

June 1, 2021

# Board Committee Evolution Plan

## Board Governance Reform

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# Overview

This document presents a revised structure for the Board's committees and operations that is designed to better enable the Board to meet its goals and operations without expecting the impossible from trustees or staff. This reconsideration of Board structure is necessary in light of the Board's planned expansion to 16 seats within the next year. In addition, in recent years trustees, staff, and expert consultants have identified a number of areas of Board operations that have room for improvement. Many of these were documented in the Board's 2019 governance review, and others have been mentioned in subsequent conversations. The structure presented in this document is an attempt to make progress on some of those areas for improvement.

The key elements of the revised governance structure are:

1. Introducing an executive committee
2. Organizing the Foundation's various committees into Business Committees and Strategy and Policy Committees
3. Designing clearer processes for the selection of Vice Chairs, committee chairs, and committee members
4. Implementation of changes through the development of new policies and charters for the committees

This plan is designed to be fully implemented by the end of the 2021-22 fiscal year. Once the Board has committed to proceeding with this plan, we can focus our upcoming Trustee recruiting efforts and selection processes to ensure we have Trustees with the right qualifications for the committee roles. Once the new structure is in place, we will be in a better position to accomplish our mission and strategic goals.

## Goals

### **Meet core governance responsibilities**

Enable the Board to fulfill its fiduciary responsibilities. Ensure that the Board's structure accounts for its essential duties, such as financial oversight and supervision of the CEO, as well as complies with best practices for nonprofit governance.

### **Enable strategic focus**

Encourage the Board's strategic orientation by better aligning it as a partner to the CEO and executive staff in realizing the strategic direction and priorities for the mission, Foundation and movement.

**Engage Trustee expertise**

Ensure that the experience of Board service is rewarding for Trustees and attractive to potential Trustees by making use of all the wisdom and expertise that Trustees have to offer in service of the Wikimedia Foundation's mission and vision.

**Develop Trustee capacity**

Rotate committee chairs and committee service to encourage engagement and create a cohort of Trustees who will be prepared to assume positions of leadership of committees and of the full Board.

**Use time wisely**

Focus Board and committee meetings on discussions of strategy, policy, the future, and issues of significant importance. Concentrate substantive engagement in committee work, with reports and materials distributed for full Board review in advance of meetings.

**Work through committees**

Locate discussions of critical matters first in Board committees and then in the full Board, enabling effective delegated Board work, more informed Board discussions, and more productive and efficient full Board meetings.

**Avoid burnout**

Make Board service and support as sustainable as possible for Trustees and staff. Understand the time commitments needed from all, and avoid overburdening anyone when distributing work and responsibilities.

# Plan

## 1. Creating an Executive Committee

This committee will serve as the primary coordinating and oversight committee for the Board. It will be responsible for organizing officer elections, recommending Board committee appointments, setting meeting agendas, and other activities relating to general Board effectiveness. (Some of these responsibilities are ones that currently reside with the Board Governance Committee or with the Chair alone.) The Executive Committee will keep track of the work of the other committees, to identify areas where their work intersects and should be coordinated.

The Executive Committee will be available for the Board to delegate decision-making on matters between meetings that require Board review but that do not require full board approval. Examples of such matters could include approving communications from the Board and coordinating trustees' involvement in movement and Foundation events. As with all other

committees, the Executive Committee would only have authority to act on behalf of the Board when the Board explicitly delegates that authority. The Board could choose to delegate additional authority to the Executive Committee in times of crisis or emergency when convening or obtaining unanimous written consent from the entire Board is difficult, though in such situations the Chair already has authority to call a special meeting on short notice.<sup>1</sup> Matters of core Board responsibility, such as appointing and removing Trustees, approving revisions to the Bylaws, and approving CEO compensation, would never be delegated to the Executive Committee.

Rather than having its membership decided by the Board directly, the Executive Committee will be composed of all the Trustees in other Board leadership roles. The membership of the Executive Committee will be the Chair, the Vice Chair(s), and the chairs of each of the other committees. The Board Chair will also be the chair of the Executive Committee

## 2. Restructuring existing committees

Restructure the current Board committees into four “Business Committees” and three “Strategy Committees”.

