

ORIENTATION:
WHAT YOU
NEED TO KNOW
TO SERVE
ON A
NONPROFIT BOARD

**Nonprofit
Association of
Oregon/**

TACS

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October 12, 2010



**DECISIONS
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Marc Smiley is a Partner with the firm **Decisions Decisions**. We provide a comprehensive set of services and resources to support nonprofit, for-profit, and government organizations. Decisions Decisions offers a full range of consulting services focused on the fundamental elements of successful organizations, including training, consulting and facilitation in the areas of:

- + Organizational Development
- + Sustainable Leadership
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- + Strategic and Program Planning
- + Intentional Philanthropy and Fundraising Strategy
- + Special Projects

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MODELS OF NONPROFIT BOARDS

Honorary

Fundraising

Policy Oversight

Policy Leadership

Program Management

Program Implementation

GOVERNANCE VS. MANAGEMENT

The job of the board of directors for a nonprofit organization is simple: **it is responsible for everything**. This includes both governance and management of the organization. Even if it delegates certain responsibilities to the staff or other professionals, it is responsible for ensuring that the resources of the organization are being effectively applied to meet its mission.

Many nonprofits have the luxury to hire staff to help fulfill parts of these responsibilities. Depending on the size of the staff, the board will delegate key functions that are best suited to the full-time attention provided by professionals. It will retain the functions that are reserved for its fundamental fiduciary responsibility, and for which it is best suited. These functions can be divided between the **governing functions** reserved for the board, and the **management functions** often delegated to staff.

The **governing functions** are those that provide the essential direction, resources and structure needed to meet specific needs in the community. These include:

- ✦ **Strategic Direction** – setting a direction for the organization that reflects community needs.
- ✦ **Financial Accountability** – managing financial resources that ensure honesty and cost-effectiveness.
- ✦ **Leadership Development** – developing the human resources that lead the organization today and in the future.
- ✦ **Resource Development** – developing financial resources that support program activities.

The **management functions** are those that provide the program activities and support to accomplish the goals of the organization. These usually include:

- ✦ **Program Planning and Implementation** – taking the strategic direction to the next level of detail and putting it into action.
- ✦ **Administration** – ensuring the effective management of the details behind programs.

For smaller organizations (with less than four paid staff), the board usually delegates only some of the management functions to staff. For larger organizations (with more than four staff members), the board usually delegates nearly all of the management functions. The board should never delegate the governing functions to staff as these represent its core responsibilities to its constituencies and to the general public.

OVERVIEW OF BOARD DUTIES

1. The board engages in strategic planning.
2. The board determines the organization's mission and purpose.
3. The board approves and monitors the organization's programs and services.
4. The board ensures effective financial management.
5. The board ensures sound risk management policies.
6. The board selects and orients new board members.
7. The board organizes itself so that it operates efficiently.
8. The board selects and supports the executive director and reviews his/her performance.
9. The board understands the relationship between board and staff.
10. The board raises money.
11. The board enhances the organization's public image.

THE BASICS OF BOARD DEVELOPMENT

Development of the board of directors is the most fundamental activity needed to build and maintain a strong nucleus for a nonprofit organization. It is a responsibility that boards should put near the top of the list of priorities.

The steps in the development of the board are:

- ✦ **Nomination and Recruitment** — the process of identifying the right individual to meet the needs of the organization and convincing her to become part of the organization.
- ✦ **Orientation** — the steps taken to give new board members information on the background, programs, and culture of the organization.
- ✦ **Training** — the regular efforts to build new skills and abilities among existing board members.
- ✦ **Evaluation** — the annual task of evaluating individual board member's contributions to the board, and evaluating the board's contribution to the individual board members.
- ✦ **Recognition** — the on-going process of recognizing work well-done and thanking board members for their commitment and the contributions they make to the organization.

Each of these elements of board development are critical to the organization's success. For this reason, most boards will develop a specific committee responsible for these board development tasks. Often the committee is called the Nominations Committee or Board Development Committee.

