Step 1: Identifying Your Ideal Board Structure and Functioning

Every nonprofit strives to make a difference in the world and looks to its board to lead the way by planning for its future, safeguarding its fiscal health, and monitoring its programs to ensure mission impact.

To accomplish this important work in bimonthly or quarterly meetings is difficult, however. To manage their responsibilities, most boards create different groups within their membership to handle that load.

These groups can take on one of three forms depending on their purpose: Standing committees help manage ongoing board activities, task forces manage time-limited assignments, and advisory groups provide guidance and insight on particular issues.

When used strategically, these smaller groups enable board members to perform critical tasks and functions, often between full board meetings, in an efficient and meaningful manner. As for how those groups should be structured, there isn’t a single right answer. While BoardSource recommends a “lean” board structure, it depends on a variety of factors, the most important being what the organization needs to accomplish its mission. Board structures should not be static. As board and staff members, the organization, and the community around you change, so should your committees and task forces. That being said, here are some common committees:

**Governance Committee:** This committee builds a board that meets the organization’s needs and supports good governance by engaging board members in ongoing education and formally assessing the board’s performance.

**Executive Committee:** The executive committee typically performs policy work on behalf of the board and acts as liaison to the chief executive. Some executive committees coordinate strategic planning and conduct executive searches.

**Finance Committee:** The finance committee supports the board’s responsibility for oversight of the organization’s fiscal health. It recommends policies to the full board to safeguard the organization’s assets, ensures the completeness and accuracy of its financial records, and oversees proper use of resources.

**Audit Committee:** This committee, or the combined finance and audit committee, selects an independent auditor and serves as a link between the auditor and the board. It ensures that the auditor has full access to financial and related records, reviews the auditor’s report and submits it to the board, and arranges for the full board to meet with the auditor.

**Development Committee:** The development committee provides input and insight into the organization’s fundraising strategy and engages board members in their individual and collective fundraising roles.
Ideal Board Structure Worksheet

Questions to ask for building your board structure:

What do our Bylaws state about our board structure, specifically committees?

Which standing committees should we have and why?

Which ad hoc committees or task forces should we have and why?

Who should be on these committees?

Who should lead these committees or groups?
Step 2: Establishing Proper Board Functioning

Once you have created an Executive Committee and Governance Committee, these two groups should put policies and procedures in place that will help the efficient functioning of the Board.

Task #1: Board Operations Basics

- prepare a written job description for individual board members
- develop an annual schedule of board meetings, determined a year in advance
- Hold committee meetings on off months when the board isn’t meeting, then request a brief, written report from each committee due 2 weeks before the board meeting so it can be included in a consent agenda.
- circulate clear and thorough information materials, including an agenda, to all members at least one week before each meeting. The meeting agenda should be focused on a) decisions that need to be made and b) group discussion of strategic or board operational issues. Materials should include the consent agenda and meeting agenda.
- maintain complete and accurate minutes of all meetings
- 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, etc.

Task #2: Establishing a board information system

Establishing and maintaining a board information system is the joint responsibility of the board chair, board members, the chief executive, and staff members who work with the board. The board should discuss
- what information it needs to do its job
- how often it wants this information
- in what form it needs the information

Given this board feedback, the staff can establish the content, format, and frequency of information it will provide the board.

*Basic ingredients of a board information system*

Every board must decide for itself exactly what information it needs. For most organizations, however, the following checklist is a starting point.

At least one week before each board meeting:
- Agenda – recommend using consent agenda – see below
- Information about issues for discussion, when appropriate
- Financial information
- Committee reports

At least two weeks before the board meeting at which it is discussed:
- Annual budget
• Audit report
• Strategic plan

After each board meeting:
• Minutes
• Reminder of next meeting

Monthly or Quarterly:
• Financial report
• Significant published articles about the organization

Regularly, when appropriate:
• Memo from chief executive summarizing current activities, accomplishments, and needs
• Updated material for board handbook
• Advance copies of publications, brochures, or promotional material
• Annual report

Based on this schedule, the Governance Committee can establish a board operations calendar

Using a Consent Agenda and Sample Consent Agenda

“A consent agenda is a board meeting practice that groups routine business and reports into one agenda item. The consent agenda can be approved in one action, rather than filing motions on each item separately. Using a consent agenda can save boards anywhere from a few minutes to a half hour. A consent agenda moves routine items along quickly so that the board has time for discussing more important issues.”

“The types of items that appear on a consent agenda are non-controversial items or routine items that are discussed at every meeting. They can also be items that have been previously discussed at length where there is group consensus. The following items are typically found on a consent agenda:

✓ The meeting minutes
✓ The financials
✓ CEO report
✓ Program or committee reports
✓ Staff appointments
✓ Correspondence that requires no action
✓ Perfunctory items-formal approval of items that had much past discussion”

https://www.boardeffect.com/blog/what-is-a-consent-agenda-for-a-board-meeting/

Sample Meeting Agenda when using Consent Agenda

A. Approval of the Consent Agenda (ask if there are any questions or clarifications needed and determine if anything on the consent agenda needs to be moved to the regular agenda for discussion).

