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Nonprofit Board Basics, Explained by a Teenager – Transcript

Jess Birken 00:00:02 Welcome to Charity therapy, the podcast where we explore the ups and downs of the nonprofit sector and answer your burning questions. I'm your host, Jess Birkin, owner of Birkin Law Office, and I'm excited you're here. Imagine hanging out with me and my super smart, funny, nonprofit expert pals. You get to ask them anything about your nitty gritty nonprofit life and get their wisdom for free. Whether you're a seasoned pro or just strapping on your nonprofit boots, we're here to share stories and remind you you're not alone on this journey. So get ready to join the conversation and bring me the tough questions. I ain't scared. Ready to rock? Let's dive in. Hello and welcome to this episode of Charity therapy today. I've got one of my offspring here. Hi, Max. Hello. How are you?

Max Birken 00:00:53 I'm good.

Jess Birken 00:00:54 How is your summer break? We're in the throes of summer break now.

Max Birken 00:00:59 Yeah, it's nice to not have to be in a fluorescent box with lots of other children. It's very nice.

Jess Birken 00:01:06 Dude, seriously, I feel like it's always nice to not be in a fluorescent box with lots of other children. I'm sure a lot of office workers are relating to that and wishing they had a summer break.

Max Birken 00:01:16 Well, not children though. I don't think you're supposed to be in a fluorescent box with children if you're a full grown person. I don't know.

Jess Birken 00:01:22 I think there's an argument to be had that many adults are really just children in a fluorescent box. Oh.

Max Birken 00:01:28 Yeah.

Jess Birken 00:01:30 Oh.

Jess Birken 00:01:31 Anyway, so we're gonna talk today about non-profit boards.

Max Birken 00:01:37 Okay.

Jess Birken 00:01:37 Do you know what a non-profit board is?

Max Birken 00:01:39 No. Okay. Not even a little bit.

Jess Birken 00:01:42 So, you know, I work with non-profits. Right.

Max Birken 00:01:44 Yeah.

Jess Birken 00:01:45 Yeah. And so the non-profit, I guess the thing that's different from a non-profit and a company like that.

Jess Birken 00:01:52 Makes money or whatever, is that the nonprofit has a board of directors that are all volunteers and they, like, decide what's going to happen with the nonprofit. So for me, I own the law firm.

Jess Birken 00:02:07 Right? That's my company. And I'm the boss.

Max Birken 00:02:10 Yeah.

Jess Birken 00:02:11 And I get to say what happens.

Max Birken 00:02:13 Yeah.

Jess Birken 00:02:13 And I listen to Megan, but, like, ultimately, I don't have to listen to Megan, right?

Max Birken 00:02:19 Oh, okay. Okay. See how it is. Like it's going to be like wow Jess. Wow.

Jess Birken 00:02:30 So with a board you have to listen to Megan. Right. Because it's a group.

Max Birken 00:02:36 If she was on the board.

Jess Birken 00:02:37 If we were a nonprofit and we were had a board and Megan was on the board and I was on the board, we would have to make decisions as a group. So that's kind of what makes nonprofit boards different. They're all volunteers. They're not getting paid for being the bosses. Legally, in many states you got to have at least three people. So it's like literally has to be a group of people. Yeah. And then like, their job is to like, see the big picture and make decisions for the organization. And it's usually not to like hire and fire people if they've got staff like that's up to the executive director.

Jess Birken 00:03:13 Sometimes you have a very small organization and then they would hire an executive director. And then there's like officers on the board. Have you ever heard of that?

Max Birken 00:03:23 That sounds familiar, but not really. No.

Jess Birken 00:03:25 So president, treasurer, Secretary those are like the officer titles. And those are basically board members that have special extra duties in addition to just being in this group that has to vote and make decisions for the organization. The president usually runs the board meetings. They're like, you know, banging the gavel on the little thing and saying, hey, it's time to get organized here. Stop talking about the donuts. And then the treasurer is usually responsible for the financials. Right. So they're looking at the bank accounts. They're working with the finance committee. And then the secretary, much like the title suggests, they write down the notes.

Max Birken 00:04:07 Yeah.

Jess Birken 00:04:07 It's like what happened at the board meeting. Who voted on what?

Max Birken 00:04:11 Yeah.

Jess Birken 00:04:11 Yeah. Keep records. Right.

Max Birken 00:04:14 Yeah.

Jess Birken 00:04:14 Yeah. As a lawyer's kid, you know, it's important to keep records.

Max Birken 00:04:18 Otherwise, there's no proof.

Jess Birken 00:04:20 That's right. You got it.

Max Birken 00:04:21 No proof. Otherwise. Yeah.

