

# Steering the Ship: Market Boards and Advisory Committees

Chapter 4: Human Resources

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By Suzanne Briggs, Colleen Donovan, and Karen Kinney

As with farmers markets themselves, there is no “one-size-fits-all” for farmers market boards and advisory committees. And not every farmers market has a formal board or advisory committee. However, for those that do, the role of the board is vital to the immediate and long-term success of the market. As volunteers, board members dedicate their time, talents, and treasure to making a market organization run and grow smoothly. When too little attention is dedicated to board leadership and development, markets can suffer, drama happens, and personal wounds linger for years.

Part of the challenge is that farmers market boards, like markets, are a unique hybrid – part mission-based nonprofit, part small business incubator -- that doesn’t always have off-the-shelf governance and operational models to follow. Fortunately, there are thousands of amazing people willing to work behind the scenes so that farmers markets can serve their vendors, shoppers, and communities.

## Market Structure and the Role of the Board

Usually, there is a direct relationship between how a farmers market is incorporated and its governance structure. It may be an elected board of directors, an advisory committee, or ad hoc group without a formal structure. What entity governs a market and who is eligible to be part of these groups should be spelled out in a market’s by-laws. As the market’s needs change over time, its organizational structure can and should change too. However, all changes need to be codified in the market’s by-laws following the appropriate steps.

The key distinction between a **board of directors** and an **advisory committee** is one of governance. In a nonprofit organization, in exchange for getting public tax benefits, the elected boards of directors are responsible for representing public interest. This includes explicit duties such as:

- Governance, abiding by by-laws, and legal regulations of nonprofits;
- Fiscal oversight, including approving a budget and paying taxes;
- Determining and/or upholding the market’s mission, strategies, and programs;
- Creating and reviewing Market Policies and Rules;

- ❑ Hiring a market manager or executive director; and
- ❑ Rolling up your sleeves and serving on committees, helping on market day, and representing the market to vendors and the larger community.

Nonprofits go through different “life stages” and make a key distinction between being a “working board” or “organizing board” and a “governing board” (where rolling up your sleeves is not expected). Laura Pierce has a helpful graphic about “Life Stages” that she adopted from Karl Mathiasen ([www.boardsource.org](http://www.boardsource.org)). With a few key exceptions, most farmers markets in Washington have working boards that are very involved with keeping the market running.

Market Incorporation	Governance Structure
<b>Nonprofit corporation</b> incorporated in <i>State of Washington only</i>	Required to have an elected or appointed board of directors.
<b>Nonprofit corporation</b> with federal tax-exempt status: 501c3, 501c4, 501c5, or 501c6	Required to have an elected or appointed board of directors.
<b>Projects of nonprofits</b> (e.g., farmer groups, chambers, downtown or main street associations)	The market typically has a “market committee” or advisory group dedicated to the market. The “parent” nonprofit has an elected board.
<b>Project of government or public entity</b> (e.g., City Parks Department, Public Development Authority, Port)	Typically, markets have a dedicated committee or advisory group, but not a board. They are governed by the policies of the City, Department, PDA, Port, or other agency running the market.
<b>For-profit business or project of a business</b> (e.g., sole proprietorships, LLC, or S-corporation)	Most markets in Washington that are businesses are incorporated as sole proprietorships which do not require a board of directors but may opt to create an advisory group of some sort. If a for-profit market is a S-Corp or LLC, then it will have a board comprised of shareholders or owners following its incorporation with the Department of Revenue.

One best practice is to create an organizational chart for the market that shows the governance structure, any committees, and their relationship to the market manager (and any staff) and volunteers. Since there are so many different ways that farmers markets can be incorporated, it is especially important to have handouts and other ways to show how your market is structured so that everyone is on the same page. Being clear about roles and responsibilities goes a long way to aligning expectations.

Regardless of how the market is structured, the “chain of command” must be clear to everyone. This isn’t just a matter of assigning people jobs, but also being very clear and consistent about who has the responsibility and authority to make specific types of decisions<sup>1</sup>.

## Vendor-run vs. Community-run Boards

A farmers market boards may be run comprised of vendors, community members, or a mix of vendors and community members. Which model the market follows tends to be rooted in how the farmers market first started. If farmers came together to create a market, then the board tends to be vendor-run. If a community member started a market to bring fresh produce to a food desert, then it would be likely run by a mix of neighborhood and public health stakeholders. Here again, there is no “right” way or one-size-fits-all for farmers markets. The mix of board member types should fit the market community and its mission.

And, as the market matures and operations become more complex, it may need to evaluate the make-up of its membership to make sure the board has all of the specific skills it needs to handle the ever-growing scope of work. This becomes especially important if a market decides to pursue federal grants, including the USDA’s Farmers Market Promotion Program, or offer SNAP and incentive programs. As the market is managing public money, these programs require formal internal controls and sophisticated accounting systems.

## Board Recruitment

The below suggestions are from Suzanne Briggs and her extensive work with farmers markets in the Pacific Northwest.

- Designate a committee or specific group of people responsible for board recruitment.
- Start early! A board recruitment calendar may start in January for board elections held in October. Also see the attached 2016 Board Recruitment Timeline.
- Create a “job description” for board members and officers. Simple is fine, and may even be better. Align responsibilities and authority with needs and realistic capacity.
- Create a list of the skills that are most important for your board to have and those that are also desired. Then inventory your current board and prospective board members (and staff) to ensure the priority skills are represented. Keep in mind,

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<sup>1</sup> Also see discussion of Management Structure in *The New Farmers’ Market* (Corum et al., pp. 135-136, 2015).

some people prefer to do something new or different in their volunteer activities. Don't assume a CPA by day will want to be the market treasurer in his or her free time.

- Create and follow a board member recruitment or outreach plan. Enlist support of market sponsors, neighbors, and other stakeholders.
- Follow clear procedures when electing new board members so vendors and the larger market community understands how people become board members and officers.
- For applicants who were not elected, be sure to keep them engaged through other volunteer opportunities at your market.
- Be sure to provide a thoughtful orientation to all new board members, preferably as a cohort so they get to know each other.
- Formally and publicly acknowledge the service each board member shares with the market at least once a year.
- Have fun! Keep the joy and love of farmers markets alive as you fulfill the market's mission of supporting local farms and feeding their communities.

Serving on a farmers market board is basically taking on a job, for free, that can be an exciting journey of learning or a roller coaster of dysfunction and frustration. To create the former and avoid the latter requires that the leaders recognize organizational and board development as nonnegotiable market priorities. This can be really hard given all the other demands on board members, the manager, and vendors – especially during the market season. But the investment pays dividends as the circle of committed and capable people expands because everyone enjoys being on the market board.

## Good Resources

501 Common's Boards & Governance Resources

<https://www.501commons.org/resources/tools-and-best-practices/boards-governance>

"Doing Business in Washington State as a Farmers Market" (Chapter 5)

The Farmers Market Coalition's online "Resource Center" has excellent resources:

<https://farmersmarketcoalition.org/types/boards-mission-and-governance/>

*The Best of the Board Café: Hands-on solutions for nonprofit boards* by Jan Masaoka (2013). [www.compasspoint.org](http://www.compasspoint.org)

*Understanding the Link Between Farmers' Market Size and Management Organization* by G. Stevenson, Larry Lev, and Linda Brewer (2007). Oregon State University. Available: <https://catalog.extension.oregonstate.edu/sr1082>