The Business Committees are focused on the specific legal and oversight obligations that require regular reporting from Foundation staff on operational and compliance matters. As these obligations are shared by all Trustees equally, the Business Committees are responsible for organizing and presenting to the full Board the necessary information for it to fulfill its fiduciary duties.

The Strategy Committee structure is intended to directly address Trustees’ requests for more engagement in matters of strategic, programmatic substance, and less time at meetings spent on operational details and pre-circulated reports. The Strategy Committee structure will further enable an equitable focus on all aspects of the Foundation’s programmatic work. The role of the Strategy Committees is *not* to involve Trustees in the Foundation’s day-to-day operations and decision-making, but to enable staff working in relevant areas to consult the Board for strategic guidance and to enable Trustees with relevant expertise to share their knowledge and perspectives. The Strategy Committee chairs would meet periodically throughout the year to share their advances and invite collaboration between the committees as necessary.

With the possibility of two Vice Chairs created in the December 2020 revision to the Bylaws, the Chair may wish to designate one Vice Chair as primarily responsible for working with the Strategy Committees and one Vice Chair as primarily responsible for working with the Business Committees.

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<sup>1</sup> The [Bylaws](#) require notice of a special meeting be provided at least two days in advance, but a shorter notice is allowed in the case of an [emergency](#).

## Key changes

1. The Board Governance Committee would be renamed to the Governance Committee, with some of its responsibilities shifting to the Executive Committee.
2. The Audit Committee would continue as currently operational.
3. The Special Projects committee would be deprecated, with the board instead to establish more narrowly scoped ad hoc task forces on a project-by-project basis.
4. The Product Committee would be expanded to include issues related to the technical platform.

## Business committees

1. **Human Resources Committee** – Consistent with its current responsibilities, this committee will be responsible for overseeing CEO performance management, CEO succession planning, and executive compensation. It will also review any Foundation HR matters that require escalation to the Board.
2. **Governance Committee** – This committee will be responsible for recruiting and vetting Trustee candidates, overseeing the orientation and education of new Trustees, and running a regular trustee performance review process. This committee will further the Board's responsibility to ensure that the composition of Trustees furthers the Board's governance priorities and complies with the Board's fiduciary duties. This committee will liaise with the Elections Committee, and any other advisory bodies related to trustee selection.
3. **Audit Committee** – Consistent with its current responsibilities, this committee will hire and evaluate the external and internal auditor, review the external and internal audits, and oversee internal controls and risk management, among other duties required under California law and recommended as best practices.
4. **Finance Committee** – This committee will oversee the budgeting process and budget utilisation to ensure that the Foundation's operating budget addresses strategic priorities and operates in a fiscally responsible manner. This committee will also oversee the Foundation's investment policy and portfolio.

## Strategy committees

1. **Product & Platform Committee** – This committee will advise on high-level product and technology strategy to ensure the organization has the infrastructure and interfaces needed to enable its mission. This committee will have an understanding of:
  - a. Product and feature innovation
  - b. Community tooling
  - c. Platform architecture and roadmap
  - d. Enterprise services

2. **Community Affairs Committee** – This committee will advise on the resources, governance, and support that the movement needs to thrive and grow. This committee will liaise with the Global Council and the Affiliations Committee, and it will have an understanding of:
  - a. Movement governance
  - b. Movement resources (grantmaking)
  - c. Community capacity
  - d. Healthy and welcoming culture
  - e. Affiliate governance and relations
3. **Advancement Committee** – This committee will advise on topics related to the Foundation’s revenue and reputation. This committee will liaise with the Wikimedia Endowment Advisory Board, and it will have an understanding of:
  - a. Fundraising;
  - b. Donor Relations;
  - c. Communications, Media, and Marketing;
  - d. Global Partnerships and Outreach;
  - e. Public Policy, Global Advocacy, and Government Affairs; and

### **Ad hoc task forces**

The Board would have the ability to establish narrowly scoped, time-delimited ad hoc task forces to address individual projects, work, or questions as need arises. These task forces could be composed of Trustees, community members, external experts, and/or Foundation staff.

