



AMERICAN  
PSYCHOLOGICAL  
ASSOCIATION

750 First Street, NE  
Washington, DC 20002-4242

May 6, 2010

Request for Proposal: Consultant on Association Governance Structure

As part of our recently adopted strategic plan, the American Psychological Association (APA) plans to launch an assessment and possible restructuring of our governance structure. We seek an experienced consultant to help facilitate our efforts in this regard.

The APA is a 501c(3) organization founded in 1892 representing 152,000 psychologists, students and international affiliates. Our central office is located in Washington, DC and we have a staff of 588 and an annual operating budget of \$110+ million. Most of our income is derived from publications, including journals, books, and electronic products; member dues generates about \$14 million. We also derive rental income from the two buildings we own in downtown DC.

This past year, the governance body adopted goals and objectives from the association's first strategic planning process. One of the three major goals is "Maximize Organizational Effectiveness." An objective within this goal is "Optimize APA's governance structures and function," which is the focus of this RFP.

Our governing body is the Council of Representatives which meets two times per year, has oversight of the budget, and is the only body in the association that can set policy. The Council has an executive committee, called the Board of Directors, which meets six times per year and includes the President, President-Elect, Past President, Secretary, Treasurer, 6 members elected at large from Council, a representative from our graduate student association and the Chief Executive Officer as *ex officio* member.

The 160 Council members represent APA's Divisions (e.g., special interest groups) and state/provincial/territorial psychological associations (SPTAs). The 54 Divisions have a complex legal and financial relationship with APA. Each Division has separate bylaws and governance structures, may accept non-APA members as full members of their associations, and many are separately incorporated. The 60 SPTAs are fully independent entities with an affiliation arrangement with APA.

In addition to the Board and Council there are seven major advisory boards and 32 ongoing advisory committees; each board/committee usually includes 6 – 12 member volunteers, elected or appointed by the governance structure, who specialize in the content area addressed by the group.

In addition, in 2001 a companion 501c(6) organization was created to allow additional lobbying and advocacy for practitioner members of the association. The two organizations share the same Board.

Attached is additional documentation that should help you to better understand our organization and needs for this project. If you are interested and available to help guide us through this project, we would like a proposal from you outlining your expertise and/or direct experience with

organizational restructuring, recommendations on the implementation of this process, an expected timeframe and an estimate of cost. Please submit your proposal by June 1<sup>st</sup>, 2010 to

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Thank you for your consideration.

Attachments:  
Governance Organization Chart  
Staff Organization Chart  
Narrative description of the APA governance structure  
Process Parameters

### **Parameters for the Good Governance Project**

- 1) Responsibility for the Good Governance Project ultimately rests with Council. The Board of Directors will design and oversee the process.
- 2) The process needs to address the role (if any) of the Policy and Planning Board, and any other boards and committees.
- 3) The process must be consistent with the APA mission and vision statements and Core Values.
- 4) The process must be consistent with the organization's 501 c(3) status.
- 5) Process should address the structure of the Council of Representatives, Board of Directors and Boards and Committees.
- 6) The process must engage all key stakeholders /constituencies within APA.
- 7) The process will be as transparent as possible including sharing of information as created.
- 8) Communication needs to be continual and understandable.
- 9) For any group(s) formed for the project, there should be continuity of membership through completion of that group(s)' tasks.
- 10) The process should include a timeline for the development, review and implementation of any new governance structure.
- 11) The process should incorporate best practices in association governance.
- 12) The budget process should be aligned with the project.
- 13) The process should include a consideration of current association governance trends.
- 14) The process must result in a recommendation of a comprehensive governance structure and implementation plan whose rationale is clear and compelling and based on appropriate data and analysis.
- 15) The process should consider both the business and membership sides of the organization.

*The material contained in this section was adapted from former Chief Executive Officer Raymond D. Fowler, PhD's "Running Commentary" column in the APA Monitor*

## **ORGANIZATIONAL AND GOVERNANCE STRUCTURE OF APA**

Like the federal government, APA's governance has a complex system of checks and balances that help make the system operate fairly and democratically. Because of its complexity, many members are not aware of how the parts of the structure operate together and exercise control over each other.

