

# **Board Development:**

## A Toolkit for Mission Success

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# Mission Spark

## About Mission Spark and the Authors

**Mission Spark, LLC** ([www.missionspark.org](http://www.missionspark.org)) partners with philanthropy, nonprofit and social enterprise leaders to achieve transformative social change and to strengthen the social sector. They work to achieve this mission by providing results-driven consulting, training, and facilitation in Colorado.

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# Using this Toolkit

## Using this Toolkit

Developing an active, thriving and sustainable board of directors is a key challenge for most nonprofits, as organizations that must find the right balance of skill, knowledge, awareness, commitment and advocacy in the makeup of their boards. This tool kit is designed to help organizations build robust boards and to think critically about function and structure. Descriptive text, workbook components and tools are combined to increase the practicality and usability of this resource.

This toolkit is divided into three parts:

- Nonprofit Board Fundamentals
- Board Phases & Recruitment
- Ensuring Board Success

### Uses for this Toolkit:

- Understand the purpose, structure, function, and responsibilities of nonprofit boards
- Review the phases of board development, as well as recruitment strategies
- Provide strategies to support board development, train board members, and problem solve to achieve success
- Deepen learning through vetted 'selected resources'



# Introduction

## Introduction

Nonprofit governance, in order to be effective, requires a committed board that is knowledgeable about its myriad responsibilities and has the skillsets required to undertake them. In fact, a strategically engaged board is often a principal determinant of an organization's long-term success. Board development is an all-inclusive process that encompasses recruitment, orientation, ongoing training, and evaluation to ensure all board members have the tools they need to be a productive, strategic presence for the organization. It can often be difficult to pinpoint where to begin, whether your board is in its fledgling state, has enjoyed years of vibrant community engagement, or has reached a point of stagnancy. Every phase is a complex part of a board's life cycle, which often calls for its members to take on diverse roles crucial to the organization's current and future well-being. Clear expectations and objectives, proactive communication, and recurring assessments help boards determine the most constructive path to success.

This toolkit provides a comprehensive overview of a nonprofit board's role and responsibilities, with tools and resources to help facilitate successful development throughout the phases of its life. By being intentional with your organization's use of this toolkit, consistently evaluating your board's current state and strategically targeting areas for improvement, you will gain confidence in the long-term governance capabilities of your board, and thus, your organization's capabilities in serving its target community.

## Hallmarks of Organizations Successful in Board Development

- Has a thorough understanding of and compliance with all legal, fiduciary, and ethical responsibilities of its board, as well as strategic role
- Uses board committee structures to efficiently and effectively address governance responsibilities
- Has a thoughtful board member recruitment process to attract members who represent a strategic presence
- Understands that Board orientation and training are fundamental to a member's success
- Regularly assesses Board effectiveness and culture, using open communication to address issues proactively before they become distractions



# Nonprofit Board Fundamentals

## Part 1: Nonprofit Board Fundamentals

This section of the toolkit focuses on two things:

1. Identifying the diverse responsibilities of nonprofit boards.
2. Understanding the structure and function of nonprofit boards.
3. Recognizing challenges for non-profit boards.

### Nonprofit Board Responsibilities

Nonprofit boards do more than develop a network of fundraising sources. The responsibilities of boards exist across a wide spectrum, ranging from the fundamentals of governance: legal, fiduciary, and ethical responsibilities – to the more tactical: strategic planning, fund development, and staffing of the Executive Director. These responsibilities are often stated as “The Three D’s:”

#### Duty of Care

- Actively participate in strategic/organizational planning and decision-making
- Make responsible and informed judgments

#### Duty of Loyalty

- Avoid conflicts of interest
- Prioritize the organization's interests over professional/personal concerns when acting on its behalf

#### Duty of Obedience

- Ensure the organization's compliance with all applicable laws
- Maintains the organization's commitment to stated mission

Some important resources that every Colorado nonprofit should be familiar with are available via government websites, including the following:

- Colorado Secretary of State: [Colorado Revised Nonprofit Corporation Act](#)
  - Article 128 provides the standards for Directors and Officers.
- IRS: [Form 990 Resources and Tools for Exempt Organizations](#)
  - Website listing resources for filing returns, including tax kits, forms and publications.
- IRS: [Governance and Related Topics – 501\(c\)\(3\) Organizations](#)
  - IRS publication discussing recommended policies and practices, including mission, documentation, management, financial reporting, and transparency/accountability.



# Nonprofit Board Fundamentals

The National Council of Nonprofits has helpfully developed the following checklist, based on IRS Form 990, for organizations to quickly review their progress in following the fundamental board governance requirements.

IRS Form 990: Basic Governance Practice Checklist		
Responsibility	Reference	Complete?
Do you maintain <b>minutes of all board meetings</b> , and <b>committee meetings</b> for committees that are authorized to act on behalf of the board (such as an executive committee)?	Part VI, Section A, line 8	
Do you provide a <b>copy of the Form 990 to the board</b> before it is filed?	Part VI, Section B, line 11	
Have you adopted a <b>written <u>conflict of interest</u> policy</b> ?	Part VI, Section B, Line 12	
Have you adopted a <b>process for board members to disclose conflicts of interests</b> annually and do you document in minutes of board meetings when the policy is invoked so that the nonprofit can demonstrate that compliance with the policy is regularly and consistently monitored and enforced?	N/A	
Have you adopted a <b>written <u>whistleblower protection</u> policy</b> ?	Part VI, Section B, line 13	
Have you adopted a <b>written document <u>retention/destruction</u> policy</b> ?	Part VI, Section B, line 14	
Have you adopted a policy for the <b><u>board's review of the executive director/CEO's compensation</u></b> and benefits?	Part VI, Section B, line 15	
Have you adopted a <b>written <u>gift acceptance</u> policy</b> to govern the receipt of "non-cash" gifts, such as gifts-in-kind, and unusual gifts (land, vehicles, artwork etc.)?	N/A	



