

## How Should a Nonprofit Board of Directors Be Structured?

Every board has a fundamental responsibility for self management: for creating a structure, policies, and procedures that support good governance. The term "board organization" encompasses a variety of tasks, from routine matters such as preparing a schedule of board meetings to actions with broader consequences such as developing a policy about terms of service. Here are some of the most frequent questions board members ask about board organization:

### How Can We Contribute to Effective Board Organization?

To set the stage for efficient board and committee work:

- Prepare a written job description for individual board members.
- Develop an annual schedule of meetings, determined a year in advance.
- Circulate clear and thorough information materials, including an agenda, to all members two to three weeks before each meeting.
- Maintain complete and accurate minutes of all meetings.
- Keep meetings brief and well focused. Stimulate the broadest possible participation by members.
- Ask each board member to serve on at least one board committee or task force. (For new members, one committee assignment is sufficient.)
- Acknowledge members' accomplishments and contributions in a variety of ways in the organization's newsletter, at meetings, in minutes.

To encourage smooth functioning committees, follow these additional steps:

- Prepare written statements of committee and task force responsibilities, guidelines, and goals. These organizational documents, which should be approved by the board chair, should be reviewed every one to two years and revised if necessary.
- Make work assignments according to the background, expertise, and schedule of each member.
- Distribute tasks among members so that everyone participates but no one is overloaded.
- Create a system of checks and balances to monitor committee members' work and ensure that tasks are completed on schedule.
- Assign an appropriate staff member to work with each committee.

### How Large Should Our Board Be?

The organization's structure and needs are among the factors that determine board size. In considering the size of the board, keep these points in mind:

Every board needs a sufficient range of expertise to accomplish the organization's mission. If a board is too small, its members may be overworked and unproductive. If a board is too large, every member may not have the opportunity to participate actively.

### What Should be the Length of a Board Member's Term?

There are no hard and fast rules for determining board members' tenure. Many organizations do, however, limit members to two consecutive terms and require a hiatus of one year before a board member may be reappointed. Many organizations also stagger terms of service so that one half or one third of the board is elected every one or two years for terms of two to four years. Such policies encourage institutional renewal because a board can profit from the experience of veteran board members while welcoming the fresh perspective that new members offer.

### What Committees Should Our Board Have?

Much of the work that a board does is accomplished through its committees and task forces. With the exception of the Executive Committee, which acts on the board's behalf, committees recommend action to the full board for discussion and action. Most boards need only a few standing committees - the rest of the work can be accomplished by task forces created for a specific purpose. Common standing committees include:

- Governance Committee
- Audit Committee
- Finance Committee
- Executive Committee (if needed)

**How Should Committee Members be Chosen?**

Every board member should serve on at least one but preferably no more than two committees or task forces. Members are appointed by the chair in consultation with the Governance Committee. Committee size depends on the needs of the board and the organization and a common sense assessment of how many people are needed to carry out the committee's work.

Make committee assignments based on the experience, skills, interests, and available time of board members. Each member must make a serious commitment to participate actively in the work of the committee. If a committee is too large, a small group of members may have a disproportionate amount of responsibility. If a committee is too small, there may not be enough people to get the job done. Board committees may include people who are not board members.

**Should the Chief Staff Executive be a Member of the Board?**

Some nonprofits decide to make the chief staff executive an ex officio member of the board, sometimes voting and sometimes nonvoting. This decision should be made carefully. Some believe that board membership is a good idea because it enhances the executive's position of authority within the organization and strengthens the working partnership between the board and the executive. On the other hand, some feel that board membership blurs the distinction between the board's responsibilities and the executive's responsibilities and makes it difficult for the board to assess the executive's performance objectively. Whatever the executive's official status, his or her insights into the daily operations of the organization are essential to decision making by the board.

## Board Officer Job Descriptions

### What is the job description of a board chair?

- Oversees board and executive committee meetings
- Works in partnership with the chief executive to make sure board resolutions are carried out
- Calls special meetings if necessary
- Appoints all committee chairs, and with the chief executive, recommends who will serve on committees
- Assists chief executive in preparing agenda for board meetings
- Assists chief executive in conducting new board member orientation
- Oversees searches for a new chief executive
- Coordinates chief executive's annual performance evaluation
- Works with the governance committee to recruit new board members
- Acts as an alternate spokesperson for the organization
- Periodically consults with board members on their roles and helps them assess their performance

### What is the job description of a board vice chair?

- Attend all board meetings
- Serve on the executive committee if one exists
- 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

### What is the job description of a board secretary?

- Attend all board meetings
- Serve on the executive committee if one exists
- Ensure the safety and accuracy of all board records
- 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

