



## Building an Effective Board of Directors

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An active, well-informed, well-trained Board of Directors is absolutely essential to the success of an organization. Board members have accepted the responsibility for building and managing an organization, and this requires skill, good will, patience and commitment. Most board directors willingly make this tremendous investment expecting that, in exchange, they will have a rewarding experience and gain back respect, recognition for their efforts and opportunities to build relationships. As you read the following tips, remember that there is no single model of board size, or composition, and no framework that works for all organizations all the time. Although Board members and their responsibilities are fundamentally the same for all organizations, how they fulfill these will vary.

### Board Roles & Responsibilities

- Determine the organization's internal policy;
- Select, support and evaluate the executive director;
- Ensure effective organizational planning;
- Ensure and manage financial resources;
- Serve as a "court of appeal"
- Assess its own performance;
- Replace itself;
- Monitor the organization's programs and services.

### What is the Board Supposed To Do?

(From *Roles and Responsibilities of Board Members*, by Katie Burdick)

**Establishing Policy** When the rules and procedures for how the organization functions are properly established, staff and committee decisions can be made without constant board approval. Boards should establish policies on several key areas: board procedures and operation (recruitment, orientation, evaluation), financial controls (reporting audits, etc.), public relations, and fundraising (methods used, etc.)

**Executive Director (E.D.)** A Board should be clear as to the precise job description and expectations for the position of the E.D., and should conduct a formal, structured and documented annual review of the E.D.

**Organizational Planning** An annual program plan/budget and fundraising plan are essential to a group's long-term survival. This is a commonly ignored Board responsibility that can lead to failure when fundraising and program goals do not match.

**Financial Resources** The Board is legally responsible for ensuring that the organization follows proper procedures, uses good judgment in its business administration, and avoids difficulties with financial audits. In addition, a most often avoided Board responsibility is fundraising, through participation in grant-writing, membership and major donor programs.

**Court of Appeal** On rare occasions, the Board will be called upon to resolve important internal conflicts with the potential to threaten the organization's stability.

**Assess Itself** Some ways to ensure this happens are member term limits, annual needs assessments to identify recruiting needs, creating and reviewing board job descriptions and providing orientation to new members.

**Replace Itself** To avoid burnout, "founder's syndrome" and many other Board ailments, a Board must implement term limits, recruit new members and train newcomers.

**Monitoring the Organization** Establishing criteria on which you judge your programmatic and organizational success, are key to fulfilling this Board responsibility.

## Board Development

### *Board Recruitment*

1. Reflecting the importance of board recruitment and nomination, many boards have established permanent **Board Development Committees**. These committees can also orient, support, provide ongoing training and evaluate board directors.
2. Develop a simple **Board Profile Grid**. Along one axis, identify the skills, background and demographics needed on the board to carry out your Strategic Plan. List current board members along the other. This exercise will help you identify the gaps in your current board, and establish priorities for recruitment.
2. Write a board director **job description**, identifying the duties and responsibilities that come with the position. This may take the form of a “Board Director Agreement.”
3. Identify recruiting prospects from individuals who are already active members of the organization, involved in other boards, or who were identified through other outreach efforts. Identify at least two candidates for every board position.
4. Have a committee member contact each individual. If they are interested in the position, provide them with a copy of the job description and an orientation packet describing the organization, including copies of the strategic plan, annual work plan, and a list of current Board members.
5. Interviewing prospects is a good opportunity to focus on the expectations of board members, address any concerns and get a final commitment from the individual. It also provides a chance to explore other opportunities for involvement with the organization other than Board membership. Interviews should include the Executive Director.

### *Board Orientation & Ongoing Training*

Providing an orientation to new board members prepares them to hit the ground running, and helps minimize possible frustrations resulting from feeling unproductive or overwhelmed.

1. Provide new members with a Board Member Manual that should include bylaws, articles of incorporation, program descriptions, annual budget, last audited financial statements, list of board members, committees assignments and staff, copies of previous meetings’ minutes, and a copy of the Strategic Plan.
2. Assign new Board members to a committee.
3. Consider assigning a new Board member a “mentor” who will provide support during the initial three months, answer questions, and ease their transition into the Board.
4. Provide opportunities for Board members to receive special training related to their interests and committee assignments, including leadership training to Board officers.

#### **Ways to Train Board Members**

- Board mentor system
- Board management training
- Board retreats
- Bring outside facilitator to do training
- Committee membership
- Field trips
- Fundraising/other issue training
- Presentation by experts at board meetings
- Providing budget/financial statements
- Strategic Planning retreats

## Board and Board Member Evaluation

In the cycle of self-sustaining boards, new board members are recruited, given an orientation and provided with ongoing training as described above. A thorough annual evaluation of both the Board and its committees and of individual Board members is a useful way to identify issues of concern regarding Board governance, and to explore ways to increase Board members' involvement and satisfaction. An effective evaluation will lead to concrete plans to address the concerns identified through the process, so that the evaluation leads to measurable improvements in board performance.

