



The Accreditation Commission's Expectations Regarding Governance

Approved December 17, 2004

Effective January 1, 2005

The Accreditation Commission's expectations reflect the evolving nature of standards and practices in museums. During its review of over 100 institutions a year, the Commission discusses how current practices in museums relate to the existing eligibility criteria and Characteristics of an Accreditable Museum. These Expectations support and elaborate on the Characteristics of an Accreditable Museum. Periodically, after thorough deliberation, the Commission revises its expectations to stay current with evolving standards. The Commission focuses on presenting desired outcomes rather than on prescribing methods by which these outcomes must be achieved.

Why does the Commission consider governance to be so important?

Good governance is the foundation that enables the museum to succeed. The effective operation of a museum is based on a well-functioning **governing authority**¹ that has a strong working relationship with the museum director. Together, the governing authority and director set the direction of the museum, obtain and manage the resources needed for it to fulfill its mission, and ensure that the museum is accountable to the public.

What are the Accreditation Commission's expectations regarding governance?

These expectations apply to all accredited museums, regardless of governance type, structure, or name.

To be eligible to participate in the Accreditation Program, a museum must:

- ◆ have a full-time director to whom authority is delegated for day-to-day operations
- ◆ have at least one paid professional staff with museum knowledge and experience

Characteristics of an Accreditable Museum Related to Governance:

- ◆ The governance, staff, and volunteer structures and processes effectively advance the mission.
- ◆ The governing authority, staff, and volunteers have a clear and shared understanding of their roles and responsibilities.
- ◆ The governing authority, staff, and volunteers legally, ethically, and effectively carry out their responsibilities.
- ◆ The composition and qualifications of the museum's leadership, staff, and volunteers enable it to carry out the museum's mission and goals.

¹ See Glossary at the end for definitions of bolded terms.

- ◆ There is a clear and formal division of responsibilities between the governing authority and any group that supports the museum, whether separately incorporated or operating within the museum or its parent organization.

The Commission expects the governing authority of an accreditable museum to fulfill the basic responsibilities of nonprofit governance².

The governing authority:

- ◆ Determines the organization's mission and purposes
- ◆ Selects the chief executive
- ◆ Supports the chief executive and assesses his or her performance
- ◆ Ensures effective organizational planning
- ◆ Ensures adequate resources
- ◆ Manages resources effectively (including exercising good stewardship of collections and historic structures, if applicable)
- ◆ Ensures the organization's programs and services advance the mission
- ◆ Enhances the organization's public standing
- ◆ Ensures legal and ethical integrity and maintains accountability
- ◆ Recruits and orients new members of the governing authority and assesses performance of the governing authority

For museums that have **remote governance**, these responsibilities may be spread out along a designated chain of command. In such cases, the Commission expects that the responsibilities are clearly assigned to particular positions. For museums with **joint governance** these responsibilities may be partitioned between different entities. See below regarding the Commission's expectations in these situations.

What are the Commission's expectations for museums with joint governance?

In museums with joint governance, in which the basic responsibilities of governance are shared between two or more groups (e.g., a city and a private, nonprofit organization, or a university and an advisory board), or when a separate entity provides resources vital to the museum's operation (e.g., land, collections, building, staff) the Commission expects:

- ◆ that the museum clearly identify all the groups that are engaged in governance or provision of these vital resources, and the responsibilities of each group
- ◆ that these relationships be detailed in formal, written documents (e.g., memoranda of agreement, memoranda of understanding, operating agreement)

² Adapted from *Ten Basic Responsibilities of Nonprofit Boards*, Richard T. Ingram, 1999, National Center for Nonprofit Boards.

What is evidence of good governance?

As evidence that good governance practices are in place, and to demonstrate that the museum is meeting the above Characteristics of an Accreditable Museum, the Commission expects museums to have the following documents and provide them as part of an accreditation review:

- ◆ Mission statement³
- ◆ Institutional plan⁴
- ◆ Articles of incorporation, charter, enabling legislation, or other founding document
- ◆ **Bylaws**, constitution, will, or other documentation under which the museum is governed
- ◆ *If the museum has a parent organization*: Documentation regarding the importance of the museum to the parent, expressing its commitment to support the museum (e.g., resolution of permanence passed by parent, parent organization's bylaws or organizing documents, memorandum of understanding or management agreement between the parent and the museum)
- ◆ Documentation of operational relationships with other organizations integrally connected to the museum's governance or operations (e.g., written memorandum of understanding or other type of formal agreement)
- ◆ List of current members of the governing authority
- ◆ Evidence of delegation of authority for operation of the museum to the museum director or the equivalent position⁵
- ◆ Table of contents of the **governance manual** (i.e., reference manual assembled for use by members of the governing authority to assist with orientation, training, and ongoing work)
- ◆ Organizational chart(s) for the museum, including parent organization, governing authority, partner organization, advisory board, supporting organizations, staff, and volunteers as applicable
- ◆ Institutional code of ethics
- ◆ Audited financial statements for two years plus management letters (if most recent year is not yet available, submit unaudited year-end financial report)
- ◆ Current year operating budget and non-operating expenditures

In addition, the following documents are not required but should be provided if available:

- ◆ Samples of tools the museum uses to assess whether it has achieved its goals (e.g., visitor satisfaction surveys, exhibition evaluations, program evaluations, focus group questions/reports, community surveys, financial/other performance indicators, etc.)
- ◆ Vision/values statement(s)

³ See the Accreditation Commission's Expectations Regarding Mission (www.aam-us.org/accred).