### What is the job description of a board treasurer?

- Attend all board meetings
- Maintain knowledge of the organization and personal commitment to its goals and objectives
- Understand financial accounting for nonprofit organizations
- Serve as the chair of the finance committee
- Manage, with the finance committee, the board's review of and action related to the board's financial responsibilities
- Work with the chief executive and the chief financial officer to ensure that appropriate financial reports are made available to the board on a timely basis
- Present the annual budget to the board for approval
- Review the annual audit and answer board members' questions about the audit

# Board Member Job Description Sample

## **XYZ Nonprofit**

### **Member of the Board of Directors**

#### **Mission**

XYZ Nonprofit's mission is to...

For more information, please XYZ's website at [www.xyz.org](http://www.xyz.org).

#### **Position**

The Board will support the work of XYZ and provide mission-based leadership and strategic governance. While day-to-day operations are led by XYZ's chief executive officer (CEO), the Board-CEO relationship is a partnership, and the appropriate involvement of the Board is both critical and expected. Specific Board Member responsibilities include:

#### **Leadership, governance and oversight**

- Serving as a trusted advisor to the CEO as s/he develops and implements XYZ's strategic plan
- Reviewing outcomes and metrics created by XYZ for evaluating its impact, and regularly measuring its performance and effectiveness using those metrics; reviewing agenda and supporting materials prior to board and committee meetings
- Approving XYZ's annual budget, audit reports, and material business decisions; being informed of, and meeting all, legal and fiduciary responsibilities
- Contributing to an annual performance evaluation of the CEO
- Assisting the CEO and board chair in identifying and recruiting other Board Members
- Partnering with the CEO and other board members to ensure that board resolutions are carried out
- Serving on committees or task forces and taking on special assignments
- Representing XYZ to stakeholders; acting as an ambassador for the organization
- Ensuring XYZ's commitment to a diverse board and staff that reflects the communities XYZ serves

#### **Fundraising**

XYZ Board Members will consider XYZ a philanthropic priority and make annual gifts that reflect that priority. So that XYZ can credibly solicit contributions from foundations, organizations, and individuals, XYZ expects to have 100 percent of Board Members make an annual contribution that is commensurate with their capacity.

#### **Board terms/participation**

XYZ's Board Members will serve a three-year term to be eligible for re-appointment for one additional term. Board meetings will be held quarterly and committee meetings will be held in coordination with full board meetings.

#### **Qualifications**

This is an extraordinary opportunity for an individual who is passionate about XYZ's mission and who has a track record of board leadership. Selected Board Members will have achieved leadership stature in business, government, philanthropy, or the nonprofit sector. His/her accomplishments will allow him/her to attract other well-qualified, high-performing Board Members.

Ideal candidates will have the following qualifications:

- Extensive professional experience with significant executive leadership accomplishments in business, government, philanthropy, or the nonprofit sector
- A commitment to and understanding of XYZ's beneficiaries, preferably based on experience
- Savvy diplomatic skills and a natural affinity for cultivating relationships and persuading, convening, facilitating, and building consensus among diverse individuals
- Personal qualities of integrity, credibility, and a passion for improving the lives of XYZ's beneficiaries

Service on XYZ's Board of Directors is without remuneration, except for administrative support, travel, and accommodation costs in relation to Board Members' duties.

## Recruiting and Vetting Nonprofit Board Members

A key ingredient to increasing a nonprofit organization's impact in the community it serves is having the right people on the team.

Critical to this team are an organization's board members.

Therefore, the first question that nonprofits should consider as they start to formulate their board recruiting plans is: What are our key strategic priorities, and what new skills or expertise might we need on our board to help us achieve those priorities?

Depending on the domain in which a nonprofit operates and the beneficiaries it serves, an organization may need its board to have specific expertise, perhaps functional or geographic. For example, an organization focused on early childhood issues may want some members of the board to have expertise in that subject area (although not everyone on the board needs to have this expertise to ensure diversity). Similarly, a nonprofit that's primarily serving underprivileged families in India or Africa, or the city of New York, for example, will likely want to include board members who are either from the area served or who have a deep knowledge of the service area.

Other needs may change over time as the organization grows or expands its mission. Consider a nonprofit organization with a proven local model that is considering expanding nationally. A board member with experience running a national organization or one who has been involved in a similar expansion could provide critical insight as the organization formulates and implements its plans. And, as the organization considers specific new locations, having a board member with extensive real-estate knowledge also could be invaluable.