# Nonprofit Board Fundamentals

If the organization has participated in a joint venture, have you adopted a policy so that the organization will review its participation in partnerships and joint ventures in order to avoid any prohibited private benefit?	Part VI, Section B, line 16	
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Source: <http://www.councilofnonprofits.org/resources/resources-topic/boards-governance/governance-policies#sthash.MEJ70kM1.dpuf>

## Nonprofit Board Structure and Policies

Now that we've established an understanding of your board's responsibilities, how should your board be structured and what policies are needed in order to best fulfill them? With the tightening of funding sources in recent years, the oversight and direction provided by nonprofit boards have become even more vital to maximizing an organization's resources while maintaining the commitment to mission. Determining the board's structure and policies are a necessary component of self-management, and must support good governance. But since there is no one-size-fits-all solution, it is certainly within your rights to get creative, so long as it works for your organization.

Some important questions must first be asked regarding the organization itself. It is only after answers to the following have been determined that your board can then assess how to move forward.

- How large is your organization?
- How is your organization structured?
- How many members are on your board?
- What board work is required for the year? Is the work ongoing year after year, or will it be completed within a few months?

With these basic answers in hand, your board can now consider its structure. Responsibilities can be divided among committees, which can either be *standing* or *ad hoc*. Just as it is important to consider the types of committees required, it is just as necessary to not create too many of them!

Standing Committees...

- Often called Operational Committees
- Used on a continual basis
- Often defined in the bylaws or policy manuals
- Performs the majority of a board's work



# Nonprofit Board Fundamentals

Examples	Duties
Executive	Performs oversight over the organization's CEO. May take action between meetings if unable to convene a special meeting.
Audit	Selects the outside auditor and keeps tabs on the entire process. May also audit board expenses and the CEO. Should be financially literate, with at least one finance professional.
Governance	Responsible for the care of the board itself. Tasks include recruitment, orientation, assessment, continuing education, and management.
Finance	Oversees preparation of and adherence to the budget. Chair of the Audit Committee should not serve on this committee!
Membership	For those organizations with members, this committee can be responsible for developing membership criteria and credentialing.
Program	Charged with long-range planning of an organization's programs. Should not be involved in the day to day aspect; this should be handled by staff.

## Ad Hoc Committees...

- Formed for a shorter period of time
- Created to address a specific need
- May often work with Standing Committees
- Should be dissolved when the work is completed

Examples	Duties
Bylaws	Reviews bylaws to assess relevance and create recommendations. May work with Governance or Membership Committees.
Capital Campaign	Raises funds for the capital campaign. May include members who are not on the board. May work with Finance, Membership, or Program Committees.
Strategic Planning	Develop or update the strategic plan. May provide oversight to the implementation and progress. May work with Finance, Membership, or Program Committees.

Source: <http://www.asaecenter.org/Resources/whitepaperdetail.cfm?ItemNumber=24191>

Board structure must also address individual members' roles in its policies, with regard to both the full board as well as committee engagements.



# Nonprofit Board Fundamentals

Does your board...	Yes	No
Have term limits in place?		
Have a strategy in place for committee placements? <ul style="list-style-type: none"> <li>• limitation on the number of committees a member can participate to allow for skills development? OR</li> <li>• regular rotation of committee members to gain a broader understanding of the organization?</li> </ul>		
Utilize a balance of standing and ad hoc committees?		
Utilize task forces for short term tasks that		
Regularly evaluate whether committees with no work should be abolished?		
Regularly evaluate whether committees with overlapping work should be merged?		

Note that the governing board is not the same as an Advisory Council. Advisory Councils are not given the same formal authority as the governing Board, even while they are often convened with the intent to give recommendations to the governing board. And while the Advisory Council may be just as carefully organized in terms of structure and purpose, the governing board is the one required to abide by the rules and regulations presented in this toolkit and thus determines the role of the Advisory Council in its bylaws.

***What are ongoing responsibilities for your board that would be better addressed by Standing Committees?***



# Nonprofit Board Fundamentals

*What are some shorter-term responsibilities or needs for your board that would be better addressed by Ad Hoc Committees?*

## Evaluation

Undergoing program evaluation is important for organizations but doing so presents the following issues:

- Program evaluations often require funding, time and technical skills--requirements that are often seen as diverting limited program resources from clients.
- Program staff members are often concerned that evaluation activities will inhibit timely accessibility to services or compromise the safety of clients.
- Program staff members are worried if they can't show positive measurable results they will lose critical funding.

These are important issues for Board members to consider as the results of an evaluation provide a snapshot of the organization's strengths and weaknesses, leading to more informed decision-making on the part of the board. Boards (and funders) must balance its need for information with the organization's resource constraints.