B. Mission moment/This month’s “Win” (tell an inspirational story; invite a family in to share their experience; invite a donor to share why they give; or share about a major achievement for the)
C. Update on individual fundraising efforts for the month/period (this provides built-in accountability for everyone’s treasure map commitment forms)

D. Discussion of board agenda items
   1. Items that require a decision of the board (create a table that indicates what the discussion topic is, what decision needs to be made, etc.)

E. This month’s board operations calendar discussion: ______________

F. Wrap up, assignments, and next steps

G. Adjourn

Task #3: Keep Committees Operating Smoothly

To encourage smooth functioning of committees, follow these additional steps:

- Prepare written statements that include committee responsibilities, guidelines, and goals and review/update these at least bi-annually.
- Make work assignments according to the background, expertise, and schedule of each committee 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 assure that tasks are completed on schedule.
- Assign an appropriate staff member to work with each committee.
## Getting from Good to Excellent

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<thead>
<tr>
<th>Duty of . . .</th>
<th>Every Board Should . . .</th>
<th>Exceptional boards also . . .</th>
<th>Key Practices of Exceptional Boards:</th>
<th>Rating/Notes</th>
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<tbody>
<tr>
<td>Care</td>
<td>Determine the organization’s mission and purpose, reviewing periodically for accuracy and validity. Each member should fully understand and support it.</td>
<td>Ensure the <strong>congruence</strong> of decisions with core values.</td>
<td>Major decisions are weighed in light of established core values. Ask: “What value are we chasing?”</td>
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<td>Care</td>
<td>Support the chief executive and assess/evaluate his/her performance.</td>
<td>Govern in <strong>constructive partnership</strong> with the chief executive, recognizing that the effectiveness of the two is interdependent. Conversely, the board is independent-minded, putting the interest of the organization above all else.</td>
<td>Clearly defined duties of the board and the CEO. Ask: “Is this issue about governance or day-to-day operations?”</td>
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<td>Care</td>
<td>Ensure effective organizational planning.</td>
<td>Allocate time to what matters most and <strong>continuously engage in strategic thinking</strong> to hone the organization’s direction.</td>
<td>Spending most board meetings in high-level discussion, strategic thinking, and creative inquiry, not planning or overseeing other’s plans.</td>
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<td>Care</td>
<td>Recruit and orient new board members and assess board performance.</td>
<td><strong>Intentionally structure</strong> the board to fulfill essential governance duties, evaluate their own performance and energize themselves through planned turnover, thoughtful recruitment and inclusiveness.</td>
<td>Active governance committee of at least 3 members (no officers except possibly immediate past-chair) who establish and adhere to a board operations calendar.</td>
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<tr>
<td>Loyalty</td>
<td>Ensure legal and ethical integrity, and maintain accountability.</td>
<td>Maintain an ethos of transparency and promote strong ethical values and <strong>disciplined compliance</strong>.</td>
<td>Establish appropriate mechanisms for active oversight of all legal and ethical concerns.</td>
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<td>Compliance</td>
<td>Determine, monitor and strengthen the organization’s programs and services.</td>
<td>Are <strong>results oriented</strong>, measuring the organization’s advancement towards mission and evaluating the performance of major programs and services.</td>
<td>Assess program outcomes as often as financial performance. Have a dashboard for assessing outcomes.</td>
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<tr>
<td>Accounts</td>
<td>Ensure adequate resources, manage resources and enhance the organization’s public standing.</td>
<td><strong>Link</strong> bold visions and ambitious plans to financial support, expertise and networks of influence.</td>
<td>Actively engage in strategy about how to achieve fundraising goals and program expansion using the board’s influence.</td>
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Sources: Ohio Attorney General, OANO Standards of Excellence, Allison Black Cornelius/Blackfish Consulting, Birmingham, AL

**On a scale from 1-5 with 5 being the most and 1 being the least, rate the current state of your board as it pertains to each duty. Note why you gave it this rating.**
Board of Directors Job Description

The Board of Directors [Trustees] of ____________________________ is formed as the governing body under the charter and bylaws of this Organization. The primary duty of this body is to uphold the mission of this Organization which is:

[your mission statement here]

As the highest leadership body of the Organization and to satisfy its fiduciary duties, the board is responsible for the following:

I. Duty of Organizational Care
   - Determining the mission and purposes of the organization
   - Selecting and evaluating the performance of the CEO/ executive director
   - Undertaking strategic and organizational planning
   - Assessing its own performance as the governing body of the Organization

