



STRENGTHENING THE VOICES
OF CASA STATEWIDE

GOVERNANCE

TEXAS CASA EXECUTIVE DIRECTORS RESOURCE MANUAL 1



2023 EDITION

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TEXAS CASA STANDARD 5: GOVERNANCE AND ADMINISTRATION



**Executive Director Resource Manual
2023 Edition**

TEXAS CASA STANDARD 5: GOVERNANCE AND ADMINISTRATION

Oversees and ensures compliance with applicable laws, regulations, fiduciary obligations, written agreements, standards and financial sustainability of the CASA/GAL program.

ELEMENTS OF PRACTICE

5. A. ENSURES THE GOVERNING BOARD ADHERES TO ITS ROLE AND RESPONSIBILITIES:

1. Ensures CASA/GAL program compliance with the Texas Family Code and any other applicable state and local statutes, court rules, ordinances, executive orders and appropriate regulations which govern the relationship with the court.
2. Provides CASA/GAL program with access to legal counsel and/or relevant legal expertise to clarify the meaning of laws and regulations governing its program operations and to provide legal counsel as needed to assist in performing the duties assigned to the volunteers by the courts.
3. Establishes a written strategic plan with annual operational goals and objectives with an action plan and timeline for meeting those goals and objectives that is reviewed and whose progress is evaluated annually.
4. Ensures development of and compliance with all policies required by National CASA/GAL Association.
5. Reviews all required policies at least every three (3) years (or more often if required by law, rule, regulation, ordinance, executive order, court order or standards) to assess the need for updates. The date of the most recent review shall be noted on the corresponding document.
6. Adheres to a whistleblower policy which provides members of the governing board, staff and volunteers a procedure for reporting unethical, inappropriate or illegal activities by members of the governing board, staff or volunteers and such policy affords the reporter protection in making good faith reports about such activities.
7. Secures sufficient financial resources, and manages resources prudently in order to support the CASA/GAL program's provision of services.
8. Adopts the CASA/GAL program's written budget annually which guides the management of resources based on:
 - a. Funding anticipated during the CASA/GAL program year that is based on CASA/GAL program goals and objectives.
 - b. Fixed and incremental costs of operating the CASA/GAL program and identification of potentially changing costs.
 - c. Review, approval and documentation of any budget deviations.
 - d. No more than 50% dependence on funding through HHSC.
9. Ensures the CASA/GAL program has applicable insurance coverages, such as liability insurance, workers' compensation insurance and directors' and officers' coverage.

10. Appoints the executive director, or functional equivalent, and delegates authority and responsibility for CASA/GAL program operations, financial management and policy implementation to the executive director.
11. Evaluates the performance of the executive director in writing at least annually utilizing written performance criteria.
 - a. Provides for the participation of the executive director in the evaluation process.
 - b. The executive director is given the opportunity to sign the evaluation report, to obtain a copy and to include written comments before the report is entered into the human resources record.
12. Establishes a written succession plan for the executive director position. The plan makes provision for the following:
 - a. Designating an interim executive director, if necessary.
 - b. Charging a committee or designee with responsibility for conducting a formal search.
 - c. Identifying and providing resources needed to carry out the search effectively.
 - d. Notifying Texas CASA, National CASA/GAL Association, significant funders, staff and stakeholders promptly.
13. Maintains records of every governing board meeting and accurately reports all actions taken by the governing board and includes a summary of the governing board's deliberations. The written record also includes reports of board committees. The written record is prepared in a timely manner and copies are made available to members of the governing board. A master copy of the written record, to include all board meeting minutes, dates, topics or agendas and attendance records, is kept with the CASA/GAL program's official documents.
14. Ensures the CASA/GAL program has been granted the legal authority to operate through state or local statutes, statewide MOU, executive or judicial order or court rules.
15. Ensures the CASA/GAL program has a statute or signed written agreement with the court of jurisdiction over the Suit Affecting the Parent-Child Relationship or in the conservatorship of the Department of Family and Protective Services (DFPS), that defines the case assignment and acceptance process as well as the working relationship between the CASA/GAL program and the court.
 - a. The agreement must be reviewed at least once every two (2) years to assess the need for updates.
 - b. The written agreement between the CASA/GAL program and the court must be renewed when there is a change in the judicial leadership or changes in policy, law or local court rules, or CASA/GAL program resources that substantially impacts the relationship between the CASA/GAL program and the court.
 - c. The CASA/GAL program has regular communication with the court in order to evaluate the court's satisfaction with the CASA/GAL program and to obtain the court's recommendations for improving the effectiveness of the CASA/GAL program.
16. Ensures the CASA/GAL program has in place and follows a memorandum of understanding which defines the working relationship between the CASA/GAL program and the Department of Family and Protective Services (DFPS), or with their Single Source Continuum Contractor (SSCC) if the CASA/GAL program is within a Community-Based Care catchment area, reviewed every two years, that is approved by Texas CASA.

17. Ensures the development of, compliance with and review of by-laws for CASA/GAL programs structured as nonprofits. At a minimum, the by-laws:
 - a. Meet statutory requirements.
 - b. Describe the organizational structure and responsibilities of the governing board.
 - c. Include a rotation of directors as well as term limits for directors and executive committee officers as well as the mechanisms for selection, duration of membership and election of officers.
 - d. Require at least nine members, with an executive committee comprised of, at a minimum, the offices of president, vice president, secretary and treasurer.
 - e. Describe terms of board membership, including a minimum age of 21.
 - f. Set the minimum number of formal meetings of the full governing board at least four (4) times per calendar year.
 - g. Set the quorum for these meetings of at least a simple majority of the current membership of the governing board.
 - h. Describe standing committees to include executive and finance committees.

5. B. ENSURES AND MONITORS SCREENING OF ALL STAFF, VOLUNTEERS AND MEMBERS OF THE GOVERNING BOARD AS FOLLOWS:

1. Obtains a completed written application from each prospective staff person, volunteer or governing board member containing information about educational background, training, employment history and experience working with children.
2. Obtains the names of three (3) or more references that are unrelated to the applicant.
3. Obtains written authorization and information for the CASA/GAL program and other appropriate agencies to secure, and secures, a background check on each prospective staff person, volunteer and governing board member initially, and at least every two (2) years if there are no rap back services, to include:
 - a. Criminal records from the court jurisdiction in which the applicant currently resides and works.
 - b. State criminal records.
 - c. A fingerprint-based search conducted by the Texas Department of Public Safety (TDPS) in conjunction with the Federal Bureau of Investigations (FBI). If unable to complete a fingerprint-based check after two attempts as determined by DPS, a name based criminal history check shall be completed with re-checks annually. The CASA/GAL program shall retain documentation allowed by DPS.
 - d. National sex offender registry maintained by US Department of Justice and Texas Public Sex Offender Registry maintained by TDPS, if not included in the fingerprint-based check.
 - e. Child Abuse and Neglect Central Registry maintained by the DFPS in accordance with federal law and Texas Family Code 261.002.
 - f. Social security number check or the equivalent that allows for additional names, aliases and/or addresses to be obtained for the individual for further checks, if not included in the fingerprint-based check.

4. Conducts a personal interview in-person with each prospective staff person, volunteer and governing board member.
5. Secures county and state criminal record checks for any county or state not covered by a national criminal background check in which the prospective staff person, volunteer or governing board member has resided for the previous seven (7) years.
6. Secures a child abuse registry or child protective services check, unless prohibited by law, for any state in which the prospective staff person, volunteer or governing board member has resided for the previous seven (7) years.
7. Declines any prospective staff person, volunteer or governing board member who refuses or fails to sign a release of information form or submit the required information necessary for any of the checks required by these Standards for Local CASA/GAL Programs.
8. Declines or dismisses any prospective or current staff person, volunteer or governing board applicant found to have been convicted of, or having charges pending for, a felony or misdemeanor involving a sex offense, child abuse or neglect or related acts that would pose risks to children or the CASA/GAL program's credibility.
 - a. Barred Felony or Misdemeanor Offense: A board member, staff or volunteer whose background check produces a conviction, guilty plea, plea of no contest, acceptance of deferred adjudication or pending charge is permanently barred from service or employment if the charge is any level of offense under the Texas Penal Code:
 - i. Chapter 19, Criminal Homicide,
 - ii. Chapter 20, Kidnapping,
 - iii. Chapter 20A, Trafficking,
 - iv. Chapter 21, Sections 21.02, 21.07, 21.08, 21.11, 21.12, Continuous Sexual Abuse of Young Child or Children, Public Lewdness, Indecent Exposure to Another Person, Indecency With a Child, Improper Relationship Between Educator and Student,
 - v. Chapter 22, Sections 22.011, 22.02, 22.021, Sexual Assault, Aggravated Assault, Aggravated Sexual Assault, Injury to a Child. See additional Sections 22.04, 22.041, 22.05, 22.07, 22.11,
 - vi. Chapter 25, Offenses Against the Family: Bigamy; Prohibited Sexual Conduct. See all additional Sections.
 - vii. Chapter 28, Section 28.02, Arson
 - viii. Chapter 29, Robbery,
 - ix. Chapter 30, Section 30.02, Burglary,
 - x. Chapter 33, Section 33.021, Online Solicitation of a Minor,
 - xi. Chapter 42, Section 42.072, Stalking,
 - xii. Chapter 43, Public Indecency,
 - xiii. Chapter 46, Section 46.06, 46.09, 46.10, Unlawful Transfer of Certain Weapons,
 - xiv. Chapter 48, Section 48.02, Prohibition of the Purchase and Sale of Human Organs,
 - xv. Chapter 49, Section, 49.045, 49.05, 49.07, 49.08, Intoxication Assault, Intoxication Manslaughter. See Additional Section 49.045,
 - xvi. Chapter 71, Organized Crime,

- xvii. or any other charge involving violence, child abuse or neglect, assault with family violence, a sex-related offense or a history of founded allegations of abuse with DFPS.
 - b. A volunteer, staff or board member must be barred from service or employment if the volunteer, staff or board member knowingly or intentionally places a child through the actions of the volunteer, staff or board member in direct contact with a person whose criminal history involves an offense listed above, other than a CPS-approved visitation.
 - c. Ten-Year Bar for Felony Offenses: A board member, staff or volunteer whose background check produces a conviction, guilty plea, plea of no contest, acceptance of deferred adjudication or pending charge that includes any grade of felony, other than for offenses listed as a permanent bar, is barred from service or employment for 10 years after the offense, after which time the CASA/GAL program will consider the extent of the rehabilitation since the offense as well as other factors that may influence the decision to accept the applicant as a board member, staff or volunteer.
9. Considers, if an applicant is found to have committed a misdemeanor or felony that is not listed as a permanent bar or would not pose a risk to children and would not negatively impact the credibility of the CASA/GAL program, the extent of the rehabilitation since the misdemeanor or felony was committed, as well as other factors that may influence the decision, to accept the applicant as a staff person, volunteer or governing board member.
 10. If a volunteer, staff or board member has a pending charge, a new review of the applicant may be made if the charge is dismissed or a finding of not guilty or other determination of innocence is made.
 11. Completes and documents all screening before the staff person, volunteer or governing board member is accepted by the CASA/GAL program, and written verification is maintained on file at the CASA/GAL program office.
 12. Provides written notification as part of the application process for prospective staff, volunteers and governing board members about all screening and background check requirements.
 13. Repeats and documents these record checks for each active staff person, volunteer and governing board member at least annually. Rap back services may be utilized for criminal and child abuse background re-checks.
 14. Determines and monitors adherence to policies related to corrective action(s) for any current staff person, volunteer or governing board member who violates a CASA/GAL program policy, court rule or law that poses a risk to a child or negatively impacts the CASA/GAL program.

5. C. PROVIDES CASA/GAL PROGRAM ADMINISTRATION OVERSIGHT AS FOLLOWS:

1. Ensures clear lines of accountability and authority exist at all levels of the CASA/GAL program's organizational and management structures and are formalized in a chart of the organization, showing lines of accountability, to which all staff, volunteers and governing board members have received orientation.
2. If the CASA/GAL program is under the umbrella of a parent organization, a written agreement or memorandum of understanding (MOU) is developed that:
 - a. Details the rights and responsibilities of the CASA/GAL program and the parent organization.

- b. Includes procedures for resolving situations in which a conflict of interest exists between the CASA/GAL program and its parent organization.
 - c. Contains the protocol for resource development activities of both organizations.
 - d. Sets a time frame of no more than two (2) years for review and possible revisions of the agreement.
 - e. Specifies the process for termination of the agreement or memorandum of understanding.
3. Communication and collaboration between staff, volunteers and governing board members is promoted by providing opportunities for interactions amongst volunteers, staff and the governing board.

5. D. RECRUITS MEMBERS OF THE GOVERNING BOARD:

- 1. The governing board is diverse and has members who bring a range of skills, backgrounds and knowledge which support the CASA/GAL program in fulfilling its mission.
- 2. The CASA/GAL program utilizes a written plan or matrix to guide its recruitment efforts.
- 3. The CASA/GAL program governing board includes individuals with various capabilities:
 - a. Skills and experience to serve at a policy-making level.
 - b. Ability to advocate for sufficient financial resources for the CASA/GAL program to carry out its purpose.
 - c. Knowledge of the court system and the community served.
 - d. Ability to reflect community and client interests and to advocate for culturally responsive service delivery.
 - e. Other specialized skills needed to carry out the objectives of the CASA/GAL program.
- 4. The CASA/GAL program develops and utilizes on an ongoing basis the following:
 - a. Job descriptions for board members.
 - b. Board recruitment strategies.
 - c. Election and screening procedures.
 - d. Written application for board members including consent and release for record checks.

5. E. PROVIDES FORMAL ORIENTATION FOR GOVERNING BOARD MEMBERS:

- 1. Ensures new members of the governing board receive formal orientation to:
 - a. Applicable laws and regulations.
 - b. The National CASA/GAL Association Core Model.
 - c. The Texas CASA Standards for Local CASA/GAL Programs.
 - d. The roles of national, state and local CASA/GAL programs.
 - e. The CASA/GAL program's goals, objectives, structure and operations.
 - f. Applicable fiduciary responsibilities, including financial oversight.
- 2. Ensures the governing board members are familiarized with CASA/GAL program services and are provided with key documents related to CASA/GAL program governance and/or nonprofit board responsibilities.

3. Completes screening and background checks for governing board members consistent with Standard 5.B above prior to affiliation.

5. F. ESTABLISHES A WRITTEN PLAN FOR ONGOING TRAINING AND DEVELOPMENT TO IMPROVE THE KNOWLEDGE AND SKILLS OF THE GOVERNING BOARD THAT IS REVIEWED AND EVALUATED ANNUALLY.

1. At least one board member from each CASA/GAL program will attend the Texas CASA Local Board of Directors (LBOD) training, virtually or in-person, that will enable the CASA/GAL program to accomplish duties assumed by it in connection with its responsibilities.

5. G. MAINTAINS GOVERNING BOARD RECORDS:

1. Applications and screening documentation consistent with Standard 5.B for each governing board member.
2. Signed and dated statement of confidentiality for each governing board member.
3. Signed and dated conflict of interest policy for each governing board member.
4. Board minutes approved or signed by the board secretary or designee, including attendance, dates of meetings, agendas, topics covered and decisions or resolutions.
5. Standing committee meeting minutes, including attendance, dates of meetings, agendas, topics covered and decisions or resolutions, if applicable.

Section 1

BOARD OF DIRECTORS ROLES AND RESPONSIBILITIES



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2023 Edition**

THE WORK OF YOUR NONPROFIT BOARD

Board Responsibilities/ Functions	I. Community Betterment/Mission Achievement	II. Wise Stewardship/ Organizational Health	III. Quality Governance/ Intentional Practice
Definition of Success	<ul style="list-style-type: none"> • Our Board has identified our vision of our ideal community and what difference our organization will make to reach that vision. 	<ul style="list-style-type: none"> • Our organization has built the resilient capacity, resources and commitment that will achieve our mission objectives now and in the future. We are wise stewards of our resources. 	<ul style="list-style-type: none"> • We define what excellent governance looks like. • We deliver on our commitments with integrity, respect, competence & ethical behavior.
Questions that every board must answer	<ul style="list-style-type: none"> • What does our community look like and what are the changes we should plan for? • What does our community [or our clients] need? • What is the gap we are filling? • What good are we trying to accomplish? • For whom? By when? • At what price? • What is our theory of change? • What strategy will achieve our desired results? • How do we know that we are accomplishing what we set out to achieve? 	<ul style="list-style-type: none"> • What competencies, knowledge, skills and leadership qualities do we need in our CEO? • What capacity do we need now to execute results? • What capacity will we need in the future? • What does health look like for our organization? Are there other ways to structure our organization that also increase the effectiveness of our community to achieve this mission? • What are we accountable for? To whom? How will they know? • What level of commitment do we have? 	<ul style="list-style-type: none"> • What values are we unwilling to compromise? • How does this board add value to this organization? • What are we responsible for as a group and as individuals? • What skills, knowledge, attributes, & competencies do we need in our board and its leadership to govern effectively? • How do we ensure that? • How will we make decisions and structure our work? • How will we ensure the uncompromising honesty & integrity required of us? • How will we hold ourselves accountable?

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WHAT ARE THE BASIC RESPONSIBILITIES OF NONPROFIT BOARDS?

TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS

1. Determine mission and purpose. It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.
2. Select the chief executive. Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
3. Support and evaluate the chief executive. The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.
4. Ensure effective planning. Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
5. Monitor and strengthen programs and services. The board's responsibility is to determine which programs are consistent with the organization's mission and monitor their effectiveness.
6. Ensure adequate financial resources. One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission.
7. Protect assets and provide proper financial oversight. The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
8. Build a competent board. All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate their own performance.
9. Ensure legal and ethical integrity. The board is ultimately responsible for adherence to legal standards and ethical norms.
10. Enhance the organization's public standing. The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.

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Richard T. Ingram, Ten Basic Responsibilities of Nonprofit Boards, Second Edition (BoardSource 2009).

10 THINGS BOARDS DO RIGHT (WITHOUT EVEN REALIZING IT)

No matter what goes wrong in a nonprofit, somehow the board gets blamed. If the executive director embezzled money, people say, “Where was the board?” Why don’t they say: “Executives are always at the root of the problem. Why don’t we just stop having them?” In fact, boards and board members don’t get credit for some important work they do without even realizing they are doing it. Think about it:

1. **Safety net:** The confident trapeze artist doesn’t really see the point of the expensive safety net. Few people appreciate safety nets—or boards—when things are going fine. But when a nonprofit’s staff leadership falls off the tightrope, nonprofit boards step up, govern, fix things, and hire a new, better executive.

Think of a nonprofit scandal such as the executive of a halfway house molesting residents, or the executive of a disaster relief nonprofit embezzling money. In virtually all of these cases, the board—whether previously asleep or lied to—stepped in and saved things.

In a for-profit small business, such a problem would simply bring the company down. But nonprofit boards know that communities and people are hurt when nonprofits fail. Those silent, unappreciated safety nets do their jobs when called upon.

2. **Speed limits patrolled by aircraft.** When people drive down an empty country highway and see this sign, they slow down, even if there don’t seem to be any planes overhead. Even executives who speak contemptuously about their boards end up being more careful because the board is there. When a board member reviews the CEO’s expense report, the CEO is more likely to keep those expenses reasonable, even if that board member signs the report without really looking at it.

And having to report to the board—such as through a quarterly written report—acts to help an executive reflect on past activities and re-focus on priorities.

3. **Putting their own bank accounts at risk for staff wrongdoing.** By being on the board, board members expose themselves to liabilities that D&O insurance doesn’t cover. (D&O by law can’t insure board members against tax failings or criminal acts. If it could, we would all get D&O insurance, and then fail to remit payroll taxes.)

When staff don’t submit the payroll taxes withheld from employee paychecks or the employer-paid payroll taxes, board members can be individually liable. We’ve seen board members of a small nonprofit alternative college have to chip in thousands of dollars because the staff was “borrowing” from the payroll taxes. We’ve seen board members have liens put on their houses.

By taking these actions, board members are not only helping the organization. They are helping the community served.

4. **Baton relay:** Boards take the organization back when the executive leaves, find a new executive, and then turn the organization over to that new leader. This is one way to understand executive director departure, and the board’s role in this transition.
5. **SWAT team in waiting:** It’s rare for executive directors to cry “help!” in despair to their boards. We executives like to tell the board about a problem just seconds before telling the board about the solution we have devised. (And then, of course, the exec wonders why the board always expects them to be able to pull yet another rabbit out of the hat).

But when an exec is really at a loss over a problem and asks in despair for help, board members leap in. A lawsuit? Board members identify lawyers to help pro bono. Someone has to drive the musicians to the concert at the prison tonight and there's no one else to do it? A board member will cancel plans and volunteer. Being evicted with two weeks' notice? Board members will pressure the landlord, call lawyers, try to get the city to stop the eviction. Is your nonprofit homeless shelter being blamed unfairly—something like where a man stayed at the shelter and three weeks later killed someone? Board members will stick up for the organization.

Executives seldom ask board members for help on urgent, crucial, big things. When we do, we usually get the help we need. To quote the Rolling Stones: "You can't always get what you want. But if you try sometimes, you just might find, you get what you need."

6. Satisfying a funder's demographic requirement: A man with HIV on the board of a health clinic commented, "I'm not sure I'm helping much on this board. But one thing I'm doing is helping this nonprofit meet the requirement of having HIV positive board members. They need people to do that, and I am happy I can do it."
7. Putting their personal brands on the line: Board members give their names and reputations to help the organization and its cause. Not only prominent people care about their reputations. Everyone values the use of their names and not everyone is willing to have their names associated with a controversial cause or an organization with bad headlines. In particular, we salute board members who give their names and reputations in service of Planned Parenthood, gay rights, prisoners' rights, eating disorder recovery, controversial art exhibits, Tibetan independence, and other causes for which taking a stand often comes with negative personal consequences.
8. Keeping the organization's mind open a little longer than might seem necessary: Strong executives often see their boards as being overly cautious, standing in the way of an ambitious, important, urgent vision. Yet too often such urgent visions are undertaken without the money and constituency support that are necessary to making them feasible. (This writer has a history of being guilty on this count.)

From one angle, board inaction can look like dithering and unnecessary caution. But it may also be seen as appropriate scrutiny and oversight of staff plans. Using that extra "open mind" time to think of alternative approaches, to raise money or to re-evaluate staff capacity is often important "second opinion" work that executives should value.

(And if that new initiative doesn't quite work out, the executive usually blames external factors but rarely admits, "the board was right that the risk/return ratio was too high on this one.")

9. Hand on the eject switch: The board's most important mechanism for action is its ability to fire or not fire the executive.

Sometimes when a board doesn't fire a flawed or mistaken executive it's because of denial or conflict avoidance. But other times it's an intentional decision to allow the executive to grow into the job.

We're not sure whether to admire or condemn this common situation: boards often let a proven executive have his or her way, even if they don't agree. When an executive says in disgust, "They just don't get it!" that executive should also consider confessing: "But they are letting me have a go at it, despite their reservations, and I appreciate that."

10. Nonprofit boards are vehicles of democratic values: The idea that indirect taxes (via tax exemptions) should be overseen by volunteer boards is an idea with democracy at its core. Like the idea of civilian control of the military in a democracy we believe that citizens should have the ability to

exercise oversight in line with their values, even if the generals or executives don't agree. If we don't like what Congress does we don't decide Congress is a bad idea and that monarchy would be better. We decide to get better people into Congress. "Democracy is the worst form of government," Winston Churchill once said, "except for the all the other ones." We believe the same about nonprofit boards.

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Author: Jan Masaoka

Jan Masaoka, former director and editor-in chief, Blue Avocado; CEO, California Association of Nonprofits.

BOARD MEMBER JOB DESCRIPTION

EXPECTATIONS OF THE BOARD AS A WHOLE

The mission of ABC Organization is [mission].

As the highest leadership body of the organization and to satisfy its fiduciary duties, the board is responsible for

- Determining the mission and purposes of the organization
- Selecting and evaluating the performance of the CEO/ executive director
- Strategic and organizational planning
- Ensuring strong fiduciary oversight and financial management
- Fundraising and resource development
- Approving and monitoring ABC Organization's programs and services
- Enhancing ABC Organization's public image
- Assessing its own performance as the governing body of ABC Organization

EXPECTATIONS OF INDIVIDUAL BOARD MEMBERS

Each individual board member is expected to

- Know the organization's mission, policies, programs, and needs
- Faithfully read and understand the organization's financial statements
- Serve as active advocates and ambassadors for the organization and fully engage in identifying and securing the financial resources and partnerships necessary for ABC organization to advance its mission
- Leverage connections, networks, and resources to develop collective action to fully achieve ABC's mission
- Give a meaningful personal financial donation
- Help identify personal connections that can benefit the organization's fundraising and reputational standing, and can influence public policy
- Prepare for, attend, and conscientiously participate in board meetings
- Participate fully in one or more committees

BOARD MEMBERS ARE ALSO EXPECTED TO

- Follow the organization's bylaws, policies, and board resolutions
- Sign an annual conflict-of-interest disclosure and update it during the year if necessary, as well as disclose potential conflicts before meetings and actual conflicts during meetings
- Maintain confidentiality about all internal matters of ABC Organization

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CHECKLIST FOR BOARD ROLES AND RESPONSIBILITIES

Basic board roles and responsibilities are the foundation for a successful board. BoardSource has designed this checklist so you can quickly remind yourself of your key responsibilities. It's also a great board orientation tool! Can you check all the boxes?

ESTABLISHING IDENTITY AND DIRECTION

- Has the board adopted or revised a strategic plan or defined a strategic direction for the organization within the past three years?
- Does the board ensure that the organization's mission, vision, and values are reflected in the organization's programs?
- Are the organization's strategic priorities adequately reflected in the annual budget?

