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## From the Nominating Committee:

This information is intended to assist individuals who are seriously considering becoming a director on the SHARE Board of Directors. We hope that it will answer some of your questions and help you in your decision to pursue the nominating process.

**About SHARE’s election process.** The election process is outlined in specific bylaws and policies, available on the SHARE website. At the August meeting in even-numbered years, we elect four officers (president, vice president, treasurer, and secretary) as well as two directors to the board for two-year terms. There are typically two additional one-year director appointments recommended by the president and ratified by the board at that time. At the August meeting in odd-numbered years, we elect two directors to the board for two-year terms. The two one-year appointments mentioned above are also made in odd-numbered year. In both cases, the electorate casts their votes against a slate of candidates that has been presented by the NomComm, with the addition of any candidates who have used the petition process to become part of the slate.

**About SHARE’s nomination process.** About a year before an election, a NomComm is formed by the Immediate Past President who serves as the chairman of the committee. Committee members come from all ranks of SHARE attendees and volunteers and generally represent as wide a cross section of industry segments, volunteer experience, and SHARE experience as possible. It is the

committee’s charter to develop the best possible slate of eligible candidates for election as described above.

Typically the order of NomComm events is:

**a. Identification.** The NomComm solicits identification of interested prospective candidates - through SHARE notices, suggestions from SHARE participants, by individuals themselves, etc.

**b. Questionnaire.** Prospective candidates complete and submit a written questionnaire prepared by the NomComm. Typical questions address background and experience and include some essays.

**c. Interview.** The prospective candidate interviews with the NomComm. The interview is most often scheduled during a major conference meeting and generally takes about an hour.

**d. Preparation of the slate.** The NomComm evaluates the input that it has and develops a slate of candidates. This is the point where prospective candidates will need to present a completed commitment letter, which confirms the candidate’s and his manager’s support to the director commitment. This is also the point where prospective candidates who have not been selected for the slate will be notified. Each of the prospective candidates will receive feedback from the chairman of the NomComm as to how the interview went, planning for future elections, etc.

**e. Presentation of the slate.** The NomComm slate is presented to the SHARE membership.

We believe that as a prospective candidate, you should have as much information as possible about the election process and the duties and responsibilities of serving on the SHARE Board of Directors. This pamphlet has been prepared with that goal in mind. Please contact any representative of the current SHARE Nominating Committee for additional details.

# Frequently Asked Questions about being a SHARE Director

- conference calls on a monthly basis, called by the President (typically 8-10 per year).

## Q. What does a director do?

### A. Generally a director's responsibilities include:

- setting policy and strategic direction for SHARE Association.
- understanding and acting with financial responsibility for all SHARE Association activities,
- understanding, generating a position on and as necessary, voting on actions and issues presented to the Board by SHARE volunteers, the SHARE membership and attendees, and external forces.
- setting direction for SHARE's management firm (and all service suppliers) to assure that administrative activities are carried out in accordance with SHARE's goals, objectives and policies.
- maintaining communication channels with all levels of the SHARE organization and technology vendors.
- participating in strategic planning sessions held by user groups, providers, or other organizations that may require non-disclosure.
- acting in accordance with SHARE's bylaws and policies.
- representing SHARE to other user groups and the public.
- acting in specific capacities as assigned or designated by the President or board.

## Q. How much time will being a director take?

A. SHARE will expect you to honor the commitment of time required by the term of office set in the election process. For elected directors, this is two years. (An appointed director's term is one year.) You must be able to attend the meetings of the Board of Directors, which include:

- our two major conferences held each year, generally in March and August, which begin Friday afternoon before the conference and end Friday evening of conference week. From time to time, there may be a requirement to add a day to the beginning or end of the meeting for board activity; such changes will be announced and coordinated as soon as possible prior to the meeting.
- the bi-annual New President's meeting, generally held in September, which typically lasts 2 or 3 days.
- 1-2 additional meetings of the Board, generally held in June and November, which typically last 2-3 days.
- special or emergency meetings which may be convened in accordance with bylaws provisions should the need arise.

There are some director job- (or portfolio-) specific trips in addition to those mentioned above which will involve only that director, such as scheduling meetings with the Director of Operations, meetings with the auditors by the Treasurer, etc. These may vary with the administration; contact the specific current director for additional details.

