BSA

BOARD SELF-ASSESSMENT

Nonprofit Board SAMPLE Report | August 2016

BoardSource®

Welcome

Welcome to the BoardSource Board Self-Assessment (BSA) Report. The BSA is designed to educate and provide insights on your board's governance performance, which will enable your board to operate at the highest and best use of its collective capacity. BoardSource recommends that organizations engage in a self-assessment process every two to three years.

This BSA Report provides an overview of your board's performance based on recognized nonprofit governance roles and responsibilities, as outlined in *Ten Basic Responsibilities of Nonprofit Boards*. The report compiles data that reflect how well the board and the chief executive feel they are meeting their responsibilities in four key areas, which BoardSource has identified as crucial for high-performing boards and organizational success.

1. **Set Direction:** Setting direction requires the board to look beyond the immediate horizon by developing a shared vision, articulating guiding values for organizational action, establishing major goals, and outlining strategies for achieving those goals.
2. **Ensure Resources:** After establishing a sense of direction, the board is responsible for ensuring that the organization has the resources needed to achieve its goals. An organization needs three principal types of resources: people to do the work; money to pay salaries and expenses; and credibility with the public, on whose support it depends. While the board itself does not necessarily have to secure these resources, it makes sure that people and systems are in place to make them available.
3. **Provide Oversight:** In the board's oversight role, the emphasis is on accountability. As a governing body, the board provides oversight not only of the finances and programs, but also of the organization's legal and moral conduct. Furthermore, the board delegates authority to the chief executive, who is therefore accountable to the board. Thus, the board's oversight role also includes supervising, providing feedback to, and supporting its chief executive.
4. **Board Structure and Operations:** A well-functioning board is a strategic resource for the organization. A board that attends to the quality of its performance will serve the organization and its constituencies well. Among the factors that go into functioning effectively are board size and composition; clarity of roles and responsibilities; productive meetings; well-functioning committees; access to necessary information; and use of a team approach.

The BSA Report is intended to help your board determine its strengths and identify opportunities for board development. We encourage you to use the report

- as a starting point for discussions to identify gaps between expected and actual performance
- as a basis for establishing a shared understanding of the board's roles and responsibilities
- to provide context for creating a board development action plan
- to enhance credibility for the organization among staff, volunteers, donors, and other constituencies

As the preeminent organization focused on nonprofit governance, BoardSource is here to help with all of your governance needs. Information about our resources and services can be found in this report, on our website, or you can e-mail us at consulting@boardsource.org. Congratulations on taking such an important step!

Sincerely,
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Guide to Understanding the Data

Performance Data

① Average (Avg)
Respondents were asked to rate the board's performance on a scale ranging from poor to excellent. The results are reported on a scale that equates to a typical A to F grading scale, with a numerical value of "0" for "Poor or needs improvement."

0 = Poor or needs improvement: F
1 = Fair or marginal; D
2 = OK or acceptable; C
3 = Good or above average; B
4 = Excellent or superior; A

② Degree of Consensus (DoC)
This number indicates the level of agreement among your board members. DoC is explained further on the next page.

③ Frequency (Poor, Fair, OK, Good & Excellent)
This number indicates what percent of your board members selected specific answers along the 5-point answer scale.

④ Number of Respondents (# Resp)
This number indicates how many respondents answered each question along the continuum from poor to excellent. It does not include those who selected Not Applicable/Don't Know (NA/DK).

⑤ Not Applicable (NA/Don't Know)
Respondents were instructed to select Not Applicable/Don't Know when they did not know the answer or have the information; were too new to the board to know the answer; or the question did not apply to the organization. These respondents are not included in the averages.

See above for an explanation of each column below.

