

**“Advisory body” or “Governing body”
for Consideration by the Charter Revision Commission
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The following may be helpful in discerning what bodies are an “Advisory body” or a “Governing body” or “Governing Board”.

The following distinguishes an “Advisory body” and “Governing body” or “Governing Board”.

Per Burt Stevens’ presentation of 10-11-2024:

- an **advisory body** provides advice and recommendations and its members are appointed by a public official to advise, recommend, or consult with a public official or branch of government.
- a **governing body** sets policy and direction and is legally responsible for the governance of an organization.

Key Differences between an Advisory Body and a Governing Board

<u>Aspect</u>	<u>Advisory Body</u>	<u>Governing Board</u>
Authority	Non-binding advice	Binding decisions
Legal Responsibility	None	Fiduciary duties
Focus	Advisory and specialized input	Strategic oversight and governance
Engagement Level	Informal	Formal and legally defined

ChatGPT

Explain the difference between an advisory body and a governing board.

An **advisory body** and a **governing board** both play important roles in organizations, but they have distinct functions, authority, and responsibilities. Here's a breakdown of the key differences:

1. Role and Function

- **Advisory Body:**
 - An advisory body provides **guidance, recommendations, and expertise** to the organization's leadership, such as a governing board or management.
 - It typically focuses on giving **non-binding advice** on specific issues or strategic decisions.
 - The members of an advisory body often bring specialized knowledge or experience to help the organization make informed decisions but have no direct authority to make final decisions.
- **Governing Board:**
 - A governing board, such as a **board of directors** or a **board of trustees**, has the **authority** to make final decisions on the direction and management of the organization.
 - It is responsible for **oversight, accountability**, and ensuring that the organization achieves its mission, complies with laws, and manages its resources effectively.
 - The governing board typically has the power to hire and fire executives (like a CEO), approve budgets, and make critical policy decisions.

2. Decision-Making Authority

- **Advisory Body:**
 - Has no decision-making power. Its role is to **advise and recommend**, but the final decisions rest with the governing body or management.
- **Governing Board:**
 - Holds the **decision-making power** for the organization. Its members vote on key issues and direct the overall strategy and policies.

3. Composition

- **Advisory Body:**
 - Often consists of **experts, specialists, or stakeholders** who provide advice based on their knowledge, experience, or perspectives.
 - Its members are typically not involved in the day-to-day operations of the organization.
- **Governing Board:**
 - Made up of **elected or appointed members** who are often responsible for the legal and financial oversight of the organization.
 - Members may be stakeholders, community leaders, or individuals with a vested interest in the success of the organization.

4. Responsibilities

- **Advisory Body:**
 - Provides **input** on strategic issues such as planning, fundraising, marketing, or program development.
 - Helps the organization address specific challenges or opportunities with informed advice.
- **Governing Board:**
 - Has the responsibility for **legal and fiduciary oversight**. This includes ensuring the organization is financially stable, compliant with laws, and acting in the best interests of its stakeholders.
 - It also often sets major organizational policies, approves budgets, and ensures the effectiveness of leadership.

5. Example Context

- **Advisory Body:** A (nonprofit) organization might have an advisory board made up of industry experts who help guide the organization's strategic planning but do not make final decisions on financial allocations or governance issues.
- **Governing Board:** A (corporate) board of directors has the authority to approve (company) strategies, financial decisions, and key executive appointments, and it has legal responsibility for (the company's) performance.

Summary:

- **Advisory Body:** Non-binding advice, expert input, no decision-making authority.
- **Governing Board:** Binding decisions, legal and financial oversight, authority to make key organizational decisions.

Questions for consideration

1. Are the Boards of Trustees advisory or governing boards?
2. Who should have governing authority? Executive Directors (hired by the Board of Selectmen), or Boards of Trustees (as a governing board)?
3. Given that the Board of Selectmen, Finance Directors, Executive Directors, and “Boards”/“Committees”/“Commissions” are *all* stakeholders, would a collaborative meeting help clarify their respective roles and responsibilities?
4. Could such a discussion lead to consensus (or consent*) on which entities serve as either advisory bodies or governing boards, as well as agreements to conduct themselves accordingly?

(*Consent - it is good enough for now, safe enough to try, with a method of evaluation at a predetermined time; there are no “paramount objections”.)
5. If the Boards of Trustees choose to be a governing body, would they be covered under the town’s Officers and Directors liability insurance?