Individual members' self-evaluation can be used to guide feedback on the part of the Board president or the Board Development Committee. They provide each member the opportunity to assess their continuing interest and commitment to the organization, and may result in their increased responsibility (e.g. through additional committee assignments or pursuit of an office), or vice-versa (e.g. by stepping off the Board to pursue work in ad-hoc committees).

### **BOARD MEMBER SELF-EVALUATION**

#### **Some questions to consider...**

1. Rate your involvement in terms of:
  - Time commitment;
  - Participation via meetings, committees, through advocacy, etc.;
  - Educating yourself on the purpose and needs of the organization;
  - Keeping current on trends and issues affecting the organization.
2. What can the Board do to:
  - Increase your level of satisfaction?
  - Increase your level of involvement?
  - Improve relationships among Board members?
3. What do you like best (and least) about serving on the Board?

A healthy organization should not be afraid to let go of seasoned Board members in favor of bringing new leaders into the fold.

Board member **term limits** can be very helpful for various reasons:

- ✓ Term limits allow you to replace members that, for whatever reason, have not worked well on the Board.
- ✓ Term limits allow good Board members a chance to rest, while remaining involved in the organization in less demanding roles.
- ✓ Term limits encourage you to make an effort to renew the board, recruit new candidates, involve new volunteers, and prepare others for leadership positions.
- ✓ Term limits help an organization avoid the pitfalls of “founder’s syndrome” by allowing new leaders to bring different perspectives and contribute new ideas to it.

Remember, whenever a Board member leaves the organization, seize the opportunity to get their feedback on the organization, the Board's effectiveness, etc. Give them an **exit interview!**

## **Board Committees**

Committees are a good way to spread out the responsibilities of the Board or core members of an organization and make more efficient use of volunteers' time. Effective committee operation is possible when the committee and the Board both have clearly defined roles and authority. Committees that set objectives and evaluate their work on an annual basis will be most effective.

Although committee structures will vary greatly across organizations, the following committees can be useful ways to maximize Board effectiveness.

***Executive Committee*** - Functions on behalf of the Board of Directors in cases of emergency and in interim periods between regularly scheduled meetings. It exercises the authority of the Board provided that any action taken is ratified by the full Board at the first subsequent meeting.

Its members usually include the Board President, Vice-President, Secretary, Treasurer and one at-large member. Its responsibilities include setting the agenda for full Board meetings, maintaining communication with other Board committees and coordinating the annual planning and budget process.

***Finance Committee*** – Responsible for creating an annual budget, proposing budget revisions to the Board, monitoring implementation of the approved budget, and making recommendations regarding the management of the organization's assets.

Its members usually include the Treasurer of the Board, the Board President, and other directors.

***Board Development Committee*** – Assumes the primary responsibility for matters relating to the Board's recruitment, nominations, orientation, training, and evaluation.

***Fundraising or Resource Development Committee*** – In many organizations, this committee is set up to assume the primary responsibility for developing an annual fundraising plan, carrying out fundraising activities, and involving other Board members in fundraising. Other organizations have moved away from the Fundraising Committee structure and the implication that fundraising is the responsibility of a select subgroup of the Board, rather than *all Board members' responsibility*.

### **WHAT MAKES AN EFFECTIVE COMMITTEE?**

- An effective and qualified chair that:
  - Recruits new committee members that are well-suited for the committee;
  - Assigns responsibilities to committee members;
  - Plans and leads regular meetings; and
  - Coordinates activities with the Board and with other committees.
- Clear goals, duties and purpose of each Committee that are explicit, have been written down and are understood by the Board members and by other committees.
- One that enjoys the authority to make recommendations to the Board, put forth their own propositions, and implement plans approved by the Board.
- One that is accountable to the Board. The Board's expectations must be clear and may be tied to an annual goal or plan with measurable outcomes. The Board should make clear the manner and frequency with which it expects committee progress reports.

## Getting the Board to Fundraise

(Adapted from *26 Ways to Get Your Board to Raise Money*, by Pat Munoz, River Network)

For your grassroots group to survive, it is essential that the Board fulfill its responsibility of raising funds for the organization. This means that, before soliciting others' contributions, Board members must make a financial contribution to the organization according to their ability. Secondly, all Board members should be encouraged to use their talents, skills and special resources to help raise money. Here are some ideas for how they can do that.

- ✓ Draft board members who are good organizers to put together a fundraising event (e.g. concerts, festivals or film benefits).
- ✓ Ask board members who have special skills to do a “How To” workshop, charge admission, and donate the proceeds. This works well if their skills are known in the community.
- ✓ Board members who are good writers and know the program well can write foundation proposals.
- ✓ Give board members membership materials and ask them to recruit two new members a month.
- ✓ Approach members who own manufacturing companies or stores to donate items to be used in fundraising, such as for raffle prizes or auction items.
- ✓ Members who own a restaurant or catering service can host a dinner or wine-tasting event and donate the proceeds. Such events can be done annually, and grow in popularity with time.
- ✓ Members can help solicit new members, sell raffle tickets, or ask members to renew as part of a telephone campaign.
- ✓ Ask artist board members to donate a piece of their work for an auction or raffle.
- ✓ Members who belong to a church, service club, or canoe or fishing club can solicit these organizations for a donation to your river group.
- ✓ Ask members to donate items such as typewriters, filing cabinets, computers and office furniture.
- ✓ Urge members who work for a large company to ask them to buy a table or several tickets to your fundraising event and make these available as a fringe benefit to their employees.
- ✓ If a member is active in a local canoe or fishing club, ask her to get the club to do a member recruitment mailing to the club list, including paying the postage for the mailing.
- ✓ If a board member has expertise in media relations or marketing, get them involved in planning events, membership campaigns and other fundraising activities.

