



GOVERNANCE COMMITTEE

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BoardSource envisions a world where every social sector organization has the leadership it needs to fulfill its mission and advance the public good. Our mission is to inspire and support excellence in nonprofit governance and board and staff leadership.

Established in 1988, BoardSource's work is grounded in the fundamental belief that boards are critical to organizational success. With decades of hands-on experience working with and supporting nonprofit boards, BoardSource is the recognized leader in nonprofit governance and leadership, and a go-to resource for nonprofit board and executive leaders. BoardSource supports a broad and diverse cross-section of social sector organizations with

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- research and benchmarking of board composition, practices, and performance
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A note to our global readers:

The need for effective board leadership and governance knows no geographic boundaries, and BoardSource is committed to strong social sector board leadership and governance around the globe. While BoardSource uses United States laws and policies as the legal framework for our resources and recommendations, most of our resources do not focus on legal matters but rather on good governance practices, making them relevant to organizations working outside of the United States. We do suggest, however, that you refer to applicable laws in your country regarding financial reporting and other legal and transparency issues.

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Contents

Preface	vii
Introduction	xiii
Chapter 1: Why Do You Need a Governance Committee?	1
Chapter 2: Governance Committee Membership and Operations	5
Chapter 3: What Does a Governance Committee Do?	11
Chapter 4: The Governance Committee's Role in Board Recruitment and Composition	15
Chapter 5: The Governance Committee's Role in Orientation and Education	25
Chapter 6: Ensuring Proper Board Performance and Compliance.....	33
Conclusion	43
Appendix I: Charge to the Governance Committee	45
Appendix II: Sample Board Meeting Evaluation.....	47
Suggested Resources	48
About the Authors	51

Preface

The BoardSource Committee Series is intended to provide board members and chief executives with a practical approach to determining an appropriate committee structure and details on the responsibilities of each committee. The following preface will convey the philosophy of the series as a whole, using ideas from the first book in the series, Transforming Board Structure: Strategies for Committees and Task Forces, and general information on how to handle committee operations.

It is virtually impossible to define a committee structure that can or should be adopted by every nonprofit board. The material below can be used as a set of guidelines as your board searches for the best way to manage its own operations.

First and foremost, it is important to understand the difference between the full board, committees, and task forces in context of one another. The *board* has a fiduciary duty for the organization and is legally liable for its activities. It is responsible for articulating the direction for the organization and overseeing that the directives are implemented effectively and in an ethical manner. To manage these objectives, the board naturally must structure itself to accomplish its work in the most efficient manner possible.

Committees, or for the purpose of this introductory discussion, *standing committees*, are groups comprised of board members and outsiders that ensure consistency and regularity in key board practices. They are groups that are always necessary in helping the full board carry out its work. Committees (with the executive committee as a common exception)

normally do not make organizational decisions; therefore, their members do not carry liability, as do members of the full board.

Task forces, similar in purpose to committees, are usually created in order to carry out a specific objective within a certain amount of time. They are typically established on an as-needed basis, allowing greater flexibility in the work of the board and its individual members. With the help of task forces, immediate needs of the board can be handled more quickly — without having to reconstruct the other committees and their ongoing work plans.

Committees and task forces generally do the majority of the board's work between meetings, allowing the full board to keep its attention on important decisions and on the big picture of the organization's success in fulfilling its mission. They give individual board members an opportunity to contribute to the work of the board in ways they would not be able to in regular meetings. These work groups enable the full board to benefit from the special skills and expertise of its members in a concrete manner.

HOW COMMITTEES ARE FORMED

To provide all the flexibility possible for your committee structure, avoid listing the job descriptions for your committees and task forces in the bylaws. A simple statement indicating that the board may form committees and other work groups as needed is sufficient. An exception to this approach, however, is the executive committee. If your board finds it necessary to form an executive committee, its authority must be detailed in your legal document. (Please refer to *Transforming Board Structure or Executive Committee* for more information.)