II. Duty of Loyalty
   - Avoiding conflict of interest
   - Ensuring legal and ethical accountability

III. Duty of Compliance
   - Approving and monitoring the Organization’s programs and services

IV. Duty to Maintain Accounts
   - Ensuring strong fiduciary oversight and financial management
   - Undertaking fundraising and resource development planning and activities
   - Enhancing the Organization’s public image

Individual board members are expected to do the following:
   - Know the Organization’s mission, policies, programs, and needs.
   - Faithfully read and understand the Organization’s financial statements.
   - Serve as active advocates and ambassadors for the Organization and fully engage in identifying and securing the financial resources and partnerships necessary for the Organization to advance its mission.
   - Leverage connections, networks, and resources to develop collective action to fully achieve the Organization’s mission.
   - Give a meaningful personal financial donation.
   - Help identify personal connections that can benefit the organization’s fundraising and reputational standing, and can influence public policy of the Organization.
   - Prepare for, attend, and conscientiously participate in board meetings.
   - Participate fully in one or more committees.
   - Follow the organization’s bylaws, policies, and board resolutions including:
o sign an annual conflict-of-interest disclosure and update it during the year if necessary, as well as disclose potential conflicts before meetings and actual conflicts during meetings; and
o maintain confidentiality about all internal matters of the Organization.
The Board of Directors [Trustees] of __________________ is formed as the governing body under the charter and bylaws of this Organization. The primary duty of this body is to uphold the mission of this Organization which is:

[your mission statement here]

As the highest leadership body of the Organization and to satisfy its fiduciary duties, the board is responsible for the following:

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IV. Duty to Maintain Accounts
   • Ensuring strong fiduciary oversight and financial management
   • Undertaking fundraising and resource development planning and activities
   • Enhancing the Organization’s public image

The Board Chair is expected to do the following:
   • Oversee board and executive committee meetings.
   • Work in partnership with the chief executive to make sure board resolutions are carried out.
   • Call special meetings if necessary.
   • Appoint all committee chairs and, with the chief executive, recommend who will serve on committees.
   • Assist chief executive in preparing board meeting agendas.
   • Assist chief executive in conducting new board member orientation.
   • Oversee searches for a new chief executive.
   • Coordinate chief executive’s annual performance evaluation.
   • Work with the governance committee to recruit new board members.
   • Act as an alternate spokesperson for the organization.
   • Periodically consult with board members on their roles and help them assess their performance.
Characteristics of the Board Chair include:

- Ability to listen, analyze, think clearly and creatively, and work well with people individually and in a group.
- Willingness to prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment, contribute personal and financial resources in a generous way according to circumstances, open doors in the community, advocate for the organization, and evaluate oneself.
- Interest in developing certain skills that you may not possess, such as in cultivating and soliciting funds, cultivating and recruiting board members and other volunteers, reading and understanding financial statements, and learning more about the substantive program area of the organization.
- Possession of honesty, sensitivity to and tolerance of differing views, community-building skills, personal integrity and sense of values, and concern for your nonprofit's development.
- Maintain a positive attitude and a sense of humor.
Board of Directors Vice-Chair
Job Description

The Board of Directors [Trustees] of __________________________ is formed as the governing body under the charter and bylaws of this Organization. The primary duty of this body is to uphold the mission of this Organization which is:

[your mission statement here]

As the highest leadership body of the Organization and to satisfy its fiduciary duties, the board is responsible for the following:

I. Duty of Organizational Care
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   • Selecting and evaluating the performance of the CEO/ executive director
   • Undertaking strategic and organizational planning
   • Assessing its own performance as the governing body of the Organization

II. Duty of Loyalty
    • Avoiding conflict of interest
    • Ensuring legal and ethical accountability

III. Duty of Compliance
     • Approving and monitoring the Organization’s programs and services

IV. Duty to Maintain Accounts
    • Ensuring strong fiduciary oversight and financial management
    • Undertaking fundraising and resource development planning and activities
    • Enhancing he Organization’s public image

The Board Vice-Chair is expected to do the following:
   • 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 including but not limited to chairing ad hoc committees, task forces or advisory groups.

Characteristics of the Vice-Chair include:
   • Ability to listen, analyze, think clearly and creatively, and work well with people individually and in a group.
   • Willingness to prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment.
• Possession of honesty, sensitivity to and tolerance of differing views, community-building skills, personal integrity and sense of values, and concern for your nonprofit's development.
• Maintain a positive attitude and a sense of humor.
Board of Directors Secretary
Job Description

The Board of Directors [Trustees] of ______________________ is formed as the governing body under the charter and bylaws of this Organization. The primary duty of this body is to uphold the mission of this Organization which is:

[your mission statement here]

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    • Ensuring strong fiduciary oversight and financial management
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The Board Secretary is expected to do the following:
• Attend all board meetings.
• Serve on the executive committee if one exists.
• Ensure the safety and accuracy of all board records.
• Take board meeting minutes or review minutes if that task is assigned to a staff member.
• 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.