Jess Birken 00:04:23 So that's like the ideal situation. It's all volunteer is at least three people.

Max Birken 00:04:28 There's, like, no income from it.

Jess Birken 00:04:30 Well, that's a great question. So there might be income for the organization, but you don't pay your board members.

Max Birken 00:04:37 Okay.

Jess Birken 00:04:37 There are volunteers.

Max Birken 00:04:39 Is it a legal thing or like could you pay them if you wanted to? Whoever's. Well, if they're in charge of everything.

Jess Birken 00:04:45 I'm going to have you on more often because these are good questions. So it is a legal thing because the whole thing with being a volunteer is like, you're not responsible. So there's a state law that says if you're a volunteer and something bad happens, we want people to volunteer. Yeah, right. We don't want people to be like, oh, I'm not doing that because I'm going to get sued.

Max Birken 00:05:06 Yeah.

Jess Birken 00:05:06 So we want people to volunteer. So if you're acting as a volunteer, including being on a board, you're immune.

Jess Birken 00:05:14 You have no liability as long as you are acting in good faith and like, you know, being a good person. Whatever.

Max Birken 00:05:20 Yeah.

Jess Birken 00:05:21 If you like, go and stab someone with a knife, then there's no amount of legal immune for that person. Right.

Max Birken 00:05:27 Well, he's a volunteer, so it doesn't count, actually. Right. I was voluntarily murdering you.

Jess Birken 00:05:32 That's not how it works. So that's why it needs to be all volunteer. So I guess, like, you could pay nonprofit board members, but you get rid of that volunteer protection, and it's like, looks bad, you know?

Max Birken 00:05:43 So, like, yeah.

Jess Birken 00:05:44 Who wants to give donations to this place that's paying their board members? It's I mean, maybe that should change, I don't know, but like, it's the way it is.

Max Birken 00:05:53 Yeah, it makes sense. I just think there should be, like, an option. Like, oh, if you want to compensate them, if they just did a really difficult job, you know, they could be compensated for that work.

Jess Birken 00:06:03 I agree, and I also work with a lot of clients that are trying to navigate, like how do we get more diversity on our board? I mean, the reality is, if you got a bunch of like time and you're just not busy, you know, you tend to get a bunch of like more wealthy, maybe older, whiter people with privilege.

Max Birken 00:06:23 Yeah. Because they don't have like, they don't need to be working all the time necessarily. So they have time to volunteer to a job where they don't need to be paid kind of thing.

Jess Birken 00:06:31 Yes. So this is like a current issue that, like many smart, hip, cool non-profit leaders are struggling with, like, how do we get people into the room that should be there and also compensate them for their valuable work? Right. So these are good questions that you're asking. I'm very proud of you right now. Is your mom. Thank you. All right. So knowing that you kind of have that like framework of like the board and what it is you think you're ready to, like, weigh in as a guest expert on one of these nonprofit questions?

Max Birken 00:07:03 Yes.

Jess Birken 00:07:04 I think we've established that you're wise beyond your years. Fully qualified. Okay. Let's roll. Here's our question of the day. We have a small nonprofit that offers services to veterans, youth and the community in order for people to become volunteers with our organization, our rules require a majority board vote. A unanimous board vote is required for them to become a full member. Our president is trying to impose a veto power where if he doesn't like the outcome of our unanimous vote, then he will have the power to overturn it. Okay, this question is a little vague.

Max Birken 00:07:44 Okay.

Jess Birken 00:07:45 So let's get through the end and then we'll pick it apart. Other members and I are against this veto power. He's trying to become a dictator instead of a leader and take away our votes. Somehow, he and the vice president think that their job is to tell us how things are going to be, and we have no say over our organization. To them, it's their way or the highway. We have a good organization and we're only one year old.

Jess Birken 00:08:09 I think we have great potential. If we could get the president and the VP to understand. They don't own the nonprofit and they don't get to call all the shots for it. We're supposed to be a team. Everybody's supposed to be on the same side. How can I make him understand that he has no power over our votes, and his job is to make sure what we vote on as a board, it's carried out. I feel like if this isn't figured out, our non-profit will go out of business.

Max Birken 00:08:36 Dude, that's wild. Right?

Jess Birken 00:08:39 Okay.

Max Birken 00:08:40 Fuck that. Wait a minute. If you were in charge not only a company but a non-profit, it's all about community and you need to be like working together. It's just not going to work. If you're just like, well, you can all vote because it's not even just like you're making big decisions. It's like, yeah, you can say what you want, you can do a vote. But like, if I don't like it, too bad kind of thing.

Max Birken 00:09:03 And it's just kind of like overpowering, right?