Your bylaws should also clarify who has the power to form committees. The full board should discuss and agree on the need for a specific committee or task force. Naturally, the board should also make the initial purpose of each standing committee or task force as explicit as possible to avoid any situations where the committee might establish its own charge (or description of purpose). Responsibilities of each group may shift as circumstances change, so it is important to remain flexible in each group's charge. Usually the board chair chooses each committee chair and, in collaboration, they put together the rest of the group. Some boards require the chair's appointments to be approved by the board.

It is important to clarify the distinction between *board committees* and *organizational committees* in order to avoid any misunderstanding. Board committees report to the board and help carry out its mandate.

Organizational committees, on the other hand, report to staff members and help with operational issues. They may serve as advisors to the staff and assist with issues that are staff members' responsibilities. In organizations with a small paid staff, organizational committees sometimes serve as volunteer staff to carry out the organization's work.

There is no reason for the board to duplicate staff work and form structures that collide with staff's duties. For example, if you have marketing staff, it is difficult to justify a board marketing committee. If your board includes marketing experts, there is nothing to prevent staff from asking for advice from knowledgeable board member(s) — who should be happy to oblige. If there is no staff dedicated to organizational marketing efforts, your board may consider forming a task force to look at relevant issues affecting the organization in this area. It is also possible to form an organizational committee that is more operational and composed of staff members, board specialists, and probably outsider experts.

Job Descriptions, Membership, and Size

As mentioned above, each committee or task force should have a written charter explaining its role, responsibilities, and accountability. Although the full board is responsible for agreeing on the objectives for each work group, the committee chair is responsible for leading the group in following its charter and staying focused. The committee chair communicates with the board, ensuring that appropriate reporting takes place.

It is a good idea to include varying perspectives among committee members to ensure that all aspects of an issue or task receive adequate consideration. By rotating board members in and out of different committees, the board provides possibilities for individual development. It is probably not wise, however, for an individual board member to serve on more than two committees at a time because of possible burnout. Sometimes board members who have a particular interest in learning or contributing to a specific subject or cause will request or volunteer to be on a specific committee. Additionally, not all committees are comprised solely of board members. Community leaders who can share a particular area of expertise can add to the quality of discussion. Work groups are also a great way for someone who is interested in being a board member to begin involvement with an organization. Organizational committees typically draw members from the community who can add innovation and proficiency in a specific subject. There are few committees, however, that are usually comprised of only board members (e.g., the executive committee).

When deciding on the optimal committee size, once again, no specific rule exists. It strongly depends on the purpose of the committee, scope of the task, and the size of the full board. A committee should always be small enough to keep all members thoroughly involved. Group dynamics can determine effective working relationships and consequently influence the size of the group.

Committee-Staff Relationships

Some board committees or task forces benefit from direct staff support. The chief executive can assign a staff person to relevant committees to help with background information, relate the context of the committee work to operational work, or to provide administrative support. Work groups should be careful not to inundate the staff member with unreasonable requests; after all, he or she usually has other responsibilities in addition to committee support.

Meeting Schedule, Minutes, and Reports

Determining a meeting schedule for committees or task forces should be done on an as-needed basis — there is no particular prescription for the timing and minimum or maximum meetings per year. Each group knows what is expected and must be able to determine the necessary measures to accomplish the task. With committees that have members in various areas of the country or abroad, it is possible to communicate over the telephone or electronically, as long as the desired work is getting done properly. (State laws may regulate board meetings but not committee meetings.) One frequently *ineffective* way to manage most committee meetings, however, is to schedule them in conjunction with the full board meeting in an attempt to take advantage of all members gathering in the same place at the same time. This causes repetitious conversation and agenda items and, ultimately, may be waste of time.

Each group also has the freedom to determine how to keep track of what happens in committee meetings. Work groups may or may not find it necessary to keep minutes, but most likely want to take some notes for purposes of reporting to the board or to keep track of particularly detailed information. For example, a development committee drafting action plans for the coming fiscal year will need to document decisions carefully.

