



June 2006

GOOD GOVERNANCE AND NON-PROFIT INTEGRITY

As organizations entrusted by the public to care for our shared artistic heritage, art museums must continually re-assess and re-affirm their commitment to good governance. This is especially pertinent given the growth in the number and size of North American art museums over the past 100 years. Accompanying this evolution in the museum field has been a significant rise in the fiduciary and other responsibilities of those institutions' Boards of Trustees and their directors.

Board Responsibilities

Museum boards today are, by and large, charged with oversight of significantly greater assets on behalf of their institutions than they were even a generation ago. Governing boards comprised of community members deeply committed to the mission of the art museum are essential to this process, and these individuals are critical to the overall health of their institutions. While trustee roles will necessarily vary because of the unique nature of each museum's collections, communities, and needs, all museums nonetheless seek certain qualities in their volunteer and professional leaders. The public rightly expects these board members to uphold the standards of best practice by which museums are widely known.

Sound judgment and an unwavering commitment to the essential principles of art museums are fundamental characteristics demanded of every board member. Many museum directors also desire financial management skills and strong demonstrations of personal philanthropy from their trustees, in addition to seeking donations, when appropriate, of in-kind services and works of art. Museums increasingly seek board members who can provide access to new and under-served communities, as well as strong non-profit management experience. Historical understanding of the museum's progress, and long-term relationships with the institution, are viewed as other top qualities. An AAMD survey of its member directors conducted in 2004 reinforced the importance of these attributes as those sought by museums and which are crucial to providing strong leadership and guidance.

In the case of museums, board members typically serve as highly visible public advocates for their institutions. While trustees may take on many roles for their museums, they can be particularly important – and effective – in expressing to the broader community the museum’s mission, goals, and commitment to upholding the public trust. In an era when many non-profit institutions are subject to increasing levels of public scrutiny, it is imperative that art museums work in close concert with their trustees to articulate – and implement – the best practices in the field.

College and University museums follow a somewhat different pattern through their “parent” institutions’ governance structures. Campus-based museums, for example, often have boards of advisors, or visiting committees, whose primary responsibilities are advocacy and fundraising, as opposed to governance. Members of such advisory groups or councils should adhere to the standards articulated in AAMD’s *Professional Practices in Museums* and, therefore, to the same basic principles for the field expressed therein.

Director’s Responsibilities

A museum director is the chief executive officer of the museum and is ultimately responsible for the day to day operation of the institution. The director oversees the staff and shares, with the Board of Trustees, responsibilities for maintaining the highest level of integrity at the museum. Therefore, together they must continue to address governance questions as they arise, drawing on AAMD’s *Professional Practices in Art Museum* for guidance. As examples, these issues may include: the responsibility and objectivity of audit oversight; any real or perceived conflicts of interest between the museum and a member of the Board; the transparency with which the museum discloses executive compensation and other operational expenses; and the terms (as well as term limits) of trustees and the balance of their relative influence on the Board. As museums and the contexts in which they operate become increasingly complex, it is ever more imperative that museum leaders on the Board and staff continue to address all such pressing matters of governance and integrity with frankness and transparency.

Professional Practices in Art Museums

In order to uphold its reputation as diligent, trustworthy leaders of the cultural field, the museum community has long recognized the importance of durable institutional guidelines and clear parameters for governance. AAMD has issued important recommendations in its *Professional Practices in Art Museums* (2001) publication, which has served as the standard reference for the field since it was first published in 1971. This resource has been regularly updated on a ten-year cycle since then.

Professional Practices in Art Museums details multiple areas of responsibility and outlines the chief aims of the volunteer museum board. It further asserts that this governing body bears, with the museum director, the principal burden for ensuring that the mission and strategic plan of the institution are reflected in clear policies. In addition, every AAMD member institution is encouraged to create and review regularly its policy in such areas as:

- Collections Management;
- Personnel;
- Ethics;
- Finance and Investment.

Local, Regional, and Federal Standards of Governance

From time to time, legislators may address non-profit governance. For example, U.S. legislation aimed at governance issues within for-profit corporations has spurred parallel debates about laws directed at non-profit organizations. Museum directors may find that it is valuable to schedule a periodic review of pending local or state legislation that could have an impact on the institution's current policy. Meetings with legislators to discuss the effects of such policy changes can help address both public and institutional needs, while ensuring that museums remain up-to-date on their governance obligations. Additionally, these meetings can serve as reminders to local leaders of the museum's mission-based activities and their high standard of ongoing governance practice.

Core Values

AAMD Members recognize the need to be scrupulous in their actions as non-profits and urge regular reviews of their own professional practices to ensure compliance with any new legislative acts. Additionally, AAMD seeks to inform legislators of critical issues in the museum field as these topics emerge and develop. Members subscribe to values which guide all aspects of their work as museum professionals. These core values are:

Mission: The mission of all art museums is to serve the public through art and education. Fulfillment of this mission is the primary goal of every AAMD member and the touchstone by which all decisions are made concerning museum programs and operations.

Individuality: Each museum has a unique identity, and its collections and programs respond to the distinctive interests of its community. Museum directors have the responsibility and the freedom to exercise sound professional judgment in ensuring that their museums are responsive to local interests while adhering to the standards of quality for which AAMD's members are recognized.

Accountability: Museum directors are accountable to their trustees, staff, donors and community for ensuring that museums fulfill their public service mission and reinforce the leadership position of museums as cultural and educational resources.

Integrity: Museum directors are responsible to their trustees, staff, donors and community for ensuring that museums meet the highest standards of professional and ethical integrity.

Transparency: Museum directors manage their institutions – and, to the extent possible, the involvement in their museums by outside individuals and organizations – to promote clarity of purpose in action and openness in internal and external communications.

The AAMD's commitment to these core values and the success of its members in managing their institutions' relationships with corporations and for-profit business entities have ensured that America's art museums are among the most trusted and respected public institutions in the world – resources for education and enjoyment that provide lasting benefits to the people of the world.

The Association of Art Museum Directors (AAMD) is a membership organization which represents 175 directors of the major art museums in the United States, Canada and Mexico. The President for 2006-2007 is James K. Ballinger, Director of the Phoenix Art Museum. AAMD's Executive Director is Millicent Hall Gaudieri.