At Project Bread of Boston, Massachusetts' leading anti-hunger organization, having a board member who is also a senior executive at Blue Cross and Blue Shield of Massachusetts made it possible for the nonprofit to expand and improve its FoodSource Hotline, a comprehensive information and referral service for people in Massachusetts who are facing hunger. The hotline was overwhelmed by a sudden surge in call volume as the national recession took hold in late 2008 and early 2009. Ellen Parker, executive director (ED) of Project Bread, said the hotline saw a 61-percent increase in calls in the first quarter of 2009. Parker asked her board member from Blue Cross for some advice on how to decrease the wait times and handle more calls. The board member sent over the head of the insurance giant's subscriber call center, who evaluated Project Bread's needs, helped it determine the right staffing levels and a software solution, and even found a vendor willing to offer the software product at a discount.

"Blue Cross has really become a great partner of ours," Parker said. "The help with the hotline was enormous, and it really came out of the relationships that we have built on the board."

As Parker's story illustrates, dedicated board members typically bring far more to the table than just their expertise in a given area. "The value of a board member is not only what's in their head," said Eckhart-Queenan, "but also the networks and the reputational capital they bring that allow them to contribute deeply to the organization."

### **Recruiting for diversity**

Another important component of board recruiting is ensuring diversity among board members. An organization's diversity goals can encompass gender balance, ethnic and racial balance (particularly important if the community the organization serves is ethnically diverse), geographic balance, and many other factors.

"The most effective boards are those that are able to bring together a diverse group of people that bring a range of thought and perspective," said Eckhart-Queenan. "Boards must think about diversity as they fill these board positions. It can't be an add-on at the end."

Dennis Hanthorn, Zurich general director of The Atlanta Opera, said he is continually working to increase the diversity of the opera's board so that it better reflects the ethnic diversity found in Atlanta. He has succeeded in boosting the presence of African-Americans on the board and now is working with leaders in the Latino community to bring more Latinos into the organization. "Diversity is always a concern," he said. "Our goal was to diversify our board, and we're doing better at it."

Parker said her diversity goals for Project Bread's board include not just a racial balance, but also representation on the board from the communities that the organization funds (i.e., food banks). Parker said part of that effort is ensuring that board members recruited from the food bank community feel like peers with the corporate and political members of the board so that all board members have an equal voice. "Diversity is not just a good thing to do," she said. "I believe it's how we make our services higher quality – by involving the people we serve in decisions."

### **Identifying great candidates**

After an organization has evaluated how the composition of its board can advance its strategic goals and has identified the board roles it needs to fill, it can begin identifying potential board candidates.

Wayne Luke, a partner at the Bridgespan Group, said the best way to uncover great potential board members is to enlist the help of your board's "difference makers," i.e., its most engaged, most active members. "Ask the board members whom they want the new members to most resemble," he said. "The lens through which they will look at potential members is the lens of involvement and engagement."

Once the organization identifies a good board candidate, Luke said the discussions with the candidate should focus on how much the organization does to help the community, rather than how prestigious the board position may be. As Luke put it, "It's less about 'Here's an opportunity for your career advancement' and more about 'Here's a service opportunity.'"

### **Conducting due diligence**

As part of its early due diligence, the organization should ask board candidates four key questions:

1. Can you fulfill our board's fiduciary and legal oversight responsibilities?
2. How have you already demonstrated a passion for organizations like ours?
3. Do you fundamentally have the time to serve on our board?
4. Are you able to meet the board's fundraising requirement? (If the organization has one.)

#### **1. Can you fulfill our board's fiduciary and legal oversight responsibilities?**

"You need to be clear about getting the right people with the right skills to do your financial oversight and your legal oversight," Eckhart-Queenan said. "These are the fundamental responsibilities of a board, established in law."

These responsibilities can include approving financial plans, monitoring the organization's financial health, ensuring financial controls are in place, ensuring there are independent audits, managing key risks, and ensuring all legal requirements are met.

The specific duties will vary based on the size of the organization and may change over time as an organization grows. Parker said that the financial and legal oversight role of her Project Bread's board has changed significantly as the nonprofit grew from a \$2.5 million organization into an \$8 million organization. In the early years, according to Parker, board members pored over every operating detail and every financial and legal document.

#### **2. How have you already demonstrated a passion for organizations like ours?**

People familiar with high-impact boards said passion for the mission can be shown in many ways. It could be as straightforward as previous nonprofit board experience or volunteer experience for a similar organization. It also could be that the candidate grew up around the Boys & Girls Club or YMCA, for instance, and believes deeply in the value of youth-serving organizations.