ENSURING THE NECESSARY RESOURCES

- Has the board adopted policies related to funds to be pursued and/or accepted in support of the mission? Does the board expect all its members to be active participants in fundraising efforts?
- Does the board's composition reflect the strategic needs of the organization?
- Is the board confident that the chief executive's skills and other qualities represent a good match for the organization's strategic needs?
- Does the board seek and review information related to the organization's reputation?

PROVIDING OVERSIGHT

- Does the board contract with an outside auditor for the annual audit?
- Does the organization have up-to-date risk management policies and plans?
- Does the board monitor progress toward achievement of goals related to the organization's programs? Does the board have a clear understanding of the organization's financial health?
- Does the chief executive receive an annual performance review by the board? Are all board members familiar with the chief executive's compensation package?

BOARD OPERATIONS

- Does the board regularly assess its own performance? Are organizational and board policies regularly reviewed?
- Do committees and task forces actively engage board members in the work of the board? Do board meeting agendas focus the board's attention on issues of strategic importance? Do board members have easy access to information needed for effective decision making?

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RECOMMENDED GOVERNMENT PRACTICES

The nonprofit boards best equipped to lead their organizations are self-aware, function in constructive partnership with their chief executives, and are committed to continually improving their performance. Boards can improve their effectiveness by the intentional adoption of good governance practices.

The BoardSource Recommended Governance Practices reflect BoardSource’s decades of experience working with tens of thousands of board leaders and conducting extensive research on board practices. The practices articulate a road map for boards toward becoming a strategic asset for their organization, and are arranged in three categories: Essential Practice, Leading Practice, and Compliance Practice.

- **Essential Practices:** BoardSource recommends that all boards adhere to these practices to function successfully.
- **Leading Practices:** BoardSource recommends that all boards adopt these practices to move toward board excellence.
- **Compliance Practices:** These practices address legal requirements and BoardSource’s recommended process for compliance.

Boards committed to adopting these practices can find extensive information about them in BoardSource’s comprehensive library of resources and publications available at boardsource.org.

ESSENTIAL PRACTICES

- **Meeting Attendance.** Every board member must make it a priority to attend all board meetings and to miss a meeting only under exceptional circumstances.

Meetings are when boards exercise their governance authority. One of the legal obligations for all board members is the duty of care. Without attending meetings—and preparing for them conscientiously—a board member is not able to participate in educated and independent decision making. As state corporation laws allow, the board may accept limited participation via teleconference, but such participation should not be considered a substitute for regular, in-person attendance. Board service is a commitment, and accepting a board position means the meetings must take priority over other obligations except in exceptional circumstances. Every board should have a meeting attendance policy and enforce it.

- **Term Limits.** The board should adopt term limits.

Regular turnover among board members encourages the board to pay attention to its composition, helps to avoid stagnation, offers the opportunity to expand the board’s circle of contacts and influence, and provides a respectful and efficient method for removing unproductive members. Seventy-one percent of nonprofit boards have term limits for board members, and the most common are two consecutive three-year terms. Term limits do not prevent valuable members from remaining in the service of the organization or the board in another capacity. An exception is the family foundation that may have a limited pool of qualified and interested candidates.

- **Strategic Board Recruitment.** The board must be strategic about member recruitment and define an ideal composition for itself based on the organization’s priorities at any given moment.

A matrix for board composition facilitates the board’s strategic recruitment efforts. By analyzing the present composition of the board, the governance committee—or the full board if no com-

mittee is needed—is able to best determine what qualities, characteristics, and perspectives are already present on the board. When analyzed in light of the organizational strategies, a matrix helps the board identify where gaps exist and then direct recruitment efforts to fill those gaps.

- **Strategic Planning.** The board must play a substantive role with management in developing, approving, and supporting organizational strategy.

One of the board’s primary responsibilities is to set the direction for the organization. Strategic planning serves as the road map for this direction and as the tool to assess progress. The full board needs to actively participate in and own the results of strategic planning.

- **Budget Approval.** The board must approve the annual budget.

Staff is responsible for developing the annual budget and, in conjunction with the finance committee, presenting it to the board for approval. As the fiduciary body for the organization, the board must ensure that the budget reflects the overall strategic direction and advances the long-term fiscal health of the organization.

- **Chief Executive Job Description.** The board must develop a written job description for the chief executive and together with the chief executive define the annual expectations.

The chief executive can remain accountable for his or her performance only if the position is well defined and annual goals and expectations are mutually agreed upon.

- **Chief Executive Evaluation.** The board must evaluate the chief executive’s performance annually; the evaluation should be written and involve the full board.

A formal evaluation, based on well-defined and mutually agreed upon expectations, benefits and protects both the chief executive and the board. Even if the board chair or a committee leads the evaluation, the full board must participate by being given the opportunity to provide feedback, approve the final evaluation, and ensure all compensation recommendations are appropriate. The evaluation should include 360-degree feedback from the organizations’ leadership team so the board has an opportunity to gain additional insights from those working closely with the CEO on a daily basis.

- **Audit.** Every charitable organization (excluding houses of worship and those exempt from filing Form 990) with \$1 million or more in revenue should undertake an audit annually. It is the board’s role to select the auditor and meet with him or her in an executive session without staff present to discuss the results.

The board is responsible for assessing the potential benefits and costs of an independent audit and determining when it is time to conduct one. When revenues reach the level of \$1 million, the organization is usually engaged in multiple and/or major financial transactions and must rely on an independent auditor’s clarification that the financial statements present fairly the financial position of the organization. If the organization conducts outside audits, the board should ideally form a separate audit committee or task force, with no overlap with the finance committee, to facilitate the added responsibilities in fiscal oversight.

LEADING PRACTICES

- **Consent Agendas.** The board should include consent agendas in its board meeting agendas.

Consent agendas promote good time management in meetings. The main purpose of a consent agenda is to liberate board meetings from administrative details, repetitious discussions, and routine tasks. The recovered time should be used for meaningful discussion, allowing the board

to focus on issues of real importance to the organization and its future. For consent agendas to be successful, materials for review must be written and sent to the board prior to the meeting, and board members must commit to reading the materials before approving the consent agenda.

- **Executive Sessions.** The board should have regularly scheduled executive sessions.

Executive sessions provide a venue for handling issues that are best discussed in private, for fostering robust discourse, and for strengthening trust and communication. Distinguished by their purpose and participants, executive sessions serve three core functions: (1) they assure confidentiality, (2) they create a mechanism for board independence and oversight, and (3) they enhance relationships among board members and with the chief executive. Those organizations that must follow sunshine/opening meeting laws should verify their state statutes concerning executive sessions (www.sunshinereview.org).

- **Board Diversity and Inclusion.** The board should be intentional in its recruitment and engagement of diverse board members and foster a culture of inclusivity.

To value diversity is to respect and appreciate race; religion; skin color; gender and gender identity; ethnicity; nationality; sexual orientation; physical, mental, and developmental abilities; age; and socioeconomic status. Boards should commit to diversity and inclusion by establishing written policies and practices, subject to regular evaluation, that address strategic and intentional recruitment and engagement of diverse board members and ongoing commitment to inclusivity, including equal access to board leadership opportunities.

- **Board Evaluation.** The board should conduct a comprehensive self-assessment approximately every two years to evaluate its own performance.

Only through structured self-reflection can board members judge their own collective performance and understand the extent of their individual responsibilities. Boards may choose to engage in more frequent evaluations, but it is usually not necessary to do a formal assessment every year. It is important to allow adequate time between assessments to implement identified improvements.

- **Board Orientation.** The board should formalize its new member orientation process.

The orientation process should be documented and streamlined to ensure all board members receive relevant and consistent information on their governance responsibilities, on the organization, and on the board's own expectations.

- **Bylaws Review.** The board should review the bylaws periodically and ensure timely amendments when necessary.

Bylaws formalize the board's structure and practices. The board's needs evolve over time, as do the external circumstances within which the organization and the board function. It is necessary to review the clauses periodically to verify their continued appropriateness and to assess what might be missing. An attorney should verify that the bylaws are in compliance with the state statutes.

- **Chief Executive Serving on the Board.** The chief executive should be an ex officio, non-voting member of the board.

The chief executive's input in board meeting deliberation is instrumental and invaluable for informed decision making. However, to avoid actual or perceived conflicts of interest, questions concerning accountability, or blurring the line between oversight and execution, chief executives should be non-voting members of the board, unless not permitted by law.

- **Board Job Description.** The board should have a written job description outlining the responsibilities of the full board and of individual board members.

Board service comes with expectations and obligations. A written job description defines the collective governance role of the board and reminds it of the various activities that need to be incorporated in the board’s annual calendar. The board also should draft a separate set of expectations for individual board members to help them meet their legal obligations and engage productively in the board’s work.

- **Managing Conflicts of Interest.** The board should adopt a conflict-of-interest policy that defines what a conflict of interest is and how it is managed. The board and senior staff should sign annual conflict-of-interest statements, disclose known potential conflicts, and refuse themselves from participating in discussions and voting when conflicts do arise.

Board members must adhere to a legal duty of loyalty, making decisions based on the best interests of the organization. By actively managing conflicts of interest—real or perceived—the board is better able to remain independent and unbiased in decision making.

- **Personal Giving.** If the organization engages in fundraising, every board member should make a meaningful personal contribution according to his or her means (while not conflicting with any legal stipulations); the board should attain 100-percent board giving.

By making a personally meaningful gift, each board member demonstrates his or her commitment and trust in the organization, which also enables him or her to function as a more credible fundraiser and inspire other donors.

- **Board Retreat.** The board should include an annual retreat in its meeting schedule.

Retreats allow the board to focus on large and complicated issues that cannot be handled adequately in a regular board meeting. Every board needs to step back at times to reflect on its own responsibilities and practices or to discuss the future of the organization long-term. An informally structured retreat setting is most conducive to strategic discussions, as well as to strengthening the interpersonal dynamics among board members.

- **Board Size.** The board should determine its optimal size based on its needs.

The primary guide for determining board size is the board’s function, which may change over time. Numerous factors influence the composition and thus the size of the board: board responsibilities, committee structure, legal mandates, phase in the organizational life cycle, need for diversity, and maintaining a manageable group. It is impossible for an outsider to recommend a standard size for all boards. However, it is difficult to imagine that a board with fewer than five members is able to incorporate all the desired qualities and capacity or that an exceptionally large board is able to engage every member in a constructive manner. Regardless of size, all board members must be engaged, as all are equally liable for the organization.

- **Committees.** The board’s standing committee structure should be lean and strategic and complemented by the use of task forces.

Only ongoing board activities warrant a standing committee. Other activities are best addressed by time-limited task forces, which are efficient and utilize board members’ time, interest, and expertise in a meaningful manner.

- **Executive Committee.** If the board has an executive committee, its purpose and authority level must be defined in the bylaws.

Before forming an executive committee, the board should analyze its entire structure to determine whether that particular committee would add value. If the executive committee is given the

power to act on behalf of the board, the bylaws need to define the limits of this authority; otherwise, it has the authority to make major organizational decisions that normally belong to the full board. To ensure that the full board remains in control and informed, decisions made by the executive committee should be confirmed by the full board at the following board meeting.

- **Governance Committee.** The board should either form a governance committee or ensure that the function of that committee is carried out.

Every board should ensure that recruitment is a continuous and deliberate activity of the full board. For most boards, a separate governance committee is the best structure to take the lead and responsibility for recruitment, ongoing board development, leadership development, board and board member assessment, and board education, and for ensuring that the board is equipped with proper guidelines and structure to do its work most effectively.

- **Form 990 Posting.** The nonprofit should post its Form 990 on its own Web site.

Form 990 is a public document and one of the primary tools to shed light on the organization and its finances, activities, and governance practices. By posting the Form 990 on the organization's own Web site and making it easily accessible, the board is supporting and promoting methodical transparency.

COMPLIANCE PRACTICES

- **Meeting Frequency.** The board should have more than the one annual meeting required by law. State laws usually require at least one annual meeting for all boards, but one meeting is insufficient for boards to address all the issues to which they need to pay attention. Other structures and practices (e.g., board size, reliance on committee work, length of meetings, life-cycle position of the organization, geographical constraints) can affect the necessary number of board meetings and the optimal frequency. The board must meet often enough to ensure it fulfills its fiduciary responsibilities without compromising its efficiency.
- **Executive Compensation.** The board must formalize a process for setting appropriate compensation for the chief executive and approve the compensation package. The board needs to establish well-defined guidelines on how to determine appropriate compensation for the organization's chief executive. If the board offers too little, it could lose the chief executive to competing organizations; if it offers too much, it risks providing excess benefits and subjecting itself and the organization to intermediate sanctions. The board should follow the IRS's safe harbor measures and rely on comparative data, have the compensation decision determined by independent board members, and contemporaneously record the decision-making process. The full board should approve both the process and the resulting compensation package.
- **Review of IRS Form 990.** The full board should review the Form 990 before it is filed. Form 990 is the most widely viewed public document concerning the organization, its finances, activities, and governance practices. It is important that board members are familiar with its contents and that it accurately presents the organization to its constituents, donors, and media.
- **Document Destruction and Retention.** The board must ensure that no records are destroyed when the organization is under federal investigation. Federal law states what must happen in the event the organization is under official investigation. All organizations should have a policy for document destruction and retention to ensure that the law is understood and respected.
- **Whistleblower Process.** The board must ensure that no employee is punished or discriminated against because he or she reported improper conduct. Federal law states what must happen if

alleged improper conduct is reported. All organizations should have a formal, written process to deal with complaints and prevent retaliation. If under investigation, the organization is responsible for showing that it follows a systemized process to address whistleblower cases.

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BOARD PRESIDENT JOB DESCRIPTION

GENERAL DESCRIPTION

The President, subject to the control of the Board of Directors, supervises, directs and controls the business and officers of (CASA Program, Inc.) The President provides leadership to the Board to help ensure it functions effectively.

TERM

One Year

SPECIFIC DUTIES AND RESPONSIBILITIES

- Preside at all meetings of the Board and Executive Committee. Develop agendas for these meetings in consultation with the Executive Director.
- Attend (CASA Program, Inc.) functions and events.
- Appoint committee chairs and committee members, subject to Board approval. Assign annual charges to each committee, in consultation with the committee chair.
- Direct an annual performance review of the Executive Director with the assistance of the Executive Committee and Board of Directors.
- Serve as ex-officio, non-voting member of all committees.
- Serve as chief spokesperson for the association with both external and internal audiences. Keep members informed of Board actions and association issues.

QUALIFICATIONS

- Active voting member and has served at least one year on the Board of Directors.
- Demonstrated leadership skills through record of responsible service to the program.
- Knowledgeable about CASA's mission and programs.
- Ability to communicate effectively in oral and written form and strong facilitation skills.
- Demonstrated ability to exercise good judgment and is fair, reasonable, and impartial.

TIME COMMITMENT REQUIRED

- Board meetings—(#-) -hour meeting plus (#-) hours of preparation quarterly
- Executive Committee meetings—(#-) -hour meeting plus 6 hours of preparation quarterly
- Executive Director's performance review—approximately 10 hours annually (month conducted)
- Committee appointments—approximately 5 hours annually (month of appointments)
- Program Events—(#-) events; participation includes (XX)

- Regular communications with Board and Executive Director—approximately 4 hours monthly

MEETINGS

- Board meetings are held (frequency). Executive Committee meetings are held (frequency)

MAKE GOOD USE OF THE TREASURER & FINANCE COMMITTEE

Don't waste these valuable resources.

Most nonprofit boards place a priority on having an active treasurer and finance committee. Too often, though, these crucial roles turn into nothing more than rote reviews of financial reports and audits. Committee members wonder why they accepted the position—and may even dread the meetings for the dull, unimportant tasks on the agenda.

Fortunately, it's possible to reinvigorate the treasurer's and finance committee's roles so that they play a truly strategic part in oversight, planning, and governance. The first step is to be sure you have a clear understanding of the treasurer's and finance committee's job descriptions. The second is to find the right candidates for the jobs. Here's how to go about it.

UNDERSTAND THE TREASURER'S JOB DESCRIPTION

The treasurer's responsibilities are spelled out in the organization's bylaws: maintaining accounting records and bank accounts, and reporting financial results to the board. In practice, the task of accounting and banking are usually carried out by the staff. But no matter who does the accounting, the treasurer must be knowledgeable about the organization's financial affairs.

The treasurer's key responsibility is assuring that the board receives accurate and timely financial information and uses it in making decisions. The treasurer is also involved in banking transactions, as an authorized signer for deposit accounts, and in initiating and managing mortgages and loans.

FIND THE RIGHT TREASURER

A good candidate for treasurer is someone who understands financial information and can communicate it to the board. The treasurer must take the time to learn the particulars of the organization's finances, restrictions, and requirements.

Keep in mind, though, that treasurers shouldn't feel, or be made to feel, that they have sole responsibility for the organization's financial health. Their role is to make sure that the board receives accurate financial information in a timely manner and that the board chair gives ample time and attention to priority financial issues.

A treasurer's work goes beyond financial reports. The treasurer can become the most important financial advisor to the CEO or CFO, offering knowledgeable perspective and guidance. Ideally, the treasurer will present the financial reports at board meetings and highlight important observations or trends for the board to consider.

UNDERSTAND THE FINANCE COMMITTEE'S ROLE

Finance committees participate in budget planning, recommend fiscal policies, and discuss financial statements in detail. Finance committee members should do more than just look at reports, though. They should use a financial lens to consider the organization's plans and challenges. The best finance committees help the staff and board think through financial questions and develop options.

Not every nonprofit has, or needs, a finance committee. A finance committee isn't needed if the board as a whole can understand the financial information, provide guidance, and make financial decisions efficiently. As an example, nonprofits with just a few, understandable sources of income often don't need a finance committee. A finance committee in this case will be under used, and the members could probably be more helpful in another role. On the other end, a finance committee may be crucial for nonprofits with many complex funding sources including grants, contracts, and fees for service, or for organizations that frequently use loans, bonds, or other financing. Without a finance committee, such organizations risk having important financial decisions made without sufficient governance-level input.

RECRUIT MEMBERS FOR THE COMMITTEE

While finance committee members need to understand financial reports, don't assume that only accountants, bankers, and businesspeople are qualified. Financial language can be learned, so consider asking board members with a good understanding of the organization's programs and community to be on the finance committee. Such people often bring fresh viewpoints and creative ideas. Be sure to provide training on the financial basics as soon as they join the committee.

MAKE THE COMMITTEE WORK

Some common obstacles for finance committees:

- **The board assumes** that the finance committee will take care of all financial matters and therefore doesn't carry out its financial responsibility.
- **Finance committee meetings dwell on details** with no higher-level analysis or discussion.
- **The treasurer's and finance committee's responsibilities** are unclear.
- **The board treasurer and the staff financial manager** have a poor working relationship.
- **Finance committee members don't understand** the organization's key financial factors.

A finance committee without clear goals will get stuck on reviewing financial reports focusing on details rather than the big picture. After recruiting strong members to the committee, it's a shame to assign them low-level work that the treasurer could complete without a committee. A sampling of agendas for a high-level finance committee includes:

- **Develop key guidelines** and assumptions before budget planning begins.
- **Analyze trends** in income sources.
- **Discuss changes** in types and reliability of income.
- **Hold in-depth discussions** of factors that will influence budgets for the next three years.
- **Review and discuss** the organization's financial policies. Are these policies adequate in light of the organization's size, complexity, and life-cycle stage? This review requires more than applying simplistic "best practices" from another organization.
- **Evaluate the pros and cons** of buying vs. leasing a new facility and the impact on cash flow, capital campaign needs, depreciation, and costs of ownership.

A more engaged finance committee will require a different role for the CFO or finance director—one that may not be as easy as working with a more perfunctory committee. The payoff in the quality of review, understanding, and financial governance will be worth it.

For the committee to work well, the finance committee chair and CEO or CFO need to invest time in planning meetings, setting goals and expectations for the committee, and preparing good information for discussion. These activities will help inform board members when it comes time for them to make the final financial decisions.

RESOURCES

- Robinson, Bridget, "Financial Stability: An Impossible Dream?", *Nonprofit World*, Vol. 15, No. 3.
- Ruiz, Rosemarie, "Are You Fulfilling Your Financial Trust?", *Nonprofit World*, Vol. 17. No. 1.

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These resources are available at www.snpo.org/members. Also see Learning Institute programs on-line: Board Governance (www.snpo.org/li).

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BOARD MANUAL CHECKLIST

BOARD ITEMS

- Calendar of Meetings & Events*
- Board Contract: Job Description & Expectations of Board member*
- Board Committee Job Descriptions & Objectives
- Latest minutes
- Quick guide to Robert’s Rules or whatever procedures your board operates by*

PEOPLE

- Board Contact List* with board assignments (e.g. officers, committees)
- Board Bios (brief)
- Organization Chart with emails and phone*
- Staff bios

LEGAL

- Bylaws
- Articles of Incorporation
- Conflict of interest policy

BACKGROUND

- Mission & values statements
- Brief history + program overview
- “At a Glance” Fact Sheet

STRATEGIC AND OPERATIONAL PLANS

- Board work plan
- Executive Director Job Plan
- Strategic Plan
- Annual Business Plan

FINANCIALS

- Most recent budget

- Most recent financial report & pie chart overview
- Most recent audit and/or Form 990
- Latest dashboard report

BOARD APPROVED POLICIES

- List of all board approved policies
- Investment and endowment policies

*These items could also be included in a Traveling or Pocket Board manual.

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BOARD CHAIR AND BOARD MEMBER BEST PRACTICE PACKET

Being the Board Chair or Board member of a nonprofit organization is a big responsibility, but unfortunately many committed individuals agree to act in this capacity without receiving the appropriate training and / or support they need.

In order to support all board members, whether new to the role or more seasoned in the responsibilities of the position, Nonprofit Alliance (NPA) has compiled this useful packet of basic resources and information.

Topics covered include:

- What are the Basic Responsibilities of Nonprofit Boards?
- Twelve Principles of Governance that Power Exceptional Boards
- Common Board Shortcomings
- Roles of Nonprofit Board Members and Officers
- Productive Board Meetings
- Ten Quick Ways to Improve Board Meetings
- Robust Discussions for Boards
- Checklist for the Chair
- Face-to-Face: Board Chairs & Chief Executives
- Financials Made Easy
- Key Financial and Related Questions All Boards Should Ask
- The Importance of Board Self-Assessment
- Fifty-Three Ways for Board Members to Raise \$1,000

This packet not only highlights some specific resources and tips for Board Chairs, but can also serve as a tool for the entire board to make sure all members understand the different roles and best practices of highly effective boards.

As a partner in BoardConnect Southwest Michigan, NPA also hosts regular workshops entitled “Building Your Board” and “Serving on a Nonprofit Board”. Additionally, board members and staff of NPA member organizations can request support via customized board training and development, as well as technical assistance related to research and identification of the tools and templates your board needs to govern effectively.

Please contact our office 269-565-2190 or email info@nonprofitalliance.org for more information or to find out how NPA can support your organization in building its capacity.

WHAT ARE THE BASIC RESPONSIBILITIES OF NONPROFIT BOARDS?

From www.boardsource.org

1. **Determine the organization's mission and purpose.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served.
2. **Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
3. **Provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
4. **Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
5. **Ensure legal and ethical integrity and maintain accountability.** The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
6. **Ensure effective organizational planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
7. **Recruit and orient new board members and assess board performance.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
8. **Enhance the organization's public standing.** The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.
9. **Determine, monitor, and strengthen the organization's programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness.
10. **Support the chief executive and assess his or her performance.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.

TWELVE PRINCIPLES OF GOVERNANCE THAT POWER EXCEPTIONAL BOARDS

Excerpted from "The Source: Twelve Principles of Governance That Power Exceptional Boards", BoardSource 2005. www.boardsource.org

Exceptional boards add significant value to their organizations, making a discernible difference in their advance on mission. Good governance requires the board to balance its role as an oversight body with its role as a force supporting the organization. The difference between *responsible* and *exceptional* boards lies in thoughtfulness and intentionality, action and engagement, knowledge and communication.

The following twelve principles offer Chief Executives a description of an empowered board that is a strategic asset to be leveraged. They provide board members with a vision of what is possible and a way to add lasting value to the organization they lead.

- **Constructive Partnership.** Exceptional boards govern in constructive partnership with the chief executive, recognizing that the effectiveness of the board and chief executive are interdependent. They build this partnership through trust, candor, respect, and honest communication.

