

Ten Principles of Policy Governance

These principles of policy governance for non-profit boards of directors are known as "The Carver Model" and are taken from John & Miriam Carver's guide book #1.

Principle 1: *The Trust in Trusteeship.* The board of a nonprofit or public organization represents the ownership of the organization. It governs on behalf of all the affected persons who are not seated at the board table. It must therefore establish, maintain, clarify, and protect its relationship with the organization's "owners."

Principle 2: *The Board Speaks with One Voice or Not at All.* In order to lead and make authoritative decisions a board must have a single voice on any given issue. The power of boards of directors is not as individuals, but as a group; a corporate entity entrusted by the owners with the authority to govern and lead the organization. Diversity of viewpoints from board members must be respected and encouraged. Rarely will votes be unanimous, however those trustees who lose a vote must accept that the board has spoken and that its decision must be implemented as decided.

Principle 3: *Board Decisions Should Predominantly Be Policy Decisions.* Board policies should be the expression of a board's soul. They should embody the board's beliefs, commitments, values and vision. The board must address the largest or broadest values in four categories:

1. Ends. The board defines which customer results are to be achieved, for whom, and at what cost.
2. Executive limitations. The board establishes the boundaries of acceptability within which methods and activities can responsibly be left to staff. These limiting policies apply to staff means rather than to ends.
3. Board-staff linkage. The board clarifies the manner in which it delegates authority to staff as well as how it evaluates staff performance on achievement of the ends and executive limitations policies.
4. Governance process. The board determines its philosophy, its accountability, and the specifics of its own job.

Principle 4: *Boards Should Formulate Policy by Determining the Broadest Values Before Progressing to More Narrow Ones.*

- The board should resolve the broadest or larger policy issue in each category before dealing with smaller issues in any category.
- The board should, if it wishes to address smaller levels, never skip levels but move to the next smaller level in sequence.
- The board should grant the CEO authority to make all further choices as long as they are "within" the board's ends and executive limitations policies.

Principle 5: *A Board Should Define and Delegate, Rather Than React and Ratify.* The very act of approving things forces boards to become entangled in trivia.

Principle 6: *Ends Determination Is the Pivotal Duty of Governance.* The justification for any organization lies in what difference it can make. A nonprofit organization exists so that the world in which it operates can be a better place. The ends of an organization are the reasons for its existence. Careful, wise selection of ends is the highest calling of trustee leadership.

Principle 7: *The Board's Best Control over Staff Means Is to Limit, Not Prescribe.* The distinction between ends and means will enable the board to free itself from trivia, to delegate clearly and powerfully,

and to turn its attention to the large issues of ends. Quite apart from ends, the board is also accountable for the way the organization conducts itself. This is best done by setting limits.

Principle 8: *A Board Must Explicitly Design Its Own Products and Process.* It is in the policy category of governance process that the board states what it expects of itself. This important category of board policy deals with a portion of the board's own means: how the board will conduct itself, perform its own job, and evaluate its own performance. Boards must enunciate and hold fast to the principles guiding their own operation or they will appear directionless or even capricious.

Principle 9: *A Board Must Forge a Linkage with Management That is Both Empowering and Safe.* No single relationship in the organization is as important as that between the board and its chief executive officer. This relationship supercedes any relationship with other staff.

Principle 10: *Performance of the CEO Must Be Monitored Rigorously, but Only Against Policy Criteria.* When the board has told its CEO to achieve certain ends without violating certain executive limitations, monitoring performance becomes no less - and no more - than checking actual performance against these two sets of expectations.