

Fall 2025 CAE Study Group

Domain 1: Governance
October 2, 2025



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Domain 1: Governance – Content Outline



GOVERNANCE
STRUCTURE



CHAPTERS &
AFFILIATE
RELATIONS



VOLUNTEER
LEADERSHIP
DEVELOPMENT



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Domain 1: Core Reading Resources



ASAE Professional Practices in Association Management, 4th Edition, "Governing Well: An Introduction," Chapters 1–7.

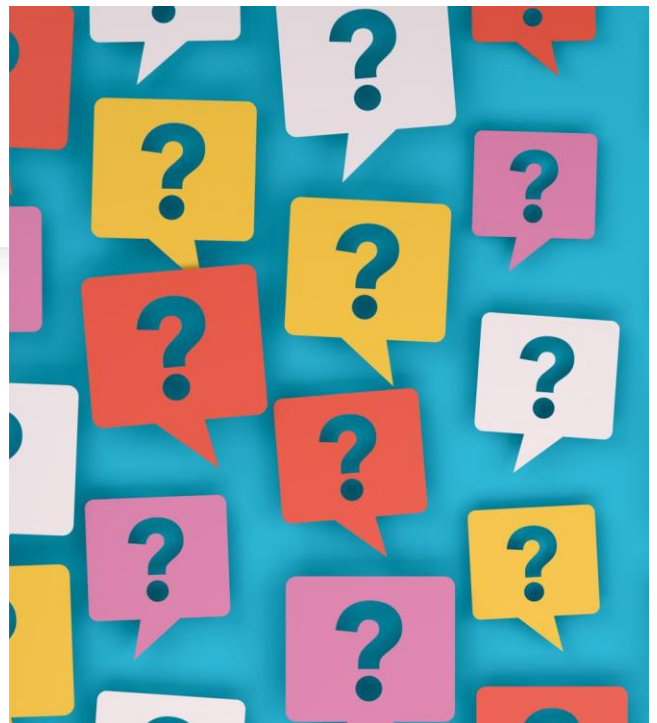
Association Law Handbook, 6th Edition, Chapters 1–15, 20–21, 23–24, 26, 35–37, 61–62, 72, 92, 100.

The Jossey-Bass Handbook of Nonprofit Leadership and Management, 4th Edition, Chapters 2, 4–6, 8, 24.

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Pop Quiz: What is Governance?

Governance is the way the board of directors collectively makes decisions for the benefit of an association's members and stakeholders.



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Governance Guiding Principles



All boards—the fiduciaries of their associations—bear the legal duties of care, loyalty, and obedience.

A primary responsibility of the chief staff executive “is to ensure that strategy, value, and purpose—as well as the activities and initiatives of the organization—align with mission.”

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Effective Boards Embrace...



A strategic orientation

A culture of continual learning and assessment

A commitment to effective board talent recruitment and development

Productive relationships with staff and one another.

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Board Structure and Culture – A symbiotic relationship

- Structure is “the nature of the board’s organization and membership, its formal control mechanisms, and its rules, per bylaws and policies.”
- Culture refers to “traditions the board values, the norms of behavior it tolerates, and the incentives it puts in place to drive high performance.”
- Structure supports culture, but the right structure only emerges **when the culture is healthy.**



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Essential Structural Elements

Insight and strategy**

Foresight and generative discussion

Oversight and fiduciary activities

Board development and education**

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Mission & Vision



Mission is WHY THE ASSOCIATION EXISTS, what the organization does, and

This is different than a mission statement



Vision is "where we want to go"



The Chief Staff Executive (CSE) is the chief interpreter of the mission for the board. No CSE relationship is more important than that with the chief elected officer and board of directors.

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The Chief Staff Exec and the Board



The chief staff executive must always provide the board with pertinent facts



Unless a decision involves an ethical violation, financial malfeasance, or illegal activity, the board has the final word.



The next step for the chief staff executive is to find ways to help implement the board's decision.

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Duty of Foresight



The duty of foresight is an ethical responsibility of the board to continuously look and learn about the future to shape better outcomes for their organizations and stakeholders.