- **Mission Driven.** Exceptional boards shape and uphold the mission, articulate a compelling vision, and ensure the congruence between decisions and core values. They treat questions of mission, vision, and core values not as exercises to be done once, but as statements of crucial importance to be drilled down and folded into deliberations.
- **Strategic Thinking.** Exceptional boards allocate time to what matters most and continuously engage in strategic thinking to hone the organization’s direction. They not only align agendas and goals with strategic priorities, but also use them for assessing the chief executive, driving meeting agendas, and shaping board recruitment.
- **Culture of Inquiry.** Exceptional boards institutionalize a culture of inquiry, mutual respect, and constructive debate that leads to sound and shared decision making. They seek more information, question assumptions, and challenge conclusions so that they may advocate for solutions based on analysis.
- **Independent-Mindedness.** Exceptional boards are independent-minded. They apply rigorous conflict-of-interest procedures, and their board members put the interests of the organization above all else when making decisions. They do not allow their votes to be unduly influenced by loyalty to the chief executive or by seniority, position, or reputation of fellow board members, staff, or donors.
- **Ethos of Transparency.** Exceptional boards promote an ethos of transparency by ensuring that donors, stakeholders, and interested members of the public have access to appropriate and accurate information regarding finances, operations, and results. They also extend transparency internally, ensuring that every board member has equal access to relevant materials when making decisions.
- **Compliance with Integrity.** Exceptional boards promote strong ethical values and disciplined compliance by establishing appropriate mechanisms for active oversight. They use these mechanisms, such as independent audits, to ensure accountability and sufficient controls; to deepen their understanding of the organization; and to reduce the risk of waste, fraud, and abuse.
- **Sustaining Resources.** Exceptional boards link bold visions and ambitious plans to financial support, expertise, and networks of influence. Linking budgeting to strategic planning, they approve activities that can be realistically financed with existing or attainable resources, while ensuring that the organization has the infrastructure and internal capacity it needs.
- **Results-Oriented.** Exceptional boards are results-oriented. They measure the organization’s progress towards mission and evaluate the performance of major programs and services. They gauge efficiency, effectiveness, and impact, while simultaneously assessing the quality of service delivery, integrating benchmarks against peers, and calculating return on investment.
- **Intentional Board Practices.** Exceptional boards purposefully structure themselves to fulfill essential governance duties and to support organizational priorities. Making governance intentional, not incidental, exceptional boards invest in structures and practices that can be thoughtfully adapted to changing circumstances.
- **Continuous Learning.** Exceptional boards embrace the qualities of a continuous learning organization, evaluating their own performance and assessing the value they add to the organization. They embed learning opportunities into routine governance work and in activities outside of the boardroom.
- **Revitalization.** Exceptional boards energize themselves through planned turnover, thoughtful recruitment, and inclusiveness. They see the correlation between mission, strategy, and board composition, and they understand the importance of fresh perspectives and the risks of closed

groups. They revitalize themselves through diversity of experience and through continuous recruitment.

COMMON BOARD SHORTCOMINGS

From the Boardsource Knowledge Center

What are the main weaknesses, omissions, mistakes, flaws, bad judgments, and sins that a board or an individual board member can commit? This paper lists several ways that a governing board can lose its way, along with some basic principles by which to operate.

- **Veering off the mission.** Example: A youth education organization accepts a generous grant to build a sports facility for young people.

The most important decision-making guideline for a board is the mission statement. If the mission is not a central theme at every board meeting, it can be easy for a board to lose focus of the organization's true purpose.

- **Complacency.** Example: A board member does not know how to analyze financial statements. Instead of asking questions, he votes with the majority.

A core obligation of every board member is active participation. Some symptoms of complacency might include board members who put off their assignments, disregard the core responsibilities that come with being a board member, fail to ask questions, or miss meetings.

- **Misguided motivations.** Example: A board member recruits an out-of-work relative to run the organization.

Board members must always think of the organization first. Allowing personal preferences to affect decision making places the organization in a secondary role in a board member's mind. Misguided and unethical motivations, undeclared conflicts of interest, and the pursuit of personal benefit can endanger the organization's tax-exempt status.

- **Multiple voices.** Example: A board member is interviewed by the press and advocates for her own solution to a crisis situation—one not adopted by the board.

A board only has authority as a group. Boards speak with one voice, which is formulated through deliberation. Individual board members are bound by the collective decision. Differing opinions need to be resolved in the boardroom, not declared outside to constituents, the media, or customers.

- **Micromanaging.** Example: The board insists on being involved in choosing a new computer system for the organization.

One of the key duties of a board is to hire a competent chief executive to run daily operations. Part of this duty assumes that there is a valid job description and a performance evaluation process in place. A board's role is to oversee that the organization is well run; not to interfere in the domain of the chief executive.

- **Limitless terms.** Example: Fearful of losing control, the founding board of an organization has been governing for 15 years.

Every board must accept and even thrive on change. New perspectives and different ideas keep a board and organization moving forward. Term limits can help boards avoid stagnation.

- **Lawless governance.** Example: To get through a temporary financial crunch, the chief executive decides not to pay payroll taxes for several months. The board is unaware that this is happening.

Nonprofit tax-exempt organizations must heed federal, state, and local regulations, as well as their own bylaws. It is the board's role to make sure that all laws are respected. The board needs to assure that the organization files its Form 990 correctly and on time; that employment taxes are withheld regularly; and that official documents are saved appropriately. If a board fails to adopt appropriate policies or to effectively oversee financial regulations, it may become liable for wrong doings.

- **No self-assessment.** Example: Board members' morale is low, attendance is sporadic, and the chair has no clue about how to energize the board.

By studying its own behavior, sharing impressions, and analyzing the results, a board is able to lay the groundwork for self-improvement. Failing to assess its own performance, a board is unable to define its strengths and weaknesses. As a by-product, it can also enhance its team spirit, its accountability, and its credibility with funders and other constituents.

- **Lack of self-improvement.** Example: Board members have never seen individual board member job descriptions and are not familiar with their legal obligations.

Self-improvement is one of the innate consequences of self-assessment. Regular self-assessment is a futile process if it does not address apparent weaknesses in a board and result in structured self-betterment. Boards that do not provide learning possibilities for their members miss opportunities and inefficiently utilize their members' abilities.

- **Knotted purse strings.** Example: A board is not able to reach consensus on its personal contribution policy. It becomes divided due to feelings of unfairness and lack of commitment.

Asking for and giving money are natural aspects of being a board member in most 501(c)(3) charities. Boards that are responsible for fundraising, yet don't have a 100 percent personal contribution rate, have failed the ultimate commitment test. If the board is not supporting the organization whole-heartedly, how can it convince others to do so?

ROLES OF NONPROFIT BOARD MEMBERS AND OFFICERS

Borrowed from the Minnesota Council of Nonprofits

Individual Board Member

- Attend all board and committee meetings and functions, such as special events.
- Be informed about the organization's mission, services, policies, and programs.
- Review agenda and supporting materials prior to board and committee meetings.
- Serve on committees or task forces and offer to take on special assignments.
- Make a personal financial contribution to the organization.
- Inform others about the organization.
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization
- Keep up-to-date on developments in the organization's field.
- Follow conflict of interest and confidentiality policies.
- Refrain from making special requests of the staff.

- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the organization's annual financial statements.

Board Chair. The *Chair* shall convene regularly scheduled Board meetings, shall preside or arrange for other members of the executive committee to preside at each meeting in the following order: Vice- Chair, Secretary and Treasurer.

- Oversee board and executive committee meetings
- Serve as ex-officio member of all committees
- Work in partnership with the chief executive to make sure board resolutions are carried out
- Call special meetings if necessary
- Appoint all committee chairs and with the chief executive, recommend who will serve on committees
- Assist chief executive in preparing agenda for board meetings
- Assist chief executive in conducting new board member orientation
- Oversee searches for a new chief executive
- Coordinate chief executive's annual performance evaluation
- Work with the nominating committee to recruit new board members
- Act as an alternate spokesperson for the organization
- Periodically consult with board members on their roles and help them assess their performance

Vice Chair. The *Vice-Chair* shall chair committees on special subjects as designated by the board

- Attend all board meetings
- Serve on the executive committee
- Carry out special assignments as requested by the board chair
- Understand the responsibilities of the board chair and be able to perform these duties in the chair's absence
- Participate as a vital part of the board leadership

Secretary. The *Secretary* shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board member, and assuring that corporate records are maintained.

- Attend all board meetings
- Serve on the executive committee
- Maintain all board records and ensure their accuracy and safety
- Review board minutes
- Assume responsibilities of the chair in the absence of the board chair, chair-elect, and vice chair
- Provide notice of meetings of the board and/or of a committee when such notice is required

Treasurer. The Treasurer shall make a report at each Board meeting. Treasurer shall chair the Finance committee, assist in the preparation of the budget, help develop fundraising plans, and make financial information available to Board members and the public.

- Maintain knowledge of the organization and personal commitment to its goals and objectives
- Understand financial accounting for nonprofit organizations
- Serve as financial officer of the organization and as chairperson of the finance committee.
- Manage, with the finance committee, the board's review of and action related to the board's financial responsibilities.

PRODUCTIVE BOARD MEETINGS

From www.boardsource.org

Efficiency and effectiveness are key objectives of a good board meeting. Without concerted efforts, it is easy to waste time and resources, dampen members' enthusiasm and interest, and end up meeting without demonstrable results. Creating structure for meetings helps them become productive for the organization and worthwhile and interesting for the participants. Well planned meetings can help the board move closer to having efficient meeting procedures and outcomes that meet with the board's expectations. It all starts with having an agenda.

The agenda. The agenda is the recipe for the meeting. It is generally drafted by the chief executive and the chair in close collaboration. It is the tool for the chair to help guide the discussion and a reminder for members to stay focused. The agenda should tie in with the strategic plan for each meeting.

The agenda should indicate which items are for discussion and which ones are simply informative. Action items and assignments should also be identified to enforce accountability. In addition, it is helpful to separate out strategic issues, resource items, and operational matters. The most important questions should appear at the top of the agenda, and time limits set for each item so as not to let one issue monopolize the entire board meeting. Adopting a consent agenda—a compilation of items that need no discussion and can be approved with one vote—leaves more time for constructive debate.

Time for board development should also be included on the agenda, These might include reviewing board member responsibilities and legal obligations or having a tutorial on how to read financial statements. The agenda can also introduce a specific question the board needs to consider for a later communication or meeting.

Before the meeting. Without due preparation, meetings may end up as aimless get-togethers. The following tasks should be done prior to each meeting. Consider other creative ways to get board members ready.

- Assign maximum length and format to reports you expect from committees or taskforces.
- At least two weeks prior to the meeting, send the agenda and attachments to all board members. Action items can be color coded. Include all written reports describing past actions (last meeting minutes, committee reports).E-mail this package if all board members are computer literate.
- Assign a contact person for questions and clarifications for consent agenda items.

- Set up a chain phone system close to the meeting date to remind everybody personally of the upcoming meeting and assignments.
- As a board member: Read the materials, come prepared to the meeting, and be ready to participate.

During the meeting. Meetings need to be managed. Board members lose interest if they are not challenged and able to utilize their special skills. Listening to repetitive reports is not a constructive way of using limited meeting time. The majority of time allotment should be spent on future issues.

The following are some ideas for energizing board meetings:

- Create a code of conduct for board meetings: No cacophony tolerated. No personal attacks allowed. Respect differing opinions.
- Change the layout of the room regularly to initiate interaction and contact between different board members. If the board is large, take advantage of small group discussions.
- Use graphic displays, pictures, or slides as much as possible to keep all participants actively engaged and focused on the same issue.
- Have themed meetings when applicable. Serious issues warrant additional time for discussion: fundraising, liability issues, outreach, or board composition.
- Bring in experts to add an outsider's point of view. Rely on staff for information when discussing programs.
- Try to avoid overly structured and procedural meetings. Allow time for constructive and free discussion and deliberation.
- Design a colorful Stop! sign for board members to use when they have a question. It can be a less intimidating way to interrupt a speaker.
- Have a resource table in the room to place additional material for board members to browse.
- Integrate evaluation of the meeting in the schedule periodically. Use index cards for questions and comments, have everyone fill out a short questionnaire before leaving the meeting room, or have a different board member observe the meeting and provide comments afterwards. Change the evaluation format regularly.

After the meeting. Without diligent follow-up, meeting decisions easily fall into oblivion. Keep board members informed between the meetings.

- Consider integrating a standard short executive session after each board meeting for review purposes and allowing the chair to make coaching comments for the future.
- Email or send by regular mail a list of assignments to each board member; copy to the chair.
- Have the chair or another contact person get in touch with board members who did not attend the meeting.
- Mail board members newsletters of what is happening between meetings, results of meeting action items, press clippings, personal news items or any other material that keeps the organization constantly in the board members' thoughts.

TEN QUICK WAYS TO IMPROVE BOARD MEETINGS

By Jan Masaoka, Board Café

When we think about the boards we're on, we usually think about the board meetings—which says a lot about the importance of having good meetings. Make a resolution to implement one of the following ideas each month:

- Name tags for everyone, every meeting. It's embarrassing to have seen people at several meetings and wondered what their names are... and later it's REALLY hard to admit you don't know their names.
- Post an acronym chart. Make a poster of frequently used external and internal acronyms (such as CDBG for Community Development Block Grants or DV for domestic violence) and post it on the wall of every meeting. (If you distribute the list on paper it is soon lost.)
- Write an "anticipated action" for each agenda item. Examples: "Finance Committee report, brief questions and answers: no action needed." "Volunteer recruitment and philosophy: Anticipated Action = form committee of 3-4 board members." "Public Policy Committee: Anticipated Action = approve organizational statement to city council on zone changes."
- Make sure that each person says at least one thing at every board meeting. This is the Chair's responsibility, but everyone should help! "Cecilia, you haven't spoken on this issue. I'm wondering what you're thinking about it?" "Matt, at the last meeting you made a good point about finances. Are there financial issues here that we aren't thinking about?"
- No one-way communication from staff. If you have a regular Executive Director's Report on the agenda, or if a staff program director is giving you a briefing, be sure that such presentations need a response from the board. If not, put them in writing in the board packet and just ask if there are any questions.
- Don't include committee reports on the agenda just to make the committees feel worthwhile. If a committee has done work but doesn't need it discussed, put the committee report in the board packet. (In the meeting be sure to recognize the committee's good work and refer people to the written report.) Instead, schedule committee reports in the context of the main discussion. For example, if there is a discussion planned on attracting and retaining staff, reports from the Finance Committee and the Personnel Committee may be appropriate.
- Note to the board president and the executive director: what are the two most important matters facing the organization—economic downturn, changes in government funding, decreased pre-school enrollment due to higher unemployment, a competitor organization, demographic changes in the county? Is one of these matters on every board agenda?
- Encourage "dumb" questions, respectful dissent, authentic disagreements. Find a chance to be encouraging, at every meeting: "Sylvia, I'm glad you asked that 'dumb' question. I didn't know the answer either." "Duane, I appreciate the fact that you disagreed with me in that last discussion. Even though you didn't convince me, your comment helped make the discussion much more valuable."
- Make sure the room is comfortable! Not too hot or cold or crowded. Offer beverages and something light to eat such as cookies or fruit.
- Adjourn on time, or agree to stay later. Twenty minutes before the scheduled end of the meeting, the Chair should ask whether the group wants to stay later: "If we continue this very interesting discussion, we will have to stay fifteen extra minutes to hear the recommendation on the executive director's salary. Can everyone stay that long, or should we end this discussion and move to that one immediately?"

Bonus Idea: Once every year or two, survey the board about meetings. Pass out a questionnaire for anonymous return to the board vice president or secretary, asking, “What do you like best about board meetings? Least?” “Are you satisfied with the items that are usually on the agenda?” “How could the board president do more to encourage discussion at the meetings?” “Is the location or time of day difficult for you?”

ROBUST DISCUSSIONS FOR BOARDS

From www.boardsource.org

Try these techniques to stimulate board deliberations that are highly participative and relatively spontaneous.

1. *Silent Starts*—Take two minutes at the beginning of a meeting to let board members anonymously write the most important questions they feel the board and management should address. Read and talk to identify the most crucial issues.
2. *One Minute Memos*—At the conclusion of each discussion item, board members take a minute to write down what they would have said if there had been more time. Collect for review by the chair and chief executive so there is no doubt about what is on the board’s mind.
3. *Future Perfect History*—In breakout groups, develop future-perfect narrative of how the organization moved from its present state to its envisioned state. Compare story lines, pathways and detours.
4. *Counterpoints*—Randomly designate two board members to make the most powerful counter arguments to initial staff recommendations.
5. *Role Plays*—Ask subsets of the board to assume the perspective of different constituent groups likely to be affected by the issue at hand. How would they frame the issue and define a successful outcome? What would each group regard as worst-case scenario?
6. *Surveys*—Prior to discussing a major issue, board members take an anonymous survey that includes questions like: What should top our agenda next year? What are we overlooking? What is the most valuable step we could take to be a better board? What are the most/least attractive and worrisome aspects of the proposed strategic plan? An analysis of the responses (not the loudest voices) drives subsequent discussion.

CHECKLIST FOR THE CHAIR

By Nathan Garber

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John Kenneth Galbraith wrote: “Meetings are indispensable when you don’t want to do anything.” Unfortunately, in many cases, he is right. To make meetings creative and useful, a good chairperson is essential. The chair can make the difference between a successful, productive, stimulating meeting and a frustrating, disappointing, waste of time. Chairing a meeting effectively does not come naturally, but it can be learned through practice and effort. Use this checklist to help you as you learn the job.

Before the Meeting

- Meetings are for making decisions. Be sure you understand what decisions have to be made at the meeting.
- Plan the agenda with the Chief Executive to ensure that the most important and most time-critical decisions are made first.
- Make sure that reports and information necessary to make the needed decisions are sent with the agenda in sufficient time for them to be read.
- Contact individuals scheduled to make a verbal report and make sure they will be present or will appoint someone else to give the report.
- Note when someone comes unprepared to the meeting. Call them in advance of the next meeting with a reminder to read and think about the agenda items before the meeting.
- The board or committee can be severely handicapped when members are absent.
- Frequent absences may indicate personal problems for the member or a problem with the Board. If you have reason to think that any member is not making a serious effort to attend all meetings, call them to find out why.

At the Meeting

- Use a "Consent Agenda" to dispense quickly with routine and non-controversial agenda items.
- Rules of order are important to ensure that decisions are made fairly and that the rights of the majority and minorities are protected. Make sure that the rules you follow encourage adequate discussion and participation.
- Start meetings at the scheduled time.
- Introduce and welcome all newcomers.
- Summarize the issues to be discussed.
- Clarify the time-line for discussion.
- Keep a speakers list. Make sure that everyone who wishes to speak has done so before any speaker has a second opportunity.
- Encourage the quiet ones. Direct questions to them or go around the table so that everyone can comment.
- When discussion wanders, bring it back to the matter at hand.
- Be alert to nonverbal behavior signifying dissent. Ask the dissenter to comment.
- When debate becomes confrontational and positions become entrenched, seek ways to identify the interests and values that underlie the positions and seek ways to negotiate resolution.
- Watch for signs that the debate has run its course. Then summarize the discussion and ask for a vote or expression of consensus.
- Ask the secretary to read all motions, amendments to be sure that they are clear, express the intent of the mover, and are correctly entered in the minutes.
- Before the meeting is adjourned (or before people start leaving), make sure that anyone who has been assigned a task is clear on their responsibilities and aware of the reporting date.

- Check to see if anyone has a problem with the next meeting date and time.
- End the meeting on time.

After the Meeting

- Review the previous meetings to identify problems so that they can be addressed before the next meeting.
- Review the Annual Agenda to see what is coming up in the months ahead. Update the annual agenda if necessary.
- Review this checklist. Consider what you might do to make the next meeting better, and what long-term strategies might improve your meetings.
- Consider what you might do to assist new members, deal with absenteeism, or remediate poor performance.
- If you have a vice-chairperson or if there is someone in line for the chairperson's role, include her or him in this review process.

FACE-TO-FACE: BOARD CHAIRS & CHIEF EXECUTIVES

Article excerpts provided by www.boardsource.org

From the Chief Executive: A Delicate Balance

By Maxine Stein

Team Leaders. The ideal relationship between a chief executive and a board chair is one of shared responsibility and partnership—similar to being co-captains of a team. Each is in charge of different aspects of the team.

As chief executive, my job is to oversee the day-to-day operations of the organization. I have to make certain that the mission is being fulfilled through our work and that the responsibilities the board has asked me to follow through on are carried out. The board's primary focus is on the mission and in helping to define the organization's present and future. The partnership, if it is a healthy one, can set an exciting tone for the organization.

A chief executive is the person most identified with the organization and its main spokesperson. I earn my livelihood from the organization. I have had both formal and informal training for my job. The work of the organization is the central force in the chief executive's life, whereas the board is more part time. Board members join the organization for very different reasons—hopefully because they are attracted to the cause. The membership of the board changes from year to year or from term to term. And the staff—one hopes—is there for a much longer period of time.

However, even though the chief executive and board chair work together, the relationship is inherently unbalanced by the fact that, ultimately, the board functions as the boss of the executive.

The bottom line is that the board is composed of the primary stakeholders in the organization. The executive has been hired to carry out the vision of the board. The best of all situations is when the executive's professional opinion and knowledge are allowed to guide the work.

Personalities and Styles. The relationship does not have to be about conflict. It should be about trust, respect, and shared vision. But a clash of personalities can happen. I do believe that no board should appoint a chair without the input of the chief executive. It is important that the nature of the relationship be honored and that personalities should be considered when placing someone into a position of partnership with the chief staff.

More often, both sides need to balance their personalities and management styles. Communication between a chief executive and a board chair is essential. It is the responsibility of both to alert the other of any problems that might arise. There should not be secrets. A board chair must encourage healthy communication and be comfortable with the rest of the board's ability to communicate with the chief executive as well. The board and the chair must also respect that communication to staff be directed through the executive.

From the Board Chair: A Working Partnership

By Mary E. Howe-Grant

The board chair and chief executive may be dedicated to the mission, but unless mechanisms are in place to handle their differences, the leadership and partnership can break down.

Inevitably, even in the best relationship, board chairs and chief executives can come into conflict. Some of the most volatile issues include:

- *Differences of Opinion and Focus:* It's natural that two people in partnership will sometimes have differences of opinion. Add to that the fact that the chief executive must focus on how to manage the day-to-day operations while the board chair can afford to focus on the vision and the mission, and there is plenty of opportunity for disagreement and misunderstanding.
- *Differences in Leadership Style:* Most often, the board chair and the chief executive are both experienced leaders who have already developed their respective leadership styles. A person who leads autocratically can be driven crazy by one who constantly seeks consensus. A team-oriented leader can find working with a pyramidal-style leader extremely frustrating.
- *Boundary/Ownership Issues:* It's easy to understand how individuals who dedicate themselves to an organization can begin to take ownership of the nonprofit and its mission. Partnerships break down when one person feels the organization is more hers than anyone else's. This leads to criticism of the way the partner does her job, or interference with the partner's responsibilities.

A Working Partnership

Not all chairs are fortunate enough to find a perfect match in their chief executive, but nearly all can find a way to improve the partnership. I would recommend the following steps:

- **Communicate! Meet with your chief executive—and keep meeting:** Communicate by e-mail frequently, meet alone twice a month for an hour, have a “No Surprises Policy”, share information, celebrate successes, address potential problems, and determine action plans.
- **Know and do your job:** You should each have job descriptions. The chief executive is the board's employee. There should have been a job description before she was hired. If expectations have changed, then the job description should also have changed. Address any ambiguities that arise between the leadership roles directly, settling them as soon as possible. If uncertain about a task, share in its execution.

- **Respect boundaries:** The board chair of a smoothly running nonprofit does not try to manage the organization. Work with the chief executive, but don't cross any boundaries into the chief executive's defined responsibilities. The board chair can aid the chief executive in any agreed upon manner, but the key there is "agreed upon." (If the board chair believes the chief executive isn't doing her job, then that should be brought up with the board and followed through in the appropriate channels.)
- **Support and trust your chief executive:** Mutual support and trust are essential to a true partnership. Trust that whatever the chief executive does is out of concern for the organization and in support of the mission. Support your chief executive whenever possible. And, when it isn't possible, tell her so, giving your reasons. Neither of you has the time or the energy to be divisive by second-guessing the other. So don't be tempted to do so!

FINANCIALS MADE EASY

By Steven Berger

Excerpts from www.boardsource.org

Financial statements are easy to read and understand—if you know what to look for.

Board members of nonprofit organizations must set and monitor the organization's full array of goals. Like it or not, that includes getting involved in the financial results of the operation. In order for board members to effectively carry out their fiduciary responsibility, they must be able to read and understand the financial statements that will be published periodically (typically monthly) by management.

Most organizations have a finance committee that is charged with reviewing the financial statements in detail. That is appropriate. The members of the finance committee generally have a deep understanding of financial statements. They also will perform a more detailed review of the various elements of the statements and report their findings back to the full board.

All board members need to have a basic understanding of the most important elements of the financial statement. They need to know why these elements are important and what actions they should take if these elements are out of compliance with board wishes or generally accepted accounting standards.

Key Financial Statement Definitions

- *Assets*—Things that we own (cash, securities, accounts—receivable, inventory, long-term fixed assets)
- *Liabilities*—Things that we owe (accounts payable, mortgages, notes payable, bonds payable)
- *Net Assets*—The difference between assets and liabilities
- *Income*—Revenues from operations or grants, gifts, and bequests
- *Expenses*—Costs incurred in the operations of the business
- *Financial Results*—The difference between income and expenses

Types of Financial Statements:

- *Statement of Financial Position (or balance sheet)*—represents the organization's assets, liabilities, and net worth (net assets) at a particular period in time (the reporting date).
- *Statement of Activities (or income statement)*—represents the financial operating results, income, and expenses over a given period of time (like monthly, year-to-date, quarterly, or annually).

Financial statements should also reflect the variances between the actual operating results and the budgeted goals that were previously approved by the board.

Every line item on the financial report is important and has meaning. Board members need to be aware of each line item and, where possible, set goals around these numbers. Without goals, management has no direction for the results of these line items.

Without a working knowledge of these line items, it is much harder for the board members to properly perform their governance role. After all, how can the board help set goals without knowing the properties of the line items for which the goals are being set?

There are a few steps that board members can take to feel more comfortable when reviewing their organization's financial statements.

1. *Time for Review:* Make sure that all board members receive financial statements at least seven days before the board meeting, so that they have ample time for review.
2. *Minimum Information Provided:* At a minimum, the financial statements should include information contained in the actual and budgeted:
 - statement of financial position (or balance sheet)
 - statement of activities (or income statement)
 - statement of cash flows
 - key volume and operational statistics
 - key ratios (critical success factors—days of cash on hand, months of operating reserve, etc.)
 - explanatory notes on those actual financial and statistical elements that vary from the goal
3. *Board Orientation:* As part of the board orientation process, have new board members spend two hours with the organization's chief financial officer (CFO). They should walk away with an overview of the critical elements of the financial statement, what they mean, and why they are important.

New members should spend time with the chief executive to discuss her/his view of the organization's financial results, and the goals across the various line items of the financial statements.