	① Avg	② DoC	③ Frequency					④ # Resp	⑤ NA/ Don't Know
Sample Data			Poor	Fair	OK	Good	Excellent		
5.1 Being knowledgeable about the organization's programs and services.	3.66	78%	0%	0%	9%	55%	36%	11	0

Degree of Consensus

Degree of consensus (DoC) measures the level of agreement among your board members. If all of your board members selected the same answer, the DoC would be 100%. If and when the DoC falls below 60%, it may be useful to have a conversation about why your board members' opinions vary. The DoC is calculated using standard deviation. It is important to look at the average for performance (explained on the previous page) in tandem with the degree of consensus. There is not a one-size-fits-all answer for defining what is a high or a low performance average; it depends on your particular board's performance.

① — **High DoC and High Average**
indicate that the board agrees that its performance is good in this area.

② — **High DoC and Low Average**
indicate that the board agrees that its performance can be improved in this area.

③ — **Low DoC and High Average**
indicate that opinions vary among your board members and discussion is needed to reach a shared understanding of the board's performance in this area.

④ — **Low DoC and Low Average**
indicate that opinions vary among your board members and that discussion and improvement are needed in this area.

Below is example data focused on the average and degree of consensus. See above for an explanation of the scores.
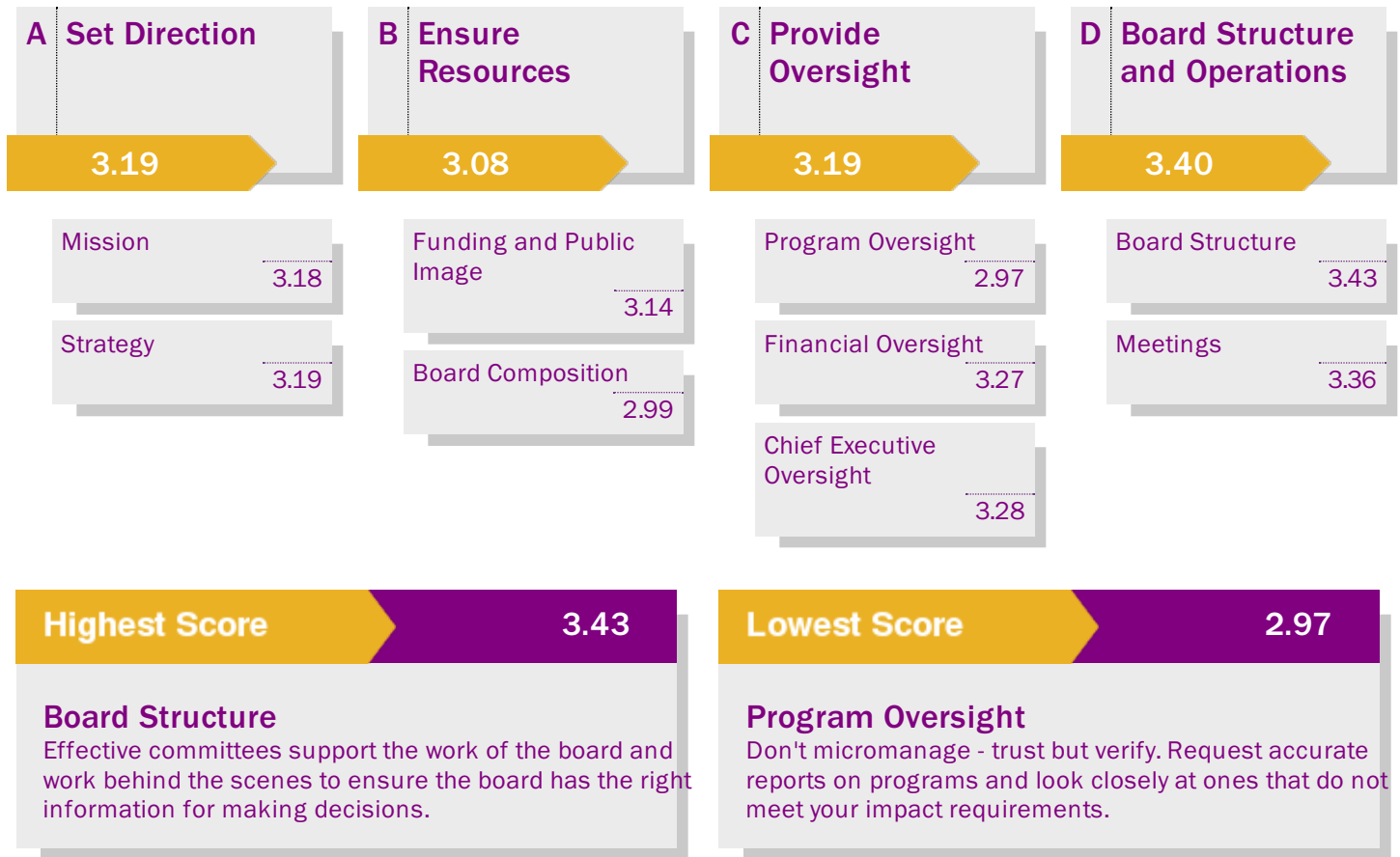
Sample Data		Avg	DoC	Frequency					# Resp	NA/ Don't Know
				Poor	Fair	OK	Good	Excellent		
Fostering an environment that builds trust and respect among board members.	①	3.64	76%	0%	0%	0%	36%	64%	8	3
Tracking progress toward meeting the organization's goals.	②	2.73	78%	0%	0%	27%	73%	0%	8	3
Defining the role of board members related to critical association activities, e.g., who serves as the official spokesperson, access to media.	③	3.10	47%	5%	5%	10%	38%	43%	21	0
Efficiently making decisions and taking action when needed.	④	2.13	37%	13%	25%	13%	38%	13%	8	3