Beyond program evaluations, Boards must also be conscious of a myriad of other issues, including the following:

- Confidentiality and safety concerns
  - What information does the board have access to?
  - Board members must be aware of the surrounding community, especially with regard to exposing the location of safe houses.
- Values setting for your board
  - Values should be forward thinking and open minded. As examples, patriarchal views and misogyny should not have voices on the board.
  - Are your members trained to be ambassadors for your organization?
- Board composition balance
  - There should be a robust blend of Board members in order to access multiple perspectives.
- For rural services providers, there are often additional considerations.
  - Sticking with term limits can be difficult, especially if there are fewer passionate voices



# Nonprofit Board Fundamentals

- available to help.
- Confidentiality again often poses difficulties where anonymity is hard to keep.
- Boards overstepping boundaries
  - Sometimes boards can end up directing programming instead of governing. Overzealous boards must be reined in to preserve job integrity for both its members and the organization's staff.

## My Key Takeaways from Board Fundamentals

Use the space below to identify information or ideas explored in the above section that have particular relevance to your board. What actions might you want to engage in that could improve your board's fulfillment of its responsibilities? What key takeaways do you want to ensure you'll remember? Document those items below:

Key Takeaway/Insight	Resulting Action



# Board Phases & Recruitment

## Part 2: Board Phases & Recruitment

The purpose of this section of the toolkit is to help you understand the life cycle of nonprofits boards – from their initial creation to their dissolution. Boards do not necessarily undertake this process in a linear fashion, so the proper identification of what stage your board is in can help inform its effectiveness and how to engage its members. This section includes the following:

1. Identifying the phases of board development
2. Recruiting new board members

### Phases of Board Development

There are various presentations of a board's life cycle, which help create a framework for identifying where your board may be in its evolution. Has it been around for three decades, but does it still mostly focus on operational success as opposed to fundraising? Then perhaps your board, despite its age, would be considered to be more in the middle stage of its life cycle. Meanwhile, a board only ten years into its life may be able to delegate governance responsibilities to committees, allowing it to become more of an institutional fundraising presence. In this case, a younger board has accomplished a more established existence, where change occurred more rapidly resulting in a successful evolution. And yet, another ten years down the road, these two boards may switch places as a result of growth or crisis! The lesson here is that while there are many frameworks to describe a board's life cycle, they are not all necessarily rigid structures that always follow in a linear fashion.

Let's take a look at the early, middle, and mature stages of a board's life cycle. Lee Bruder & Associates' [Five Phases of Board Development](#) provides a detailed framework that describes the phases by their tangible key tasks, intangible cultural keystones, atmosphere, key resources, and best outcomes. We've combined this resource with one provided by The National Center for Nonprofit Boards, that divides board phases into organizing, governing, and institutional. A quick checklist on



the following page, adapted from these resources, will help you determine where your board lies along this spectrum.

*Creation (Organizing):* Assuming the board is creating the organization, the tasks in this phase provide the building blocks for the rest of the process and are often revisited repeatedly in the future. Ideally this phase begins with a business/ strategic plan; if not, key tasks include articulating the vision, mission, and purpose, adopting a board and organizational structure, securing funding for



# Board Phases & Recruitment

initial products and services, and hiring the CEO or Executive Director. This phase requires an incredible amount of time, energy, and commitment from the board.

*Launch (Organizing):* In the second phase, patience and delegation is required to work out the kinks of both the board and organization. Policies and procedures are developed, the CEO hires staff, and the products and services are delivered.

*Refinement (Governing):* The excitement may be wearing off, where revitalization would be the best outcome. Self-observation and assessment are undertaken during this stage, helping to evaluate effectiveness, revisit as needed, and plan for the longer term. This critical phase denotes the period of transition from startup to an established organization.

*Stability (Institutional):* This phase is its name; learning, planning, and assessments are ongoing, board relationships and revenue are steady. For any organization, this phase is a true achievement, signaling continuity, effectiveness, and security.

*Dissolution:* Ideally, dissolution would be undertaken with respect and acceptance of the outcome. Reasons for dissolution include mergers, takeovers, bankruptcy, or achievement of all goals. Honoring all contributors, learning from the organization's history, defining next steps, and closing down operations in accordance to official rules and documents are important tasks during this phase.

Stage	Early		Middle		Mature	
Focus	Organizing: Creation & Launch		Governing: Refinement		Institutional: Stability	
Characteristics	Small? Informal? Involved in everything? Composed of members with close ties to mission of org?	Y/N Y/N Y/N Y/N	Some tasks delegated to committees? Staff gaining more responsibilities? Board enlarged and diversified?	Y/N Y/N Y/N	Recruiting members who are influential/funding sources? Are board positions prestigious? Board oversight delegated to committees? Planning/budgeting done by staff and approved by the board?	Y/N Y/N Y/N Y/N
Transitions	Shifting to more business-like operation?	Y/N	Board beginning to shift focus toward	Y/N	Governance responsibilities delegated to executive	



# Board Phases & Recruitment

	Board/staff redefining roles?	Y/N	fundraising?		or management committee?	Y/N
	Development of new systems?	Y/N	Organization is becoming increasingly	Y/N	Board now seen as institutional	Y/N
	Clearer job descriptions?	Y/N	"professionalized" ?		fundraising board?	
Challenges	Difficult to share power with staff members?	Y/N	Is there frustration with change occurring slowly?	Y/N	Is there a struggle between independence and interdependence?	Y/N
	Are founding members leaving?	Y/N	Is the board the slowest to change?	Y/N	Are the board and staff adjusting to new roles?	Y/N

After going through this exercise, where would you say your board lies along the spectrum?

**Early**

**Middle**

**Mature**

*Without skipping forward to the next section on Ensuring Success, what are some potential ideas to facilitate your board's transition to a more established and impactful presence?*

## Recruiting New Board Members

You've identified what stage your board is in. How does this affect how you recruit new board members, and what skills you should look for? Some of these skills have already been referred to earlier in the toolkit, as you reviewed the responsibilities and corresponding checklists. But beyond just the compliance piece required by boards, you will inevitably call upon your members for their strategic, technical,

*Quick take: Who are some top people your organization can recruit for the board, and what strategic presence would they provide?*



# Board Phases & Recruitment

creative, and personal skills as well.