It is advisable to circulate committee reports as part of the board consent agenda in the board package. This allows board members to familiarize themselves with the contents before the meeting and helps to eliminate the tradition of spending meeting time listening to committee reports. Major issues needing board debate should be placed on the main agenda.

Assessing the Need for Committees or Task Forces

In coming up with the most advantageous committee structure for your board, make sure that you continuously reassess the need for each work group. Unnecessary committees simply waste people's valuable time, misuse members' contributions and commitment, and provide no added value to the board. Some boards rely on a *zero-based committee structure*, disbanding all non-standing committees and task forces at the end of the year and reevaluating their necessity for the future — they start with a clean slate. It may still happen that a committee of the previous year gets reinstated but it may have a new composition of members or it may have a slightly changed charter. Whatever method your board uses to justify its internal structure, make sure that, ultimately, you have only committees and task forces that your organization needs and that they have all the resources necessary to function efficiently.

INTRODUCING THE SERIES

As we discussed above, there is no single right answer on how to structure a board or indicate how committees or task forces meet their expectations. Structures should never remain static and all boards should keep an open mind when experimenting with different options. Constant evaluation and flexibility are necessary during the search for optimal results. The best way to keep a committee structure simple is to limit the number of standing committees to what is absolutely essential, and to supplement these committees with less permanent structures.

With the Committee Series, BoardSource is providing additional information and guidance to help your board determine its structural options. The initial series consists of six books. The first book, *Transforming Board Structure*, sets the stage for committees in general. The next five books each cover the duties of common committees that many boards find necessary.

- *Transforming Board Structure* — introducing committee and task force structure
- *Governance Committee* (Book One) — relating to recruitment and education of board members
- *Executive Committee* (Book Two) — addressing how to use executive committees properly
- *Financial Committees* (Book Three) — defining the core duties of the finance, audit, and investment committees
- *Development Committee* (Book Four) — helping to involve your full board in fundraising
- *Advisory Councils* (Book Five) — describing the numerous roles that advisory groups or councils can play to help your nonprofit function more efficiently

Introduction

“I’m pretty sure every socially conscious person in this community has already served or been asked to serve on our board. I’ve run out of people to recruit!”

“Although everybody means well, our board never seems to get anything done. I think we need to change the way we work, but no one is willing to take the lead and make something happen.”

“The last of our founding board members just retired, and the new folks are energetic but inexperienced with governance. We’re not even sure what our bylaws say.”

“Our board is filled with people who think they know all the answers because they’ve been on the board for years. But they’re not willing to listen to any new ideas.”

“We know we need some different kinds of people on the board but we’re not sure where to find them.”

Have any of these issues come up at your board meetings, or more likely, in the parking lot after the meeting? Does your board manage to get things done, but not as efficiently as you would like? Is your board leadership interested in preparing for the future?

If any of the above sound familiar to you as board members or chief executives, this book may help resolve these issues. Whether your board is well-established and looking to improve its effectiveness, or starting from scratch and looking for a recipe for the secret to great governance, a governance committee can help.

The following text explains the importance of including a governance committee in your board's committee structure and how to go about it. Presented as a tool for chief executives and both veteran and novice board members and board chairs, this book outlines the fundamentals of how a governance committee can help a board, and thus an organization, live up to its highest potential.

The governance committee provides the equivalent of preventative medicine to a board. This group works to ensure that a board has the right people with the right mix of skills, the most up-to-date and relevant policies, and the capacity to examine its own work and make changes when necessary. The committee can help the board when trouble arises, but its hope is that ongoing checkups and good habits will render emergencies obsolete.

Ultimately, the governance committee helps institutionalize effective governance practices for the present and future health of an organization. While it is important, be assured that the governance committee does not supercede the board in authority and in no way should it replace the board or the responsibility of all board members. It is simply a committee whose job is to help the board do its work, and to do its work better. The governance committee stays behind the scenes, making sure everything goes smoothly. The board, as always, remains the guide and compass for the organization, setting the direction for the accomplishment of essential work.