First of all, APA is a corporation chartered in the District of Columbia. Our certificate of incorporation determines and limits the kind of organization we can be and what we can do. Fortunately, the limits are broad, but the charter takes precedence over all of our internal documents, even our bylaws. Because of the nature of our organization, we are given favorable tax treatment by the federal government and by the District. But that, too, limits our activities. If we should deviate too far from our primary role of promoting psychology in the public interest, we could lose our favorable tax status and that would make it far more expensive, if not impossible, to operate at our current level of services and activities.

Our constitution, the APA Bylaws, take precedence over all other internal rules. They can only be amended by vote of the membership. They have remained fundamentally unchanged since they were ratified by the members a half-century ago. The bylaws establish the major structural units of APA: the Council of Representatives, the Board of Directors, the officers, the standing boards and committees, and the central office with a chief staff officer, now called the Chief Executive Officer.

As in all democratic systems, the ultimate power is in the hands of the voters, in this case, the members of APA. The members of APA exercise their power through direct vote and through the election of members to serve on the Council of Representatives. The primary constituencies from which the representatives are elected are the divisions, which are an integral part of the Association, and the state, provincial and territorial psychological associations, which are affiliates. The number of representatives to which each is entitled is determined by an apportionment ballot in which members allocate votes among the constituencies according to their own priorities.

The Council of Representatives has broad authority to develop the internal and external policies of the Association, within the framework of the charter and the bylaws. It has full authority over the affairs and funds of the Association. The Council elects almost all elected positions: the Board of Directors, the treasurer, the recording secretary and the chief executive officer. But the president, who is directly elected by the entire membership, chairs both the Council and the Board of Directors.

The Council elects six of its members to serve, along with the elected officers (president, past-president, president-elect, treasurer, recording secretary and chief executive officer) and the chair of the American Psychological Association of Graduate Students, as a 13-person Board of Directors to manage the affairs of the Association, subject to the periodic approval of the Council. In its corporate role, the Board oversees the business of the Association much like the board of any corporation. The Finance Committee, which is elected by Council and reports to it through the Board, presents an annual budget for the approval of Council. The Board acts for Council between its meetings and monitors any deviations from the budget during the year.

Much of the work of the Association is done on a volunteer basis by the members of the boards and committees. The committees carry out a wide variety of tasks as indicated by some of their titles: ethics, membership, accreditation, etc. Some boards and committees have specific responsibility for monitoring major programs such as the directorates, the journals and international affairs. In the course of their work, committees often generate proposals for new policies or new activities by the Association. Ordinarily, these proposals are submitted for review by the Board of Directors and referred by the Board to the Council for final determination. All items with fiscal implications are also subject to review by the Finance Committee.

The chief executive officer, as the administrative officer of the Association, is responsible for the management and staffing of the Central Office and for running the business aspects of APA. With over 680<sup>1</sup> regular employees budgeted, the Central Office provides staff for all of the boards and committees, runs one of the largest scientific publishing houses in the world, invests in stocks, manages real estate and interacts with private, state and federal agencies and organizations. In addition to collecting roughly \$14.8<sup>1</sup> million in member dues and fees each year and \$69.8<sup>1</sup> million from the Publications and Databases Program, the Central Office generates additional income of almost \$20.5<sup>1</sup> million to fund the activities and services of APA. Actual dues represent only 14% of the revenues needed to run APA.

The relationship of the chief executive officer (or CEO) to the Board of Directors is a particularly important one, since both have major responsibilities for keeping the Association operating smoothly. The Board generates policy and recommends it to the Council. The chief executive officer is responsible for implementing the policy decisions. This arrangement frees the Board from day-to-day personnel and management decisions and gives the CEO broad responsibility for operating APA according to the mandate of the members, the Council and the Board.

Although subject to occasional malfunctions, as are all human systems, our system of checks and balances has worked well over the course of over 50 years. The ultimate power resides, as it should, in the membership, and there are numerous levels of checks and balances to assure that power is exercised responsibly. Winston Churchill, among others, has been quoted as saying that democracy is a terrible system of government unless you compare it with all of the others. Our system may not be the simplest way of doing business, but it assures a high level of fairness and shared responsibility.

### **APA'S BOARD STRIVES TO MEET MEMBERSHIP'S DIVERSE NEEDS**

The APA Board of Directors is authorized by the bylaws to "exercise general supervision over the affairs of the Association." In carrying out this rather large mandate, the Board plays a unique and central role in the functioning of the Association.