In the beginning stages of board development, new members are often recruited by the founding board – keeping it “within the family” – and may have a natural tie to the mission of your organization. But as roles and responsibilities shift from the board to staff, so too do the skills that are necessary to have in your board members. It is important to determine what specializations and ties to the community prospective members can offer to your organization, in order to help facilitate delegation and allow the board to become more institutionalized. Being intentional about recruitment is the key to expanding the capacity of your board; each member should provide a strategic presence.

## Skills Assessment of Current Board

One way to do this is to undertake an assessment of the current state of your board and its members. The following checklist, taken from “[Ten Steps for Building an Effective Nonprofit Board](#)” developed by Facilitation & Process, LLC, is a good starting point for determining what skills are already represented and where there may be gaps.

Key Board Member Competencies & Attributes	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 6	Board Member 7	Board Member 8	Board Member 9	Board Member 10	Board Member 11	Board Member 12
Governance											
Experience serving on Nonprofit Boards											
Strategic Direction											
Active Participation											
Reasonable Inquiry											
Understands Nonprofit Regulation, Mission, Vision, Funding Models											
Executive Director Oversight											
Documentation & Fiscal Control											
Capacity Guidance											
Entrepreneurship											



# Board Phases & Recruitment

Business/Nonprofit Finance																			
Resource Development Planning																			
Nonprofit Legal Requirements																			
Marketing / Public Relations / Communications																			
Organizational Development																			
Human Resources / Human Capital																			
Technology																			
Operations Management																			

Content Expertise																			
[Insert Agency Specific Competency]																			
[Insert Agency Specific Competency]																			
[Insert Agency Specific Competency]																			
[Insert Agency Specific Competency]																			
[Insert Agency Specific Competency]																			
Program Evaluation																			
Civic Reach / Resource Development																			
Personal Connections																			
Social Media / Technology																			
Partnership Development																			
Volunteer Management																			
Understanding of Philanthropy																			
Working with Community Leaders																			
Creating Partnerships																			

Finally, and not to downplay the importance of these considerations, but how does diversity fit into the equation for your board? This may not be a question on a prospective candidate’s application, but it should play a part in your choices.



# Board Phases & Recruitment

Requirement or not, racial/ethnic, gender, geographic, and age diversity brings in a variety of perspectives, and contributes to the cultural environment of your board. For many organizations, engaging a board that reflects its clientele can be a great benefit, signifying legitimacy, commitment,

***Quick take: What role should diversity play with regard to your board? Does your board composition reflect the community it serves?***

and awareness. Establishing diversity goals is an important component to the recruitment process.

## Application/Questionnaire for Prospective Board Members

Once this assessment has been undertaken, you can now identify the gaps. Where do you need additional help to achieve your strategic priorities, and do your current board members know anyone who fits the bill? Whether you solicit new members through postings, emails to your networks, or via word of mouth, it is useful for prospective members or referrers to fill out an application or questionnaire to determine whether the new member can fulfill a strategic role in their position on the board. Other than the basic contact information, some recommended sections to the application should include:

- Cover Letter/Resume
- Areas of Expertise
  - Fundraising
  - Financial Management
  - Human Resources
  - Legal
  - PR/Marketing
  - Nonprofit Management
  - Etc. (Add Others as Necessary)
- Previous/Current Board Experience
- Other Volunteer Experience
- Current Interest/Involvement in the Organization



# Board Phases & Recruitment

- Availability/Time Commitment
- Ability to Meet Fundraising Requirements

If the questionnaire is being used to target a potential board candidate, additional considerations include

- Known levels of giving
- Community ties useful to organization
- Other people who can help recruit the candidate
- Reasons why candidate would be a good board member

## Conducting the Search

And now, look far and wide! While it is definitely useful for all board members to be on the lookout for potential candidates, don't hesitate to engage other avenues of communication. Does posting on Idealist.org or The Bridgespan Group make sense? Is there a listserve that can be used to spread the word? Encourage those interested in your service opportunity to submit an application, and make the process as professional as what fits the culture of your organization. Setting these communication expectations from the outset will help preserve the integrity of your intended board culture in the long term.

### Board Recruitment Websites

- ✓ Idealist.org
- ✓ LinkedIn for Nonprofits
- ✓ BoardSource
- ✓ Guidestar
- ✓ The Taproot Foundation

Once candidates have been identified and interviewed, make sure to have a discussion with the board recruitment committee or subgroup regarding their strategic fit. This is the final phase of being intentional: understand the potential role and value of candidate prior to making the offer. After this has been established and the candidate has been approved, confirm with your candidate that they are able to commit to the needs of the position. In fact, consider having them sign a contract or Statement of Understanding of sorts, to reiterate the importance of their full commitment. This document should underscore the 3 D's as well as the logistical considerations of being a board member: do they have the time? The resources? The leadership capabilities? If yes, then congratulations! You have identified a passionate, committed new Board member.

## My Key Takeaways from Board Phases and Recruiting

Use the space below to identify information or ideas explored in the above section that have particular relevance to your board. What actions or activities might you want to engage in that could strengthen your board's recruitment efforts? What key takeaways do you want to ensure you'll remember? Document those items below:



# Board Phases & Recruitment

Key Takeaway/Insight	Resulting Action



# Ensuring Success

## Part 3: Ensuring Success

At this point, the board structure has been determined, functions are understood, and your board members are ready to undertake their responsibilities. But what happens once these fundamentals are realized? Every nonprofit board benefits from development support by providing resources, training, and facilitating the creation of a proactive, responsible culture.