These issues and procedures are applicable not only to the development of board members, but also to the development of non-board committee members and other key volunteers.



ROLES IN BOARD DEVELOPMENT

Board Development Committee Responsibilities

- ✦ Develop board member criteria
- ✦ Recruit potential board members
- ✦ Present potential members to the board
- ✦ Provide orientation of potential and new board members
- ✦ Provide training and continuing education for all members
- ✦ Provide regular recognition to board members

Board of Directors Responsibilities

- ✦ Approve board member criteria
- ✦ Elect members
- ✦ Terminate members
- ✦ Charter Board Development Committee
- ✦ Ensure nomination and election of officers
- ✦ Ensure nomination and election of board members
- ✦ Ensure evaluation of board effectiveness and individual member effectiveness
- ✦ Rotate board jobs

BOARD RECRUITMENT PROCESS

1. **Develop criteria for Board Profile Grid.**

Use the profile grid to identify the skills, background, and demographics to be represented on the board. Establish the priorities and the initial profiles to be recruited.

2. **Identify recruiting prospects.**

Identify the people and organizations to contact as part of the recruiting process. Get the names and numbers of people to be contacted as prospects for the board. As part of this process, try to understand what each person could bring to the board.

3. **Narrow the list of potential board members to top prospects.**

Go through the list of possible board members and narrow the list to the strongest core group (six to nine individuals). Prioritize the list of remaining applicants based on the diversity needs of the board. Make plans for immediate follow-up with the core group prospects.

4. **Assign contact person to each prospect.**

Assign an individual to contact each of the board prospects. Give each contact person the appropriate recruiting materials, including orientation packet, application, and job description. If the prospect is interested, give her or him the materials and discuss the next steps.

5. **Contact top prospects.**

Set up interviews with top prospects. Interview should include a board member and the Executive Director. Focus discussion on expectations of board members and the identification of other possible prospects. Try to get final commitment from prospect at this meeting. Ask the person to complete the application, either in the meeting itself or by sending it into the office. Discuss opportunities for involvement on committees in lieu of board membership.

6. **Conduct orientation.**

Conduct a board member orientation for all new board members. Assign mentors to assist new members, and make committee assignments to all board members. Ask each board member to complete the board member agreement and send to office.



BOARD MEMBER APPLICATION

Name

Date

Address

Phone Daytime:

Phone Evening:

Profession/Occupation

Please list current or prior board experience
Organization

Dates

Why are you interested in serving on the Board?

What skills and background do you offer as a board member?

Feel free to attach additional pages, resume or any materials you feel would be helpful.

BOARD ORIENTATION/TRAINING PROGRAM

I. Recruitment Stage

1. Introduce the prospect to the agency and its goals at an initial meeting with a recruiting board member and the executive director. Have the recruiting board member pitch the organization and the positive aspects of board membership. At that time, give the prospect an information packet that includes at least the following information:
 - ✦ An overview of the organization's purposes, major programs, funding sources, etc.
 - ✦ A list of expectations of prospective members -- meetings, committee assignments, tenure, and time commitment.
 - ✦ A list of current board members and key volunteers.
 - ✦ Copy of bylaws and last annual audit of agency.
2. Schedule a visit to the agency by the prospective member to see programs in action or to talk with program staff.
3. Invite the prospect to attend a board meeting to get an idea of how the organization makes decisions and delegates responsibilities.

II. New Member Orientation

1. Schedule a meeting between the new board member and key people in the organization. Provide a detailed Board Member Manual, which should include bylaws, articles of incorporation, program descriptions, current budget, last audited financial statements, list of board members and their addresses, lists of committee and staff assignments, copies of minutes for the previous year, and a copy of the strategic or long-range plan.
2. At first meeting, introduce new member to all current board members and staff. Consider assigning a "mentor" board member to work with the new board member through the first three months. Also, make committee assignment.