Overview of Results

Roles and Responsibilities At-a-Glance

The assessment is divided into four board roles; nine areas of responsibility are incorporated within those roles. The scores for individual questions are averaged within each area of responsibility, and the scores for each responsibility are then averaged within each role. These board roles and responsibilities are based on *Ten Basic Responsibilities of Nonprofit Boards.*

The scores below are based on this answer scale: 0 = Poor; 1 = Fair; 2 = OK; 3 = Good; 4 = Excellent.
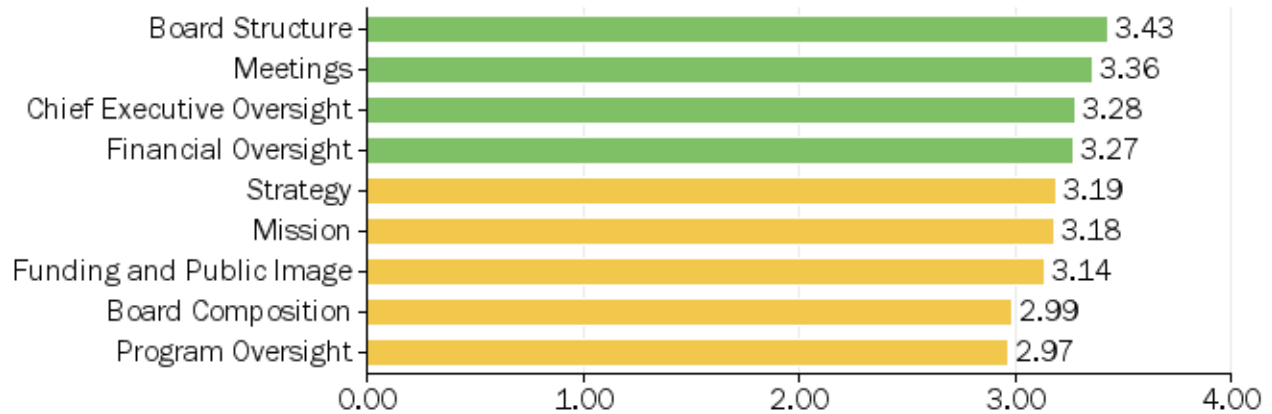
A Set Direction — 3.19
- Mission — 3.18
- Strategy — 3.19