While not a legal fiduciary duty, is the board's strategic orientation.

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Hierarchy of Governing Documents

1. Articles of incorporation: an agreement between the association and the state defining the organization's legal purpose and its tax-exempt status; establishes the legal basis for the organization's existence.

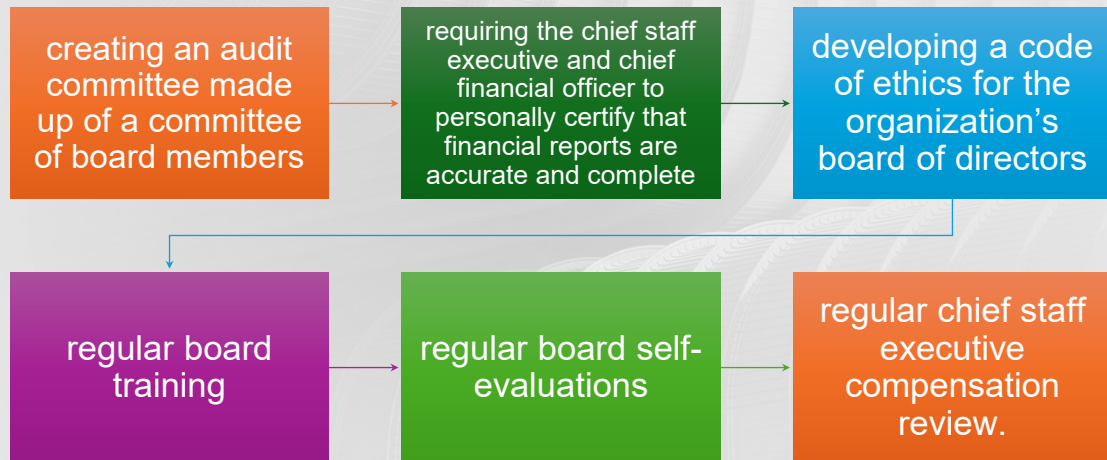
2. Bylaws—an agreement between an association and its members covering organization and governance.

3. Policies and procedures—Philosophical statements setting forth values that guide behavioral choices or set specific mandates for action and decision making.

- The board's policy manual is third in the hierarchy, followed by board minutes.

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Sarbanes-Oxley have become standard procedure for all organizations:



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Chapters & Affiliate Relations

Regardless of legal structure, the lead organization and chapters/affiliates must act as partners—integrated into the overall framework—to advance the mission.

Chapters and affiliates connect associations to communities and stakeholders, extend reach, provide knowledge, and build a volunteer pipeline.

Best practice is to define, document, and regularly review chapter/affiliate roles, responsibilities, and policies through clear agreements and procedures.

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Component Structures



Dues Collection Models: Either headquarters collects dues and shares with chapters, or chapters collect and remit a portion to headquarters.



Alignment of Roles: Lead organization and affiliates must share clarity on purposes, roles, and responsibilities.



Key Considerations: Affiliate structures involve legal, financial, service, and monitoring elements that must be addressed.



Formal Agreements: Memorandum of Understanding (MOUs) or a chapter compact establishes a legal contract that binds the entities under a formal affiliation.



Collaboration, cooperation, and communication are key pieces of the cooperative relationship among lead association and affiliated organizations

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Volunteer Leadership Development – Guiding Principles

- Leadership cultivation is a continuous, strategic process that matches talent with meaningful opportunities, **focusing first on purpose (what/why) before people and methods (who/how).**
- The board defines strategy and allocates board resources, while the chief staff executive directs staff resources—together forming the foundation for effective volunteer leadership recruitment and engagement.

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Volunteer Leader Cultivation –

Board- Building Framework

Identify

Cultivate

Recruit

Evaluate

Elect or Appoint

Orient and Educate

Rotate

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GOVERNANCE DOMAIN KEY TIPS:

- ☐ 12-14 % of exam
- ☐ Why we exist? How we exist?
- ☐ Which exam answer will **best** drive the mission forward?

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Questions?

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