.
3 Functional Roles of the Council

* **Corporate role** — employ ED, oversee implementation of strategic plan, oversee program portfolio and resources of organization

* **Legislative role** — establish internal operational policy, approve positions on external issues of interest to membership

* **Adjudicatory role** — choose between positions presented, compromise/create alternatives, decide not to decide
We will ensure that our energies focus on the mission statement, goals and objectives.

We will achieve our goals through knowledge-based decision-making.

We understand that the board is responsible to the membership for all decisions, actions, outcomes, acting for all members and component groups for the common good.
We will work toward consensus. While valuing diverse, constructive opinions, we will respect and support the decisions of the group.

We will function as a team with a commitment to excellence. We will treat each other with trust, respect, and dignity, working together with openness, honesty and integrity while fostering camaraderie and mutual support.
We will create an environment that will encourage personal growth and the development of leadership and individual skills and talents of both staff and members.

We will delegate to committees and staff and not micromanage their decisions.

We recognize the necessity for the confidentiality of certain information.
... Two Last Principles

- We will be innovative and progressive in a responsible manner.
- We will be the cheerleaders of the society.
Every meeting must have a written agenda.

Stick to the agenda, take items out of sequence only when necessary.

Must have a quorum present. (GSA – majority of councilors (9)).

Formal board action requires a motion.

Permit everyone who wishes to speak to do so.

Speak only when recognized by the chair.
The chair should remain impartial, vote only to break a tie or if there is a secret ballot.

Maintain decorum always.

Always keep written minutes. (Recorded) (names are not recorded for motions and votes)
4 Essential Knowledge Bases

1. Sensitivity to members’ views
2. Foresight about the industry, profession or issue area
3. Insight into capacity and strategic position
4. Awareness of ethical implications
4 Key Questions to Ask

1. What do we know about the forces, trends, challenges, opportunities, threats in the external marketplace of our members concerning this issue?
2. What do we know about the strategic position and capabilities of the association concerning this issue?
3. What do we know about the preference and wants of our membership concerning this issue?
4. What are the ethical implications of our choices?
7 Levels of Consensus

1. Unqualified “yes”
2. Perfectly acceptable
3. I can live with it
4. Don’t fully agree
5. Willing to support
6. No sense of unity
7. Do not agree
Council-Executive Director Partnership

- Council focuses on broad issues facing the science and the society
- Executive Director provides leadership to Council on broad issues and brings continuity, a deep understanding of the society, its financial realities and possibilities, staff capabilities and limitations
- President and ED are collegial
- Overlap and shift in roles is common
Successful association leaders must:

* Utilize skills as organizational architects or designers who know how to put the parts together
* Facilitate to make sure that the parts work with excellence together—Council, ED, staff, systems, infrastructure
Conflict of Interest Policy
Conflicts of Interest and Disclosure of Certain Interests

* Adopted by Council in November 2004 – revised in 2016

* Purpose:
  * Identify situations which present a potential conflict of interest
  * Provide a procedure which will allow a transaction to be valid and binding
  * Ensure that decisions are based on the best interests of GSA and the public good
* Ensure that Council is aware of situations that involve personal, familial, or business relationships
* Review and sign the policy annually
* Disclose any possible relationships that might give rise to a conflict of interest
  * Actual or perceived
° Are you aware of any relationship between GSA and yourself or a member of your family ... that may represent a COI?

° If yes, list and describe relationships, positions, or circumstances that could contribute to a COI.
**Leadership Resource Toolbox:**

* [https://www.geosociety.org/GSA/About/Leadership/GSA/About/LdrResources.aspx?hkey=78682f08-958c-4808-a020-7b66c664b956](https://www.geosociety.org/GSA/About/Leadership/GSA/About/LdrResources.aspx?hkey=78682f08-958c-4808-a020-7b66c664b956)*

* RISE training – webinar available

* Executive Director and Governance Office