NCOA/NISC SELF-ASSESSMENT and ACCREDITATION MANUAL

GOVERNANCE

PRINCIPLE

The method of operation of a senior center should be to create effective relationships among the participants, staff, governing structure and the community. These guiding principles and system of regulations should be structured so as to strengthen the governance system, provide transparency and ethical standards that are respected in the community. The human and financial support of an organization and the success of its mission are dependent upon its ethical conduct.

RATIONALE

The role of governance is to provide the framework within which a senior center operates. Clear definition of structure relationships and lines of communication are essential to effective operation and community support. Good governance is a necessity for all types of senior centers regardless of where or with whom the authority of the organization rests.

Common types of senior center organization structure:
- A senior center may be an independent, private, nonprofit agency that is incorporated and has a governing board of directors. This board has the ability to hire and fire designated staff, oversees financial matters and helps set the broad direction of the center. There also may be advisory boards with other duties.

- A senior center may be a sub-unit of a private, nonprofit organization and under the authority of the parent organization's governing board. The senior center should have advisory boards/councils and/or fundraising boards. Advisory boards/councils that raise and disperse funds shall have established rules and guidelines.

- A senior center may be a sub-unit of a public agency or department and is governed by a board of supervisors, commissioners, town council or city or county officials. The senior centers should have advisory boards and/or fund-raising boards. Advisory boards/councils that raise and disperse money shall have established rules and guidelines.

- A senior center may be a stand-alone unit or be part of a for profit organization. In this situation, rules that govern businesses would be followed. However, to ensure that the organization is meeting the needs of the community, it should have an advisory board/council.

Whenever funds are being received and dispersed, governance guidelines need to be in place. The American Competitiveness and Corporate Accountability Act of 2002, commonly known as the Sarbanes-Oxley Act ("Sarbanes-Oxley"), signed into law on July 30, 2002, applies to public companies, but is frequently followed by non-profit and

government organizations. There are two (2) criminal provisions that apply to non-profit organizations. These are: (1) Provisions prohibiting retaliation against whistleblowers; and (2) Prohibiting the destruction, alteration or concealment of certain documents or the impediment of investigations.

Legal responsibility rests with the senior center's governing board structure. It establishes policy that is available in written or electronic form to any interested party. These formal documents, the basis for the center's continuity, should allow enough flexibility to respond to changing circumstances. They should be reviewed on a regular basis. The members of the board also serve as advocates for the senior centers.

A senior center that is part of a larger agency or operated by a governmental agency may either be separately incorporated or covered by the parent organization. A senior center that is a public agency is generally established through state or local legislation or administrative action that enables a division of government to operate the senior center. The center's organizational charts describe the relationships, lines of authority and communication among all principal components.

In order to identify and devise ways to meet the needs of the community, senior centers should have one or more advisory boards/councils. They may be organized for a variety of purposes, such as fundraising, facility design, program promotion or membership development. Membership of these committees should reflect the participants of the center and the population of the community. Participants should have the opportunity to utilize their leadership skills and/or to learn new skills. Committee members who are not of the senior age add vitality and new ideas and perspectives to the group.

Senior center participants should be represented in the senior center's governing structure. This is a fundamental aspect of the senior center philosophy and assures it is responsive to those it serves. Participants should have formal and informal mechanisms to communicate with other participants, staff and the governing body.

Ethical governance and management starts with ethics guidelines and conflict of interest statements. Ethical guidelines can cover many things, but it is the code that the organization lives by. Conflict of interest statements ensure that no one profits from their involvement with the senior centers.

GOVERNANCE STANDARDS CRITERIA

The standards that are set forth here may be met in different ways depending on the structure of the senior center. It is the role of the self-assessment committee to seek out where and how they are being met and to ensure that they are met to the degree necessary to run an ethical, transparent and responsible organization.

A. Documents of effective governance

1. A charitable organization, 501(c)(3), generally has a governing board of directors. The board sets the organization's broad policies and oversees its operation including financial policies.
2. In senior centers that are not 501(c)(3), there may be a charitable arm that raises funds. It is not a governing body but, because it has fiduciary responsibilities, it should meet the requirements of governing boards.
3. The board of directors or a public entity bears the primary responsibility for ensuring that the organization lives up to its legal and ethical obligations to its donors, participants and the community. The assurance that this is happening is in the utilization of the following:
   a. Bylaws, which are reviewed regularly;
   b. Code of ethics that is enforced;
   c. Conflict of interest statements signed by governing boards;
   d. "Whistle blower" policy;
   e. Membership in committees, advisory groups or boards that are representative of the community;
   f. Committee members with the expertise necessary to accomplish their work; and
   g. Procedures for ethical financial oversight.
4. Governing documents should be made available to the public. They are the foundation for operation of the senior center and should be reviewed at least every three (3) years. The governing documents should comply with all applicable federal, state, and local statutes and regulations.