Jess Birken 00:09:05 100%. And the thing that's baked in here, which is hard to understand a little bit to me anyway, is like what I think is happening here because it says in order for people to become volunteers with our organization, we have to vote them in, like just to be a volunteer. Yeah, right. So imagine if you were going to go volunteer at the Humane Society down the street to like, play with the kitties sometimes, and they are going to have a vote on whether Max can even be a volunteer. That seems a little like controlling. Yeah. You know, it's a little like, why does the board need to vote on that?

Max Birken 00:09:43 They may have had like some issues in the past, though, where people came into the nonprofit and then there was issues. So now they're like, maybe we should, you know, think about this more serving voting.

Jess Birken 00:09:52 100%. I feel like nonprofit PTSD is a thing. Like people make rules because something weird happened once.

Max Birken 00:09:59 Yeah.

Jess Birken 00:09:59 Okay, so but then it goes deeper. A unanimous board vote is required for them to become a full member. I don't know what that means. Full member, like a voting member of the organization or a member of the board? Yeah, I'm going to go with it means to become a full member of the board. Is it like a small group and I don't know. Yeah. It could mean that, like, you join, you pay dues and you become a full member. Or it could mean to join in both the board, you know, to be on the board. I'm going to just go with that because I can't tell. Yeah, but here's the thing. It says the president, if he doesn't like what we voted on unanimously, then he will have the power to overturn it. Which, first of all, So you're just saying this guy gets to say who's on the board or who's one of her?

Max Birken 00:10:46 Then what's the point of the board?

Jess Birken 00:10:47 Thank you. Yeah.

Max Birken 00:10:49 So he's like trying to have a non-profit having a board. He's like, getting through with, like, a technicality kind of thing. He's like, oh, I have a board, but I just don't listen to them kind of thing.

Jess Birken 00:10:57 Yes, yes, I agree, and I'm curious if sometimes in non-profits they will say that the president or the chair doesn't actually have a vote. And so I wonder if that is the situation here, because how do you have a unanimous vote? But the president doesn't agree like the word unanimous means everyone agrees. So he she whoever they must not.

Max Birken 00:11:22 It's a.

Jess Birken 00:11:23 He. Yeah. I think they did say he. I'm also picturing this being like crusty old dude. Just to be fair.

Max Birken 00:11:28 I'm picturing like a Kyle who's like, are in this company. Are you? Listen to me. You know. Yeah.

Jess Birken 00:11:35 I just think this organization tries to, like, observe the whole, like the president or the chair doesn't actually get a vote. And that is like chafing for him.

Jess Birken 00:11:47 And he wants to stuff the board with people that he likes. I see that all the time.

Max Birken 00:11:52 I was thinking like, what if we're, like, thinking that he's in the wrong, but what if he's not? Because we didn't get like a lot of backstory? What if the board has been either rejecting a whole bunch of really good people, or letting in people that aren't super good for the nonprofit? The president is like, well, I need to, like, override this because there's people that are really qualified for this job that they're just turning down for whatever reason. Yeah, because we don't really know.

Jess Birken 00:12:16 That is a great point. We don't really know. We're only getting one side of it. And from what I can read between the lines here. Other members and I are against this veto power. There's seems like there's factions. So it's not everybody. Yeah. It's some people agree. But the president having veto power and some people don't agree. You are 100% right. I can tell you actually.

Jess Birken 00:12:41 Several times we have had people call and be like, I'm having this problem with my non-profit. The board is going crazy and we need to do this, that and the other. And then people from the other side of the fight call trying to hire a lawyer be like, we are having a problem. That side of the board is crazy and da da da da. And of course we just refer those cases out because I don't want to work with people in their crisis.

Max Birken 00:13:06 But yeah.

Jess Birken 00:13:09 Like, y'all want to go sue each other. We don't go to court. So you're absolutely right. We're only getting one side of the story. That's a really great point. What do you think we should do about the veto power though.

Max Birken 00:13:22 I think I don't know. It's a complicated situation, especially with the like, loss of context.

Jess Birken 00:13:28 Yeah. I mean, welcome to my world. Right. Here's my thought. Let's give the president and the vice president the benefit of the doubt. Like you said, let's just assume they see something that it's like, y'all are crazy.

Jess Birken 00:13:43 We need stronger candidates. Okay, fine. I feel like there's a way to go about that. That's not just kind of creating a veto power and trying to, like, smash your will through. I feel like a better tack in a situation like that is to say, hey, let's make a

policy about recruitment and let's identify the strengths and the qualities that we have and identify the areas where we are missing talents and strengths, and then push that through our nomination process and really look at our candidates in the context of how are they qualified? Not are they my friend? Do they really love the veterans in the youth. But like, what are they bringing to the table? That we need? Yeah, I think there's a way to do it that's maybe a little bit more diplomatic.