### Additional Resources

- ◆ The *Grassroots Fundraising Journal* offers a set of ten published articles on developing an effective board, recruiting members and improving board fundraising. Available from Chardon Press. Call (888) 458-8588 or visit [www.chardonpress.com](http://www.chardonpress.com).
- ◆ The *Institute for Conservation Leadership* offers trainings and provide consulting work to conservation organizations in board development and other aspects of organizational development. Call 301-270-2900 or visit [www.icl.org](http://www.icl.org).
- ◆ The *Internet Nonprofit Center – Nonprofit FAQ* offers information and advice on many aspects of Board governance. Visit [www.nonprofits.org/npofaq/](http://www.nonprofits.org/npofaq/).
- ◆ *Management Assistance Group* has developed a series of papers about boards of directors for nonprofit organizations, including *No Board of directors is Like Any Other: Some Maxims About Boards* and *The Board of Directors Is a Problem: Exploring the Concept of Following and Leading Boards*. Phone: (202) 659-1963.
- ◆ *Board Source* offers numerous publications and videos and helps groups conduct board development workshops and retreats. Call (202) 452-6262, (800) 883-6262, or visit [www.boardsource.org](http://www.boardsource.org)
- ◆ *Nonprofit Charitable Orgs*, with Stan Hutton, is a directory of online resources for nonprofit organizations. For Board related issues, visit: <http://nonprofit.about.com/careers/nonprofit/cs/helpforboards/index.htm>
- ◆ Contact the *River Alliance of Wisconsin* for sample board job descriptions, board member agreements, board and board member self-assessments, committee descriptions and other documents. Call (608) 257-2424.
- ◆ *River Voices*, Vol. 5, No. 1, by River Network. This issue features various articles on building a strong board of directors excerpted in this guide. Call (800) 423-6747 or visit [www.rivernetwork.org](http://www.rivernetwork.org).
- ◆ *Nonprofit Board Answer Book: Practical Guidelines for Board Members and Chief Executives* by Robert C. Andringa and Ted W. Engstrom, 2001. BoardSource. Call (800) 883-6262, or visit [www.boardsource.org](http://www.boardsource.org)

## Sample Board Profile Grid (Fill in for your board)

Skills and knowledge	Board members' names							
	Jan	Luis	Ellen					
Example: <i>accounting</i>	<b>X</b>							
Ex: <i>law</i>		<b>X</b>						
Ex: <i>photography</i>			<b>X</b>					
<b>(fill in for your board)</b>								

Contacts and influences								
Ex: <i>county board</i>		<b>X</b>						
Ex: <i>media</i>			<b>X</b>					
Ex: <i>business community</i>	<b>X</b>							

Demographics								
Ex: <i>upper part of watershed</i>		<b>X</b>						
Ex: <i>Hmong community</i>	<b>X</b>							
Ex: <i>angling interests</i>			<b>X</b>					
Ex: <i>business community</i>								

## Sample Board Member Annual Affirmation of Service

### Big River Watershed Council

- I fully support our mission, purpose, goals and leadership.
- I understand that board membership requires the equivalent of \_\_\_ days per year of my time, including preparation and meetings. I am able to give that time during the 12 months ahead, and expect to attend all board and committee meetings unless I give the chair advance notice of my need to be absent for good cause.
- I intend to contribute financially to the work of our organization during the year and will help open doors to friends who may be interested in contributing to our work.
- I have reviewed, signed and intend to comply with our board conflict of interest policy.
- [*Add other items important to your board.*]
- If anything should arise during the year that would not allow me to keep these intentions of being a positive contributor to our board, I will initiate conversation with the officers about a voluntary resignation to allow another to serve who is able to be fully involved.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Adapted from: The Nonprofit Board Answer Book: Practical Guidelines for Board Members and Chief Executives. By Robert C. Andringa and Ted W. Engstrom. BoardSource.

## Sample Board Member Self-Evaluation

Your name: \_\_\_\_\_

1.) How do you rate your involvement as a board member in the following areas? (check the responses that apply below)

	very good	satisfactory	needs work
Attendance at board meetings			
Committee participation			
Time commitment			
Input into decision making			
Fundraising			
Community outreach/education			
Educating self on purpose, needs of organization			
Keeping current on issues affecting organization			
Other(s):			

2.) What factors contributed to your performance (either positively or negatively) in the areas above? (Please be specific)

3.) Here's what I would need from the organization to maintain/increase my level of board commitment:

4.) What do you like best about serving on the Board?

5.) What do you like least about serving on the Board?

6.) Do you have any other comments or suggestions that will help the board increase its effectiveness?