B. Organizational structure

1. Senior centers shall have written statements and organizational charts that explain the senior center's structure, lines of communication and authority.
2. The organization structure should indicate the relationship of the senior center components or departments.
3. When a senior center is part of a larger organization, network of senior centers, or local government the senior center's relationship to these entities shall be clearly defined.
4. All documents concerning organizational structure should be kept in a location accessible to all paid and unpaid staff. When requested they should be available to participants, community members and other stakeholders.

5. Within an organization's structure the following duties need to be accomplished:
   a. Employ a chief administrative person who manages the daily affairs of the center;
   b. Recruit, interview, train, evaluate and dismiss paid and unpaid staff;
   c. Develop an annual budget;
   d. Adopt an annual budget, receive financial reports and arrange for annual independent audits or financial reviews;
   e. Raise and disperse funds;
   f. Review regularly the senior center's mission, goals and objectives;
   g. Receive reports on the accomplishments of senior center activities;
   h. Evaluate senior center activities and services;
   i. Review personnel policies and evaluate benefits and compensation package; and,
   j. Record the results of meetings.
6. Senior centers shall create numerous ways for participants and their families to provide input to the administration and boards of the center. Open door policies, suggestion boxes, question boards and participant councils are only a few of the ways that individuals can have their voices heard.
7. Participants may help in the following ways:
   a. Assist senior center administrator in identifying participant and community needs; and/or

b. Represent the center on specific issues and problems to the community or public officials.

C. Governing Structure

1. Governing boards and advisory boards/councils with fiduciary responsibility should have written documents or bylaws that define and establish procedures for the following:
   a. Qualifications for membership in the organization;
   b. Designation, election, tenure of officers;
   c. Specification of officers' and members' duties;
   d. Announcement and schedule of ongoing and special meetings;
   e. Designation and role of committees;
   f. Quorums and what constitutes presence at a meeting;
   g. Recording of minutes;
   h. Amending written documents;
   i. Development and enforcement of a "Code of Ethics";
   j. Development and enforcement of "Conflict of Interest" statements and full disclosure for decision making bodies;
   k. "Whistle blower" policy;
   l. Investment policy; and/or
   m. Dissolution of the organization and its assets.
   Must have at least nine (9) of these established for a governing board or advisory board/council to be accredited.

D. Compliance with Regulation

1. A senior center's governing board or entity ensures that it complies with all local, state, or federal regulations regarding the various types of offered services. These include, but are not limited to: Transportation; medical; wellness programs; food service; spa services; pools; fitness centers and care providers.

2. The following should take place:
   a. Proper licenses have been applied for, received and are properly posted.
   b. People hired to carry out duties requiring special training have received the proper training as required by regulatory organization.
   c. Required certificates are obtained and properly displayed.
   d. Inspections and reviews are conducted as indicated or needed.

3. The senior center should have a code of ethics under which their work is carried out.

4. Additionally, the following are some issues that should be considered:
   a. What actions should be taken, with or without the consent or knowledge of the participant or family, when a participant's health or behavior changes significantly?
   b. When should the emergency contact or family be notified of a participant's behavior change?
   c. Under what circumstances can services be denied to someone and for how long?
   d. What information is necessary to provide service to an individual?
   e. What is the policy of the center on advertising or the sale of products at the senior center?
   f. What is the policy regarding political activity at the senior center?

5. The senior centers should develop a conflict of interest statement for staff and boards.

ITEMS FOR ON-SITE REVIEW NOTEBOOK

☐ Documents or by-laws showing that nine (9) of the guidelines are met for the senior center governing board or charitable arm or advisory board/council under **C. Governing Structure, # 1**. *These may either be placed in the book or ready for Peer Reviewer to peruse.*

☐ Code of ethics

☐ Conflict of interest statement

☐ List of standing boards and/or committees – include the members' names and their affiliation or profession

☐ List of activities or services that require certificates or inspections to be posted.

STANDARDS REQUIRED FOR ACCREDITATION

- ☐ Documents that define and establish nine of the items under **C. Governing Structure, # 1**
- ☐ Code of Ethics.
- ☐ Conflict of interest statement.
- ☐ Required certificates are properly displayed.

These are a few of the websites that were reviewed at the time of this update. However, be aware that web sites can change. Using Google or another search engine may find additional sites.

http://www.independentsector.org/PDFs/sarbanesoxley.pdf   Sarbanes-Oxley Act and Implications for Nonprofit Organizations

http://www.nonprofitpanel.org   Panel on the Nonprofit Sector releases Principles for Good Governance and Ethical Practice

http://www.independentsector.org/members/code_main.html   Independent Sector

http://www.idealist.org/if/idealist/en/FAQ/QuestionViewer/default?section=16&item=59 Samples of Conflict of Interest Statements