SHARE will underwrite your costs (travel, lodging, etc.) for the meetings that are primarily SHARE business related, that is, those meetings other than the major conferences. It is our policy that meetings held for the business operation of our organization are funded by SHARE.

Between our meetings, you must be able to participate actively on the board-related databases on the website. Generally this amounts to reading, reviewing, and responding to issues on the databases at least 1-2 times per week. Many of our directors find that daily access helps keep them in touch with developing activities and prevents their SHARE work from piling up.

## Q. How will I benefit from becoming a director?

A. While these benefits will vary by individual and may also be available to you through other means, we have found that many of the following items are mentioned repeatedly as key benefits by current and past directors.

- the opportunity to meet with and build personal networks with key personnel in IBM, in other user groups, and in other organizations within the industry,
- the opportunity for personal growth through the interchange of ideas with peers, providers, other user groups, etc.,
- the opportunity to expand personal knowledge and expertise in planning, managing, and leading a large organization,
- the opportunity to interface with key personnel throughout the SHARE organization and to discuss current and developing technologies,
- the opportunity to interact with the SHARE membership,
- the opportunity to serve SHARE and its members in a meaningful way, by providing volunteer leadership at a critical level (often referred to as "giving something back" to SHARE), and the IT community
- the opportunity to provide direction, develop policy and procedures which contribute to maintaining SHARE's posture in the user group arena and industry,
- the opportunity to contribute significantly to the future of SHARE in specific and user groups in general.

## Some Legal Counsel...from Counsel

The following notes incorporate material from presentations made by representatives of SHARE's legal counsel Barnes & Thornburg, on "What it means to be a director in a not-for-profit organization". These presentations are typically given at the first meeting in a new administration.

### **Q. What general guidance would you give me as a new director who is interested in doing a good job and not getting into trouble?**

**A.** Personal liability as a director, even of a not-for-profit organization, even as a volunteer director, very clearly exists, but the three duties listed below provide solid general guidance and protection for you; acting within their guidelines provides you your best guarantee of success as a director. Your three basic duties as a director are:

1. "Duty of Loyalty" - to act in the best interest of the association, rather than some other constituency or your employer or your self. As a director, you must act for the good of the organization. Be sensitive to personal conflicts of interest (see the vendor and self-dealing policies). There is also concern about insider trading (e.g., you are prohibited from taking any securities trading actions based on privileged conversations or information you may have ).

2. "Duty of Care" - to act in good faith and to actively work at doing a good job as a director. Act reasonably; do your homework (reading, work on the electronic conference, etc.); complete the actions you have accepted as assignments; be an active participant in the board discussions, speak out in debates, let the rest of the board know where you stand on an issue and vote with integrity; prepare for these discussions where you're expected to take a position. If you find yourself in a minority position, stick to your guns; you may find that you have articulated a position that has a valuable effect on discussions. It may be worth noting that this standard is not as stringently applied to directors of not-for-profit organizations as it is to other organizations' directors.

3. "Duty of Obedience" - obey the rules of the organization. Be familiar with the policies and bylaws and act in accordance with them. As a Board, we can change these rules if necessary, but they exist for good reason and ignoring them is unacceptable. If you are currently a volunteer, you are familiar with the annual review requirements of Policy 5; this is simply another reminder that knowing and acting in accordance with SHARE's policies and bylaws is critical to your success.

### **Q. There are areas of running a business like SHARE that I don't know much about; what can I do when legal issues or tax issues or whatever come before us as a board?**

**A.** You have clear individual responsibility for SHARE as a director, but you should remember to draw upon professional advice when you may not have the skills or background necessary for a particular task or decision. Professional advice includes the support staff at SBA, our legal counsel, the auditors, and others. Since you will probably not be familiar with every part of the user group business, use professional assistance when it's smart - it's the responsible thing to do. Rely on your legal counsel. "I listened and acted based on advice my lawyer gave me" is a reasonable defense, particularly for a director of a volunteer organization. Do remember that access to our professional service providers is managed through channels; access to the lawyers is managed through the President, access to SBA through the President and Executive Director, and so on.