### Help Board Members Succeed

#### Board Orientation Package

Providing a comprehensive orientation to every new board member is crucial to ensure that members start on the right foot. A board orientation package will help new members feel equipped with the basis and context required to make informed decisions – note that this is not the board manual provided before meetings, but is the actual “onboarding” package provided at the start of a new member’s term. Here is a thorough list of documents to include:

- Job description (example follows)
- Mission statement
- By-laws
- History of the organization and its programs
- Sources of the organization’s funding
- Annual report (current and prior years)
- Website information (printed out)
- Organization’s policy manuals
- Current budget, the most recent audited statement, and IRS Federal 990 (annual return for the agency)
- Strategic and development plans
- Organization chart and job titles or descriptions with names of staff members
- Roster of current board members, outside job titles, and contact information
- List of officers, committee chairs, and committee members
- Organization newsletters and brochures
- Minutes from the three most recent board meetings<sup>1</sup>

You can use this list to begin preparing an orientation package, but feel free to include any additional supplements that provide more context for your new members. Are there any interesting media articles that give a sense of the organization’s role in the community? What values does your

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<sup>1</sup> The Foundation Center: [Nonprofit Startup Webinar Series](#)



# Ensuring Success

organization adhere to? Has a calendar been developed to help board members plan for the future, or are there important events on the horizon? While the basics are necessary to provide, it is just as important to generate excitement for your new board members.

## Sample Job Description<sup>2</sup>

**(Name of the Organization)**

**Position: Board Member**

### **Authority and Responsibility**

The Board of Directors is the legal authority for (Organization). As a member of the Board, a Director acts in a position of trust for the community and is responsible for the effective governance of the organization.

### **Requirements**

Requirements of Board membership include:

1. Commitment to the work of the organization.
2. Knowledge and skills in one or more areas of Board governance: policy, finance, programs, personnel, and advocacy.
3. Willingness to serve on committees.
4. Attendance at monthly Board meetings.
5. Attendance at meetings of assigned committees.
6. Attendance at Annual General Meetings
7. Attendance at membership meetings.
8. Support of special events.
9. Support of, and participation in, fundraising events.
10. Financial support of (Organization).

### **Term**

Directors are elected by the membership at the Annual General Meeting. Directors serve for a two-year term. Directors may be released at the end of the elected term, by resigning, or according to (Organization)'s bylaws.

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<sup>2</sup> [The Muttart Foundation](#)



# Ensuring Success

## General Duties

A Director is fully informed on organizational matters, and participates in the Board's deliberations and decisions in matters of policy, finance, programs, personnel and advocacy.

The Director must:

1. Approve, where appropriate, policy and other recommendations received from the Board, its standing committees and senior staff.
2. Monitor all Board policies.
3. Review the bylaws and policy manual, and recommend bylaw changes to the membership.
4. Review the Board's structure, approve changes, and prepare necessary bylaw amendments.
5. Participate in the development of (Organization)'s organizational plan and annual review.
6. Approve (Organization)'s budget.
7. Approve the hiring and release of the executive director, including the executive director's employment contract, based on the recommendation of the Personnel Committee.
8. Support and participate in evaluating the executive director.
9. Assist in developing and maintaining positive relations among the Board, committees, staff members, and community to enhance (Organization)'s mission.

## Evaluation

A Director's performance is evaluated annually based on the performance of assigned Board requirements and duties.

## Review Date and Approval Date

The Personnel Committee annually reviews the Board Member Job Description. Recommended changes are presented to the Board.

1. Approval Date:
2. Review Date:

## Board Packet Components

Blue Avocado, an online magazine for American nonprofits, solicited feedback from its readers to create "[Five Tips for Better Board Packets](#)". These adapted tips may seem like common sense, but many nonprofits consistently irritate members when it comes time for regular communication with their board.

1. Be clear about why certain materials are in the packet. If a program needs to be approved, include the relevant staff member's proposal and rationale behind it.
2. Board packets should be received with enough time to go over the material. Do not waste resources on overnighting packets unless absolutely necessary – this creates a bad impression!



# Ensuring Success

3. Provide all required logistics in an easy-to-read format. Logistics include meeting dates, location, directions, relevant phone numbers, and an annotated agenda. Presentation includes text size and font as well as packet binding.
4. Provide brief updates to key organizational matters such as finance and HR. Rather than having to dig through pages of material to gather foundational updates, an executive director's report should quickly give any relevant updates that need quick action.
5. Provide committee reports in writing, and require page limits. Allow time for questions about these reports, but do not include reports on the agenda unless action is required.

***Quick take: What do your board members want out of their board packet? Take this opportunity to ask for feedback and to also seek their engagement and assistance.***



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## Board Training and Mentorship

Board training for new members goes beyond providing an orientation packet. New members should be required to spend some time getting to know the organization on numerous levels. But even seasoned members can benefit from ongoing education.

Some potential training efforts can include:

- Orientation
  - Tour of facilities
  - Specific orientation session
    - May be informal or formal, but this is the time to meet people! Icebreakers can help lighten the atmosphere.
    - Use the opportunity to review major board topics, such as mission/vision, governance, and goals for the year.
  - Arrange intros with committees they may want to join.
- Ongoing
  - On as-needed basis, engage a formal trainer for any issues the board feels would benefit from training.
  - Organize regular trainings around pre-determined topics.
  - Develop web community or listserv to facilitate knowledge transfer.
  - Distribute newsletters to board members for latest organizational news.
  - Include a brief training with each board meeting.