Max Birken 00:14:44 I feel like all this company needs is more communication, because I feel like this, like, could all be solved if they really just sat down and maybe even, like, brought in the person. Well, maybe not.

Max Birken 00:14:52 I guess if they're talking about it, maybe we don't bring in that person that you're trying to vote if you're going to bring them in. But just like talking about, you know, what could this person bring to the company what, you know, pros and cons kind of thing. Not just, well, I'm actually vetoing that. This person is in the company now, right? Because that's just not a great way to run a company if there's no community and like, sense of like togetherness, your business is kind of just going to fall apart.

Jess Birken 00:15:16 I love that. Yes. No, it's so true. Because okay, let's just say you have the veto power and then you're like, boom, Bob's on the board. Sorry. And then you can go to the next board meeting and Bob's like, hi, I'm Bob. You all didn't want me here, but here I am. What are those meetings going to be like? Right?

Max Birken 00:15:38 What if the president is only looking at parts of that person, and they don't know how good of a person that they're actually bringing into the company? And you haven't seen, you know, everything?

Jess Birken 00:15:46 No, I love it, I love it.

Jess Birken 00:15:47 So I feel like there's some key takeaway points here, which you have kind of articulated as your in your fort. If so, the 14 year old wisdom comes right through. Then I feel like this is really excellent advice for these people. And maybe they'll play this episode at their next board meeting and can hear what we're trying to say. So number one, more communication. Yeah, communication is key. Not just trying to like hammer out your will against their will and be like, I have veto power. No you don't. We remove you. You know those are big hammer hit moves where talking communicating is so much more effective.

Max Birken 00:16:31 Not even just communicating like adding people in, but also communicating after the situation happens. Like, oh person, why did you want to like have the veto? Like, what is something we could improve on? Like were you feeling that you were like pushed out and not getting like a choice or like being heard kind of thing? Because that's also important to acknowledge what happened.

Jess Birken 00:16:51 I love that, yes. Making sure everybody is heard. Absolutely. And also if they are following the president or chair doesn't get to vote policy, like there's no legal requirement for that unless your state statute says it, which I haven't run into one yet. That does. People just adopt that because they heard it's a thing and there's no reason for that. I also think back the truck up. Why do we need to have a unanimous vote? Like there's some key fundamental things here. Like, why do we need a board vote for the volunteer? Why don't we have a volunteer manager. What? You know, like there's a bunch of other stuff, which is sort of my second piece, which is maybe try having some policies and procedures. Maybe everything doesn't need to be a board decision. Maybe try after one year, you're in a place where you can try building some structure and building in some process that everybody can feel good about, right? How do we have a process for identifying future board members? How do we do like a strengths weaknesses assessment on ourselves and like develop a process around that that everyone agrees to and feels good about so that we don't get into these like interpersonal disputes.

Jess Birken 00:18:09 And I think the point you made, Max, about creating community and togetherness 100%. Right. That is so important, especially in these all volunteer organizations. Your organization is not going to last. Yeah, the questioner is absolutely correct. If this isn't figured out. The nonprofit is going to go under because if you don't

have a sense of community, if you don't develop that togetherness, it will all fall apart and people will go their separate ways. And then I like what you said about making sure people are heard and making sure that everybody is at the table and is feeling like, represented. I wouldn't be surprised to find out that this is an organization that uses Robert's Rules and uses it really badly, and so people don't feel heard. Absolutely. Well, Max, thank you for being here. You're an amazing guest. Thank you. You had very great insights. They look forward to having you on again. Do you think you would come back?

Max Birken 00:19:08 Yes.

Jess Birken 00:19:10 You sounded a little unsure.

Jess Birken 00:19:13 I love it.

Jess Birken 00:19:14 Folks, if you enjoyed Max as our guest today, put it in the comments. Send me a note. Do me a favor. Share this episode with your friends that are freshman in high school. Show them. It's possible that 14 year olds can figure out non-profit best practices. We can do this, folks. All right. Rate us. Review us. Subscribe. Get on the thing and press the five star button. It really helps me out. If you have a question or a story to share, I would love to hear from you. Send me a note. Send it online. Leave a voice memo. The number to leave a voice memo is (612) 208-9120. I'm still waiting for my first recorded question. You guys can do this. I will keep it anonymous. Nobody will know it's you. Call and leave it. All right. Thanks for listening. See you next time.

About the Author



Hi, I'm Jess Birken

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

Let's connect!

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