As an alternative, the entire board can be given a half-day educational or training session, conducted by the CFO and the chief executive, on the major financial statement elements. This will allow the board to spend some quality time in the financial statement review process.

The organization's external auditors (CPAs) could also attend the session to bring an independent view of the financial statements and add depth and breadth to the discussion.

KEY FINANCIAL AND RELATED QUESTIONS ALL BOARDS SHOULD ASK

From www.boardsource.org

For boards to effectively fulfill their responsibility of financial and organizational oversight, the following questions should be asked on a consistent basis:

- Is the financial plan consistent with the strategic plan?
- Is the organization regularly comparing its financial activity with what it has budgeted?
- Have we run a gain or loss? (i.e. Are we better or worse off financially than we were a year ago?)
- Are our key sources of income rising or falling? If they are falling, what are we doing?
- Are any specific expense areas rising faster than their sources of income?
- Are our key expenses, especially salary and benefits, under control?
- Are the organization's expenses appropriate?
- Do we have sufficient reserves?
- Is the cash flow projected to be adequate?
- Has the board adopted a formal policy for the establishment of reserves?
- Does the organization have the appropriate checks and balances to prevent errors, fraud, and abuse?
- Does staff have the financial and other resources they need to be satisfied and productive?
- Are we, on a timely basis, filing all necessary reporting documents required at the local, state and federal level?
- Are we fulfilling all of our legal obligations?
- Is the organization meeting guidelines and requirements set by its funders?

THE IMPORTANCE OF BOARD SELF-ASSESSMENT

By Berit M. Lakey, Senior Consultant, BoardSource

Ensuring organizational accountability is a key role for any nonprofit board. On behalf of the public and the people or causes served, the board must ensure that organizational resources are effectively used to serve the mission. Accordingly, the board holds the staff responsible for good management and program implementation but must hold itself accountable for the quality of the organization's governance. Through periodic performance assessments a board can identify ways to strengthen its operations in service to the organization and its mission.

A number of tools are available to help nonprofit boards achieve greater clarity about their own effectiveness. Most are designed as self-assessment questionnaires which ask directors to rate the board's performance in major areas of board responsibility.

Why conduct a board self-assessment?

Board assessments serve many purposes, some internal to the board and some in relation to other constituencies. A systematic assessment process will:

- give individual board members an opportunity to reflect on their individual and corporate responsibilities,
- identify different perceptions and opinions among board members,
- point to questions that need board attention,
- serve as a springboard for board improvements,
- increase the level of board teamwork,
- provide an opportunity for clarifying mutual board and staff expectations,
- demonstrate to the staff and others that accountability is a serious organizational value, and
- provide credibility with funders and other external audiences.

A board assessment must be legitimate in the eyes of board members. The opinions of outsiders can be discounted, but what a board says about itself must be taken seriously. A self-assessment is more likely to lead to changes in the way the board operates. However, a self-assessment does not necessarily exclude input from other sources. The board may, for example, choose to ask the executive director and senior staff to provide feedback.

When to conduct a board self-assessment

A full-scale assessment may be desirable only once every two or three years, with interim assessments conducted to monitor progress on objectives set after the last assessment. Times when a self-assessment may be particularly useful include:

- at the outset of a strategic planning process
- in preparation for major expansion or capital campaign
- when there is a sense of low energy, high turnover, or uncertainty about board responsibilities
- after a financial or executive leadership crisis.

How to conduct a self-assessment

An assessment process involves a number of steps:

- Decide to conduct the assessment. This must be a board decision. Assign the responsibility for making the necessary arrangements to a small task force or to the governance committee.
- Decide whether to use a standard instrument designed for board evaluations or to design a process from scratch.
- Decide whether to use an outside consultant to administer and facilitate the process. Using an outsider to administer the questionnaire will make it more likely that board members will give frank answers. An outside facilitator of the board's follow-up discussion will encourage open and constructive debate.

- Distribute the instrument and ask board members to complete and return the questionnaire to the designated person.
- Compile, analyze, and present responses in a written report that is distributed to board members.
- Discuss the findings, perhaps in a retreat setting, and identify actions that will lead to improved performance. If an outside facilitator has been engaged, this person will already have collected additional information about the board (bylaws, meeting minutes, committee structure, etc.), and will have discussed the agenda with the person(s) charged to arrange for the assessment.

Is it worth it?

Properly conducted and followed up with action, evaluation can have a profound impact upon a board. As reported by two directors “Ultimately, the process transformed us from a traditional show-and-tell to a much more dynamic give-and-take board,” said one. “It provided the impetus to move our board forward on issues that had been simmering on the back burner,” another commented. “It brought our board members closer together as people. helping to break down barriers, establish camaraderie, and open up dialogue.”

Self-assessment may be the best way to reach the root of governance problems and find lasting solutions that will make your board better.

FIFTY-THREE WAYS FOR BOARD MEMBERS TO RAISE \$1,000

By Kim Klein

Used by permission. Grassroots Fundraising Journal

- 1. Give it yourself.** This is the easiest way for those who are able, although if you are able to give this much money you should be helping to raise much more than \$1000.
- 2. List all your friends who are interested in your organization or similar organizations.** Decide how much you want to ask each one for. If you are not sure of an amount, use a range. Write to them on your own stationery, include a brochure from the organization and a return envelope. Phone those people who don’t respond in two weeks. Some people will need 10 friends to give \$100, and some people need 50 friends to give \$20. Most people will need a combination of gifts of \$100, \$50 and \$25.
- 3. Give part of the \$1000.** Then ask your friends to join you in giving \$50, \$100, or whatever amount you gave. This is most effective because you are not asking them to do anything you haven’t done.
- 4. Set up a challenge campaign.** Challenge gifts can be quite small. Tell people you’ll give \$5 for every \$25 they give, or will match every \$50 gift up to ten gifts. For added suspense, make this challenge during a fundraising event. You or the host can announce, “We now have the Dave Buckstretch Challenge. For the next five minutes, Dave will give \$5 for every new member that joins Worthy Cause.”
- 5. If your organization has several grassroots fundraising strategies in place, use them all:**

Sell 100 raffle tickets (@\$2)	\$200
Give \$200	\$200

Sell 10 tickets to the annual event (@ \$25)	\$250
Buy two gift memberships (@ \$25)	\$50
Get 12 friends to join (@ \$25)	\$300

6. **Help with your organization’s phone-a-thon.** Bring the names of people you think would like to join and call until you have raised \$1000. Or trade names with someone in the organization and call their friends until you have reached \$1000. This is particularly effective for people who are shy about asking their own friends for money but are not afraid to ask people they don’t know.
7. **Acquire mailing lists for your organization.** If you belong to another group, perhaps you can set up an exchange, or perhaps you have access to a list of members of some other group. You can ask all your friends to give you the names of 10 to 15 people they think would like to join. You would need to recruit about 25 members at an average gift of \$40. Depending on how “hot” your list is, you might need as few as 200 names (to do a bulk mailing) or as many as 1500-3000 (if you expect a 1–2% response). You would have to have a greater response if you wanted the mailing to pay for its costs and also generate \$1000.
8. **Give the organization something they need that is worth \$1000,** such as a new computer, filing cabinets, couch, software program, etc.
9. **Pledge \$28 a month, and get two others to do likewise.**
10. **Teach a seminar on a topic you know: fundraising, knitting, organic gardening, organizing, proposal writing, environmental impact reports, gourmet cooking, dog grooming, starting your own business.** Charge \$50-75 per person, with a goal of 15 to 20 people. Either absorb the cost of promotion, or have enough participants to cover it.
11. **Give some or a lot of things to your organization’s garage sale,** making sure they are worth \$1000, and then help to sell them all.
12. **Plan a spaghetti dinner at a temple, church or union hall** or other big room with a large kitchen with four or five friends.
Charge \$10 per person and feed more than 100 people. You can charge extra for wine or garlic bread, or for dessert.
13. **Have a fancy dinner at your home or a regular dinner at someone’s fancy home.** Serve unusual or gourmet food, or have special entertainment. Charge \$40 or more per person, and have 25 or more guests.
14. **Get three friends to help you have a progressive dinner.** Start at one person’s home for cocktails and hors d’oeuvres, progress to the next person’s house for soup or salad, the next person’s for the main course, and the last person’s for dessert. Either charge by the course or for the whole package. To make it extra special (and much more expensive), get a limousine for the evening that carries guests from house to house, or have live music at each site.
15. **Host a house party.** Do not charge admission and invite as many people as you can. During the party, give a short talk about your organization and ask everyone to consider a gift of \$25, \$50, \$100 or more (depending on the crowd). Either pass out envelopes and ask people to give then, or after the party contact everyone individually who came and ask for a major gift. Indicate that you have given and, if appropriate, how much you have given.
16. **Get your gambling friends together.** Charge a \$5 entrance fee and have a poker evening, asking that every “pot” be split with the organization. Individuals win and so does the organization. You

can charge extra for refreshments, or include one or two glasses of something with the price of admission. (Watch the laws in your community on this one. In some communities it is illegal to gamble, even in your own home.)

17. Do one fundraising event every other month. This might looklike:

Poker Party	\$200
Fancy dinner (8 people x \$50)	\$400
Sell 50 raffle tickets @\$2	\$100
Book sale	\$200
Recycle newspapers	\$100

- 18. Solicit small businesses, churches, synagogues or service clubs for \$1000.** If you are active in a church or you own your own business and are involved in business organizations or service clubs, this can be very effective. You can often raise \$200-\$1000 with a simple proposal and oral presentation.
- 19. Take a part-time job** in addition to your present work and give everything you earn up to \$1000.
- 20. Ask five to ten people to save all their change for three to five months.** You save yours. Count it at the end of the prescribed time and use one of the other methods to raise the rest. (You may not need to.)
- 21. Ask two to five friends to help you put on a bake sale, book sale, or garage sale.** You and your friends bake the goodies or get the books or the other stuff required for the sale, staff it and clean up afterwards. This is an excellent way to get people involved in fundraising without ever actually asking them for money.
- 22. For the fairly rich: Give your organization \$13,000 as an interest-free loan for a year.** They invest it, earn 8%, and at the end of the year, they give your \$10,000 back.
- 23. Sell your organization's materials, buttons, T-shirts, bumper stickers, or whatever else they have for sale.** Also, help distribute these to bookstores or novelty shops.
- 24. The Farming Out Method: Entice five friends to sell 100 raffle tickets at \$2 each, or invite ten friends to raise \$100 however they like.** Share this list of suggestions with them. Give them a nice dinner at the successful end of their efforts (or a bottle of good wine, or a weekend away).
- 25. Get a famous or popular person to do a special event.** Watch the costs on this, or you may lose money.
- 26. Invite people to your birthday party** and ask that in lieu of gifts they give money to your organization.
- 27. Conduct a volunteer canvas.** For one evening, you and a group of friends take literature to all the neighborhoods around you and ask for money at the door. Be sure to comply with city and county ordinances.
- 28. Lead or get someone to lead a nature walk, an architectural tour, a historic tour, a sailing trip, a rafting trip, or a horseback ride.** Charge \$15-\$25 per person, or charge \$35 and provide lunch. Advertise the event in the newspaper to draw in people from outside your organization.

- 29. Start a pyramid dinner, or a chain dinner.** Invite 12 people and charge \$12 each. Get two people of the twelve you invited to invite 12 people each at \$12, and two people from each of those two dinners to have 12 people at \$12, and so on. Here's the income:

Your dinner \$12 x? 12	\$144
From your dinner \$12 x ? (12 + 12)	\$288
From those dinners \$12 x (12 + 12 + 12 + 12)	\$576
From those dinners \$12 x?(12 x? 8) etc.	...

Twelve is used in this example because it worked very well for the Nuclear Freeze Campaign in California, which was Proposition 12. In many communities, most of the income for the campaign was generated by 12 dinners.

- 30. Collect cans for recycling.** Ask all your friends to save their cans and bottles for you and turn them in to a buy-back recycling center.
- 31. Sell your frequent flyer miles to friends or donate them to the organization for a raffle.** Watch the rules of the airline on this, but some airlines let you give away miles, and you may be able to sell your miles as long as you don't go through a mileagebroker.
- 32. If you live in a nice house or own a getaway cottage in a beautiful place or an expensive city, rent it out for a week or a weekend two or three times during the year and give the proceeds to your organization.** Or rent a room in your home for much less than the cost of a hotel room to people needing a place to stay while they are on business in your city. You may even make a new friend in the process.
- 33. Organize a service raffle.** Get four people (one can be you) to donate a simple but valuable service that many people could use and sell raffle tickets for \$10-\$20 each. Keep the price a little high so you don't have to sell so many and so that the buyers have a higher chance of winning. Services can include childcare for a weekend or for any weekend night two weekends in a row; one day of housecleaning; yard work; house painting (interior or exterior), etc. Sell the tickets to neighbors, work mates and to other board members. Encourage people to buy several by offering discounts for multiple purchases, such as one for \$10, 2 for \$20, but 3 for \$25, 4 for \$35, 5 for \$40. If you are really bold or live in a more affluent area, or have few friends, sell the tickets for \$50 each. A full day of housecleaning for \$50 is a real bargain, and buyers have a high chance of winning with fewer tickets sold.
- 34. Offer to do something your friends and family have been nagging you to do anyway and attach a price to it.** For example, quit smoking on the condition that your friends donate to your group, or get your friends to pay a certain amount for every day you don't smoke for up to 30 days. Agree to match their gifts at the end of thirty days if you didn't smoke and to give them their money back if you did. (This method could be applied to other healthy behaviors, such as exercising or not eating sugar.)
- 35. Find out what items your group needs and try to get them donated.** This is good for people who really hate to ask for money but who don't mind asking for things that cost money. Items that one can sometimes get donated include computers, office paper and other office supplies, office furniture (second-hand from banks and corporations as they redecorate), fax machines, adding machines, food, even cars.

36. **If you or someone you know owns a small business that has regular customers who receive a catalog or announcements of sales, write them an appeal letter for the organization.** Your letter can say something like, "You are one of my best customers. As such, I let you know about sales coming up and good things happening in my store. Today, I want to tell you about another good thing—what I do when I am not minding the store." Then go on to describe the group and ask for a donation.
37. **Similar to #36, post this letter on your Web site.** Link to the organization's Web site and ask people to donate.
38. **If the organization doesn't have a Web site or doesn't keep their Web site up, ask all your techie friends to donate \$100 each and hire a Web Master.**
39. **Give it yourself.** (This is so good I have to say it twice.)
40. **Strategy with a long-deferred payoff** (we hope): leave the group a bequest.
41. **With similar hopes as above, get friends to include the group in their wills.**
42. **Ask friends who belong to service clubs, sororities, antique collecting groups, support groups, bridge clubs, etc. to discuss your organization in their group and pass the hat for donations.** A once-a-year sweep of even small groups can yield \$100 from each.
43. **For the church-going: ask if your organization can be a "second collection."** The church passes the plate for its own collection and then you or someone from your organization gives a brief talk (or sometimes the whole sermon) about your group and the plate is passed again; the proceeds go to your group.
44. **A variation on the above is to organize a "second collection Sunday" and get as many churches as you can to take up a second collection for your organization on the same Sunday.** Someone from your group will need to be at each service and give a brief talk. Second collection Sundays can be very lucrative—the Catholic Campaign for Human Development collects as much as \$20 million on one Sunday in all the participating Catholic churches in the United States.
45. **If, as a child, you collected something avidly that you now store in a basement, consider selling it.** Coins and stamps are particularly valuable and have usually increased in value over the years. But your collection of rocks, toy ships or rockets, arrowheads, or dolls can also be valuable. When you donate the income from the sale, you can deduct that amount from your taxes—an added bonus of this strategy, since you probably paid little or nothing for the items in the collection.
46. **Have a sidewalk sale or garage sale for your whole neighborhood or building.** Go around to your neighbors and tell them you will take their stuff outside and sit with it all day to sell it if they will donate half or all of the proceeds to your group. Since this is stuff people want to be rid of anyway, it is a good deal for them. In one apartment building with ten units participating in donating stuff, an organization netted \$3,000 in one day. Three people from the organization helped with the selling. With a few high-ticket items, such as a washer/dryer or some nice lamps, you can make good money.
47. **If you have an artistic bent, offer to design greeting cards to specification for organizations or individuals for a fee.** If you are good at calligraphy, sell your skills to schools for graduation announcements, friends for classy but low-cost wedding invitations, or just fun certificates such as "World's Greatest Dad" for Father's Day or "Outstanding Friend." Create unique Halloween costumes or masks. Donate the proceeds from your artistry.

48. **Create a take-off on the “adopt-a-highway” technique by naming budget items of your group as available for adoption.** You could develop a flyer that reads, “The following items have been found near death from negligence and abuse. Won’t you help? \$25 per month will ensure that our computer is maintained. \$100 per month will release our photocopy machine from toiling with no toner and a dying motor. (We can lease a new one.)”
49. **An idea for people who live in border towns: Get permission to place a large container in stores or even at the airports of towns near national borders.** Have a sign that asks people (in several languages) to throw in any coins or paper money they have not exchanged. Many times people leaving Canada or Mexico don’t have time to exchange all their money or cannot exchange their loose change. Multiply this times hundreds of shoppers or travelers and you can make a lot of money. UNICEF does this in many European airports.
50. **Hold an “I’m Not Afraid” Auction.** You can do this with just a few friends or hundreds of people if you have enough items to auction. You survey a few people (and use your own common sense) about what things need to be done in their home or office that they are afraid of or would really rather not do. This is different from a service auction—there has to be an element of dread in the activity. For example, some people cannot wash their windows because their apartment is too high or the second story of their house is too high and they suffer from vertigo. If you are not afraid of heights, you can sell your window-washing service (bring a sturdy ladder). This goes for drain cleaning, minor roof repairs, antenna fixing, etc. Or, if you are unafraid of cockroaches or spiders, you can offer to clean out that dark corner or garage or basement for a small fee. Snakes can be found in gardens and woodsheds, but maybe that doesn’t bother you. The problem doesn’t need to be as serious as phobia. How about allergies to dust, pollen, weeds? If you don’t have them, you can mow, sweep, clean for a fee. By marketing it as an “I’m Not Afraid” Auction, you also have the option for people to name something they need done to a group of volunteers, and then have a volunteer say, “I’m not afraid to do that.” In that case, you will need a set fee for service.
51. **Similar to the suggestion above is the “Details Auction.”** This is for all your friends whose desks are overflowing with papers or who can’t get their receipts in order to give to the tax preparer or who complain they can never find anything. If you are a well-organized person, offer to clean up their desk, get their Rolodex in order, file their papers, etc. If you like to shop, sell that to people who don’t and do their holiday shopping for them, or buy birthday, baby shower or niece/nephew presents for them. Anything that people feel they cannot control is the organized person’s fundraising dream come true.
52. **Find out which of your friends (perhaps this is true for you also) work in corporations with matching gift programs.** Then ask them to donate and get their gift matched for your organization and ask them to ask their co-workers to donate and get their gifts matched.
53. **Think of a store or service related to your organization or where a lot of your members shop.** Ask the store to donate a percentage of profits for a certain day or week, or even forever. You can also explore this with mail-order firms. Then you advertise widely to friends, family and members that Joe’s Florist will give 2% of each sale during Valentine’s weekend to anyone identifying themselves with your group. As you can see, almost all of these strategies involve asking for money and giving money yourself. These are the basic premises of fundraising—you must ask, you must give. Everything after that involves creativity, imagination and a sense of fun.

ADVISORY COUNCILS: NINE KEYS TO SUCCESS

Many nonprofits employ advisory councils—a collection of individuals who advise and support the governance work of the board or the management tasks carried out by staff.

- They can provide you with specialized expertise that may be lacking in your nonprofit.
- Their members can be ambassadors to your community and connect you to a greater constituency.
- They can perform important duties, such as fundraising, advocacy, and program evaluation.
- Their members can be candidates to fill future board seats.

Well-conceived and well-executed advisory councils can be very beneficial. Unfortunately, many are not well conceived nor well executed.

HERE ARE NINE KEYS TO A SUCCESSFUL ADVISORY COUNCIL:

1. Be prepared to give it time and resources.

Advisory councils require care and feeding, just like governing boards do, to be effective. If you and/or the staff are short on time and resources, think twice before forming one. It could end up being a poor use of your council members' time and expertise and frustrate you. Explore other options for accomplishing what it is you want or need from an advisory council, such as working with individuals to get the job done. It's often easier and less time-consuming to manage individuals than manage a group of individuals.

2. Make sure you know exactly what it is you want the council to accomplish.

A lack of clarity in purpose, role, or scope is a common problem with advisory councils. It's important to have a written statement of purpose that addresses the following topics:

- Reason for the advisory council to exist; its goals.
- Relationship of the advisory council to the governing board.
- Relationship of the staff to the advisory council.
- Criteria for membership.
- Description of the selection process and to whom the advisory council reports.
- Length of term of service and duration of the group.
- Job description that identifies the specific responsibilities or expectations of individual members.
- Titles and duties of officers.
- Number and frequency of meetings.

3. **Find the right advisory council members; take your matchmaking seriously.** The council's purpose and goals should determine its size, its meeting frequency, and its credentials for membership. Form must follow function, not the other way around. Seek out the skill sets, expertise, and insights that are required to meet the council's goals. The quality and commitment of those selected to serve on the advisory council will impact its effectiveness. Explain to prospective members why they were chosen and what will be expected of them.

4. Prepare your council members for service through an orientation program.

Set the stage for success by teaching your council members about your organization's mission, vision, values, and strategic plan. Explain, again, the role of the council and your expectations.

5. Support your council with well-developed meeting agendas, adequate supporting material sent in advance of the meeting, and skilled meeting facilitation.

In this aspect, effective advisory councils follow the example of well-planned governing board meetings.

6. Create mechanisms for communication and opportunities for dialogue between the governing board and the advisory council.

To facilitate ongoing communication and to provide the board with the council's expertise and advice, consider the following:

- Invite the chair of the advisory council to serve as a nonvoting member of the board or on a board committee related to the council's purpose.
- Invite the chair of the advisory council to make regular reports at governing board meetings or include a report in the consent agenda with other committee reports.

7. Periodically assess the council's performance to identify its strengths and weaknesses or determine if it has outlived its initial purpose.

This can be done through self-assessment, internal review by an internal ad-hoc committee, or third-party reviews by an external consultant. The organization and council should define the criteria by which the council's work can be judged. Possible questions to ask council members include the following: What would this organization be missing if this council was not in existence? In what ways could we add greater value?

8. Keep your group fresh and informed through continuing education.

Invite governing board members to make presentations at advisory council meetings. Enable council members to observe the way the organization works by experiencing its programs and services firsthand. Maintain a reasonable flow of information between meetings that keeps the council members informed of key organizational activities.

Plan a retreat or special council meeting to give the advisors the opportunity to review their responsibilities, identify priorities to strengthen their performance, and get to know each other. Invite council members to organizational social events.

9. Disband the advisory council when...

...there is a lack of funds or staff time to support the group, when the council is not meeting its goals, or simply because the group has achieved its goals and its work is done. In all cases, the organization should show its gratitude to the group for the time and effort each member contributed.

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COMMITTEE REPORTS TO THE BOARD

Committee
Name

Meeting Date

Location

Committee Members Attend-
ing

Items needing full board
action

COMMITTEE ACTIVITIES

Action Item	By Whom	By When

OTHER ITEMS OF NOTE:

- 1.
- 2.
- 3.
- 4.

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SAMPLE BOARD AND COMMITTEE OBJECTIVES

FY 2017 BOARD OBJECTIVES

- Evaluate progress toward ends objectives, set new objectives as needed
- Take up accountability question: who is this board accountable to now? Who should we be accountable to? How do we demonstrate that accountability?
- Approve annual budget
- Conduct rigorous monitoring to ensure organizational health.
- Approve audit by mmddy.
- Approve annual Executive Director job plan by mmddy.
- Complete three, six and 12-month feedback, performance reviews with Executive Director.
- Elect directors, officers, Executive Committee and Governance Committee members in mmddy.
- Achieve 100% board giving, maintain the current total dollar amount of board gifts and continue to increase board giving.
- Complete bylaws review.

COMMITTEE OBJECTIVES

Committee	Objectives & Activities	Possible Chair (should be board member)	Possible Members
Executive Committee (optional)	<ul style="list-style-type: none"> • Develop board meeting calendar • Recommend board objectives for FY 2010 • Set agenda for board meetings • Conduct 360 performance review of Executive Director and set FY 2011 objectives with full Board approval • Recommend Executive Director compensation for FY 2010 		

Committee	Objectives & Activities	Possible Chair (should be board member)	Possible Members
Governance	<ul style="list-style-type: none"> • Complete board manual & keep up-to-date • Conduct new member (and current member orientation) • Mentor new board members • Groom next generation of officers • Review and recommend criteria for 2010 slate of candidates • Recruit 2010 slate of candidates with focus on increasing directors of color 		
	<ul style="list-style-type: none"> • Redesign board meeting substance and culture • Conduct board assessment and individual director self-evaluations 		

Committee	Objectives & Activities	Possible Chair (should be board member)	Possible Members
Finance and Administration Committee	<ul style="list-style-type: none"> • Review FY 2010 Budget to strategic objectives and policy limitations • Review FY 2010 cash flow budget • Develop dashboard reporting system • Conduct risk management review & make recommendations • Develop and recommend conflict of interest, whistleblower and document retention policies • Monitor financials monthly • Ensure completed conflict of interest filings by all directors • Develop 3 year budget projections 	-----, Treasurer	
Audit Committee	<ul style="list-style-type: none"> • Select auditor and ensure accuracy of audit • Ensure accurate filing of 990 • Ensure adequate internal controls • Ensure compliance with all regulations 		

Committee	Objectives & Activities	Possible Chair (should be board member)	Possible Members
Strategic Planning	<ul style="list-style-type: none"> • Recruit committee & select consultant • Evaluate progress toward current ends objectives • Facilitate environmental scan and discussion of strategic issues with the Board • Conduct key informant interviews • Draft new ends and operational objectives and key strategies (e.g. organizational logic model) • Recommend draft plan to Board of Directors 		

Section 2

RECRUITMENT, ORIENTATION, AND SUCCESSION



**Executive Director Resource Manual
2023 Edition**

MEANINGFUL ACTS OF APPRECIATION FOR BOARDS AND STAFF—7 DO'S AND 2 DON'TS

"We [board members] do this huge amount of work, and we're volunteers, but the staff never seems to have any response but criticism for us not doing more!"