⁴ See the Accreditation Commission's Expectations Regarding Institutional Planning (www.aam-us.org/accred).

⁵ See the Accreditation Commission's Expectations Regarding Delegation of Authority (www.aam-us.org/accred).

- ◆ Documentation regarding any internal, non-governing groups that serve in an advisory capacity (e.g., resolution of the board establishing this group, statement of purpose, operating guidelines, etc.)
- ◆ Investment policy
- ◆ Annual reports produced within the last three years

What are the Commission's expectations regarding the composition of the governing authority?

The Commission expects that the governing authority will:

- ◆ cycle in new people and new ideas
- ◆ reflect the diversity of the **communities** it serves
- ◆ provide opportunities for external input so that the governing authority is accountable to those communities
- ◆ ensure that members of the governing authority are evaluated on their performance and non-performing members are cycled out

There do not have to be term limits for the service of members of the governing authority, though this is one method traditionally employed by museums to achieve these goals.

When it is not possible to control these factors within the governing authority itself (e.g., museums within parent organizations, those with remote governance, or those that are government-governed) the Commission expects the museum find other ways to accomplish the goals outlined above. This may include establishing **supporting groups** as needed to assist with governance (e.g., advisory boards, auxiliary groups, community boards).

Glossary

Bylaws: Legal documents that describe matters delegated to the governing authority, such as membership categories, the logistics of scheduling and holding meetings of the corporation and the governing authority, committee charges, and provisions for amendments. Self-regulatory provisions for the governing authority, such as membership in the organization, attendance requirements, and termination, also are in the bylaws.

Community: In the Accreditation Program, a museum self-identifies the community or communities it serves. This may be a geographically defined community, (e.g., neighborhood, academic campus, a town, city, county, or region), a community of interest (e.g., the scientific community; the international business community), or a group viewed as forming a distinct segment of society (e.g., the gay community; the community of color), or a combination of these types.

Fiduciary: Of or relating to a holding of something in trust for another: a fiduciary heir; a fiduciary contract; of or being a trustee or trusteeship; held in trust.

Governance Manual: Reference manual assembled for use by members of the governing authority to assist with their orientation, training, and ongoing work. It may include, for example, copies of the museum's mission statement, bylaws, current institutional plan, policies, and minutes of past meetings.

Governing Authority: The body with legal and **fiduciary** responsibility for the museum. Unless delegated to another body or through a chain of command, also responsible for approving museum policy. Names of the Governing Authority include but are not limited to: board of commissioners, board of directors, board of managers, board of regents, board of trustees, city council, commission.

Joint Governance: A governance structure in which two or more entities share governance of the museum. This involves dividing or sharing basic governance responsibilities such as determining mission and purpose; hiring, supporting, and evaluating the director; strategic planning; obtaining and managing resources; and monitoring the organization's programs and services. For example: a museum jointly governed by a city government, which owns the collections and the building and employs the staff, and a private nonprofit, which determines museum policy and operates the museum. Or a university that owns and manages a museum, but delegates responsibility for determining programs and services to an advisory board. Does not automatically include museums that have separately incorporated friends organizations, unless the friends organization has significant responsibility for governance of the museum delegated to it in writing.

Remote Governance: Governance in which the museum director reports only indirectly, through a chain of command, to the actual governing authority. For example: the governing authority of a university museum might be the Board of Regents and the director reports through the provost, to the university president, to the Regents. The director of a museum in the state parks department might report through a parks manager, to the head of the state department of parks and recreation, to the governor.

Supporting Group: A group whose primary purpose is to support the museum, but which has no governing authority and responsibility for the museum. The group may provide financial support, volunteers, expertise, or advocacy to complement the knowledge and skills of the governing authority. Supporting groups may be called, for example, advisory boards, friends, guilds, or auxiliary boards.

- ◆ **External supporting groups** are informal associations or separately incorporated nonprofit entities. They are independent of the museum in their own governance. The Accreditation Commission expects there to be a letter of understanding, a management agreement, or other document detailing the relationship between an external supporting group and the museum's governing authority.

- ◆ **Internal supporting groups** are part of the museum itself, either as an informal association or by appointment of the governing authority. They serve at the pleasure and under the direction of the museum's governing authority or its designee.