The Council of Representatives, whose members represent divisions and states, is a large body that meets only twice a year. According to the bylaws, the Board serves as the "administrative agent" of the Council. The Board might also be referred to as the Council's executive committee of management. Six of the Board members are the officers: the president, president-elect, past-president, recording secretary, treasurer and the chief executive officer, who serves without vote. Six are members-at-large. Council elects all but the three presidents, who are elected by the entire membership, from its 174<sup>1</sup> members. An additional member of the Board is the chair of the American Psychological Association of Graduate Students (APAGS) Committee, who serves without vote on the Board. The APAGS chair does have a vote on Council.

Managing the affairs of a multimillion-dollar corporation that is also a complex membership organization requires the Board to make many decisions, but because the bylaws give the Council final authority over the policies and finances of the Association, most of these decisions require Council approval. The ability of the Board to exercise its administrative and supervisory responsibility thus rests not on the inherent power of the Board but on its effectiveness in understanding the needs of the Association, determining how those needs might best be met and making decisions and recommendations acceptable to the Council and the membership.

How does the Board achieve these objectives? Understanding the needs of the Association requires every Board member to review an enormous amount of information. As the body through which virtually all governance groups, such as boards, committees and task forces report, the Board receives, synthesizes and mediates all the information and recommendations of those groups, frequently referring the recommendation of one group to another for comments. Each Board member takes particular responsibility for several of these groups and attends their meetings as a liaison of the Board.

The Board also receives the chief executive officer's reports on Central Office operations and hears directly from many of the senior staff members. In addition, all Board members have large networks including

divisions, state associations, Council representatives and individual members with whom they regularly communicate in order to reflect the view of various constituencies of the Association.

Determining how the needs of the Association may best be met requires the Board to understand and balance the recommendations of all of the constituent groups in the context of the information they have received and the resources of the Association. Debates within the Board often consist of Board members forcefully presenting the divergent views and proposals reflecting those views. The Board then tries to craft its recommendations to Council in a way that respects the diversity of views, the existing policies of the Association, the bylaws and the available resources. Despite their diversity, or perhaps because of it, the members of the Board work long and hard to find solutions that are good for the whole Association.

## **APA'S COUNCIL: THE MOST IMPORTANT GOVERNANCE BODY OF THE ASSOCIATION**

The Council of Representatives is APA's major legislative and policy setting body.

The Council of Representatives meets twice each year: at the end of February and at the time of the annual convention. Representatives are elected by the divisions and by the state, provincial, and territorial psychological associations (SPTPAs). The number of representatives each division and SPTPA will have is determined by an apportionment ballot that permits members to assign votes as they choose. Divisions and SPTPAs that get more votes get more representatives..

For its first 53 years, APA was managed by a Council roughly analogous to our present Board of Directors: the officers of the Association, plus six members-at-large. In the years just prior to World War II, applied psychologists established a new organization, the American Association for Applied Psychologists, to provide professional services that APA had not been providing. The national emergency brought the two groups into a cordial working relationship, and after the war they, along with several other psychological societies, agreed to join together in a new APA that would represent applied as well as academic interests.

With the reorganization of APA came the establishment of 17 divisions, and the affiliation of state psychological associations, which had recently emerged as active participants in psychological affairs. The increasing complexity and size of APA made it apparent that the Association needed a larger legislative body to represent the diversity of the membership. The 1945 bylaws created the current Council, with representatives from states and divisions and members of the Board of Directors.

The bylaws invested the new Council with extensive authority to determine the policies of the Association. The Council has "full power and authority over the affairs and funds of the Association ... including the power to review, upon its own initiative, the actions of any board, committee, division, or affiliated group."

Other groups within the governance have important functions, but it is only the Council that can set policy and appropriate funds.