"I'm the executive director, and the board just seems to focus on what we haven't accomplished, instead of giving me credit for all the things I have accomplished!"

How many times have we heard (or thought) something similar? Despite admonishments to "give positive feedback," it often seems that efforts between board and staff of appreciation feel trivial at best, and even hypocritical or enraging at worst. What are some ways to express authentic appreciation that are meaningful to the recipient, and send the right message about values?

SEVEN QUICK IDEAS

1. The day after a board meeting, whatever your role, phone the two people who helped make it a good meeting--the board president, the executive director, the treasurer or anyone who helped move a discussion forward. A quick phone message can be remarkably encouraging.
2. To acknowledge a board member: write a proclamation unique to the board member, and print and frame it, celebrating the board chair's running the board meetings especially well, or a member negotiating the new lease, or the treasurer helping to choose new accounting software.
3. For the staff as a group: as part of understanding that attracting and retaining the right staff is crucial to an organization's success, have an annual board discussion on the subject. Start (for instance) with a report from the executive director and Finance Committee on current salaries and what comparable salaries might be at similar nonprofits. They can also bring a plan to board, perhaps taking a two-pronged approach: some near-term raises for the positions that are the most underpaid, and undertake a 3-year process to increase salaries in an affordable way. Make sure this is communicated to staff so that the seriousness with which the board takes the matter and the reality of budget constraints are understood.
4. Ask the executive director to suggest to the board individual staff for recognition by the board. The board can then pass a board resolution detailing accomplishments, and have a board member present it and read it aloud at a staff meeting.
5. As a new board president or at the start of the year, attend a staff meeting. As a volunteer leader, explain how you and the board see your most important tasks over the coming year, and invite questions and comments.
6. For a coalition or an association where board members work at other organizations and also spend considerable time in board service, consider grants to their organizations to show the value of the board service, and help pay, for example, for substitutes or overtime work performed.
7. Where possible, have the organization pay for travel expenses for board members, to demonstrate that board membership is not based on ability to pay.

ON THE OTHER HAND, KEEP IN MIND SOME THINGS NOT TO DO:

- Staff should not say, “Board members, thank you for helping us.” Unintentionally this implies that the staff is the core of the organization and board members are ancillary participants who are the helpers to staff. Instead, say, “I’m proud to work for an organization with a board that _____ as effectively as ours does—or “I’m grateful to work for an organization where board members contribute so much.”
- Board members shouldn't say, “Thank you, staff, for doing all the administrative things we hate doing (heard, for example, in a mostly volunteer organization). Instead, say, “I really value the way your work makes it possible for volunteers to do so much more.”

Celebrate accomplishments and getting through tough periods. Present small gifts and certificates, for example, to all the members of the board-staff strategic planning committee, or to the executive director search committee, or the group that “successfully got us through the accreditation process.”

These quick ideas are, of course, only part of a larger picture for how both appreciation and criticism are shared. Consider taking up just one or two these ideas, and see how people can bloom in their roles when given meaningful thanks and praise.

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7 RULES OF BOARD ENGAGEMENT

For a hospital board to be effective, it must first be engaged. Specifically, board members must actively and productively participate in the work of governing. This is absolutely vital in today's health care environment, which is full of volatility, uncertainty, complexity and ambiguity. Within this setting, boards have a harder job than ever before. When trustee performance expectations are higher and the most desirable board candidates have the least time, engagement is crucial.

But what does true board engagement look like, and how do boards know when they achieve it? Board engagement is part art and part science. Board engagement never ends. Rather, it is a fluid process, but with discrete components and steps. This article offers frameworks and guidance ("7 Rules") to aid board administrators, executives and directors in their efforts toward the elusive goal of engaging and elevating the effectiveness of hospital boards.

IDENTIFYING THE CYCLE

The work of boards is complex, demanding and high-stakes. It is also cyclical in nature. Boards convene on a regular meeting cycle, deliver on a recurring set of annual responsibilities, and continuously work in a development cycle to refresh and strengthen themselves as strategic assets to the organizations they serve. This board development cycle includes three distinct areas of focus, including: (a) planning and recruitment, (b) orientation and onboarding, and (c) evaluation and retention.

Recruitment follows, which leads to on-boarding, which when done right leads to board engagement, which ensures strong retention. There is a great deal of emphasis placed on the recruitment and election of new members, but less so on the other areas. Also, contrary to popular opinion, these are not episodic initiatives. Rather, board development never ends, with trustee engagement naturally and intrinsically woven into every part of that cycle. Today, the responsibility for setting and keeping that cycle in motion rests with the board's governance committee.

RETHINKING THE NOMINATING COMMITTEE

Once a staple among a majority of boards, the "nominating committee" is increasingly becoming passé. In its place, fully-fledged "governance" or "board development" committees have emerged. The governance committee is an updated, expanded, and empowered next-generation of the nominating committee. The governance committee is charged with overseeing the ongoing development and engagement of board members, ensuring that governance is happening effectively, and taking steps to remediate gaps. Irrespective of its name, every health care organization needs a committee that concentrates exclusively on that overarching purpose, asking such questions as:

- Given our strategic plan, do the by-laws still make sense? Will they support or hinder achieving our goals?
- What does the board see as its primary purpose, and is that purpose explicitly being adhered to by trustees?
- What are the board's opportunities and constraints? What education or information should
- be provided to help the board take advantage of the opportunities and minimize the constraints?
- Who are the right players to make the right things happen and

- provide the right guidance to the CEO? How can we ensure the right mixture of talents, experience, demographics and personalities on our board?

Board Member Job “Ads”

To find the best slate of candidates for your next board cycle, follow a similar approach to sourcing the best talent to join your staff— create a clear job description and advertise the position broadly. What to include in your ad:

- **Background**—your health care organization’s name, description, mission, a little about your history and current operations.
- **Board Member Job Description** –size of the board, listing of officer positions, frequency of meetings, length of terms, term limit information, and your expectations of board members (such as participation on committees, attending events, making donations, etc.).
- **Qualifications**—what specific talents, skills, expertise, and/or experiences do you seek from qualified candidates? What is your policy on board diversity?
- **Application Procedures**—how do interested candidates become nominated and/or elected?
- **Contact Information**—organization’s website and contact information for interested candidates.

RECRUITING FOR ENGAGEMENT

The governance committee is charged with determining what types of board members need to be at the table over the next three to five years, and with deciding which candidates can best address the most important issues the organization will face. To optimize downstream member engagement, boards need to be specific about the talents they seek. They should first ask “What is our primary purpose, and what do we need to accomplish?” and then communicate those needs, as would be the case for any other job. For example, trustees who have expertise in community health could be invaluable in helping the board oversee how the hospital meets its community benefit obligations.

The governance committee should create specific profiles for the trustees it seeks (as well as for current trustees) to make it easy for the right candidates to emerge. Understanding the mixture of skill sets, experiences and mindsets of current and potential trustees is critical to creating the right board “team.” And, as new trustees’ skills are matched with the organization’s most pressing needs, deeper engagement among all board members will likely follow.

ORIENT FOR THE JOURNEY

New trustees should be provided with a thorough orientation program—one that allows board members to engage in as much self-directed discovery as possible, and steadily come up-to-speed with the board’s work and the specific ways they can add value.

Additionally, assign each newcomer a “board buddy” or mentor with whom questions and advice about how to fit into the board can be discussed. That mentor does not necessarily need to be a current board member. Having a trustee who may have just rotated off the board serve as a mentor, with support from the organization’s staff, not only helps a new trustee gain comfort in the role, but retains the past trustee’s engagement as well.

As new trustees complete their orientation and take on more responsibilities, effective engagement also depends on not overwhelming them with too much information at once. If the hospital has an online board portal, proposed meeting topics can be posted there before each meeting, along with a

survey asking trustees which topics they consider the highest priority for discussion and which ones could be covered by a written report. Asking board members what they want to talk about engages the entire board in thinking about the content for the meeting, and helps reduce the potential for board members to mentally “check out” during meetings. Engaging the board in planning the content for the meeting also increases the likelihood that trustees will review the full agenda and all reports in advance, and will be better prepared to have meaningful discussions.

PARTNERING FOR SUCCESS

A strong partnership between the CEO and the board chair is vital to the entire board’s engagement. Regular conversations and candid communication establish mutual trust, helping both leaders support and get to know each other as individuals. Their relationship sets the stage for a shared governance model, the most effective way to achieve full board engagement.

It’s also important for board members to personally connect—in effect, build a relationship—with the organization in the context of their work. Setting aside a few minutes at each board meeting for trustee-led “mission moments”—where a board member shares a story or example of one way the hospital or health care system is meeting its mission—is one way to build these connections. For example, the board might invite trustees to look into a topic or attend an event outside their area of expertise. A banker trustee might go on hospital rounds, while a physician trustee might attend a community event. Each would then relate what they have learned about the hospital’s mission and relevance through the experience, tapping into a shared passion and enthusiasm for the hospital’s work that become contagious. Such activities engage all board members in both building relationships and thinking about what the organization’s mission really means—to them individually, to the board collectively, and to the broader community.

SHARING FOR BALANCE

Sharing perspectives that come from varied backgrounds and experiences also speaks to the importance of board diversity, another factor that fosters greater trustee engagement. In a more diverse group, people behave differently. They tend to dive deeper into topics, which often leads to better conversations and decision-making on behalf of the organization’s varied stakeholders.

It is also important for boards to have a balance of personality types among their members. They cannot all be visionaries. Boards need some who say, “Let’s get it done” and others who say, “Let’s deliberate;” those who want to start something new, and those who want to vote and move on. Boards need all types, but at the end of the day, they need people who are working really hard to make good decisions, for whom “easy” is not good enough.

CODIFYING FOR ACCOUNTABILITY

To ensure everyone is clear on where and how to focus their efforts, boards might consider having each member sign an annual agreement with a written set of expectations and goals—a “contract” that speaks to the individual trustee’s expertise and passions, as well as the organization’s needs. An annual contract provides clarity and guidance for trustees and the organization alike, allowing everyone to openly ask, “Are we getting what we want from each other and our work?” The clearer board members are about what they want from the board and what the board needs from them, the more fully engaged members can be.

To ensure a high level of engagement an annual board assessment is required. The governance committee should own the task of helping the board evaluate its purpose and priorities annually, along with facilitating each trustee’s self-evaluation of individual performance. The results—analyzed in summary and compared to the standards set by the strategic plan, board development plan, and trustee annual “contracts”—can help identify the board’s development opportunities for the following year. An annual board retreat is the ideal time for board members to discuss the results of both evaluations, determining what has been completed, what goals and activities are still important, areas for performance improvement, and what new initiatives the board wants to tackle.

For boards whose members are truly engaged, evaluation and retention should be their easiest job. If retention is a problem, it is often a symptom of another issue or concern. The board then must determine what is broken and how to fix it, so that governance remains work to which all members can give their fully engaged commitment.

CONCLUSION

Boards must rise to the challenge and develop creative, innovative approaches to helping their members become engaged, even before their first meeting, and stay engaged throughout their board service. Boards can no longer afford to have members follow a traditional board development timeline: a term to learn, a term to do, a term to lead. Trustees need to make a contribution on Day 1, but to do that they need to understand what is expected of them and be given lots of opportunities for engagement in board work. These 7 Rules will help you navigate the fluid, yet rigorously demanding, landscape of engaging your board toward effective leadership.

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Author: Dottie Schindlinger. Dottie is the Governance Technology Evangelist, executive vice president and founding team member of BoardEffect, a Philadelphia-based board management software company. She can be reached at dschindlinger@boardeffect.com.

THE BOARD DEVELOPMENT CYCLE: BEYOND THE NOMINATING COMMITTEE

Welcome to a new era in board development for aging services organizations, when all eyes are on the board not only for what it does but also for what it looks like and how it works.

Gone is the old notion of a Nominating Committee that functions perhaps once a year, when its members look around the board table and ask, “Do you know anybody good we could invite to the board?”

Today’s most effective boards are transitioning that committee into a full-fledged Governance or Board Development Committee, whose mandate is to ensure proper care and feeding of the board, in part by implementing an ongoing board development cycle.

It’s the power seat on the board—the strategic committee that ensures the capacity of the board to govern effectively.

The Governance Committee engages the board—driving board development in alignment with the strategic plan and the organization’s needs.

THE ANNUAL BOARD DEVELOPMENT PLAN

Good board development is not episodic—it’s a continuous cycle. You can’t have a good recruitment process without a clear understanding of your needs, your strategy and where you’re heading—all of which necessitates a solid board education and evaluation process.

Recruitment follows, which leads to on-boarding, which when done right leads to board engagement, which ensures strong retention. Everything is connected.

THE FIRST STEP: CREATING YOUR BOARD’S PROFILE

The most basic board profile includes the current board roster in the first column and a list of specific attributes—such as term of office, term expiration date, age range, gender, race/ethnicity, affiliations and expertise—along the top row.

Filling in this matrix provides a good starting point to get a sense of the diversity of your board and identify gaps. Research shows that the more diverse a board, the better the decisions the group will make.

To complete the board profile, include a list of all the areas of expertise you feel are required to govern your organization effectively.

Go back to your strategic plan for guidance. To pull off those strategic priorities, what skill sets, experience and connections do board members need? This will help guide you in developing a list of potential sources of candidates that fit the profile.

SAMPLE BOARD PROFILE

Board Members	Term Dates	Gender	Race/Ethnicity	Age Range	Expertise	Affiliation	Skill Set	Approach to Decision Making
B. Conner	1/12-12/15	Female	Caucasian	45-55	Attorney	ABA	Legal, bylaws, Policies, contracts	Assesses risk, weighs all options
J. Dome	1/13-12/16	Male	Latino	65-75	Local Business Owner	Chamber of Commerce	Sales, business planning	Negotiates, influences others
F. Gilly	1/13-12/16	Male	African American	55-65	CPA	AICPA	Finance, accounting, taxes	Bottom-line focused
R. Shilling	1/14-12/17	Male	Caucasian	65-75	Retired School Principal	Resident	Community relations	Community focused
A. Jones	1/13-12/16	Male	Caucasian	65-75	Retired Engineer	Resident	Process, organization	Seeks consensus
New candidate #1	1/16-12/19	Ideally female	Need diversity	Ideally <55	Local business person	Any new affiliation	Philanthropy, networking, advocacy	Weights options but doesn't shy from making choices; well-connected thought leader
New candidate #2	1/16-12/19	Ideally female	Need diversity	Ideally <75	Attorney	ABA	Specialty in aging Issues, ACA, OAG	Assesses risk, weighs all options

Create your list and then try to match these areas of expertise against your current board list the more specific your answers, the better the board profile will be.

Highlight any gaps in the current roster. For example, in the Sample Board Profile here, the attorney member's term is about to expire, and greater gender, ethnic and age diversity may be needed going forward.

DEVELOPING THE TALENT PIPELINE

Developing the pipeline of talented, smart, committed volunteers needed to fill your dream board profile can seem like a daunting task... which is why it's an activity that should be ongoing, can't begin soon enough, and can involve the full board as well as senior management. Having said that, it also shouldn't become an undue burden on the group.

LEVERAGING BOARD COMMITTEES

Board committees are the perfect setting to develop future board leaders. They allow prospective candidates a chance to demonstrate-- in real-time--how they work in teams, how they make decisions, which areas of expertise they bring to the table, how they leverage their networks to accomplish goals, and their availability.

Likewise, serving on a committee allows individuals to assess your organization: what level of support they receive for their work, organizational culture, personalities of fellow members, how volunteer effort is recognized, and possible ways they can leverage their skills and time to add value. On both sides, a year-long committee engagement can be an exceptional way to recruit and evaluate potential board members.

Of course, this assumes that serving on your board's committees will be a positive experience for prospective candidates. It could be that some committees have ceased being effective and warrant review. Viewing committees through the lens of recruitment can sometimes provide the perfect motivation to do some overdue housekeeping.

MAKE RECRUITING EVERYONE'S JOB

While the board is ultimately responsible to ensure its own sustainability, everyone with a stake in the organization's success should be tapped to help recruit the best board possible.

Once recruiting needs have been determined, don't shy away from casting the net wide. Provided you have a clear, consistent process for nominations and elections (see below), you can only gain from inviting all stakeholders to submit suggestions for board membership.

This can happen through your website, through your newsletter, through flyers (1-page overviews of the organization with the board member job description) provided to all board and staff members to distribute, as well as through board member "job postings" in local/ national/trade press and on LinkedIn.

Consider including a 10-minute recruitment update on every board meeting agenda. During this time, board members should be asked to report on specific recruitment efforts they have made. Great ideas can be logged in a running file of recruitment strategies that become part of your Board Member Handbook.

Hold members accountable—if they fail to report any activities at 2 meetings in a row, the board chair should pull them aside to find out why. Recruitment is everyone's job but, ultimately, the board's responsibility.

NOMINATIONS AND ELECTIONS

Critical to board development is ensuring that you have a clear, consistent and transparent policy for how new members can be nominated to join the board and get elected to office. Ideally, the process includes:

1. Board member job descriptions with criteria for qualified applicants, expectations for board members, length of term, etc.
2. Clear steps outlined for how candidates can be nominated (or nominate themselves), including where to send their applications, deadlines, election cycles and what to expect.
3. A stated review process, spearheaded ideally by the Governance Committee, which uses a consistent evaluation and vetting process for potential candidates.
4. A transparent and well-understood election process that is codified in the bylaws. You want to make it as clear and straightforward as possible for someone to throw his or her hat in the ring.

ON-BOARDING: MORE THAN AN ORIENTATION MEETING

Orienting new members should include much more than a “dog and pony show.” Ideally, the Governance Committee develops a planned set of activities to engage new board members in the organization’s mission—visiting with residents, attending programs, participating in activities—as well as a series of meetings with key board and staff.

Pair your new recruits with a “board buddy”—someone who has served on the board long enough to help the new member learn the ropes.

Additionally, provide members with a comprehensive Board Member Handbook that includes a synopsis of board and organizational culture along with up-to-date versions of the bylaws, mission, vision, strategic plan and board policies:

- Conflict of Interest.
- Code of Ethics.
- Whistleblower Protection.
- Document Retention.

Using board management software (a board portal) can help immensely with the orientation process—for example, by ensuring all members have ready access to the most current versions of the handbook and assisting with meeting scheduling. Even better, incoming board members can explore the portal on their own and get a sense of the culture of the board, including how the group deliberates and arrives at decisions.

RETENTION STRATEGIES

Now that you have committed, vetted, eager board members, don’t lose them! But don’t make the mistake of keeping them indefinitely either.

Among the keys to successful board retention is effective board engagement which, while it is among the top challenges reported by nonprofit leaders, is a top indicator of board effectiveness.

Ensuring that board members understand their roles, receive timely and relevant information, and find value in contributing their time, knowledge and expertise is essential.

To that end, consider the following tools for promoting effective retention:

1. **Recruitment**—as stated above, start by identifying the right people for the right roles at a given time (looking ahead, not backward).
2. **Meeting agendas**—ensure that board and committee meetings are framed for overall governance, not just oversight or fiduciary management. The most engaging work for most boards includes planning, collaboration and generative thinking about the organization.
3. **Terms and rotation policies**—ensure that board members serve reasonable terms (typically 2 or 3 consecutive 2-year or 3-year terms) and enforce your rotation policies. Board members who perform well have earned a break, just as the board deserves an opportunity to align board seats with changing organizational needs.
4. **Board evaluation**—by conducting a board self-assessment on a regular basis, boards can ensure they are performing at an optimal level and leverage the opportunity to improve.
5. **Board education**—augment board members’ knowledge about the organization, its market, trends in the field and effective governance on a continuous basis to enhance board discussions and impact.

Like every board function, board development requires an ongoing, conscious commitment by the whole to be effective. Similarly, it also is an essential component of effective governance.

As public scrutiny of boards now includes reviewing the group’s diversity, engagement and overall performance, boards must devote sufficient time and attention to enhancing the effectiveness of the entire governance function.

In today’s world where the aging services landscape is ever-shifting, an exceptional governance function is a vital determining factor in mission achievement.

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PREPARING YOUR LEADERSHIP PIPELINE

Assess the level of skill or knowledge that your current or potential board leaders possess. H = High; M = Medium, L = Low. For directors receiving medium or low marks in a category, develop a training program for/with them to support their leadership development.

	Director #1	Director #2	Director #3	Director #4
Leadership Skills				
Facilitation				
Negotiation: "getting to yes"				
Coaching				
Relationship building, connecting				
Communicating with others				
Team building				
Delegation				
Collaboration				
Preparation				
Resource acquisition				
Knowledge				
Bylaws procedures				
Meeting process				
Core nonprofit knowledge				
Core organizational knowledge				
Organizational strategy				
Other				
Commitment to mission				

	Director #1	Director #2	Director #3	Director #4
Committed to values and culture				
Time availability				
Trustworthy				
Ethical				
?				
Task Specific Skills or Knowledge				

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BLUE-RIBBON NOMINATING COMMITTEE

Use this method to recruit 3—5 new board members in the next 6 months. "Who do we know?" When board nominations appear on the agenda, this plaintive question is usually not far behind. While some boards have highly detailed matrices of recruiting priorities and others just have a sense of wanting someone "good," everyone tends to default to thinking of people that they know.

BUT HOW DO WE RECRUIT PEOPLE WE DON'T KNOW?

This question is especially important in nonprofits where new board members are needed to lead change, such as the following:

- A bicycle coalition that needs board members with clout in City Hall
- Board members of modest means who want to recruit some "heavy hitter" donors to increase the scholarship fund
- A mostly white board that wants to recruit some Latino community leaders to help shape strategy for an increasingly Latino community
- A board of baby boomers who want to find next-generation leaders to take the helm of the community arts center

IDENTIFY POTENTIAL COMMITTEE MEMBERS

Develop a list of about 25 people that you would like to have on the board but who would probably say no. Perhaps they're too busy, or too important, or just not that interested. They like your organization, but they're not committed to it.

INVITE THEM TO PARTICIPATE ON THE BLUE-RIBBON NOMINATING COMMITTEE

Phone them to ask them to be on a Blue-Ribbon Nominating Committee for your organization. This committee will meet only once—for one and a half hours—and then disband. (That's pretty easy to say yes to and most people will say yes.) Let them know that at the meeting they'll get a nice lunch, a 15-minute update on the organization's Critical Path, and they'll be asked to suggest a few people who could help on the most crucial, strategic work facing the organization right now. Follow up the call with an email and then another reminder the day before the meeting.

BE CLEAR ON WHAT YOU NEED BOARD MEMBERS TO DO

At the meeting, you'll probably have about 10 Blue Ribbon members along with some current board members. The board chair should welcome the group, and there should be a very short (15 minutes max) presentation by either the board chair or the executive director on what the organization's critical path is. Do not take this opportunity to tell your usual statistics, program lists, and so forth. Treat this group of people like insiders and let them know the main issues in front of your organization right now.

For example, if your organization's critical path this year is to forge a partnership with leading Latino nonprofits, ask them to nominate people who can help you do that. If it is to find a new chair for the annual fundraising luncheon, ask the Blue-Ribbon Nominating Committee to suggest people to you. Important: focusing your requests around what people can and will do (helping you forge partnerships with Latino nonprofits)—rather than what they are (such as Latino)—makes the crucial difference in sparking creative nominations.

Other examples of critical path work to recruit new board members:

- Working with staff to develop a "Plan B" for the budget
- Introducing staff to the right people in county government
- Starting a major donor program with a first-year goal of \$10,000
- Recruiting and leading an advisory committee for the new elder abuse program

SIFT THROUGH THE NOMINATIONS AND SELECT THE FIRST TO CALL

By the end of the meeting you should have 30—50 new names of people. And more importantly, they have been suggested because they can move your organization forward on its critical path, not just because they're good people with skills and connections.

Let's say that Sally has suggested Emily as a possible luncheon chair, and Raul as a possible connector to Latino nonprofits. Your next step is to contact Emily and Raul.

CALL

Here's how this works: "Emily, I'm calling because Sally Carlson suggested you for our board of directors. She says you have an amazing track record at running luncheons and she thought you would like working with our organization. Would you be willing to have coffee with me and our executive director to discuss this a little more?"

Emily will take your request seriously because you've mentioned Sally, and she'll talk with you for a few minutes in a positive frame of mind (she'll also be flattered). Even if you don't get the coffee set up, or she doesn't end up joining the board, you will have made a new contact and Emily and Sally will talk about the organization the next time they are together.

If Emily DOES join the board, she will have had a chance to understand what her role on the board is expected to be. And in sharp contrast to the usual situation where new board members are unsure what to do for several months, Emily will want to get started on the luncheon at her first board meeting. The same is true with Raul if he joins the board; he'll ask, "Who should I meet with to start talking about partnerships for us to pursue?"

IN SHORT

- Recruit a Blue-Ribbon Nominating Committee—it only meets once. Good choices might include your foundation program officer, a city agency official, a board chair of a partner organization, church leader, fundraising consultant, or a well-connected nonprofit ED.

- Ask for 3—5 nominations each based on how the prospective new board members will help the organization move forward on its critical path. (Do NOT ask them for everything you might want to do. Be sure to focus on what people will DO, not for what they ARE.)
- Approach the new nominees with the name of their nominator in your hand. It will make all the difference. Be specific about what you are asking them to do as a board member.
- Welcome the new board members, and let them get started on their projects right away.