ORIENTATION/TRAINING PROGRAM (CONTINUED)

III. During First Three Months

1. Have regular check-ins with board "mentor" to answer questions and help member become acquainted.
2. Assign a specific committee task as part of regular implementation process.
3. Continue orientation to the work of the specific committee.
4. Continue to provide written background material to answer questions.

IV. Ongoing Training

1. Consult with appropriate committee chair and staff to obtain full involvement of new member.
2. Provide assistance in carrying out responsibilities.
3. Provide opportunities for board members to attend special workshops related to the assignments and interest of the member. Provide special leadership training to current and prospective officers.
4. Expand responsibilities and rotate committee assignments to help satisfy the interests and needs of the board member. This has the added advantage of providing continuous development of volunteer leaders for the organization.

BOARD MANUAL — SAMPLE CONTENTS

1. **Organization Mission Statement**
2. **List of Board Members** — Names, addresses, short biographies
3. **Board Member Job Description**
4. **By-laws**
5. **Organizational Chart**
6. **Committee List** with assignments of all board and staff members.
7. **Strategic Plan**, including Goals, Objectives and Committee Work Plans
8. **Operating Policies** of the Board
9. **Confidentiality Statement**
10. **Short History** of the Organization
11. **Minutes** for the last year
12. **Staff Job Descriptions**, presented in brief outline form
13. **List of Programs**, with descriptive data
14. **Budget**
15. **Audited Financial Statements** for the previous year.
14. **Sources of Funding**
15. **Friends of the Organization**, including Advisory Council, Ex-Officio Members, Key Volunteers.
16. **Glossary of Terms**



BOARD MEMBER AGREEMENT

As a board member, I have certain expectations about my involvement with this board. These expectations include both what I want to give and what I want to get back in return.

What I Expect from the Board

I want to serve on this board because:

The things I expect to enjoy the most about being on this board are:

The things I expect to enjoy the least are:

There are certain personal or professional goals that my involvement in this group can help satisfy. The areas where I want to grow are:

I expect the following from this organization:

- ✦ Clearly defined roles and responsibilities for board and staff members, including clear lines of authority.
- ✦ Orientation and training necessary to enhance my effectiveness as a board member.
- ✦ Materials provided in advance of meetings where decisions or deliberation will occur.
- ✦ Timely and accurate financial reporting.
- ✦ Appropriate use of committees to assure efficient use of board and staff time.

BOARD MEMBER AGREEMENT (CONTINUED)

I also recognize that this board has certain expectations of its members. It is as important for the board to get what it needs from me as it is for me to get what I need from the board.

What the Board Expects from Me

As a board (or committee) member, I believe that I bring the following strengths, skills and knowledge to this organization:

I am willing to serve this organization in the following areas:

I am *not* willing to serve in the following areas:

I accept responsibility for ALL of the following:

Time Commitment:

- ✦ Attend board orientation and training sessions
- ✦ Attend board meetings, committee meetings and membership meetings
- ✦ Complete assignments and prepare for meetings

Participation:

- ✦ Participate in board fundraising activities and make a financial contribution to the organization to the best of my ability.
- ✦ Participate in meetings and ask appropriate questions when needed
- ✦ Serve on at least one committee as a part of my board role
- ✦ Participate in the on-going tasks of the board
- ✦ Act as an advocate for the organization to the outside public

Knowledge and Preparation:

- ✦ Educate myself on the organization's purpose, history and needs
- ✦ Keep current on the outside trends affecting this organization
- ✦ Keep current on the role and responsibility of board involvement.

I have read and agree to this commitment as a member of the board of directors.

Signature _____ Date _____

SO WHAT?

After sitting through this workshop, at least one (hopefully more than one) idea may have struck you as relevant to your organization. What are the most important ideas presented today for your organization?

1.

2.

3.

Which items are the most important *first steps* towards some of these improvements?

1.

2.

What areas do you think need additional clarification and training?

1.

2.