Nonprofit Governance Series:
Ten Tips for Improving the Impact of Your Board

By Susan C. Hammond

Tip #1: Don't just fill the seats: Know who you are recruiting and why.

- Regularly determine where there are gaps in skills and talent among the staff and existing board members and recruit to fill the gaps.
- Make sure there is clarity about the vision & mission of the organization and that the prospective board member is aligned with them.
- Identify how prospective and current board members individually can contribute and support the vision & mission. When it gets right down to it, appoint people to specific tasks if they don't volunteer.

Tip #2: Leading from any chair: Not everyone is a good board chair.

- Board chair can make or break the board member's experience.
- If this is the first time someone is serving as a chair, have them mentored by the previous chair and/or get them a coach.
- A bad chair can cost you board members.
- Work with the nominating or governance committee to pick the right individual or to transition out the wrong individual. It's difficult but everyone will be relieved if you transition out someone who isn't working out.

Tip #3: Set expectations: Regularly review roles & responsibilities.

- CEO/ED and board chair need to be on the same page about who is responsible for what.
- One way to do this is to use a Board Contract, a document that spells out what is expected of the board member and how the organization will be responsible to them. While not legally enforceable it gets the point across about roles & responsibilities.
- The board chair will need to reinforce this.
- New board members may need training in addition to orientation.

Tip #4: Orient & Educate, continuously educate.

- Unless a board member is a recipient of the organization's services they don't know what you do.
- If you want them to be an ambassador you need to educate them when they start and throughout their term of service.
- Orientation & education are an area too many nonprofit boards don't invest in.
- It's also a good idea to assign new board members a buddy or mentor for their first few meetings if not the first year.

Tip #5: Don't let them get lost in the weeds: Focus board meeting discussions on strategic issues.

- Use a consent agenda:
    - A consent agenda is a component of a meeting agenda that enables the board to group routine items and resolutions under one umbrella.
    - As the name implies, there is a general agreement on the procedure. Issues in this consent package do not need any discussion before a vote. Unless a board member feels that an item should be discussed and requests the removal of that item ahead of time, the entire package is voted on at once without any additional explanations or comments.
    - Because no questions or comments on these items are allowed during the meeting, this procedure saves time.
- Send materials a minimum of ten days in advance of the meeting; email distribution or a shared database on the web works well.
- Use the Finance or Executive Committee to examine the details leaving the board to address the strategic issue any situation presents.
- Do not read committee and task force reports if you don't use a consent agenda. Doing so just gives those unprepared a reason to always be unprepared.

Tip #6: Key metrics are your friend: Establish & use them to measure success toward strategic goals.

- Educate the board on how to read your financial & operating data.
- Most board members can't read nonprofit financial statements or regular ones for that matter.
- So help them by using a "Dashboard" report to present the key metrics with comparisons to prior periods and budget. This will emphasize the most critical data and not distract by presenting too much information.

- Examples of key metrics:
    - # of visitors or clients served.
    - Amount of interest earned on a particular restricted account.
    - How a gift was utilized.
    - Aging of pledges receivable.

Tip #7: Keep your by-laws and other key governance documents current.

- By-laws should be reviewed and updated every two-three years. Any organization who has not recently updated their by-laws should do so. The laws have changed from the pretty arcane to the more understandable.
- Everyone on the board needs to sign a conflict of interest statement annually as a condition of continuing on the board. Allow no exceptions!
- Use term limits. Spare us the argument about losing donors. You lose potential board members when you don't implement and enforce term limits.

Tip #8: How we doing? Conduct annual board and CEO/executive director evaluations.

- The board needs to evaluate itself as a whole and then the members need to anonymously evaluate each other's performance.
- The CEO should be reviewed annually by the HR committee and if there isn't one then by the executive committee.

Tip #9: Don't establish a committee when a task force will work.

- Keep committees to a minimum-Finance, Nominating/Governance and Executive (if needed).
- Use the task force structure to build-in scheduled termination of the group, known as a "sunset clause".
- Use the task force structure as a way to vette potential new board members.

Tip #10: Spare the paranoia: Give the board and staff access to each other.

- The CEO/ED needs a policy on what the staff can discuss with the board and when and vice versa.
- This access ramps up understanding by everyone of the organization and its key objectives.

Conclusion:

Implementing one or a few of these ten tips will begin to improve your board results. I would recommend starting with the people tips: knowing who you are recruiting; picking the right board chair and giving the board and staff access to each other. As the dynamic among board members and/or staff changes it may either highlight additional areas to strengthen or solve an existing issue.

Please contact me if I can assist you and your organization with improving your governance, susan@schammond.com.