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BLUE-RIBBON NOMINATING FORM

BLUE-RIBBON NOMINATING COMMITTEE

Your Name: _____

Nomination #1

Name: _____

Contact information: _____ z _____

Company/Organization/Title/Occupation: _____

Why might this person be a good nominee? _____

Would you be willing to make an email introduction? _____

Nomination #2

Name: _____

Contact information: _____

Organization/Title/Occupation: _____

Why do you believe this person is a good nominee? _____

Would you be willing to make an email introduction? _____

Are you interested in exploring possible board membership for yourself (now or in the future)? _____

Are there any other ways you would like to contribute your time or expertise to CASA for Kids of South Central Texas? _____

Can we add you to our mailing list (if you are not already on it)? _____

Preferred email address: _____

Any comments / feedback? _____

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SAMPLE ORIENTATION CHECKLIST

New Board members receive written notice of their election to the board stating dates their term begins and ends, regular meeting dates, times, places, and information about the board orientation process.

BOARD ORIENTATION PROCESS:

- Special meeting for new Board members
- Orientation packet
- Personal phone call or meeting with an experienced Board member
- Follow up personal contact after first three months of Board service

BOARD ORIENTATION PACKET:

- Statement of purpose or mission (if developed and adopted by the Board)
- Brief overview of agency programs and services
- Agency annual report with financial statements for the past fiscal year
- By Laws
- Personnel Policies in brief, or brief overview of personnel system for larger organization including: staff organization chart, number of professional and non-professional staff, identification of any unions or employee bargaining associations, date of last major revision of Personnel Policies.
- Policy statement and procedures which have been formally adopted by the Board
- Alphabet Soup: Glossary of abbreviations and acronyms used to refer to agencies and programs with which this organization is connected
- List of all Board members' names, addresses, phone numbers, and terms of office
- List of committees with chairperson identified. If committees have regular meeting times and places, these are included. Board organization chart showing committee and sub-committee structure.
- Most recent financial statements and current annual budget.
- Minutes for most recent Board meeting.
- Listing of facilities owned or rented by the organization for its operations, including address, staff member in charge, and general purpose of the facility.

BOARD ORIENTATION MEETING:

- Opportunity for personal introductions among new and experienced Board members.

- More formal introduction of new Board members by the nominating committee, highlighting background and credentials for new members
- Brief presentations by experienced Board members explaining Board role and procedures
- Brief presentation by staff about scope of agency's services
- Structured opportunity for small group discussion by interest areas (i.e. financial, personnel, programs, planning, fundraising)
- Clear statement of expectations of Board members, including role in agency fundraising
- Open-ended opportunity for questions from new Board member

PERSONAL CONTACT WITH EXPERIENCED BOARD MEMBER:

- Discussion of new Board member preferences for committee assignment
- Brief explanation of upcoming significant Board decisions or events
- Specific commitment to greet the new Board member at the next Board meeting and provide personal introductions to Board members with common interests

FOLLOW UP CONTACT AFTER THREE MONTHS OF SERVICE:

- Opportunity for general comments about Board service so far
- Inquiry into involvement with committees—if no involvement yet, discussion of barriers and problem solving
- Request for feedback in orientation process

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BOARD MEMBER ORIENTATION CHECKLIST

This checklist is a general outline to guide the orientation of new board members. Your organization should modify it as you see fit to ensure that all new board members are provided with the information necessary to fulfill their responsibilities.

PROGRAM

- Tour facilities
- Presentation by chief executive, key staff, video, or other electronic media.
- Materials to share with board members:
 - Organization's web site address
 - Annual calendar
 - Publications and programs list

HISTORY

- Ensure that new board members understand the history of the organization. When was it founded? Why? How has it grown and developed over time?
- Materials to share with board members:
 - Brief written history or fact sheet on the organization
 - Brochures
 - Newsletters
 - Articles of incorporation
 - Note whether directors' and officers' insurance has been used in the past

General Expectations of Board Members

- Know the organization's mission, purpose, goals, policies, programs, services, strengths, and needs.

STRATEGIC DIRECTION

- Review strategic plan
- Materials to share with board members:
 - Most recent strategic plan
 - Current case statement
 - Recent press clippings

General Expectations of Board Members

- Follow trends in the organization’s field of interest and keep informed.

FINANCES

- Presentation by chief executive, chief financial officer or treasurer.
- Review recent financials and teach board members how to read and understand organizational financial statements.
- Provide an overview of the budget practices board members will need to know, including what to know to approve organizational budgets, what the Form 990 is, and how to read a financial statement.
- Materials to share with board members:
 - Annual reports
 - Last three Form 990s (this information should also be shared during recruitment, even if documents are public).

General Expectations of Board Members

- Faithfully read and understand the organization’s financial statements and otherwise help the board fulfill its fiduciary responsibility.

ORGANIZATIONAL STRUCTURE

- Review bylaws Review organizational chart Introduce key staff members
- Make sure board members not only understand how the organization is structured, but also how the board interacts with specific departments and staff members.
- Materials to share with board members:
 - Committee job descriptions
 - List of staff positions
 - Bylaws

General Expectations of Board Members

- Avoid prejudiced judgments on the basis of information received from individuals; urge staff members with grievances to follow established policies and procedures through their supervisors. All significant matters coming to you should be called to the attention of the chief executive and/or the board’s elected leader as appropriate.

BOARD ROLES & INDIVIDUAL BOARD MEMBER RESPONSIBILITIES

- Discussion with board chair or whole board about the role of the full board versus the responsibilities of individual board members
- For a brief overview, download our infographic on board member responsibilities.
- Include fundraising responsibilities of individual board members, role that advocacy plays in mission achievement, and how board members can stand for their missions
- Materials to share with board members:
 - Board member letter of agreement
 - Conflict of Interest policy
 - Board roster
 - Board member position description
 - Document describing role of full board versus individual board member responsibilities
 - Recent board meeting minutes

General Expectations of Board Members

- Prepare for and conscientiously participate in board and committee meetings, including appropriate organizational activities when possible.
- Understand and embrace fiduciary responsibilities.
- Act as an ambassador for the organization when in public, speak only with one voice outside of board room.
- Volunteer outside of board role when appropriate.
- Suggest to the appropriate committee possible nominees for board membership who would make significant contributions to the board and organization.

BOARD OPERATIONS

- Review board manual
- Accept committee or task force assignment
- Materials to share with board members:
 - Schedule of board meetings
 - Schedules of committee meetings
 - Full board roster and committee rosters
- Meet with board chair
- Attend board meetings

General Expectations of Board Members

- Serve in leadership positions and undertake special assignments willingly and enthusiastically.
- Attend all board meetings and come prepared to participate.

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BOARD APPLICATION SAMPLE

Board of Directors Application

Thank you for your interest in the Court Appointed Special Advocates (CASA). The information provided will assist the Board Development Committee in selecting those individuals for the CASA Board of Directors who best represent the interests of the community we serve. The contributions the Board members make will have a significant impact on the well-being of current and future children in the care of the Department of Family and Protective Services.

Name: _____ DOB: ____/____/____
 First Middle Last

Social Security Number: _____ Drivers License: _____

Home Address: _____
 Street/PO Box City State Zip

Phone Numbers: (____) ____-____ (____) ____-____ (____) ____-____
 Home Work Cell/Other

(____) ____-____ Email Address: _____
 Fax

Current Employer, if applicable: _____ Occupation: _____

Employer Address: _____
 Street/PO Box City State Zip

Please circle the last level of education completed:

- High School 1 2 3 4
- College/University 1 2 3 4
- Graduate School 1 2 3 4 5 6

Degrees/Majors: _____

Check all of the following areas in which you have experience:

- Financial Child Welfare or Health Services Education
- Fund Raising Management Legal Public Relations

Please describe: _____

Do you belong to any other professional organizations? Yes No

If yes, please list: _____

Are you a member of any other Volunteer/Civic organizations? Yes No

If yes, please list: _____

Why do you want to serve on this Board? _____

Have you served on other Boards? Yes No

If yes, please list: _____

What expertise or special skill(s) do you possess that would help this Board function effectively?

What leadership position(s), if any, are you interested in:

President

Secretary

Vice President

Treasurer

I understand that I will be committed to a 3 year Board term.

Have you held a leadership position on a Board in the past? Yes No

If yes, what positions: _____

Please list all past and present board experiences: _____

Please provide three references:

Name: _____ Phone Numbers: (____) ____ - ____
 First Middle Last

Address: _____

Street/PO Box City State Zip
Relationship: _____ Best time to call: _____

Name: _____ Phone Numbers: (____) ____ - ____
First Middle Last

Address: _____
Street/PO Box City State Zip

Relationship: _____ Best time to call: _____

Name: _____ Phone Numbers: (____) ____ - ____
First Middle Last

Address: _____
Street/PO Box City State Zip

Relationship: _____ Best time to call: _____

I understand that the following are duties I will be expected to fulfill as a CASA Board member:

- Educate myself about CASA and about the roles and responsibilities of the Board of Directors and attend trainings offered on these subjects.
- Be an enthusiastic and knowledgeable representative in the community.
- Participate meaningfully in Board meetings and activities.
- Assist the Board in monitoring the program's finances, its services, and its overall performance in relation to its mission and its service in the community.
- Participate in fundraising
- Serve actively on at least one committee of the Board.
- Assist the Board in developing policies and procedures for CASA
- Help in the selection, evaluation, and support of the Executive Director.
- Participate in creating a long-range plan for the program.

Further, I understand that CASA will conduct a child protective services(CPS) history check , and a Fingerprint background check providing national criminal history and sex offender registry check and that my acceptance on the CASA Board is subject to my agreeing to the background check. I further understand that any negative CPS history or any arrests, charges or convictions related to any sexual offense, drug-related offense, murder, theft, assault, or any other crime involving personal injury or threat to another person, or related acts that would pose a risk to the program's credibility may make me ineligible for the CASA Board.

Any real or perceived conflict of interest may also make me ineligible to serve and must be disclosed.

Signature: _____

Date: _____

Adapted from CASA of Deep East Texas

ACCEPTANCE OF BOARD POSITION

[Organization Name]

I understand the expectations for service on the [Organization] Board.

- To be faithful to our mission.
- To serve without compensation.
- In my decision-making, to demonstrate un-conflicted loyalty to organizational interests
- To come to meetings prepared and knowledgeable about the issues to be discussed and ready to engage in thoughtful dialogue.
- To ask questions about issues I don't understand and to understand the implications of all items on which I am asked to deliberate and vote.
- To avoid or disclose any conflict of interest, in particular:
 - a. To annually disclose any interest I may have in organizations, vendors, or any other associations that currently do business or may do business with [organization]
 - b. Not to use information exclusive to [organization] for personal gain or the gain of a family member or associate.
 - c. To immediately disclose to the Board any new impending conflicts of interest.
 - d. To recuse myself without comment from both the deliberation and final decision- making on any matters on which I have a conflict of interest.
- To honor the confidentiality of sensitive issues and discussions.
- To attend every regularly scheduled meeting, understanding that more than two unnoticed absences from regularly scheduled meetings will result in my dismissal from the Board.
- To be an active advocate of [organization] in our community, to enhance its work through my personal and professional connections, and to identify and cultivate relationships for [organization] with current and potential volunteers and donors.
- To actively serve on the _____ committee.
- To _____.
- To make a personal financial contribution at a leadership level for me.

I have received and read a copy of these expectations and accept a term of service on the [organization] board.

My term begins : _____

Signature: _____ Date: _____

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BOARD OF DIRECTORS ASSESSMENT

Considerations	5 Strongly Agree	4 Agree	3 Unsure	2 Disagree	1 Strongly Disagree
1. Board has a full and a common understanding of the roles and responsibilities of the board.					
2. Board members understand the organization’s mission, vision, and services/ programs.					
3. Structural pattern (board, officers, committees, executives and staff) is clear, delineated in bylaws, and followed by board.					
4. There are an adequate number of well- functioning board committees and other work groups.					
5. Board members actively participate in strategic planning and ongoing strategic thinking.					
6. The board has adopted, and uses, explicit measures of progress toward identified outcomes.					
7. Board attends to policy-related decisions which effectively guide operational activities of staff.					
8. Board receives regular reports on finances/budgets, service/program performance and other important matters.					

Considerations	5 Strongly Agree	4 Agree	3 Unsure	2 Disagree	1 Strongly Disagree
9. Board helps set fundraising goals and is actively involved in some aspect of fundraising.					
10. All board members make a personal financial contribution to organization.					
11. Board effectively represents the organization to the community (i.e. has an "elevator speech.")					
12. Board meetings facilitate focus and progress on important organizational matters with reporting kept to a minimum.					
13. Board meetings are adequate in length and held at the right time of the day.					
14. Board regularly evaluates and develops yearly goals with the chief executive.					
15. The board reviews the compensation of the Executive Director based on industry standards.					
16. Board has approved comprehensive personnel policies which have been reviewed by a qualified professional.					
17. All necessary skills, stakeholders and diversity are represented on the board.					
18. Board culture encourages and welcomes open discussion, even when members disagree.					
19. Board has an emergency succession plan for executive.					

Considerations	5 Strongly Agree	4 Agree	3 Unsure	2 Disagree	1 Strongly Disagree
20. Board is attentive to building leadership capacity on both board and staff.					
21. Board regularly assesses itself as a whole and also board member participation individually.					
22. Board has a packet of materials for new board members and an orientation process for them.					
23. Board has a board agreement, a whistleblower policy and a conflict of interest policy that all board members must sign and follow.					
24. A strategic process is in place for developing the board.					
25. The board regularly monitors financial performance and projections.					
26. Board members are sufficiently knowledgeable to ask meaningful questions about finances and financial management.					
27. The board reviews the audit report and has an opportunity to ask questions of the auditor at an exit conference.					
28. The board reviews the 990 before filing.					
29. Board discussions focus on the organization's future NOT its past.					

Considerations	5 Strongly Agree	4 Agree	3 Unsure	2 Disagree	1 Strongly Disagree
30. Each member of the board feels involved and interested in the board's work.					

What specifically would help to make you a more engaged board member?

Please list the three to five issues on which you believe the board should focus its attention in the next year. Be as specific as possible in identifying these points.

- 1.
- 2.
- 3.
- 4.

In ten years, what do you believe is the single most important impact that this organization should have on the community it serves?

BOARD SUCCESSION PLANNING TOOLKIT

The list of steps of the Board Leader Succession Planning Process on this page is adapted from materials developed by the Society for Human Resource Management. This toolkit is a "work in progress" and so we encourage you to adapt it to meet your needs.

1. Establish a strategic plan (vision, mission, strategic priorities)
2. Evaluate current board roles/positions: confirm relevancy
 - List current key positions and incumbents
 - Will there be changes in the committee structure?
3. Determine the key leaders for whom successors will be identified (Review step 2a)
4. Determine how to use the results of the Annual Individual Board Member Self-Review
5. Establish a "line of succession" for key positions (see sample Board Succession Planning Grid on page 3)
6. Identify the competencies of current key leaders by completing a leadership assessment (page 4)
 - Determine process for rating current board members
7. Analyze board/committee roster for potential leaders
8. Evaluate value proposition for attracting/retaining new leaders
9. Select/engage the high-potential members who will participate in succession planning
 - Identify gap between what the high-potential members are able to do presently and what they must do in the leadership role
 - Create a development plan for each high-potential member to prepare him or her for the leadership position
 - Perform development activities with each high-potential member
10. Monitor progress/place new leaders
11. Evaluation

ABC INC. BOARD LEADER SUCCESSION PLANNING

Part 1: Review Board Succession Planning Grid

The Board Leader Succession Planning Grid results from completion of steps 2—5 on page 1 of this resource packet and forms the basis of next steps

Part 2: Leadership Development Assessment Grid for Incumbent and Prospective Officers and Committee Chairs

Each incumbent and prospective board officer and committee chair is asked to complete a leadership self-assessment. Using seven leadership competencies, the individual leader rates themselves for each of the seven leadership competencies on a scale from 1-5. (1=low to 5=high). After this

initial individual self-assessment, a team made up of all or a subset of the Governance & Personnel Committee provides a group rating for each of the seven leadership competencies. Similarities and differences in the individual and team ratings are discussed and guidance is offered to the individual board leader regarding future development needs.

Part 3: Review of Relevant Committee Descriptions and Officer Position Descriptions

In the next step of the board leader succession planning process, incumbent and prospective board officers and committee chairs review the committee descriptions and officer position descriptions for those leadership positions they aspire to fill.

They identify the skills and knowledge needs with reference to the relevant leadership position(s) They identify those that they possess as well as personal training and development areas in which they need to build capacity in order to perform effectively in the future.

Part 4: Personal Board Leadership Development Plan

In the final step of the board leader succession planning process, incumbent and prospective board officers and committee chairs devise a personal board leader development plan for themselves

PART 1: ABC, INC. BOARD SUCCESSION PLANNING GRID SAMPLE

Key Leader Position	Current Leader	Potential Successors	2012	2013	2014	2015
Chair	Elizabeth until Dec 2014	Marcos or Laura (2014)	Elizabeth	Elizabeth	Marcos or Laura	Marcos or Laura
Past Chair	Jennifer	Elizabeth	Jennifer	Unknown	Elizabeth	Unknown
Chair Elect	Marcos until Dec. 2014	Laura	Marcos	Marcos	Unknown	Unknown
Treasurer	John	Russ or Unknown	John	John	Russ or Unknown	Russ or Unknown
Secretary	Laura until 2012	Brad, Marshal, or Maria	Laura	Brad, Marshal, or Maria	Brad, Marshal, or Maria	Unknown
Chair, Executive Committee	Elizabeth until Dec. 2013	Marcos or Laura	Elizabeth	Elizabeth	Marcos or Laura	Marcos or Laura

Key Leader Position	Current Leader	Potential Successors	2012	2013	2014	2015
Chair, Governance and Personnel Committee	Marcos until Dec. 2013	Laura	Marcos	Laura	Unknown	Unknown
Chair, Finance and Risk Management Committee	John until Dec. 2013	Russ or Unknown	John	John	Russ or Unknown	Russ or Unknown
Chair, Ad Hoc Public Policy Committee	Jennifer until Dec. 2012	Unknown	Jennifer	Unknown	Elizabeth	Unknown
Chair, Audit Committee	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

PART 2: LEADERSHIP DEVELOPMENT ASSESSMENT GRID FOR INCUMBENT AND PROSPECTIVE OFFICERS AND COMMITTEE CHAIRS

Each incumbent and prospective board officer and committee chair is asked to complete this self-assessment. Using the leadership competencies listed on pages 1 and 2, rate yourself for each of the seven leadership competencies on a scale from 1-5. (1=low to 5=high). (NOTE: After the self-assessment portion of this form is completed, the Board Leadership Succession Team will assess the leader using the same rubric.)

Your Name _____.

Board Officer and/or Committee Chair Position(s) you are preparing to fill: _____

Leadership Competency	Your Self-Assessment of Competency (1-5)	Team Assessment of Competency (1-5)	Comments
Leadership			
Initiative			
Judgment			
Planning & Organizing			
Teamwork			
Commitment			
Political Savvy			

Leadership Succession Planning Competencies

(Definitions courtesy of The Leadership Architect®)

Leadership (Rating 1-5)

- relishes leading
- takes unpopular stands if necessary
- encourages direct and tough debate but isn't afraid to end it and move on
- is looked to for direction in a crisis; faces adversity head on
- energized by tough challenges

Initiative (Rating 1-5)

- Seizes opportunities
- Enjoys working hard
- Is action oriented
- Not fearful of acting with minimal planning

Judgment (Rating 1-5)

- makes good decisions (without considering how much time it takes) based upon a mixture of analysis, wisdom, experience, and judgment
- most of his/her solutions and suggestions turn out to be correct and accurate when judged over time
- sought out by others for advice and solutions

Planning & Organizing (Rating 1-5)

- accurately scopes out length and difficulty of tasks and projects
- sets objectives and goals; breaks down work into the process steps
- develops schedules task/people assignments
- anticipates and adjusts for problems and roadblocks
- measures performance against goals; evaluates results
- can marshal resources (people, funding, material, support) to get things done.
- can orchestrate multiple activities at once to accomplish a goal.
- uses resources effectively and efficiently
- arranges information and files in a useful manner

Teamwork (Rating 1-5)

- relates well to all kinds of people, up, down, and sideways, inside and outside the organization; builds appropriate rapport
- builds appropriate rapport; builds constructive and effective relationships; uses diplomacy and tact; can diffuse even high-tension situations comfortably
- can quickly find common ground and solve problems for the good of all
- can represent his/her own interests and yet be fair to other groups
- can solve problems with peers with a minimum of noise
- is seen as a team player and is cooperative
- easily gains trust and support of peers
- encourages collaboration
- can be candid with peers

Commitment (Rating 1-5)

- pursues everything with energy, drive and a need to finish
- seldom gives up before finishing, especially in the face of resistance or setbacks

Political Savvy (Rating 1-5)

- can maneuver through complex political situations effectively and quietly
- is sensitive to how people and organizations function
- anticipates where the land mines are and plans his/her approach accordingly
- views corporate politics as a necessary part of organizational life and works to adjust to that reality
- is a maze-bright person. Maze-brightness is: 1) the ability to see the entire morphing, panoramic picture (“the maze”) outspread before them; 2) then to identify the “GPS location” of their organization in that picture at that moment in time, and 3) to determine if and when to step left, right, forward, backward, or stand still as the next organization move.

PART 3: COMMITTEE DESCRIPTIONS AND OFFICER POSITION DESCRIPTIONS

On the following pages, review the Committee Descriptions and Officer Position Descriptions for those leadership positions you aspire to fill.

Note the skills and knowledge needs of the relevant leadership position(s).

- Which do you possess?
- In what areas, do you need to build capacity?

Executive Committee Description

General Purpose

The Executive Committee is commissioned by and responsible to the Board of Directors to function on behalf of the Board of Directors in matters of emergency and in interim periods between regularly scheduled Board meetings. The Executive Committee shall have and exercise the authority of the Board of Directors provided that such authority shall not operate to circumvent the responsibility and authority vested in the Board of Directors by the By-laws, and any action taken is to be ratified by the Board of Directors at its first subsequent meeting.

Appointments and Composition

1. The Executive Committee shall be composed of the Chair, Chair Elect, Secretary, and Treasurer of the Board and one at-large member.
2. The Chair of the Executive Committee shall be the Chair of the Board of Directors.
3. The Chair, Chair Elect, Secretary, Treasurer and one at-large member shall be elected in accordance with procedures set forth in the By-laws of the organization.

Responsibilities

1. Meet with the President & CEO to draw up an agenda for meetings of the full Board of Directors.
2. Make decisions on behalf of the full board as needed which cannot wait for the full board or on matters delegated to the Executive Committee by the Board of Directors.
3. Maintain effective communication with the committees of the organization.
4. Coordinate the annual planning and budget process of the organization in conjunction with the Finance Committee and the President & CEO.
5. Annually review the performance of the President & CEO according to the procedures outlined in the Personnel Policies of the organization. (The President & CEO, in turn, is responsible for the annual performance review of other staff.)
6. Respond to the call of the Board Chair or President & CEO for emergency meetings to deal with special problems between regular Board meetings per bylaws.
7. Annually submit objectives as part of the planning and budgeting process.
8. Annually evaluate its work as a committee and the objectives it has committed itself to and report on same to the Board of Directors.
9. Report to the Board of Directors at regular meetings of the Board in a manner determined by the Board.

Finance & Risk Management Committee Description

General Purpose

The Finance & Risk Management Committee is commissioned by and responsible to the Board of Directors. It has the responsibility for working with the President & CEO to create the upcoming fiscal year budget; presenting budget recommendations to the Board; monitor implementation of the approved budget on a regular basis and recommend proposed budget revisions; recommend to the Board appropriate policies for the management of the Corporation's assets. The Finance and Risk Management Committee shall be assisted by the President & CEO. The Committee shall work in partnership with the Marketing and Fund Development Committee as needed.

Appointments and Composition

The members of the Finance & Risk Management Committee shall be the Treasurer of the Board who shall serve as Chair, the President who shall serve as an ex-officio member, together with other directors appointed by the President with the advice and consent of the Board in accordance with the By-laws.

Responsibilities

1. Review, and recommend to the board for approval, an annual budget for the organization in collaboration with the President & CEO and Marketing and Fund Development Committee.
2. Also in collaboration with the President & CEO, review, and recommend to the board for approval and annually revise, a three- year financial forecast and long-range financial sustainability plan based on the forecast.

3. Review grant proposals when required by funders, and when necessary, recommend action by the board.
4. Review all non-budgeted expenditures over a set dollar amount to be determined by the board of directors and recommend action to the board.
5. Arrange for an annual audit with submission of same to the Board
6. Annually submit committee objectives as part of the planning and budgeting process.
7. Annually evaluate its work as a committee and the objectives it has committed itself to and report on same to the Board of Directors.
8. Report to the Board of Directors at regular meetings of the Board in a manner determined by the Board.

Marketing and Fund Development Committee Description

General Purpose

The Marketing and Fund Development Committee is commissioned by and responsible to the Board of Directors to assume the primary responsibility for raising grant and non-grant funds to meet the budget of the organization. The Finance & Risk Management Committee and President & CEO, in consultation with the Marketing and Fund Development Committee, will determine the fundraising goal for the Marketing and Fund Development Committee.

Appointments and Composition

1. Appointments of the Chair and members of the Marketing and Fund Development Committee shall be made by the Chair with the advice and consent of the Board in accordance with the By-laws.
2. The Chair of this Committee shall be a member of the Board of Directors.
3. Members of this committee shall be members of the Board of Directors, subject to the conditions stated in the by-laws. Additional committee members may be appointed and need not be members of the Board of Directors, subject to the conditions stated in the by-laws and any relevant board policies.