## Communication and Engagement of Board Members

You now have some tips and tricks when it comes to your board packet. But communication is more than just those quarterly reports. The NewLevel Group created a workbook with a useful overview for how to communicate with your members. Some of this is slightly redundant, but is still very useful as a comprehensive guide for successful engagement.

### BEFORE MEETINGS

1. Establish Rules of Conduct
  - a. Ensure that everyone agrees on how to work together by setting basic ground rules
  - b. Stress the importance of respect at and away from the board table
  - c. Agree on how to disagree
2. Draft Recommendations
  - a. Save time during board meetings by preparing draft board recommendations in advance, when appropriate
3. Require Some Advance Reading



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- a. Make board training a priority at every meeting
- b. Provide the appropriate materials
- c. Give board members a broad overview of the organization at least once
- d. Vision, Mission, and History
- e. Roster of the Board members with bios, job descriptions, board responsibilities
- f. Committee lists, chairs, job descriptions, advisors
- g. Legal documents and policies, bylaws, conflict of interest, travel expenses, insurance  
Financial statements and budget
- h. Strategic framework and current plan
- i. Programs and services
- j. Upcoming and annual events
- k. Give the board supplemental information before every board meeting
- l. Keep the amount of reading short and sweet

## DURING MEETINGS

4. Stay on Topic
  - a. Clearly define the outcomes you wish to achieve during the meeting to prevent lengthy, unfocused discussions
  - b. Make sure everyone understands each task before the board
  - c. Don't let the board get sidetracked by personal issues
5. Use Consent Agendas
  - a. To save time, combine routine items into one item for the board's approval
  - b. Ease your board into consent agendas until everyone is comfortable with the idea
6. Focus on Decision Making
  - a. Change the format of meetings from show-and-tell to give-and-take
  - b. Give the board important work to do
  - c. Clarify how the board makes decisions
7. Involve All Board Members
  - a. Make sure everyone has the opportunity to speak
8. Make Sure the Facilitator (Board Chair) Remains Neutral
  - a. Don't be afraid to let someone else take over from the board chair
9. Hold Meetings at a Suitable Site
  - a. Try holding meetings on site to help board members connect with the organization's mission
  - b. Verify the meeting site throughout the year
  - c. Seek a quiet place
10. Consider the Seating Arrangements
  - a. Choose an appropriate room setup
  - b. Watch where you sit



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- c. Keep finances understandable
  - d. Know how much is too much information
  - e. Make sure the financial reports the board receives are timely and accurate
  - f. Teach the board to look for expenses or income that is significantly over or under budget
11. Focus on the Mission
- a. Provide context to board meetings by reminding the board of the organization's mission
12. Make the Most of the Minutes
- a. Include the basics
  - b. Don't provide too much detail
  - c. Record information that could be helpful during a legal review
  - d. Circulate the minutes a few days after the meeting
13. Let Board Members Learn from Others
- a. Stress that interactive learning is as important for long-time members as it is for new board members
14. Have a Good Time
- a. Never underestimate the power of humor<sup>3</sup>

***Quick take: Have your board members expressed any additional preferences when it comes to ideal communication? If so, what are those preferences?***

## Board Member Accountability

We've already mentioned creating a Statement of Understanding that prospective board members should discuss and sign prior to committing to their new position. Being upfront about those responsibilities will help when it comes to maintaining accountability.

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<sup>3</sup> <http://www.cfjacksonhole.org/wp-content/uploads/2014/06/NewLevel-Board-Practices-Participant-Wrkbk-2014.pdf>



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Once this Statement has been signed and your board member is on deck, there are a number of different ways you can help reinforce accountability:

- Develop a social contract.
  - Communication expectations and work styles are defined.
  - A contract may take time to develop, and perhaps could be tackled during a board retreat to facilitate less restricted communication.
- Utilize mentor-mentee relationships.
  - Encourage open communication between these pairs, with the mentee being able to express reservations and the mentor being able to provide informal feedback.
- Provide regular official feedback on board members' performance.
  - Your members can enhance accountability by agreeing to share results with the full board.
- Consider the possibility of expanding communication by your board leader beyond the requirements of governance.
  - Personal relationships can often trump organizational relationships. By cultivating a culture of camaraderie and friendship, your board members may feel more inclined to be productive contributors.

## Best Practices of a High Functioning Board

So you've worked on ways to support board development, and your board members are on their way to success by building a supportive, proactive culture. Now that the actions have been undertaken, what are the signs that they are working?

There are numerous resources describing board best practices. But if you don't have time to review yet another long document, you can use previously developed surveys and checklists to help assess the effectiveness of your board. The following excerpt and [checklist](#), again taken from the NewLevel Group's workbook for the Community Foundation of Jackson Hole, can provide a basis for you to modify according to your needs.

First, let's review five traits of a high functioning board:

### ***Trust***

Members of boards with an absence of trust...

- Conceal their weaknesses and mistakes from one another
- Hesitate to ask for help or provide constructive feedback
- Hesitate to offer help outside their own areas of responsibility



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- Jump to conclusions about the intentions and aptitudes of others without trying to clarify them
- Fail to recognize and tap into one another's skills and experiences
- Waste time and energy managing their behaviors for effect
- Hold grudges
- Dread meetings and find reasons to avoid spending time together

Members of trusting boards...

