

A Perspective on Nonprofit Boards: Structure

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Having worked as an Executive Director, CEO, Board member and Board Chair over more than 30 years with a range of organizations, has provided me with a broad perspective of board practices that can go a long way to ensuring organizational vitality. (This is a two part series the second part will appear next month.)

First, there must be an understanding four broad areas of individual board responsibility and function:

Builder

- Giving according to individual ability
- Keeping informed
- Helping to involve others
- Introducing prospective donors to the institution and assisting in cultivating them
- Helping to make selective calls for contributions
- Providing sufficient budget to accomplish objectives

Steward

- Reviewing and adopting a budget that *enables* the organization to operate a program consistent with its mission
- Providing sound guidance and review of the budget, investment policies, and management of invested resources

Ambassador

- Expects to be kept informed
- Tells the story of the nonprofit at every opportunity
- Seeks opportunities to speak or have others speak about the institution
- Helps correct incorrect perceptions and rumors
- Assists others of similar interests to become familiar with mission and work of the organization

Policy Maker

- define the mission of the institution
- to set goals
- approve plans for reaching those goals

Second, the Board's View should be External and Long Term

- It should be guided by the mission statement.
- It should focus on governance, **not operations**.

- It should follow the direction of the strategic plan and amend it, as needed. The Strategic Plan is the responsibility of the Board.
- It should be fully engaged in fundraising and development processes.
- It should participate in all policy and advocacy initiatives.
- It should **not** micromanage the executive director.

While the by-laws of most nonprofits provide guidelines to govern the organization, directors and/or trustees should function strategically and have a responsibility to embrace an external focus that ensures the entity functions well within the broader community.

Much of the effectiveness of nonprofit boards comes down to the people who sit on the Board and their working relationship with the executive director. Caution: A change in one board seat can alter the dynamics of this critical body considerably from one year to the next.

Third, the Board should have Structure Governance to guide its operation:

- Directors/Trustees must serve one term prior to becoming an officer.
- Directors/Trustees must serve one term as an officer before becoming president.
- Officers serve one year terms and stand for re-election for one additional term.
- Directors/Trustees serve three or four year terms; one-third or one-fourth of the board rotates off each year.
- The optimum size of the board is 12-16 directors, depending on size and maturity of the organization
- The board should consider an Officer Succession plan for the Board; succession should depend on officer performance not the right of succession.
- The immediate past president can *ex officio* and helps with transition issues for one year.
- The executive director is an *ex officio* member of the board.
- An emeritus board of members help on a per-project basis at the request of the president. When recruited to assist emeritus members should be given specific guidelines related to their tasks.
- The board should have a rigorous annual self-evaluation process regarding its results

Notes to consider:

A board that does not have a regular inflow of new board members who bring fresh ideas and perspectives can become very stale, quickly. As a result, fewer board members tend to remain engaged and many of the responsibilities fall on the officers, while attendance and participation among others declines. In a well governed board, directors understand they have a limited opportunity to make an impact and appreciate that their volunteer commitment is purposeful. The Board recruiting process must be detailed and purposeful

to ensure that appropriate talent is brought to the board. To see information about effective board recruitment go to: www.dewittandassociates.com, Resources tab: Nonprofit Companion Articles: *It begins with the First Conversation*

While nonprofits differ—based on its scope is local, regional or national, as a start-up or as a mature organization, as a community service provider or a professional association—many of these practices list above will help the board and its executive director create a fine-tuned leadership team.

Final Thought: Last month's article on **Board and Committee Agendas** combined with the information above provides a guide for keeping Boards and Committees engaged and focused on the vital issues that will impact the nonprofit organization and its future.