Responsibilities

1. Assist the President & CEO /Development Director in the creation and monitoring of an annual fundraising plan that will generate the funds needed to meet the annual fundraising goal.
2. Assist the President & CEO /Development Director in developing the necessary sub-committee systems to successfully carry out the fundraising events and activities that are part of the annual fundraising plan; assist the President & CEO /Development Director in supervising the sub-committees.
3. Assist the President & CEO/Development Director in developing a plan for involving Board members in the resource development activities of the organization.
4. Assist the President & CEO/Development Director in investigating new resource development projects and activities for possible future use.
5. Annually submit committee objectives as part of the planning and budgeting process.

6. Annually evaluate its work as a committee and the objectives it has committed itself to and report on same to the Board of Directors.
7. Report to the Board of Directors at regular meetings of the Board in a manner determined by the Board.

Governance & Personnel Committee Description

General Purpose

The purpose of the Governance & Personnel Committee is to build and maintain an effective, engaged Board of Directors for the organization. The Committee will establish and drive a continuous improvement process in order to help the Board and individual Directors become more valuable as strategic assets of the organization, contributing to ABC Inc.'s long-term success.

Appointments and Composition

The members of the Governance & Personnel Committee shall be board directors appointed by the Board Chair with the advice and consent of the Board in accordance with the By-laws.

Responsibilities

1. Review the structure and size of the Board and the Board committees. Periodically, review with the Board the appropriate skills and characteristics required on the Board in keeping with the strategic direction of the organization.
2. Identify and consider candidates for Board membership. On behalf of the Board, assess the skills and experience of prospective Board members. Present candidates to the full Board for consideration.
3. Review the institutional and other affiliations of directors and director candidates for possible conflicts of interest. Investigate any potential conflict of interest involving a director and make a recommendation to the Board for resolution.
4. Keep up to date on developments in the nonprofit governance field. Annually review and assess the nonprofit governance practices of the Board and recommend any proposed changes to the Board for approval.
5. Plan Board education including new member orientation, education of Board members and Board retreats.
6. Plan training and education of the Board related to governance roles and responsibilities and with respect to bridging Board knowledge gaps
7. Conduct assessment/evaluation of the Board, the Board Chair, individual directors, including each director's self-assessment, and Board meetings/sessions
8. Evaluate and monitor governance structures and processes, including policy development and processes for Board monitoring/oversight of operations.
9. Identify leadership development opportunities for existing and potential Board members to maximize member's contributions.
10. Report to the Board of Directors at regular Board meetings in a manner determined by the Board.

11. Annually submit committee objectives as part of the planning and budgeting process.
12. Annually evaluate its work as a committee and the objectives it has committed itself to and report on same to the Board of Directors.
13. Annually submit objectives as part of the planning and budgeting process.

Committee Chair Job Description

Responsibilities:

1. Attend all committee meetings.
2. Call and preside over meetings of the committee.
3. Set the agenda for committee meetings with the President & CEO or designated staff.
4. See to it that decisions and recommendations made by the committee are recorded.
5. Report the committee's activities and recommendations to the executive committee or the full board.
6. Invite the President & CEO and board chair to attend committee meetings.
7. Work with the President & CEO and board chair to decide who should serve on the committee.
8. Work with designated staff as needed.
9. Delegate responsibilities to other committee members and encourage their full participation.
10. Evaluate the work of the committee with other committee members, the board chair, and the President & CEO/designated staff in alignment with the organization's strategic plan.

PART 4: PERSONAL BOARD LEADERSHIP DEVELOPMENT PLAN

Guidelines for Leadership Development Plans

- Step 1—Know and identify the key board/committee leadership positions that attract you and for which you will develop.
- Step 2—Identify the skills and knowledge you must acquire with reference to those board/committee leadership positions. Develop learning objectives.
- Step 3—Design a board leadership development plan to achieve the learning objectives. The plan should specify activities, time-frame, resources needed, who will assess progress, etc. See next page for suggested format for your leadership development plan.
- Step 4—Execute the plan and follow-through with regular reviews and monitoring.
- Step 5—Evaluate the result and document progress or gaps. Discuss need for additional steps with the future successor.

Personal Board Leadership Development Plan

The following form can be used as a guide for preparing a written plan for individual board leader development. The form should be filled out by the individual leader in consultation with the Board Chair and President & CEO. Changes should be made as needed.

Board leader's name: _____

- Current leadership position(s) on the board and time in the position(s):
- Key future board leadership position to prepare for:
- Other future board leadership positions that could be considered:
- The board director's personal and professional goals that can be met through future board and committee leadership service:

Person(s) who will serve as mentor/coach to board directors if desired:

Leadership Development Objectives	Methods Of Development See list below	Other Resources Needed

Leadership Development Methods to Consider:

- Public training events and conferences
- On-site continuing education
- Mentoring
- In-house training
- Self-study programs
- Inter-group leadership development involving board directors from other schools
- Committee job/task rotation
- On the job orientation and training
- Personalized individual coaching
- Video and audio tapes
- Websites

Section 3

ASSESSMENTS AND CHECKLISTS



**Executive Director Resource Manual
2023 Edition**

INDIVIDUAL BOARD MEMBER SELF-ASSESSMENT

Please think about your own service during the past year and **assess yourself** candidly as you consider your individual participation.

Each Board member brings unique abilities to the Board. These gifts must be used for the well-being of the organization. The future of the organization depends on the leadership of engaged board members. Each Director assumes, therefore, the following individual roles and responsibilities:

1. Defining the mission, purpose and direction of the organization

	YES	NO
I can articulate the mission and purpose of the organization	<input type="checkbox"/>	<input type="checkbox"/>
I have provided input on setting clearly defined goals and objectives to accomplish the mission of the organization.	<input type="checkbox"/>	<input type="checkbox"/>
I have provided input on measuring program results and impact.	<input type="checkbox"/>	<input type="checkbox"/>

2. Attending and participating constructively in Board and committee meetings.

	YES	NO
I understand my responsibilities as a board member.	<input type="checkbox"/>	<input type="checkbox"/>
I attend board meetings regularly.	<input type="checkbox"/>	<input type="checkbox"/>
I serve actively on at least one board committee.	<input type="checkbox"/>	<input type="checkbox"/>
I prepare well for all board and committee meetings by reading the appropriate materials and bringing them to meetings.	<input type="checkbox"/>	<input type="checkbox"/>
I maintain the confidentiality of organization business.	<input type="checkbox"/>	<input type="checkbox"/>
I help to identify, cultivate and recruit others to participate in the organization in various ways, including committee and board membership and donations of time and money.	<input type="checkbox"/>	<input type="checkbox"/>
I actively support the decisions of the board.	<input type="checkbox"/>	<input type="checkbox"/>
I listen in order to understand, not to debate.	<input type="checkbox"/>	<input type="checkbox"/>
I bring issues to the board meetings and discourage behind-the-scenes conversations that disrupt group process.	<input type="checkbox"/>	<input type="checkbox"/>

3. Assuring effective staff leadership for the organization.

YES NO

I understand that the executive director is accountable to the full board, not to individual board members, and I behave accordingly.

--	--

I focus on governance and policy and avoid management.

--	--

I understand the scope of authority and limitations of the board, its committees/task forces, and myself as an officer or individual board member.

--	--

I use my personal expertise/experience in a manner that sheds light on issues brought before the board.

--	--

I participate in the evaluation of the executive director or have had the evaluation shared with me.

--	--

I understand the salary and compensation structure for the executive director and staff.

--	--

4. Providing financial management oversight.

YES NO

I understand my responsibility for financial oversight.

--	--

I have approved the budget and 990.

--	--

I have reviewed balance sheets and income statements at least quarterly

--	--

5. Supporting and participating in fundraising efforts.

YES NO

I have provided the organization with the names of prospective donors and/or solicited gifts.

--	--

I volunteer to assist with special events/special projects.

--	--

I make a personally significant contribution to the organization.

--	--

I have approved a fund development plan linked to the annual budget

--	--

6. Promoting awareness of the organization

YES NO

I consider myself a good ambassador for the organization.

--	--

I have a clear understanding of organizational stakeholders

--	--

ANNUAL BOARD ASSESSMENT

Please indicate whether you agree with the following statements about the performance of your organization's Board of Directors.

1 Strongly Disagree 2 Disagree 3 Neutral or unsure 4 Agree 5 Strongly Agree

BOARD FUNCTIONS

The Board ...

Reviews its Mission and Vision regularly	1	2	3	4	5
Has a vision for the future of the organization and the impact it should have in the community.	1	2	3	4	5
Provides a significant source of leadership for the organization.	1	2	3	4	5
Engages in long range/strategic planning to guide the future direction of the organization.	1	2	3	4	5
Focuses its energy primarily on issues of strategic, long-term importance to the organization.	1	2	3	4	5
Effectively monitors the organization's progress in achieving its mission and key program priorities	1	2	3	4	5
Understands the resources (financial and otherwise) needed to carry out the organization's mission / programs	1	2	3	4	5
Engages in planning to guide the development of resources needed to support the organization's mission	1	2	3	4	5
Actively participates in resource development (i.e. fundraising)	1	2	3	4	5
Maintains awareness of the financial status of the organization and has reviewed the organization's Form 990 prior to filing	1	2	3	4	5
Enacts policies needed to support organizational operations (Board and Staff) and mitigate risk	1	2	3	4	5
Supervises & Supports Executive Director / CEO	1	2	3	4	5
Assess board operations and performance	1	2	3	4	5

Understands the difference between governing and managing (e.g. clearly distinguishes between board-level and staff-level responsibilities)	1	2	3	4	5
---	---	---	---	---	---

1 Strongly Disagree 2 Disagree 3 Neutral or unsure 4 Agree 5 Strongly Agree

BOARD OPERATIONS

Board meetings start and end on time	1	2	3	4	5
--------------------------------------	---	---	---	---	---

Board minutes fairly and accurately represent actual board meetings	1	2	3	4	5
---	---	---	---	---	---

There are clearly understood procedures for raising, discussing, and voting on issues	1	2	3	4	5
---	---	---	---	---	---

Member expertise is effectively tapped to support organizational governance	1	2	3	4	5
---	---	---	---	---	---

Members are adequately prepared to address meeting agenda items	1	2	3	4	5
---	---	---	---	---	---

1 Strongly Disagree 2 Disagree 3 Neutral or unsure 4 Agree 5 Strongly Agree

BOARD COMPOSITION

Board Size is appropriate to meet board’s needs	1	2	3	4	5
---	---	---	---	---	---

Board Committees have clear charters based on the Board’s needs	1	2	3	4	5
---	---	---	---	---	---

Board and committee chairs are the right leaders for their positions	1	2	3	4	5
--	---	---	---	---	---

Board composition is representative and appropriate to the organization and its mission	1	2	3	4	5
---	---	---	---	---	---

Board has an effective process for identifying, cultivating and integrating new members	1	2	3	4	5
---	---	---	---	---	---

Board has an effective process for identifying, cultivating and integrating leaders to fill officer positions	1	2	3	4	5
---	---	---	---	---	---

Board work is meaningful, fun, and challenging and connects Board members to the mission of the organization	1	2	3	4	5
--	---	---	---	---	---

BOARD MEETING ASSESSMENT

To be filled out at every board meeting and submitted to the company secretary.

Name: _____ Organization: _____
 Meeting: _____ Date: _____

1	The broad focus of the meeting was	Operational		Strategic	
		1	2	3	4 5

2	The meeting structure allowed	Limited participation		Full participation	
		1	2	3	4 5

3	The materials provided were	Too late for review		Timely for review	
		1	2	3	4 5

4	Also, the materials provided were	Confusing		Informative	
		1	2	3	4 5

5	The discussion was	Unfocused		Focused	
		1	2	3	4 5

6	The issues covered were	Not very important		Very important	
		1	2	3	4 5

7	The time given to all agenda items was	Inadequate		Adequate	
		1	2	3	4 5

8 What was most helpful for you at this board meetings (or board development session)?

9 What was least helpful for you?

10 After having gone through this, what expectations do you have for next time?

11 General Comments

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BOARD COMMITTEE ASSESSMENT

Please rate Committee performance on a scale of 1 to 5 with 5 representing “excellent” and 1 representing “poor.”

Committee Name	Exec	Pers	Mktg	Fin	Dev
1. The committee meets frequently enough to meet objectives.					
2. The agenda was well thought out in advance. The focus is on ?major? not ?minor? issues.					
3. Actions steps from last meeting were reviewed and status noted.					
4. We avoided getting into administrative and management details.					
5. Different opinions were encouraged. Communication was open and successful.					
6. The chair guided the meeting effectively by allowing and encouraging discussion but staying on agenda.					
7. Members participated responsibly.					
8. Decisions were reached after sufficient deliberation.					
9. Next steps were identified and responsibilities assigned.					
10. The meeting began and ended on time.					
11. A written record was made of the action steps.					
12. We enjoyed being together and had fun!					

Key to column names:

- Exec—Executive
- Fin—Finance
- Pers—Personnel
- Dev—Development
- Mktg—Marketing

Overall, what went well? _____

Overall, what did not go as well? _____

Other comments? _____

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RISK ASSESSMENT

Indicator	Met	Needs Work	N/A	Indicator
The roles of the Board and the Executive Director are defined and respected, with the Executive Director delegated as the manager of the organization's operations and the board focused on policy and planning				
The Executive Director is recruited, selected, and employed by the Board of Directors. The board provide clearly written expectations and qualifications for the position, as well as reasonable compensation.				
The Board of Directors acts a governing trustees of the organization on behalf of the community at large and contributors while carrying out the organization's mission and goals. To fully meet this goal, the Board of Directors must actively participate in the planning process as outlined in planning sections of this checklist.				
The board's nominating process ensures that the board remains appropriately diverse with respect to gender, ethnicity, culture, economic status, disabilities, and skills and/or expertise.				
The board members receive regular training and information about their responsibilities.				
New board members are oriented to the organization, including the organization's mission, bylaws, policies, and programs, as well as their roles and responsibilities as board members.				
Board organization is documented with a description of the board and board committee responsibilities.				
Each board has a board operations manual.				
The board reviews and signs the conflict of interest policy and in turn discloses any conflicts that may arise.				
The organization has at least the minimum number (9) of members on the Board of Directors as required by their bylaws or state statute.				

Indicator	Met	Needs Work	N/A	Indicator
If the organization has adopted bylaws, they conform to state statute and have been reviewed by legal counsel.				
The bylaws should include: a) how and when notices for board meetings are made; b) how members are elected/appointed by the board; c) what the terms and limits of office are for officers/members; d) how board members are rotated; e) how ineffective board members are removed from the board; f) a stated number of board members to make up a quorum which is required for all policy decisions.				
The board of directors reviews the bylaws.				
The board has a process for handling urgent matters between meetings.				
Board members serve without payment unless the agency has a policy identifying reimbursable out-of-pocket expenses.				
The organization maintains a conflict-of-interest policy and all board members and executive staff review and/or sign to acknowledge and comply with the policy.				
The board has an annual calendar of meetings. The board also has an attendance policy such that a quorum of the organization's board meets at least quarterly and reviews financials.				
Meetings have written agendas and materials relating to significant decisions are given to the board in advance of the meeting.				
The board has a written policy prohibiting employees and members of employees' immediate families from serving as board member.				

BEST PRACTICES CHECKLIST FOR NONPROFITS

FINANCIAL MANAGEMENT

- The nonprofit has a good financial plan that provides for financial resources that support the programs and services consistent with the nonprofit’s mission.
- The nonprofit produces and reviews financial statements regularly that are reviewed by both the board of directors and a CPA. See Required Documents for the Financial Management Standard at the end of this section.
- The nonprofit utilizes a strategic budgeting process that reflects the nonprofit’s needs and objectives.
- The nonprofit develops an annual budget and regularly monitors the budget to determine/evaluate/respond to any variations.
- The nonprofit provides financial information to interested parties such as the board of directors and grantors, particularly for decision-making purposes.
- The nonprofit has a diversity of resources; analyzes its mix of public and private funding at least annually; projects future gains and losses in various sources of revenue; and has a contingency plan for responding to unexpected reductions or increases in any of these resources. Are there known events that may impact your fiscal situation?
- If the nonprofit liabilities exceed assets (the current statement of revenues and expenses show a deficit), there is a realistic plan to decrease these liabilities.
- If a line of credit exists, does it hit \$0 at any point during the fiscal year?
- The nonprofit has a realistic fundraising plan with activities and goals. Are the goals in the fundraising plan clearly tied to the annual budget? Are staff and volunteers who have primary responsibility for fundraising identified? Be sure you can describe who is responsible for fundraising and his/her role.
- The nonprofit has formal internal controls governing all financial operations. For example, does the nonprofit have written policies that govern separation of responsibilities with respect to receiving, recording and depositing checks, purchasing, expense accounts and compensation with oversight from senior staff and the board?
- The nonprofit has adequate cash flow for normal operations.
- The nonprofit does not utilize restricted funds to subsidize current year expenses.
- The nonprofit has specific plans to meet any cash and in-kind matches that are required by a grant.
- The nonprofit prepares an annual report, including statements of financial condition, revenue and expense and makes this annual report available to interested persons and stakeholders.
- The nonprofit has and adheres to board policies and guidelines for management of lines of credit, endowments funds and other secured/unsecured funds (if applicable).

- The nonprofit has a written Policy On Reserves explaining how funds are designated to cover unexpected expenses and what the nonprofit plans to do with unexpended revenues at the end of the fiscal year.
- The nonprofit has at least 90 days of operating reserves in cash or cash equivalent unrestricted assets.
- The nonprofit has a development plan with measurable targets, deadlines and responsible parties and the goals tie directly to the annual budget.
- The nonprofit has a well-developed and comprehensive evaluation system used to measure and report the impact of each of its programs and services that can be used for grant reporting and stakeholder/public accountability.
- 100% of the board financially contributes to the nonprofit.
- The nonprofit has previously managed a federal or state grant.
- The nonprofit has a computerized accounting system.

Required Documents for the Financial Management Standard:

- Current balance sheet.
- Current statement of revenues and expenses which includes comparison of actual v. budget.
- Current budget
- Fundraising plan
- Reserves policy
- Current audit or independent review
- Optional Documents:
 - Financial policies and procedures
 - Fundraising policies

GOVERNANCE & OPERATIONS

- The nonprofit has an active and independent board of directors and/or other governing body. (Independent is defined as a majority of board members who are neither employees of the nonprofit nor family members of employees or other board members.)
- The governing board formulates budgetary priorities, adopts an annual budget prior to the start of the fiscal year and adopts a funding plan for securing resources to implement the nonprofit's annual goals and objectives.
- The minutes of the board reflect that the governing board sets policy, garners resources, assesses needs and approves/establishes programs.
- The Executive Director of the nonprofit is selected by, reports to and is annually evaluated by the governing board.

- The membership, structure and procedures of the governing board are designed to enable the nonprofit to effectively perform its duties.
- The composition of the governing board includes the different kinds of skills, knowledge and experience necessary for the performance of its duties (e.g., lawyer, accountant, fundraising expert, public relations) and are aligned to the goals of the strategic plan.
- Each member of the board understands and can articulate the nonprofit’s mission. The board reviews the nonprofit mission statement periodically, revises it as needed and ensures the goals of each program are consistent with the mission.
- The board examines the nonprofit financial statements and discusses questions, concerns, issues, i.e. the board takes responsibility for the financial health of the nonprofit at a minimum of four times a year.
- A realistic and well-considered budget is prepared and approved by the board. The board ensures that management has realistically planned and monitored cash flow to be able to meet nonprofit obligations.
- The Governing Board has procedures for taking action on essential matters between its regularly scheduled meetings and when it is not possible for the full body to meet.
- The governing board meets at least quarterly, has attendance expectations and tracks attendance.
- The governing board participates in a multi-year strategic planning process every 2-5 years with staff that identifies internal and external conditions. The governing board approves the plan and reviews the plan’s progress annually.
- The nonprofit has a conflict of interest policy for members of the governing board (including permissible and non-permissible financial or personal dealing with the nonprofit, disclosure of any financial interest in the nonprofit business and situations in which board member are required to abstain from voting, such as volunteers serving as board members abstain from all personnel matters). A conflict of interest statement is signed annually by each board member.
- The board meets frequently enough to effectively monitor the finances and programs of the nonprofit and at least four times per year.
- The board has subcommittees as needed to effectively monitor and achieve the nonprofit mission.
- The board has good attendance for board meetings and regularly achieves a quorum.
- The full and subcommittee board minutes reflect engagement and decision making that matches with other standards (i.e. passage of the budget, review of the audit, evaluation of the CEO) and important actions of the board?
- The board provided leadership for the development of a strategic planning document, approved it, and takes responsibility for supporting and monitoring it.
- The board has a strong relationship with the CEO/Executive Director.
- The board of directors, employee and volunteer structure is of adequate size and representation given the mission and programs of the nonprofit.

- The nonprofit provides staff and volunteers with written job descriptions and the necessary resources to carry out duties appropriately.
- An individual is designated to be responsible in the absence of the CEO/Executive Director and a succession plan is in place for senior management.
- The nonprofit has insurance that covers any needed professional liability for employees, facility coverage, and directors' and officers' coverage.
- Board reviews and signs IRS Form 990 prepared by accountant.
- Each board member has a copy of and operates within the nonprofit Articles and By-laws. The Articles of Incorporation and By-Laws clearly state the purpose(s)/mission of the nonprofit. The nonprofit is legally authorized to operate as one of the following:
 - Not-for-profit incorporated in the State of Indiana.
 - A nonprofit with its own governing or advisory board organized as an identified part of another nonprofit which is incorporated in the State of Indiana and is one of the following:
 - A 501(c)(3) not-for-profit as determined by the IRS
 - A nonprofit organized as an identified part of another nonprofit which has been determined by the IRS as a 501(c)(3)
- The nonprofit Articles of Incorporation and/or By-Laws contain the following:
 - Clearly stated mission of the nonprofit.
 - Tenure of members such that the governing board does not become self-perpetuating.
 - Descriptions of the standing committees.
 - Requirements for a quorum.
 - Procedures for elections of board members and officers.
 - Procedures for the filling of vacancies.
 - Procedures for amending the by-laws.

Required Documents for the Governance and Operating Standard

- Articles and By-Laws.
- Governing board roster (indicate officers, number of year on board, start and end date of current term).
- Nonprofit Organizational Chart.
- Board minutes recorded and preserved that can be produced when needed.
- Management agreement with parent corporation (if applicable).
- IRS tax exempt letter.
- Secretary of State annual filing.
- Annual 990 tax return.

- Equal opportunity statement.
- Conflict of Interest statement.

NONPROFIT MISSION

- The nonprofit has a written mission statement that provides a clear expression of the nonprofit's reason for existence.
- The mission is clearly communicated and understood by ALL stakeholders within the nonprofit through meetings, annual report, website, etc.
- The nonprofit has a clear and coherent written plan for the future, i.e. 3-10 year strategic plan with well defined, measurable and achievable goals and action steps with timeframes.
- The strategic plan is communicated, well known and understood by the staff and board.
- The strategic plan is supported with a realistic and detailed annual plan that outlines the specific work to be accomplished and the annual plan consistently used at all levels of the nonprofit to direct operations.
- The nonprofit has a well-developed and comprehensive evaluation system used to measure and evaluate the effectiveness and impact of its programs and services.
- The nonprofit collects data to measure performance and progress on an ongoing basis which is analyzed and communicated to stakeholders on a regular basis through grant reports, annual reports, website, etc.

BYLAWS CHECKLIST

The very mention of bylaws in a board meeting is usually met with dread. It typically means either that a conflict has risen to the point where the bylaws must be consulted, or it means that someone is pointing out an area of noncompliance that has gone unnoticed for years. This Checklist points out the necessary elements in bylaws.

Because regulations about nonprofit bylaws are done individually by state (rather than the federal government) there is quite a bit of variation. For example, in Ohio and New York, nonprofit boards must have a minimum of three members, but in California the minimum is one. It's important to obtain the applicable state laws and make sure that the bylaws are in compliance. In addition, some cities have further regulations for nonprofits. Ask your city attorney's office for guidance. For example, some states and cities have different rules for nonprofit organizations for which the board automatically includes an elected official or government employee as a result of that individual's election or employment.

Three overall guiding principles for nonprofit bylaws:

- 1. Don't put too much in the bylaws.** If you specify a board committee in the bylaws, for instance, and there hasn't been such a committee in a few years, someone could claim that you are in violation of your own bylaws. Or, along the same lines, if the bylaws state that meetings will be held on the third Wednesday of each month, you can't change to Thursdays without a change in the bylaws.
- 2. Remember that if trouble erupts—such as internal conflict or attacks from others—the bylaws will become very important.** So make sure they are reviewed approximately every three years. Because board officer terms make it hard for the board to keep track of bylaw revisions, have this duty included as a responsibility of the executive director.
- 3. Immediately attach (by staple if necessary) any changes made to the bylaws to the copy kept by the executive director.** Too often everyone forgets about changes to the bylaws.

Here is a checklist to ensure the most important provisions are included in your bylaws.

- **Indemnification.** A statement that limits the personal liability of board members.
- **Whether the organization has members (such as members of a neighborhood or professional association) and, if so, what their rights are.** For example, in a true membership organization, members have the right to elect officers. Even if you don't have members with legally enforceable membership rights such as voting rights, you can still have people called "members," but the distinction should be clarified in the bylaws.
- **Minimum and maximum number of board members.** Example: minimum of five and a maximum of fifteen board members. Some states specify a minimum, and some specify a formula for a minimum and maximum, so check your state's law.
- **The number required for a quorum.** A quorum is the minimum number of board members who must be present for official decisions to be made. For example, if an organization currently has fifteen members, and the bylaws state that one-third of the members constitutes a quorum, then official decisions can only be made at board meetings where five or more members are present. Note: Many states specify the minimum required for a quorum; for example, in California a quorum may be as low as one-fifth of the board.