- Admit weaknesses and mistakes
  - Ask for help
  - Accept questions and input about their areas of responsibility
  - Give one another the benefit of the doubt before arriving at a negative conclusion
  - Take risks in offering feedback and assistance
  - Appreciate and tap into one another's skills and experiences
  - Focus time and energy on important issues, not politics
  - Offer and accept apologies without hesitation
- Look forward to meetings and other opportunities to work as a group

## **CONSTRUCTIVE CONFLICT**

Boards that fear conflict...

- Have boring meetings
- Create environments where back-channel politics and personal attacks thrive
- Ignore controversial topics that are critical to board success
- Fail to tap into all the opinions and perspectives of board members
- Waste time and energy with posturing and interpersonal risk management

Boards that engage in conflict...

- Have lively, interesting meetings
- Extract and exploit the ideas of all board members
- Solve real problems quickly
- Minimize politics
- Put critical topics on the table for discussion

## **COMMITMENT**

A board that fails to commit...

- Creates ambiguity among the board members about direction and priorities
- Watches windows of opportunity close due to excessive analysis and unnecessary delay
- Breeds lack of confidence and fear of failure
- Revisits discussions and decisions again and again



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- Encourages second-guessing among board members

A board that commits...

- Creates clarity around direction and priorities
- Aligns the entire board around common objectives
- Develops an ability to learn from mistakes
- Takes advantage of opportunities before competitors do
- Moves forward without hesitation
- Changes direction without hesitation or guilt

## **ACCOUNTABILITY**

A board that avoids accountability...

- Creates resentment among board members who have different standards of performance
- Encourages mediocrity
- Misses deadlines and key deliverables
- Places an undue burden on the board leader as the sole source of discipline

A board that holds one another accountable...

- Ensures that poor performers feel pressure to improve
- Identifies potential problems quickly by questioning one another's approaches without hesitation
- Establishes respect among board members who are held to the same high standards
- Avoids excessive bureaucracy around performance management and corrective action

## **ATTENTION TO RESULTS**

A board that is not focused on results...

- Stagnates/fails to grow
- Rarely defeats competitors
- Loses achievement-oriented employees
- Encourages board members to focus on their own careers and individual goals
- Is easily distracted

A board that focuses on collective results...

- Retains achievement-oriented members
- Minimizes individualistic behavior
- Enjoys success and suffers failure acutely
- Benefits from individuals who subjugate their own goals/interests for the good of the board
- Avoids distraction



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Now, ask all of your stakeholders complete the checklist. Alternatively, you can discuss each statement as a full board to rate by consensus, and then use the results to identify shortcomings. Use the scale below to indicate how each statement applies to your board.

3 = Usually 2 = Sometimes 1 = Rarely

Traits of a High Functioning Board	3	2	1
Board members are passionate and unguarded in their discussion of issues.			
Board members call out one another's unproductive behaviors when they occur.			
Board members know what their peers are working on and how they contribute to the good of the organization.			
Board members quickly and genuinely apologize to one another when they say or do something inappropriate or possibly damaging to the board.			
Board members willingly make sacrifices (such as budget, turf, staff resources) in their committees or areas of expertise for the good of the organization.			
Board members openly admit their weaknesses and mistakes.			
Board meetings are compelling, and not boring.			
Board members leave meetings confident that their peers are completely committed to the decisions that were agreed on, even if there was initial disagreement.			
Board members express disappointment at the failure to achieve board goals.			
During board meetings, the most important-and difficult-issues are put on the table to be resolved.			
Board members are genuinely concerned about the prospect of letting down their peers.			
Board members care about one another's personal lives and are comfortable inquiring about them.			
Board members end discussions with clear and specific resolutions and calls to action.			
Board members challenge one another about their plans and approaches.			
Board members are slow to seek credit for their own contributions, but quick to point out those of others.			

Use your results to assess the facets of a high-functioning board. Under each statement number, fill in the corresponding blank below with your result, then add up your total for each function.

- A score of 8 or 9 is a probable indication that the function is not a problem for your board.
- A score of 6 or 7 indicates that the function could be a problem.
- A score of 3 to 5 is probably an indication that there is dysfunction that needs to be addressed.



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Function	Statement #			Total
Function 1: Trust	4	6	12	
Function 2: Constructive Conflict	1	7	10	
Function 3: Commitment	3	8	13	
Function 4: Accountability	2	11	14	
Function 5: Results	5	9	15	

## Problem Solving

Perhaps the results show that your board needs some help. Or, perhaps the results of the analysis determine that your board is high functioning. If the latter, then this is wonderful news! But the most conflicted as well as the most successful boards encounter problems. If there is a primary takeaway from this section in the toolkit, it is this: in order to become high functioning and then maintain that level of effectiveness, you – regardless of your role on the board, and solely due to the responsibility of being a board member – must be proactive in addressing issues quickly, if not before they arise. Here we will discuss how to problem solve difficult boards and board situations.

### *Dealing with specific members*

Conflicts are often difficult to overcome, but there are many options for addressing a problem board member. Some short-term and long-term strategies in the Blue Avocado article "[What to do with Board Members Who Don't Do Anything](#)," have been adapted below. The consistent theme here is communication, communication, communication – with a good dose of respect and timing. This is not just for the problem member, but also for the full board.