The task forces could be established by the Executive Committee to serve the needs of the full Board, or recommended by individual committee chairs to the Chair and Executive Committee. For example:

- The Chair and Executive Committee could designate a task force on Board Chair selection.
- The Community Affairs Committee chair could recommend to the Executive Committee that the Community Affairs Committee establish a subordinate task force on the Global Charter.

## **3. Selecting committee chairs and members**

The Executive Committee proposes a slate of committee chair and committee member appointments. The Executive Committee will be responsible for conducting an open call for Trustees to indicate their interest in various roles, for consulting with interested Trustees, for allocating these roles by indicated interest and by qualification, and for making their proposal

to the full board. The full board will caucus, deliberate, and make all final decisions.

**Committee Chairs** – The Executive Committee, after meeting with trustees and staff, will recommend to the full Board the appointment of committee chairs for the duration of a three-year term. Ideally, Trustees will not be appointed as committee chairs until after they have served at least one full year as a regular member of the committee, to give them sufficient time to understand the goals and work of the committee while allowing for more regular rotation of committee chairs and opportunities for more Trustees to lead.

**Committee Members** – The Executive Committee, after meeting with trustees and staff, will recommend to the full Board the assignment of Trustees to different committees.

1. Committee assignments will be assigned as evenly as possible, in order to ensure equitable distribution of work, avoid overloading any individual Trustee, and minimize the impact of any individual Trustee's absence.
  - a. Every Trustee must serve on at least one, and no more than two, committees as full members.
    - i. Alternate positions do not count toward this cap.
    - ii. Because each committee chair is also a member of the Executive Committee, they are not obligated to serve on an additional committee.
    - iii. Due to the particular demands of the Board Chair position, including the Chair's need to keep apprised of all the Board's activities and their leadership of the Executive Committee, the Chair is not obligated to be a regular member of any other committees. This allows the Chair to allocate their time and attention to where it is most needed at any given time.
  - b. Ideally, Trustees who are not committee chairs will serve on at least one Business Committee and at least one Strategy Committee.
2. The Board will rotate committee members on a staggered basis approximately every two to three years or as needed, particularly among the Strategy Committees, to allow Trustees to gain expertise about all aspects of the Foundation's work. Trustees with particular expertise may be asked to serve for longer periods on committees requiring their expertise (e.g., the Audit Committee).

## Implementation

The structure proposed in this document cannot and should not be adopted all at once. The current structure will shift to the one proposed here in several stages, based on the Board's needs and Trustee and staff capacity.

## Stage 1 (by June 2021)

*These steps can happen immediately.*

1. Create the Community Affairs Committee (Done)

## Stage 2 (by September 2021)

*These steps are less urgent, but they can happen before the completion of the Board expansion.*

2. Create the Executive Committee
3. Replace the Board Governance Committee with the Governance Committee
4. Replace the Product Committee with the Product & Platform Committee
5. Update the charters of the Human Resources Committee and the Audit Committee

## Stage 3 (by December 2021)

*These steps must wait until the Board has increased its capacity by expanding to 16 seats.*

6. Dissolve the Special Projects Committee, or convert it to a task force for a particular project
7. Appoint committee chairs and committee membership using the procedure [described above](#).

## Stage 4 (by September 2022)

*These steps are the least urgent, and their completion depends the most on Board and staff capacity.*

8. Create the Advancement Committee
9. Create the Finance Committee
10. Update committee charters as needed for clarity and consistency
11. Update Bylaws as needed to reflect any revisions required to fully enact the new committee and operations structure

# Re-evaluation

Corporate governance derives in part from the constantly evolving environment and context in which an organization operates. Accordingly, the Foundation should evaluate the performance of its governance practices and committee structures at regular intervals.

1. Committee charters and performance should be reviewed every year.



2. A more comprehensive review of committee structure should be conducted approximately every three years. This review should be coordinated with a regular Board governance review, with Board officer and committee chair terms, and with the organization's medium-term planning horizons.
3. Ad hoc task forces should be evaluated on a continuous basis, at intervals determined by the specific work and milestones of the task force in question, but no less than annually.

As part of this re-evaluation process, the Board may decide to merge, dissolve, or create committees so that the Board's structure may better reflect the Foundation's governance needs.