



The "BIG TEN" of Nonprofit Boards

1. Determine the organization's mission and purpose
2. Select the chief executive
3. Support the chief executive and assess his/her performance
4. Ensure effective organizational planning
5. Ensure adequate resources
6. Manage resources effectively
7. Determine, monitor, and strengthen the organization's programs and services
8. Enhance the organization's public standing
9. Ensure legal and ethical integrity and maintain accountability
10. Recruit and orient new board members and assess board performance

Individual Board Member Responsibilities

1. Attend all board and committee meetings and functions, such as special events
2. **Be informed about the organization's mission, services, policies, and programs**
3. Review agenda and supporting materials before board and committee meetings
4. Serve on committees and offer to take on special assignments
5. Make a personal financial contribution to the organization
6. Inform others about the organization
7. Suggest possible nominees to the board who can make significant contributions to the work of the board and organization
8. **Keep up-to-date on developments in the organization's field**
9. Follow conflict of interest and confidentiality policies
10. Refrain from making special requests of the staff
11. Assist the board in carrying out its fiduciary responsibilities, such as reviewing annual financial statements.

Bylaws

Three Major Functions

- Determine organization's structure in terms of authority levels and guidelines for the board
- Determine the rights/responsibilities of the people involved in the structure
 - Determine the procedures of the board



The Board Manual

- Purpose of a Board Manual
- Contents of a Board Manual

Board Manual Contents

1. Welcome letter from the Boar chairman and/or Chief Executive Officer
2. Calendar of meetings scheduled for entire fiscal year
3. Mission, Vision and Core Value Statements
4. Calendar of events for the organizations (fundraising, etc.)
5. Profiles/bios of current board members including personal/family history, work experience, other community service activities, year appointed to the board, years left in term of service on the board, board committees currently serving on
6. Web site information
7. Organization bylaws
8. Organization Articles of Incorporation
9. IRS determination letter
10. **Minutes of previous two year's board meetings**
11. Copies of previous two years financial reports
12. Copy of most recent audit
13. Board governance policies (including ethics and conflict of interest policy and **board member's job description**)

Board Manual Contents

14. Committee job descriptions
15. Organizational chart
16. **Copy of the organization's strategic plan**
17. Current annual budget
18. Insurance policy coverage
19. Policy on conflict of interest
20. Legal liability policy
21. **Chief Executive Officer's job description**
22. **Chief Executive Officer's evaluation procedures**
23. **Chief Executive Officer's executive limitations**
24. Board member orientation procedures and checklist
25. Board member application form
26. History of the organization and public relations brochures

A Few Board Policies You Should Have

- State that the board annually reviews the mission, vision and values statements
- Selecting, supporting and evaluating the Chief Executive
- How the board will monitor the effectiveness of the programs and services of the organization
- Ensuring adequate resources: funding, staff resources
- Ensuring fiscal management
- Engage in strategic planning
- Selecting and orienting new board members
- Understanding the relationship between the board and staff
- Enhancing the organizations public image
- How the board is organized e.g. committee structure, how meetings are conducted, recording of minutes, etc.
- Ensuring sound risk management (conflict of interest, insurance coverage, audits, etc.)
- Chief Executive succession plan

Committees and Their Purposes

- To make effective use of time and resources
- Accomplish work that needs to be done between board meetings
- Enable sharing of time and talents
- Provide for ongoing organizational work and evaluation
- Develop proposals for board action
- Provide opportunities for board-staff interaction and exchange
- TREND: Keep it simple and flexible. Have as few standing committees as possible use ad-hoc whenever feasible

All Groups are not Equal

- Board Standing Committees
 - Responsible for permanent tasks
- Ad Hoc Committees
 - Responsible for tasks with a long or uncertain time-line, should not be related to the strategic direction
- Task Forces
 - Responsible for very specific tasks that can be accomplished within a short time frame

CAUTION:

Committees and Potential Problems

- Can become the “workhorses” of the board – board may become rubber stamp
- May lead to fragmented decision making and uninspiring board meetings
- Committees for everything



Prerequisites for Effective Committees

- Need clear charters: What are they responsible for achieving? By what time?
- Clear understanding of their basic role. Define who the committee is accountable to.
- Define reporting process and timeline to the full board



Standing Committees and Their Focus

- Finance Committee
- Audit Committee
- Development Committee
- **Governance Committee**



Advisory Committees

- Use sparingly
- Develop written statement: purpose, membership criteria, meetings, attendance, reporting relationship to board
- Called Advisory Committee NOT Advisory Board
- Have no legal or formal responsibilities of the governing board
- Board determines how members are to be selected
- Advisory committees have NO policy making authority
- Provide recommendations, furnish pros and cons on issues, opinions are listed as minority opinion
- Determine time frame for advisory committee before it is created

Board Makeup

- Large enough to incorporate a diversity of perspectives
- Small enough to facilitate active participation and effective decision making
- Optimum board size?
- Length of board service: need regular infusion of “new blood”, term limits, no automatic re-election

The Governance Committee

Purpose: Responsible for ongoing reviews and recommendations to enhance the quality and future of the board of directors.



Governance Committee

Focus is on five areas:

1. Board Roles and Responsibilities
2. Board Composition
3. Board Knowledge
4. Board Effectiveness
5. Board Leadership



Governance Committee

1. Board Roles and Responsibilities

- Lead board in regularly reviewing and updating its job description
- Assist board in periodically updating and clarifying the primary areas of focus for the board (strategic issues/strategic plan)

Governance Committee

2. Board Composition

- Assess current and anticipated needs for board composition
- Develop a profile of the board as it should be over time
- Identify potential board candidates
- Based on the pool of candidates, nominate individual for board consideration
- With the board chair, meet annually with each board member to assess his/her continuing interest in serving on the board

Governance Committee

3. Board Knowledge

- Design and oversee the board orientation process
- Design and implement board education/development program



Governance Committee

4. Board Effectiveness

- Lead the periodic self evaluation process of the board's performance
- Regularly review the board's practices regarding member participation, conflict of interest, confidentiality



Governance Committee

5. Board Leadership

- Take the lead in succession planning for board leadership (e.g. board officers)
- Nominate board members for election as board officers



The Board/Executive Partnership

- The Board Governs the life of the organization
 - Has ultimate responsibility for the organization
 - Is accountable to the public trust
- The Executive coordinates and directs the affairs of the organization
 - Has immediate responsibility for the organization
 - Is accountable to the board



The Board Executive Relationship

- Organizational health depends on a effective and flexible partnership
- The relationship may need redefinition as the organization matures in size and complexity



The Board Chair and the Chief Executive

- A key relationship – the intersection of governance and management
- Requires respect for differences in roles, responsibilities and personal styles
- Requires clarity of mutual expectations
- Requires regular communication