### **Short-Term Strategies: Is a gentle nudge all that is needed?**

- Check to be sure that expectations were made clear to the board member before he or she joined the board. Did they sign the Statement of Understanding?
- Reaffirm minimal responsibilities of each member during a full board discussion.
- Are there any personal or health issues that are compromising their involvement? If feasible, consider giving them some downtime. A good board member will remember
- Transfer responsibilities to someone else.
- Have a one-on-one conversation with the board member regarding their involvement. Be conscientious, and allow them the opportunity to gracefully bow out if necessary.

### **Long-Term Strategies: Ongoing**

- Create a leave of absence policy for members that may need downtime. Does a member



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need to take maternity leave or personal leave? A procedure that allows for time off is a proactive measure allowing members to self-regulate.

- Have a board discussion or conduct board surveys about the difficulties of full participation. How can these be addressed?
- Conduct one-on-one conversations with board members to determine how meaningful board participation is for them. Are there any suggestions for increasing their satisfaction?
- Redesign board structures, roles and responsibilities, or expectations. Perhaps the job descriptions are unrealistic. How can board positions be more manageable?

## Conflicts of Interest

Nonprofit boards should develop a policy governing conflicts of interest, and review that policy regularly. This is an important component of its policy manuals, as members may often not even realize they have a conflict. Policies should require those members with a definite or potential conflict to disclose the conflict, as well as require those members to abstain from voting on any issues related to the conflict.

In addition, these disclosed conflicts should be transcribed in the minutes of every board meeting, including detail on how the conflict was handled (did the “interested” board member abstain from a vote where there is a conflict? Was the matter discussed while that board member was not present?).

One way to address this is to set aside time during an annual board meeting to discuss hypothetical situations, how to effectively manage those situations, and engage in a role-playing exercise to ensure that all members are prepared to handle conflicts as they arise. Another strategy is to distribute a regular survey asking board members to disclose any conflicts, with a reminder to disclose any that come up in the future.

## Legal Issues / Embezzlement

Wait – nonprofits exist to serve the community! They are mission-oriented! They don’t suffer from fraud... right? Unfortunately, this is far from the case. Public Counsel, in its March 2014 issue titled [Preventing and Investigating Nonprofit Fraud and Embezzlement](#), cited a Washington Post article reporting that over 1,000 nonprofits disclosed losses of hundreds of millions of dollars between 2008 and 2012. Those losses were due to unauthorized use of funds, including fraud and embezzlement. The integrity of an organization’s fundraising program is inevitably questioned after these losses are revealed – resulting in an understandable difficulty to raise more funds. Public Counsel presents these internal controls that your board can require in its formal policies and implement within the organization. The more controls, the better.

Does your organization...	Yes	Working on it!	No
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Require double signatures, authorizations, and back-up documentation?			
Require background and credit checks?			
Utilize automated controls and electronic notifications of financial activities?			
Have a whistleblower protocol to encourage communication?			
Communicate regularly with donors to identify potential issues?			
Purchase insurance coverage to cover repayment or replacement of stolen property?			
Require a segregation of duties for both board members and staff?			
Perform an annual inventory of fixed assets?			
Require an audit committee, CPA, or other knowledgeable person to monitor anti-fraud measures?			
Have a strong compliance program with a written Code of Ethics?			
Engage in regular self-audits performed by third parties?			
<i>Score:</i>			

## Changing Board Culture

You may have realized that many of these issues can come up as a result of an unsupportive or secretive board culture. Addressing your board culture, then, can be the elephant in the room if you are continually faced with obstacles to your board’s success.

The process won’t be a quick one, and it will likely be painful. But as with any other effort to shift the status quo from the ground up – because culture is the basis for so many actions – facilitating a culture change can reap a myriad of benefits if done openly, intentionally, and respectfully. Start with these questions to see where there are disconnects. Then, communicate, communicate, communicate. Express to your board that there must be realignment in order to make progress. Once this hard work begins, you may find that the other issues will fall away.



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## Cultivate Shared Values

- A good person acts like X and knows the importance Y.
- Work-life balance means X. (How long will you stay in the office?)
- We think money should be used for X and not for Y. (What's your view of overhead vs. program expenses?)
- We value X over Y. (Short term success? Long term success? Risk? Consistency?)
- X is appropriate work behavior, Y is not.

## Return to Mission and Vision

- Are all board members in agreement about the organization's mission and vision?
- Do all board decisions unite to reinforce the established mission and vision?

## Value your People

- How do we hire and fire?
- What behaviors do we reward?
- How do we communicate?
- What's our view on personal sacrifice?
- How is failure treated? Is it encouraged/discouraged/rewarded?
- Do you operate in silos or encourage open collaboration?
- Do we nurture our board members' personal growth?

## Closing Thoughts

We hope this toolkit has presented actionable strategies for enhancing your current board development efforts. By providing your board members with the tools needed to appropriately carry out their responsibilities and address any shortcomings, you are, in fact, investing in the long-term success of your organization.

Good luck! We thank you for the wonderful support you provide to survivors and their families, as well as your commitment to educating our communities.



# Ensuring Success



# Links & Resources

## Links and Resources

### Books, Articles, and Reports

[Board Committee Structure | ASAE Center for Association Leadership](#)

[Funding Administration Guide | Colorado Department of Human Services: Domestic Violence Program](#)

[Governance Toolkit | Colorado Nonprofit Association](#)

[The Legal Responsibilities of Boards | Dalhousie University](#)

[Sample Conflict of Interest Policy and Annual Statement | Montana Nonprofit Association](#)

### Websites

[Board Development | National Council of Nonprofits](#)

[Board Source](#)

[Bridgespan Group | Nonprofit Boards](#)

[Nonprofit Alliance](#)

[Nonprofit Boards | Managementhelp.org](#)