### **Q. What would you say we need to be most concerned about as directors?**

**A.** One of our biggest challenges is consciously managing SHARE within SHARE's rules. SHARE's policies reflect the collective wisdom of many people working for SHARE over the years. If evolution brings us to a point where a policy doesn't fit or work well for us anymore, the correct thing to do is take action to replace it with an appropriate one. The really serious policy issues must be taken back to the membership for a vote (like changes to the bylaws) but other than that, tremendous responsibility and potential for change is lodged in the board. Think twice about policy issues -- the apparently sensible or obvious answers or interpretations to a situation may not be in accordance with standing policy. There are almost always 3 or 4 ways to manage a problem but as the Board, you need to find and work with the policy- or canon-supported way. Check beyond surface issues and appearances; show sensitivity for established procedure.

### **Q. Can I get sued?**

**A.** Certainly; all that's needed is someone who is offended and motivated to get a lawyer to take action. Not very many not-for-profit organizations get sued, but it happens. You can be sued as an organization and also personally. How do you avoid this? Many of the answers have already been given in this paper. Exhibit good faith behavior. Build good records to document your actions. Act in accordance with the three duties outlined. Beyond these actions, there is the security of SHARE's liability and indemnification policies. SHARE

currently has excellent insurance coverage for its directors and officers, as well as other volunteers who act on behalf of the organization. The coverage is intended to be used to defray costs incurred in legal actions that might come against us while acting on SHARE's behalf. It's important to have insurance backing you up so that you feel a little secure and can take a stand fairly freely. In addition, most organizations have their own internal legal departments which have set policy regarding employees serving as outside directors and which often provide insurance coverage that would cover you in this role as well. You should check with your own installation's legal counsel on these issues before you make your decision on pursuing candidacy. In the long run, however, your best defense is to act in accordance with the three duties outlined above.

### **Q. What about additional individual responsibilities?**

**A.** This answer comes in two parts: duties of officers and the portfolios of directors.

**Officers.** Remember that officers are directors and have the same responsibilities and obligations as non-officer directors with regard to all of the material above. Specific officers' duties are spelled out in the Bylaws. Since officers are elected by the membership, your desires about serving in a particular office must be communicated to the appropriate Nominating Committee so that they can consider you as a candidate for a particular office. If you are not nominated for a particular office, you may, of course, choose to run for it via the petition process.

**Portfolios.** A director may be assigned an additional responsibility to manage a specific portfolio, such as Meeting Arrangements, Marketing, or Strategic Planning. Some of these have been in existence for a long time and have built up a traditional set of processes, interactions, and expectations; others are fairly new and have more challenge as the President and the particular director define and build them. Portfolios are defined and assigned by the President; if you have particular preferences, it is in your (and SHARE's) best interests to let the President (or prospective president) know your feelings and reasoning. If you have a specific focus or interest or key issues that you are eager to take on, you should also chat with the President – it is quite possible that you have the opportunity to debut an entirely new portfolio!

### **Q. What kind of legal actions does the board get involved with or have to manage?**

**A.** Over the past several years, the SHARE board has dealt with:

- non-profit status
- corporate mechanics: the interpretation and revision of bylaws and policies,
- meeting procedures: getting notices out in a timely fashion; managing the business meetings in accordance with legal requirements,
- meeting arrangements: dealings and contracts with the hospitality industry,
- trade name and copyright interests: managing the registration and protection of SHARE's name and marks (generally the purview of the Secretary),
- property rights to information,
- potential anti-trust situations,
- non-disclosure agreements,
- standards and requirements processes,
- membership issues: includes criteria, processes, etc.

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## **References & Resources:**

1. The current databases on SHARE website, particularly SHARE Volunteers,
2. This document, "Notes for Prospective Candidates" (including the questionnaire),
3. Sample copy of the commitment letter that you will be expected to sign (with your manager),
4. The SHARE Bylaws on SHARE website About-> Governance, <https://www.share.org/page/governance>
5. The SHARE Policies on SHARE Website About-> Governance,
6. The Board Conduct paper,
7. The "New Directors Guidelines" paper.

If you have questions about anything you read here or other questions, or about the nomination or election processes in general, you should contact any member of the current Nominating Committee.