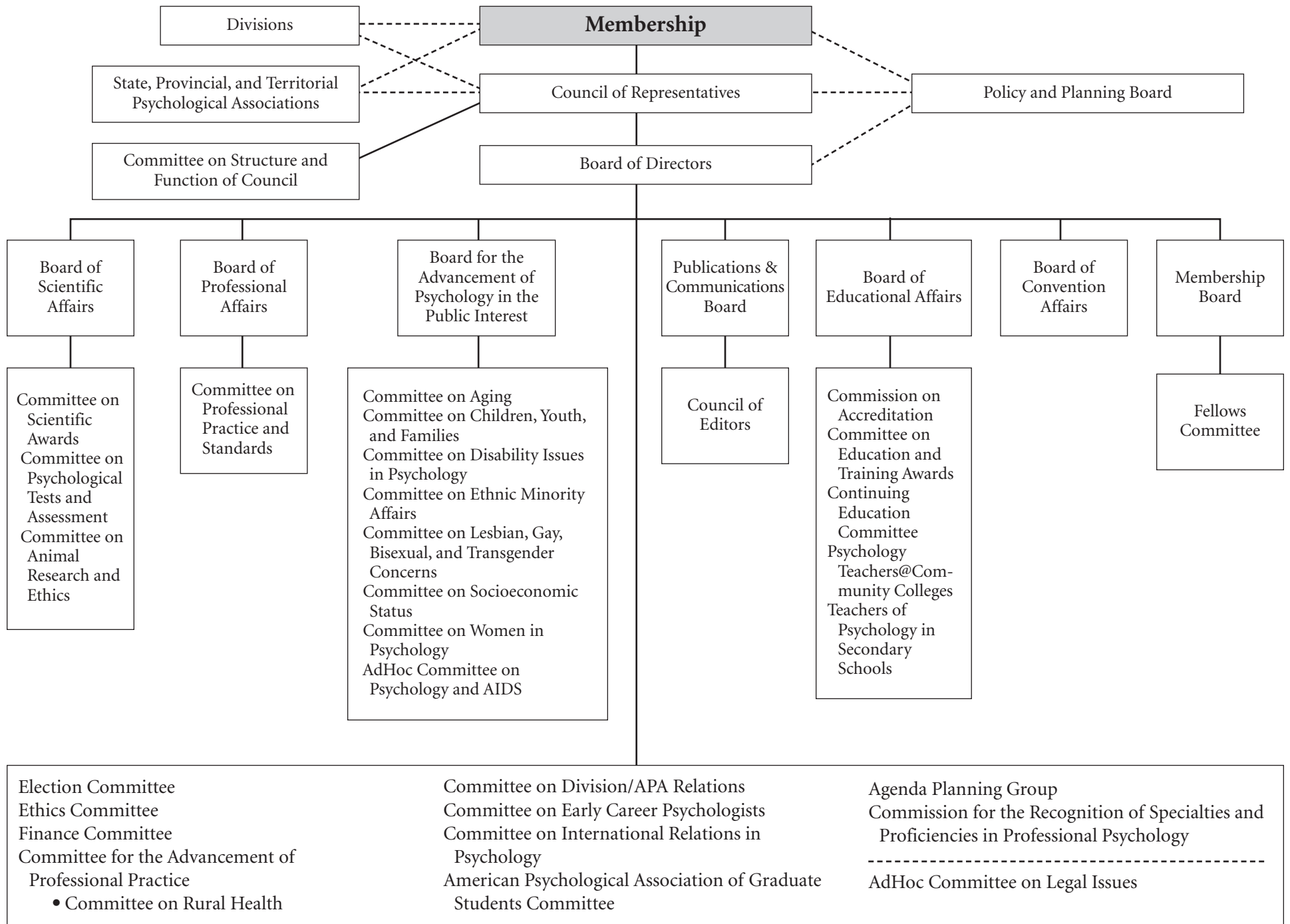
Like most legislative bodies, the Council is a lively debating society in which the views of representatives are expressed with passion, conviction and, sometimes, eloquence. It is made up of strong-minded people selected by divisions and states, provinces and territories to represent their views. Council can be, at various times, and especially to new members, entertaining, frustrating, challenging or intimidating. Almost all representatives wonder, from time to time, why they ever agreed to serve, but a surprising number run again ... and again.

Most important, the Council will receive, discuss and act on an annual budget of \$105<sup>1</sup> million of which roughly 14% comes from dues and the rest from other revenue generating activities such as investments, publications and real estate. Not every Council member can be expected to examine all of the thousands of items that make up such a large budget, so Council depends on the chief financial officer and the chief executive officer to construct the budget, the Finance Committee to review it in detail and the Board of Directors to oversee the budget process. But Council has the final authority on all expenditures, and it takes that responsibility very seriously.

More than any other part of APA, the Council exemplifies the great diversity of APA's membership working together to make APA work.

<sup>1</sup>Figures have been updated to reflect data from the [2007 Final Budget](#).

# Reporting Lines for Standing and Continuing Boards and Committees





# American Psychological Association Organizational Chart 2010

