

Guiding Principles for SCFD Board Members

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The Scientific and Cultural Facilities District (SCFD) is a division of local government, a unique combination of both non-profit and government best practices and has responsibilities that are defined by law through State statute. The Board of Directors are fiduciaries. They are accountable to the residents in the seven-county area that makes up the SCFD district. This includes governance and oversight (appropriate policy-making responsibilities that are in-line with statute) and a focus on inclusivity and access, all while keeping the public's best interest in mind. The primary purpose of the SCFD, as defined by statute, is enlightening and entertaining the public through visual arts, performing arts, cultural history, natural history, or natural sciences. This purpose is achieved by funding organizations that align with the SCFD purpose and provide access and programming to the residents of the SCFD district.

Given the complex nature of the SCFD, it is important to understand:

- The creation of policy and direction, especially during times of reauthorization, is a Board function. Implementation of policy is staff responsibility.
- As an appointed Board, there may be times the political implications of a decision should be considered.
- Each board member has a responsibility to actively participate in making informed decisions in the best interest of the SCFD while using their best judgment.
- When acting on behalf of the SCFD, in a decision-making capacity, each board member must put the interests of the SCFD before their personal and professional interests.
- Board members must ensure that the SCFD complies with the applicable federal, state, and local laws and adheres to its purpose, by-laws, and state statute.

Basic Responsibilities

- **Understand mission and purpose as outlined in statute and advocate for the organization:** The board is responsible for ensuring that the organization's purpose is clearly understood and enthusiastically supported.
- **Attending scheduled board meetings should be a priority:** It is important to attend board meetings and be actively present during board discussions.

- **Select the chief executive:** This is one of the most important board functions. The board’s ability to consistently recruit and retain an effective leader is a critical factor in organizational success.
- **Support and evaluate the executive director:** Providing personal and organizational support for executive leadership, annually assessing the executive director’s performance, and approving appropriate compensation are key board responsibilities. A formal evaluation should be based on well-defined and mutually agreed upon expectations; and the full board shall be given the opportunity to provide feedback and approve the final evaluation and compensation.
- **Ensure resources are managed effectively, protect assets, and provide financial oversight:** Safeguarding organizational assets is one of the most important board functions.
- **Approval of Annual Budget:** Budget review and approval is one of the board’s most important policy decisions. The annual budget should reflect personnel, purpose, services, and other near- and long-term priorities.
- **Review and Approval of Annual Audit:** Approval of the Financial Audit is important for the transparency and accountability of the organization and is part of the board’s due diligence on behalf of the taxpayer.
- **Ensure accurate financial distributions per state statute and monitor and strengthen granting processes and services when appropriate:** The board’s fundamental responsibility begins with ensuring that current and proposed grant programs and services align with the organization’s mission and purpose and are allowable under state statute, and that services are cost effective and of good quality.
- **Build and sustain a competent and inclusive board:** Board will only be as effective as their individual members. While the appointing bodies and number of members are set in statute, leadership can take an active role in recruiting.
- **Ensure legal and ethical integrity:** Because the board is ultimately responsible for ensuring adherence to legal standards and ethical norms, its members should individually and collectively exhibit diligence, commitment, and vigilance, and disclose any conflicts of interest.
- **Enhance the organization’s public standing:** Board members should think of themselves as ambassadors and advocates — and together with management strategically communicate the organization’s story and aspirations while contributing to a healthy and accurate public image.

Responsibilities delegated to staff with board oversight

- Enter into contracts including but not limited to contracts for the provision of cultural services for the district.
- Administer and use sales and use tax monies collected pursuant to the statute.
- Develop reporting and review requirements governing receipt and expenditures of tax district funds by all three tiers.
- Determine eligibility of organizations that apply to the district for monies that the board distributes, including the applicant's financial and organizational capacity to expend tax dollars to serve the public and achieve the mission of the organization.

Summary of SCFD Board Statutory Powers and Duties

- Select a chairperson.
- Adopt and amend rules of procedure with notice and opportunity for public comment per Open Meetings Requirements.
- Hire staff as necessary to assist the board in its duties.
- Decide at which election the question of reauthorization shall be submitted to registered voters.
- There are times the board or organization may sue or be sued. It is important to understand that insurance indemnifies board members.
- Modify the weight to be given the factors of annual operating revenues and annual paid- and unpaid-attendance for determining Tier II distributions. Once modified, the board is bound by the weighting formula and can modify it only every two (2) years thereafter. The board last reviewed the weighting in 2017.
- Distribute Tier I and Tier II sales and use tax funds to eligible organizations for general operating expenses.
- Approve the annual Tier III funding plans of the county cultural councils in the seven counties that comprise the district.
- Approve modifications to the by-laws.
- Due to Open Meeting requirements, also known as the "Sunshine Laws," no more than two members may meet or communicate outside of scheduled meetings to discuss SCFD business. Therefore, no more than two members may serve on committees or task forces.

Additional Jobs and Duties if members have the time and expertise

- Volunteer for ad hoc committees when opportunities arise, keeping in mind needed skill sets.
- Attend cultural and community events as an SCFD representative.

- Be an SCFD advocate in your county and refer organization and council business/questions to SCFD staff.
- County appointed board members are encouraged to update the County Commissioners of SCFD developments and will be informed/invited to attend meetings between the Executive Director and County Commissioners.
- Governor-appointed board members are encouraged to update the Governor of SCFD developments and will be informed/invited to attend meetings between the Executive Director and the Governor. *
- Learn more about each county's policies and priorities and the regional differences between the counties.

*Note: Sunshine Laws apply.

Board Configuration and Meetings

- All 11 SCFD board members are appointed: One appointee from each of the seven counties comprising the District (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas(with the exception of Castle Rock and Larkspur) and Jefferson, are appointed by the county commissioners or city council, and four members appointed by the governor.
- Appointments are usually for a three-year term, with a statutory maximum of two consecutive terms.
- **The SCFD board typically meets the fourth Thursday of the month (excluding January, March, June, November, and December)** beginning at 1 pm. Meetings occur throughout the seven-county district when not virtual. SCFD is a local government special district that must comply with both the public information and open meetings statutes. Thus, all board meetings and planning sessions must be announced on the SCFD website and open to the public. Whereas most meetings are about two hours in length, the July, August, and September meetings are generally the longest and may run until 4:30 or 5 p.m.
- Board members are encouraged to share recent experiences at SCFD funded organizations.
- As of 2022, the SCFD is administered by a staff of six, an Executive Director (who serves as ex-officio, non-voting board member), a Deputy Director, three Program Officers, and an Executive Assistant.