Characteristics of the Secretary include:
• Excellent written and oral communication.
• Highly organized and efficient.
• Ability to listen, analyze, think clearly and creatively, and work well with people individually and in a group.
• Willingness to prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment.
• Possession of honesty, sensitivity to and tolerance of differing views, community-building skills, personal integrity and sense of values, and concern for your nonprofit’s development.
• Maintain a positive attitude and a sense of humor.
Board of Directors Treasurer
Job Description

The Board of Directors [Trustees] of __________________ is formed as the governing body under the charter and bylaws of this Organization. The primary duty of this body is to uphold the mission of this Organization which is:

[your mission statement here]

As the highest leadership body of the Organization and to satisfy its fiduciary duties, the board is responsible for the following:

I. Duty of Organizational Care
   • Determining the mission and purposes of the organization
   • Selecting and evaluating the performance of the CEO/ executive director
   • Undertaking strategic and organizational planning
   • Assessing its own performance as the governing body of the Organization

II. Duty of Loyalty
    • Avoiding conflict of interest
    • Ensuring legal and ethical accountability

III. Duty of Compliance
    • Approving and monitoring the Organization’s programs and services

IV. Duty to Maintain Accounts
    • Ensuring strong fiduciary oversight and financial management
    • Undertaking fundraising and resource development planning and activities
    • Enhancing the Organization’s public image

The Board Treasurer is expected to do the following:
   • 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 (if there is no audit committee).

Characteristics of the Treasurer include:
   • Excellent accounting and/or bookkeeping skills.
• Highly organized and efficient.
• Ability to listen, analyze, think clearly and creatively, and work well with people individually and in a group.
• Willingness to prepare for and attend board and committee meetings, ask questions, take responsibility and follow through on a given assignment.
• Possession of honesty, sensitivity to and tolerance of differing views, community-building skills, personal integrity and sense of values, and concern for your nonprofit's development.
• Maintain a positive attitude and a sense of humor.
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<tr>
<th>Board Member Name</th>
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<td>Years on Board</td>
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Board Orientation Tip List

✓ Make sure you have a board member job description and list of responsibilities prepared.

✓ Beginning with the first conversation with a prospective member, be up front about board member responsibilities and expectations.

✓ Don’t over or under sell board member expectations when talking with prospects. Instead, develop language about the key issues (such as fundraising expectations) that everyone feels comfortable using, e.g. “All board members are expected to give an annual gift at a level that makes them proud to sit at the table.” Or “We encourage all board members to make a gift to our organization that is one of their top three charitable donations annually.”

✓ Share your Case for Support or other standard materials before the orientation. Make sure members know this is “required reading”.

✓ Be considerate of your Board member’s time. Keep the orientation as short as reasonably possible but sufficiently long enough to answer their burning questions.

✓ Expect Board members to be prepared for the orientation and don’t belabor information they have already received. Consider creating a “Key Takeaways” summary so everyone knows the most important points to remember.

✓ Don’t assume every board prospect understands how to read financials. Instead, offer training on how to read your organization’s financials for all new members.

✓ Include a tour of your facilities (if applicable) and/or set up a “field trip” to one of your program sites soon after the orientation.

✓ Be honest about what is really happening in your organization so that new members don’t feel “blindsided” by crises they weren’t aware of.

✓ Help new members see how the expertise they bring could be utilized by your organization right away. Ask them to get involved in something as soon as possible.

✓ Provide a tailored, personalized training on fundraising to help each new member identify what resources they bring to your organization.
Annual Board Member Check List

☐ Am I making attendance at meetings a priority?

☐ Am I prepared for the meetings by reviewing materials or participating in committees between meetings?

☐ Do I follow through in a timely manner on the things assigned to me?

☐ Do I read the financials? Do I understand them? Do I ask questions?

☐ Do I have a clear understanding of the organization’s vision for itself – both short term and long range? Do I support this vision?

☐ What is my plan this year for fulfilling my duty to give or get funds? What is my timeline for that plan and have I talked with the CEO or Development Chair?

☐ How have I participated in fundraising events this fiscal year?

☐ Do I have a plan for volunteering to participate in the direct service programs of the organization? Have I acted on that plan?

☐ What is my “elevator speech” about the organization? When was the last time I used it?

☐ What beneficial persons or groups have I introduced the CEO to in the past 6 months?

☐ Am I leading, following or just getting in the way?

☐ Have I had a conversation recently with my Board Chair about my desire to serve as an officer or committee chair?

☐ Whom have I found to replace me?

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