Dennis Kelly, president/chief executive officer (CEO) of Zoo Atlanta, said all of his board members are passionate about the zoo. But he said that board members are attracted to the organization for a wide variety of reasons—all of which are equally valid. He said some simply love animals, others are passionate about conservation, others are interested in the education component, and still others simply believe that the zoo is an important part of the community and that they have a civic responsibility to help. “Passion for the mission can take many forms,” he said.

### **3. Do you fundamentally have the time to serve on our board?**

People familiar with nonprofit board service said that those who are new to the sector often underestimate the amount of time required to be an effective board member. In fact, the time commitment for many nonprofit boards can be substantial.

“For a mid-sized, average board, it’s not unrealistic that you could expect people to be committing 75-100 hours per year,” said Linda Crompton, president and chief executive officer (CEO) of BoardSource, a Washington, DC-based organization dedicated to building strong nonprofit boards and encouraging board service.

All board members must be able to meet the basic requirements of board service. At most nonprofits this means, at a minimum, preparing for and attending as many as four board meetings and serving on at least one board committee. If, for example, a candidate already serves on a dozen boards, it is fair to ask whether they have adequate time to devote to yours.

### **4. Are you able to meet the board fundraising requirement? (If the organization has one.)**

The role of fundraising by board members varies widely within the nonprofit sector. Boards that have a revenue strategy based on raising funds from individuals or philanthropies often need board members who are able to personally make substantial financial contributions and who are willing to solicit donations from other individuals. For other nonprofits—such as organizations that rely on government grants—fundraising is not a board responsibility.

The key is to be clear about your organization’s board fundraising requirements before recruiting begins. Then explain those requirements to potential board members as part of the recruiting process. “It’s important for nominating committees to have thought through this issue,” said Eckhart-Queenan. “The board needs to be clear before recruiting what the requirements will be for the new board member.”

Many nonprofits rely on their board members to fundraise. But Bridgespan’s Luke cautioned that organizations that make the ability to raise funds the sole qualification for board membership can actually diminish their board’s overall effectiveness. The problem, he said, is that it is de-motivating for hard-working board members when other members are allowed to simply write a check and show up for luncheons.

“It’s one thing to have someone fully invested and also able to write a check, but don’t go after them just because of wealth. It makes the board dysfunctional,” Luke said. “Having everyone engaged makes the board stronger. Do you want to be part of a team where 20 people are playing hard and getting their jerseys dirty or do you want to be on a team where seven people are playing hard and everyone else is sitting on the sidelines?”

### **Ensuring cultural fit**

In addition to determining whether a board candidate meets specific requirements, nonprofit leaders said it is important to determine whether the candidate will be a good cultural fit with the rest of the board and the organization itself. “Look for people whose motive is to advance the mission rather than their own personal gain,” said Eckhart-Queenan. “People who are good listeners and who ask probing, thoughtful questions.”

Parker said that whenever Project Bread considers a new board member, one of the most important issues is whether the new member will add to the positive dynamic of the board, and how he or she will get along with other board members.

Luke said that after talking to a board candidate, the group overseeing board recruiting should hold a debriefing session to discuss how the candidate would fit in on the board and the specific board role that a particular candidate could play. For

example, could they see the candidate taking the reins on government relations, the annual fundraiser, community engagement, or a specific committee? “Be intentional about the particular role and the piece of value this person would bring,” Luke said.

Hanthorn said a cohesive, high-impact board not only improves the organization, but it can also make board recruiting easier over time. “The community knows [ours] is a board of leadership,” Hanthorn said. “So, people want to be involved. [Board members] are leaders in their own right in the community, and they are respected in the community. Along with that, they’ve already made sound judgments in running their own businesses, so we need them to move that experience into running an opera. And they do.”

### **Remember, it’s a partnership**

Nonprofit leaders said it is important throughout the recruiting process to be clear about board members’ responsibilities and to make sure that candidates truly understand them before they commit to the job.

Hanthorn, for example, asks new board members to sign a two-page Statement of Understanding. The document lists in detail what the organization expects from board members in terms of advocacy, leadership development, and financial support. The requirements range from attending two of the three annual board meetings to participating in a board committee to lending expertise to staff to soliciting prospective donors to buying season opera tickets.

Conversely, the Statement of Understanding also explains the commitment that the opera promises to make to its board members. This part of the document, which both the CEO and the board chair sign, includes items such as: producing the finest opera in the Southeast; using board members’ time effectively; offering opportunities for board members to increase their leadership role with the organization; and providing appropriate acknowledgement and recognition.

Being crystal clear about what both sides can expect from the partnership is an important part of his organization’s board recruiting strategy, giving Hanthorn a foundation on which to build strong relationships with his board members so that, together, they can work toward accomplishing the organization’s strategic goals.