- **Terms and term limits.** Example: two years, with term limits of three consecutive terms (making a total of six years); after a year off, a board member may be permitted to return. Similarly, terms can be staggered so that, for instance, one-third of the board is up for reelection each year.
- **Titles of officers, how the officers are appointed, and their terms.** Example: appointed by majority vote at a regular meeting of the board; an officer term is for one year with a maximum of two consecutive officer terms.
- **Procedure for removing a board member or officer.** Example: by majority vote at a regularly scheduled meeting where the item was placed on the written agenda distributed at least two weeks ahead.
- **Conflict of interest policy.** Alternatively, many bylaws simply state that there will be a conflict of interest policy but keep its exact wording out of the bylaws.
- **Minimum number of board meetings per year.** Example: four, with one in each quarter.
- How a special or emergency board meeting may be called.
- How a committee may be created or dissolved.
- **What committees exist, how members are appointed, and powers, if any.** It may be easiest not to specify committees in the bylaws at all; instead, permit the board to create and dissolve standing and temporary committees as it sees fit. As a result, the bylaws need not be changed each time a committee is created or changed.
- **Conference calls and electronic meetings.** Example: votes by e-mail or web forum are prohibited. Meetings may be held by conference call if all members can simultaneously hear one another. As Internet usage grows, some boards are adding sections to the bylaws that describe how to hold a board meeting on the Internet, or whether and how decisions can be made by e-mail.
- **How the bylaws can be changed.** Example: by majority vote at a regularly scheduled board meeting.

Each board member should be given a copy of the articles of incorporation, the IRS and state determination letters, and the bylaws. Some organizations also post their bylaws on a password-protected section of their website.

Every few years, review the bylaws. Occasionally, individuals are invited to join boards without much scrutiny and are later found to be disruptive and destructive. Too often the board looks to the bylaws to see how to remove such a person, only to discover that the bylaws were written twenty years ago (and seldom looked at since) and have no such provision. Appropriate changes to the bylaws should be recorded in the board minutes, added to copies of the bylaws, and, in some cases, reviewed by an attorney experienced in nonprofit law.

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Author: Jan Masaoka

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Section 4

EXECUTIVE DIRECTOR



**Executive Director Resource Manual
2023 Edition**

CORE COMPETENCIES FOR EXECUTIVE DIRECTOR

- 1. Provides Leadership**—Fosters the development of a common vision for the agency among volunteers, staff and the community; clear direction and sense of priorities; makes tough, courageous decisions; creates energy and enthusiasm; guides the board and key committees in policy formulation and interpretation; mobilizes for action.
- 2. Catalyst for Strategic Planning**—Understands changing social, economic, philanthropic and political climate; develops innovative approaches to meet trends; acts as catalyst for needed change and strategic planning among staff, volunteers and the community.
- 3. Skilled at Resource Development**—Able to develop and lead effective resource development strategies; has personal ability to make fundraising appeals; adept at in-kind and planned giving resource development.
- 4. Relationship Builder**—Establishes open, trusting and candid working relationships with all stakeholders; treats everyone fairly and with respect; demonstrates commitment to diversity objectives; deals constructively with conflicts; builds consensus and a credible image to the community.
- 5. Encourages Volunteer Involvement**—Understands and puts into action volunteer recruitment, training and recognition strategies; skilled at bringing diverse people together and mobilizing them for mission fulfillment; handles well the paradox of leading and being led by volunteers.
- 6. Effective Communicator**—Articulates both verbally and in writing; listens well; encourages differing ideas and opinions; presentations are well organized and understandable; promotes communication throughout the organization.
- 7. Mature Self-confidence**—Has a positive outlook; able to handle stress constructively; knows own strengths and weaknesses; clear sense of personal passion and direction; constant learner; seeks feedback; high standards of personal integrity.
- 8. Provides Effective Staff Leadership**—Attracts high caliber employees; creates effective organizational structure; makes tough staffing decisions; supports and encourages staff; understands and implements good, legal personnel strategies and policies; focuses on results and measures staff on outcomes; strives to achieve staff diversity; coaches staff; provides a learning and personal growth environment; creates passion in staff for mission achievement.
- 9. Financial and Resource Management Skills**—Understands budget development and implementation; manages resources wisely; develops and maintains strong financial controls.
- 10. Demonstrates Commitment to Agency's Values**—Possesses a passion for serving people; committed to the vision, mission and goals of the agency; understands and implements strategies to fulfill the vision, mission and goals.
- 11. Skilled at Community Building and Collaboration**—Understands and reacts to the wider community issues; is a collaborator rather than believing the agency is the only way to address community resources and needs.

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EXECUTIVE DIRECTOR EVALUATION SAMPLE

Confidential Report

Employee Name: _____

Type of Appraisal (Place X to select): Annual
 Annual, Other- specify): Other (specify): _____

Employee SSN: _____

Period Covered: From: _____ To: _____

Date of Employment: _____

Functional Title: _____ Supervisor’s Title: _____

Executive Director: _____ President, Board of Directors: _____

SECTION I: PERFORMANCE APPRAISAL

Referring to the functional job description for this employee’s position, enter the critical job elements in the first column. Special expectations, which have been identified, should also be noted in this column. Compare the employee’s actual performance with the applicable standard and rate observed performance. Supporting comments are to reflect to what extent the employee exceeded or fell below the standard. (Use additional sheets if necessary.)

Performance Standards, Critical Job Elements, and Special Expectations	B = Below M = Meets E = Exceed s	Supporting Comments
Administration:		
Acts as the official staff representative for Voices for Children, Inc.; reports to the President of the Board; confers with such other Board officers or committee chairs as is appropriate.		

Performance Standards, Critical Job Elements, and Special Expectations	B=Below M=Meets E=Exceeds	Supporting Comments
Recruits, hires, trains, supervises, and evaluates all staff.		
Serves as liaison to Texas CASA and National CASA; and with appropriate private and tax-supported agencies on the local and state levels.		
Maintains current knowledge of legislation affecting children, knowledge of the local and state court system.		
Assists the Board in forming and implementing policies, procedures, and activities on the basis of their effect on the overall program.		
Presents problems confronting the organization to the Board, including outlining possible solutions.		
Arranges and conducts an orientation for new Board members.		
Notifies the Personnel/Executive Committee immediately of any criminal charges.		
Financial:		
Forms and administers the budget as approved by the Board.		
Prepares financial reports, i.e., monthly financial reports for the treasurer and Board, monthly or quarterly financial reports to grantors.		
Administers or supervises the payment of vouchers and accounts.		
Reviews company insurance policies, assists with the annual audit, tax statements and returns, initiating periodic reports to the Board.		
Maintains accurate records and separate accounts for multiple grants.		
Fundraising:		
Assists with or prepares and submits all grant proposals.		
Maximizes funds available from foundations, grants, state and federal agencies.		

Performance Standards, Critical Job Elements, and Special Expectations	B=Below M=Meets E=Exceeds	Supporting Comments
Participates with the Board in fundraising activities and special events.		
All Programs:		
Supervises and administers all programs as approved by the Board of Directors, including CASA and Safe Harbour.		
Supervises Volunteer Coordinators regarding case management and supervision duties.		
Develops and oversees methods of program evaluation to ensure the quality of services.		
Supervises the development and administration of training through workshops, seminars, symposiums for volunteers, staff and the Board of Directors.		
Maintains current information about similar programs and agencies.		
Provides statistical information to the Board and to funding sources.		
Utilizes the expertise of the Advisory Board, Friends of CASA, and other volunteers.		
Maintains all personnel files and records according to policy and the most recent employment and nonprofit legal guidelines.		
Makes community presentations re: child abuse and the role of CASA as well as the need for supervised visitation and the role of monitors to recruit volunteers and to raise community awareness.		
CASA Program:		
Participates in the recruitment and training of Volunteer Advocates, ensures each Volunteer Advocate is matched to the appropriate child case, provides supervision to Volunteer Advocates as needed.		
Attends and represents Voices for Children, Inc. at court hearings.		

Performance Standards, Critical Job Elements, and Special Expectations	B=Below M=Meets E=Exceeds	Supporting Comments
Assures that appropriate communication is maintained among Voices for Children, Inc., court personnel, child welfare agencies, and the legal community.		
Ensures that National CASA, Texas CASA and local program standards are met and maintained.		
Planning and Development:		
Develops long and short-term objectives annually as part of an annual report made to the Board of Directors.		
Reviews standards for Texas CASA and National CASA; assures compliance with funding and regulatory entities.		
Submits policy development or proposed changes for Board approval.		
Develops public relations procedures for all facets of Voices For Children, Inc. programs including volunteer recruitment, fund raising and public awareness.		
Assists in development and production of newsletters and other public awareness material.		
Other Responsibilities:		
Performs other functions as directed by the Board of Directors		

SECTION II: EMPLOYEE DEVELOPMENT

A development plan must be provided for each employee. This development plan must address any critical job element/performance standard rating that is below standard. Any employee meeting/exceeding all standards of performance will have a development/enrichment plan provided. Enter any training activities, or other experiences which are planned to improve this employee’s performance. Include the names of persons responsible for the accomplishment of all aspects of this development plan. Also, include dates by which planned actions are to be accomplished and cite training resources.

Performance Standard/ Development Plan	Planned Activity/ ies	Dates for Completion	Progress Dates	Resources

SECTION III: SUPERVISOR COMMENTS

Supervisor's comments will include additional observations and/or constructive criticisms regarding the individual's performance not covered in Section I, to include among other subjects the following:

Communication Skills (verbal, written, interacting)

Attendance/Usage of Leave (ability to use time wisely in the performance of job duties)

Attitude (toward supervision, extra assignments not included as a critical job element, relating to other units/customers horizontally and vertically, employee initiative, coaching/mentoring, other)

Initiative (degree of independence, self-motivation and resourcefulness in performing job duties)

Commitment (loyalty and dedication to agency mission)

SECTION III (CONTINUED): EMPLOYEE COMMENTS (OPTIONAL)

Employee comments may include reactions, concerns, agreement or disagreement regarding the Performance Appraisal/Development Plan. Each employee being appraised is strongly encouraged to reflect the following:

- Appraisal content;
- Resources to perform the job (positive/negative).
- Management support (positive/negative).
- Relevance of job description and proposed changes to current job description

Employees must update their personnel files at this time, e.g., change of address, change of education levels, etc.

SECTION IV: SIGNATURE BLOCKS

I have discussed this performance plan with the employee.

I have read, understand, and have received a copy of this appraisal. I understand my signature does not necessarily indicate agreement and I am free to respond in writing within 5 workdays for my file.

Supervisor's Signature

Date

Employee's Signature
Date

Supervisor's Printed Name

Employee's Printed Name

EVALUATING THE ED

Virtually everyone agrees that boards should conduct performance reviews of executive directors (EDs or CEOs). Even so, the predominant practice is neglect, and the predominant feeling is resentment. The neglect comes from the board: only 45% of nonprofit CEOs have reviews, reported CompassPoint's recent *Daring to Lead 2011* study. Resentment comes from the executives, who are too often either resentful of the review process or even more likely and paradoxically, disgusted with the board for not conducting one.

And the agreement that ED evaluations should happen forestalls us from reflecting on *why*. In fact, in contrast to most performance appraisals, the key goal of ED evaluations is not performance improvement, but instead: a) the chance to reflect on the performance of the *entire organization* (not just the individual), and b) to spark a calibration of expectations and goals between the ED and the board.

Board evaluations of ED performance are radically different from any other type of performance review and must be thought of differently. For example:

- While most staff reviews are between two individuals, the ED evaluation is a collective, committee review of an individual.
- An ED review appropriately is more about the organization's achievements rather than about the individual's completion of a series of tasks.
- Board members seldom (if ever) see the ED other than at board or committee meetings and are typically highly unfamiliar with either the building blocks or the nuances of the internal and external leadership roles that EDs play.

But despite these obstacles, there's a firm belief that ED evaluations "just should be done!"

But while board members drag their feet, many EDs are seething.

"If I didn't make them give me an evaluation," fumed one former executive director, "I would never have gotten a raise."

Many executives feel similarly: the route to a raise—or sometimes simply to recognition for the organization as a whole—requires going through an evaluation which will document the strong performance of the organization and the board's approval, support, and affection for the executive.

WHEN BOARD MEMBERS ARE UNHAPPY WITH THE CEO

On the flip side, an all-too-common scenario unfolds when a board is dissatisfied with its executive and some board members raise the question of termination. "But we haven't done an evaluation!" other board members cry, and so first an evaluation process must be devised and then implemented.

We know one national nonprofit at which the board chair—faced with nearly instant dissatisfaction with a new executive—felt obligated to initiate a thorough process "to be fair to her [the executive] and to get all of us on the same page." Worthy aims, but during the year it took to complete that process and fire the executive, the organization's reserves were squandered and its reputation was damaged.

Executives who know they are in trouble often stall the evaluation process by making it too complicated or by continually calling the process into question. They even often succeed in delaying the

evaluation until the disapproving board members have given up and left the board.

NOT MAINLY ABOUT PERFORMANCE IMPROVEMENT

We know that many board members have relatively little appetite for ED performance appraisals. But maybe it's not just laziness. Too often boards undertake executive review only when they are unhappy, or even only when they are considering termination and want to establish a paper trail for doing so.

Second, there is often uncertainty about how to conduct them.

And third, hidden reason for the lack of appetite for executive evaluation is that board members suspect that such a review won't change the flawed behaviors of an otherwise adequate (or even superior) executive, nor will it lead to a sharp turnaround for a seriously underperforming executive. So, why do it?

Going back to the limited view of the ED's work that board members have, it's not surprising that the review process isn't an effective vehicle for the kind of coaching and feedback that often occurs in other performance reviews. This is true even when evaluation teams try to conduct interviews and seek input from members of the staff and others who work with the ED. Since board members only observe directly a fraction of the ED's work, they can only judge or play an effective coaching role when it comes to the ED's relationship with the board.

When asked what positives came out of their evaluations by the board (other than a raise or praise), most executives struggled to find an answer, and only a couple could think of an instance in which the review resulted in changes or improvements in their own behaviors.

Surprisingly, we *did* hear over and over again that positive results came from the executive review, not necessarily related to the executive's performance. We learned that the ED evaluation turns out often to best serve as way for getting everyone—board and staff—on the same page about organizational goals for the year. And then, proceeding from those goals, there may be some supporting goals for the executive director as an individual.

ALIGNMENT OF GOALS

Veteran executives often realize that a mutual alignment of goals is the real purpose of ED reviews. Such alignment usually occurs no matter what process or instrument is used. Inevitably, a discussion of performance brings up issues of why organizational goals for the last period were met or not and what is expected for the future. Of the many goals and objectives within the plan for the year, the discussion almost always moves to what board members and the executive see as the most important and the most crucial.

So, a key message is this: don't worry so much about finding exactly the right instrument or process to assess the ED's performance. But use it as a vehicle for aligning expectations and goals for the coming year—for the organization as a whole, for the board, and for the ED.

Used by permission. Author: Jan Masaoka. Jan Masaoka is the Editor-in-Chief of Blue Avocado.

SETTING GOALS FOR THE ED

Do you struggle with setting annual goals to hold your chief executive accountable? Here's some step-by-step advice.

Does your board struggle to identify significant results-oriented goals to hold the chief executive accountable? If you answered “yes,” you are not alone. While most boards recognize the significant governance responsibility of annual performance appraisals and goals setting, most do not find it easy. Think about your own chief executive’s annual goals. Are they linked to the organization’s vision and mission, measurable, and focused on results? They should be, and, better yet, can be.

FOCUS ON RESULTS LINKED TO THE VISION OF YOUR ORGANIZATION

When I assist a board with setting goals for the chief executive’s evaluation, I first ask the board and chief executive to walk me through their organization’s vision and strategic plan. Boards often do a great job helping develop the strategic plan but then forget to refer to it when determining the annual goals that the chief executive must meet to achieve this agreed-upon plan.

I then ask everyone—including the chief executive—to select one key result that if not accomplished in the coming year would put the strategic plan at risk. Many times, the strategic plan covers so much that it can split the board’s focus to too many activities and initiatives rather than narrow it. And remember, because some strategic goals take years to achieve, the board may need to dissect a large goal into annual actionable steps that over time will lead to the achievement of the goal.

Effective goals focus on one or a few targeted results or outcomes. Keep in mind that an activity—implementing a new marketing plan, for example—or a behavior—such as communicating effectively—is a means to a result. Activities and behaviors are important but they aren’t what the board should hold the chief executive accountable. It’s results that count! Many boards attempt to identify all the activities and behaviors they expect the chief executive to perform rather than isolating the key results required for the success of the organization.

Identify the three most important result-oriented goals. Some boards then find it helpful to pause and ask: Are these the three goals that above all others need to be accomplished? Are these goals the ones the chief executive should be held accountable for or should any of them be assigned elsewhere?

CONSIDER IF THE GOALS ARE SUSTAINABLE AND BALANCED

Most organizations do not have the luxury to spend time and money on short-term results. Therefore, goals must be sustainable. For example, any organization can improve its profitability and achieve cost savings by laying off staff, eliminating services, or postponing initiatives, but at what cost? After the goals are established, ask yourselves: Are we achieving these results to the detriment of other results? Are these results sustainable for at least five years?

IDENTIFY AUXILIARY GOALS FOR OTHERS TO ACCOMPLISH

When identifying goals for the chief executive, it’s important to realize that his or her success in attaining results often depends on others meeting related sets of goals. These auxiliary goals sup-

port the chief executive's goals, and are the responsibility of others, such as the board itself or various members of the organization. Examples include goals related to a capital campaign or the introduction of a new product or service. These goals, like the chief executive's, should be based on results, not activities.

SCAN FOR POTENTIAL OBSTACLES OR HURDLES

If your organization developed a strategic plan recently, it's likely that an environmental scan identified the external and internal influences for the organization. Using that information, while also incorporating fresh impressions and data, you now should identify potential obstacles or hurdles that could prevent the chief executive from achieving his or her goals. Identifying these obstacles or hurdles will help the board understand what needs to be supported and funded to enable the chief executive's success.

Some chief executives habitually abandon their goals. It could be that he or she does not think they are the right ones or are unattainable, does not believe the board will actually hold him or her accountable, or just does not want to be held accountable. The board can avoid this by including the chief executive when identifying goals and by gaining agreement that he or she will be accountable for those goals.

CLARIFY METRICS AND DATES

It's essential to include metrics or measurements in the chief executive's goal statements. This is the only way you will know if he or she has attained the results. It's also important to indicate when you expect the results to be achieved. It may be that benchmarks are needed each quarter leading up to the cumulative success at the end of the year.

These are crucial steps—without these two added specifics, you will not be able to effectively evaluate the chief executive's performance.

CASCADE AND COMMUNICATE THE GOALS THROUGHOUT THE ORGANIZATION

Chief executives who are most effective in achieving their annual goals make them shared goals at all levels of the organization. "Cascading" the goals—a term coined by Angelo Kinicki—creates horizontal and vertical alignment in an organization, helping to minimize conflict and build interdependent focus on the outcomes.

A large nonprofit I worked with was able to cascade the goals—one of which was increasing the organization's name recognition—from the chief executive to all 50 of its affiliate organizations. Each affiliate in turn cascaded the goals to its direct reports, making the focus on the goals over 350 people strong rather than just that of the chief executive alone. The end result was that the organization increased its name recognition by 15 percentage points nationally and, in some markets, by 20 percentage points.

Goal setting is vital to not only the chief executive performance evaluation process but, more importantly, to the long-term success of the organization. When goals link to the organization's vision and strategic plan and are results-oriented, measurable, balanced, and agreed to by the board and the chief executive, the board's work at performance evaluation time will be easy.

MEASURING RESULTS, NOT ACTIVITIES TEMPLATE

1. The key results that the chief executive is expected to achieve in the coming year to enable the organization to meet its strategic goals:
 - A.
 - B.
 - C.
2. The auxiliary goals that others must meet to enable the chief executive's success:
 - A.
 - B.
 - C.
3. Potential obstacles or hurdles that need to be addressed to enable the chief executive's success:
 - A.
 - B.
 - C.
4. Metrics and due dates for the chief executive's key results:
 - A.
 - B.
 - C.
5. Goals to be cascaded and communicated to all others in the organization:
 - A.
 - B.
 - C.

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ORIENTATION FOR A NEW EXECUTIVE DIRECTOR

Hiring and changing top leadership in an organization is one of the scariest but most exciting times in the life of a non-profit. The staff is nervous, the board is anticipating miracles, and the community and other stakeholders are anxious to get to know her.

It is important for the organization to look strategically at developing a process and strategy for familiarizing this new person with the organization so the first 30-60 days go as smoothly and successfully as possible. Developing an orientation plan is important and you should include the following activities in this plan.

1. Before the new executive director even starts on the job, the board president should draft a letter welcoming him and clearly spelling out the salary, benefits, and start date.
2. The board should snail mail and e-mail a letter to all of the key stakeholders of the organization. The letter should focus on the executive director's background and accomplishments.
3. Schedule a welcome meeting or an open house (between 30-60 days after the director begins working and invite the stakeholders to meet the new kid on the block.
4. Brief the new executive director during the first few days on all the internal issues, organizational chart, financial picture, fundraising strategies, employee and board issues, etc.
5. Provide the new executive director with all of the internal documents (this should be done prior to the actual start date) relating to policies and procedures, human relations materials, board manuals, minutes of past board meetings, etc.
6. Schedule meetings with key funding sources so the primary supporters of the organization get a chance to meet with the new director. This should be done between day 30 and 60 so the director has a chance to familiarize herself with the organization a bit.
7. Make sure the board chair and the executive director meet weekly during the first month to work on their relationship.
8. During the first week arrange to have a different person take the new director to lunch and invite additional staff, board, and key volunteers to join them.
9. Schedule necessary training sessions during the first week on the job to familiarize the person with the computer systems, financial statements, databases, etc.
10. Arrange to have the new director meet individually, if possible with each of the board members to establish a relationship with the board members and to assess their strengths.

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See more at: <http://richardmale.com/orientation-for-a-new-executive-director/#sthash.ltvcsVpl.dpuf>

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TWELVE WAYS TO GET A NEW EXECUTIVE DIRECTOR OFF ON THE RIGHT FOOT

When a new executive is hired, the board usually breathes a huge sigh of relief. They have likely been working extra hard for weeks or months interviewing candidates or taking on additional tasks, such as managing a fundraising event or overseeing the audit. If you're on a board, before you turn over the reins to a new leader, consider these fast ideas to help get the executive get started on a path to success:

1. **Hang in there just a bit longer.** It's understandable that board members want to relax once the new executive director is in place, but stay in there at continued intensity for a while longer, and make sure the executive has the support she needs to get off to a great start. A new executive may be reluctant to ask board members to do something, or may be new to the community or field as well. Tip: Assign a committee or an officer to take on the job of monitoring the needs of a new ED.
2. **Write and send out a press release—either by email or in hard copy.** Send it to local and neighborhood newspapers, local ethnic press, newsletters in your field, your national office and affiliates (if you're a chapter organization such as Planned Parenthood), and local television and radio stations.
3. **Send the press release to everyone, not just the press:** be sure the press release is sent to funders, donors, significant volunteers, former staff and board members, city officials, and organizations with which your nonprofit is in contact. They'll appreciate the news, and it gives you a chance to tell them more about the new executive and spark their positive interest in working with her.
4. **Have the board president or chair introduce the new executive to the staff.** Doing so sends a message that the board has hired this executive who manages the staff and reports to the board.
5. **Take time at a board meeting to make a list of the influential people your new executive should meet, and see which board members can set up coffees or lunches with them.** For example, a board member can invite the new executive to lunch along with other Chinatown leaders or coffee with the school superintendent.
6. **Make a personal donation to the organization now to demonstrate your confidence in the new executive and the organization's future.** Bonus: he'll really appreciate it.
7. **Set the new exec up for success by giving positive messages to the community about him, especially ones that points the way for working together.** Example: "We are so thrilled we were able to hire him—he's just what our organization needs for the future. In particular, I think you'll appreciate his experience with innovative programs involving kids and sports." If you have some private reservations about the new executive, keep them to yourself.
8. **If you're the board chair, take extra care working with the new executive on board meetings and board packets.** She'll be finding her way in a new environment, and you can help find a balance between what the board is familiar with and her style as it develops.
9. **Take your new executive out to lunch, and listen.** Don't forget that he's in the process of forming his big ideas, and you can help him by listening, asking questions, and encouraging him to be creative and bold. You can also help him think through which kinds of issues need to come to the board, and which are appropriately up to him. Remind him what the board expects from its executive in terms of support and information and, in turn, ask him how he'd like to be sup-

ported by the board. Any relationship in life has a better chance of thriving when the expectations of all parties are explicit.

10. **Look for opportunities, especially at board meetings, to praise the new executive.** “The directions you’re talking about are just the ones we were looking for,” or “The board packets were excellent— especially appreciated the inclusion of the article about changes in funding for neighborhood arts.”
11. **Suggest to your exec that a good use of organizational funds may be to pay for a coach—perhaps in fundraising, public speaking, or some other leadership area they may find helpful.** Even the best baseball players work with batting coaches and fielding coaches.
12. **Don't forget to establish and monitor benchmarks for performance.** Clear performance goals for the first year will go a long way towards keeping the board and the executive focused on what's important. Some boards ask the new executive to use the first 45 days to learn, and then present a set of draft benchmarks to the board, while others establish the benchmarks together as part of the hiring process.

Either way, be sure the board fulfills its collective responsibility as a board to oversee its chief executive. If things begin to go bad quickly, such benchmarks will allow early termination, and if things go well, such benchmarks will mark a reason for success.

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