B Ensure Resources — 3.08
- Funding and Public Image — 3.14
- Board Composition — 2.99

C Provide Oversight — 3.19
- Program Oversight — 2.97
- Financial Oversight — 3.27
- Chief Executive Oversight — 3.28

D Board Structure and Operations — 3.40
- Board Structure — 3.43
- Meetings — 3.36

Highest Score — 3.43

Board Structure
Effective committees support the work of the board and work behind the scenes to ensure the board has the right information for making decisions.

Lowest Score — 2.97

Program Oversight
Don't micromanage - trust but verify. Request accurate reports on programs and look closely at ones that do not meet your impact requirements.

Participation Statistics: 24 surveys distributed / 23 surveys completed / 96% response rate

Roles and Responsibilities At-a-Glance (continued)

The graph below shows how your board has assessed its performance — from highest to lowest — in the nine areas of responsibility. The green bars indicate strong performance. Yellow bars highlight areas in which the board is performing at an acceptable level but may want to watch. Red bars indicate responsibilities that need attention.

0 = Poor; 1 = Fair; 2 = OK; 3 = Good; 4 = Excellent

	Board Responsibilities	Average	Degree of Consensus	NA / Don't Know
A	**Set Direction**	3.19	62%	32
1	Mission	3.18	65%	15
2	Strategy	3.19	60%	17
B	**Ensure Resources**	3.08	61%	56
3	Funding and Public Image	3.14	61%	32
4	Board Composition	2.99	61%	24
C	**Provide Oversight**	3.19	64%	70
5	Program Oversight	2.97	63%	13
6	Financial Oversight	3.27	66%	42
7	Chief Executive Oversight	3.28	64%	15
D	**Board Structure and Operations**	3.40	68%	37
8	Board Structure	3.43	66%	21
9	Meetings	3.36	71%	16

Action Steps to Strengthen Performance

Section A: Set Direction

(includes Mission and Strategy)

Your board's score for **Set Direction: 3.19**

One of the board's primary roles is to set direction and outline strategies for achieving goals. Key elements to consider when setting direction are your organization's mission, vision, and values.

- A mission statement defines your organization's fundamental purpose. A clear mission statement is inspirational yet realistic, emotional as well as informative, concise and complete. It is positive and focuses on achievable accomplishments.
- The vision statement is about long-term goals and the direction in which the organization is heading. It defines the organization's dream. Because a vision statement is created through a group process in which all boards members share their ideals for the organization, it has a team-building effect.
- Values are the principles that guide individual and organizational behavior. By articulating these principles, the board establishes guideposts that help chart direction for years ahead.

Effective and strategic board members take responsibility for identifying the issues that must be addressed to serve the organization's mission, vision, and values in the years ahead. Board members should utilize their unique talents and experience to identify these issues and to inform the organization's understanding of them.

Strengthen Performance through Action

1. Refer to your mission, vision, and value statements when making decisions.
2. When necessary, refine your statements,
3. Share the statements with all board candidates and new board members.
4. Work together with the chief executive to provide guidance and input in developing the strategic planning process.
5. Incorporate strategic thinking into every board meeting rather than relegating it to the annual retreat agenda.

Checklist of Board Practices

Certain policies and practices characterize an effective nonprofit board. Some of these practices are required by law; many others have become widely accepted as good practice. The board self-assessment survey asked yes/no questions about these practices, which were answered only by the chief executive. The graph below shows the percent of practices your board currently has in place.

These practices are divided into four areas:

1. **Organizational Practices** relate to strategic planning documents and procedures.
2. **Oversight Practices** include financial and legal policies and procedures.
3. **Board Practices** address issues related to orientation, terms, retreats, and committees.
4. **CEO Supervision** cover the support and supervision of the highest paid staff person.

Percent of Practices in Place
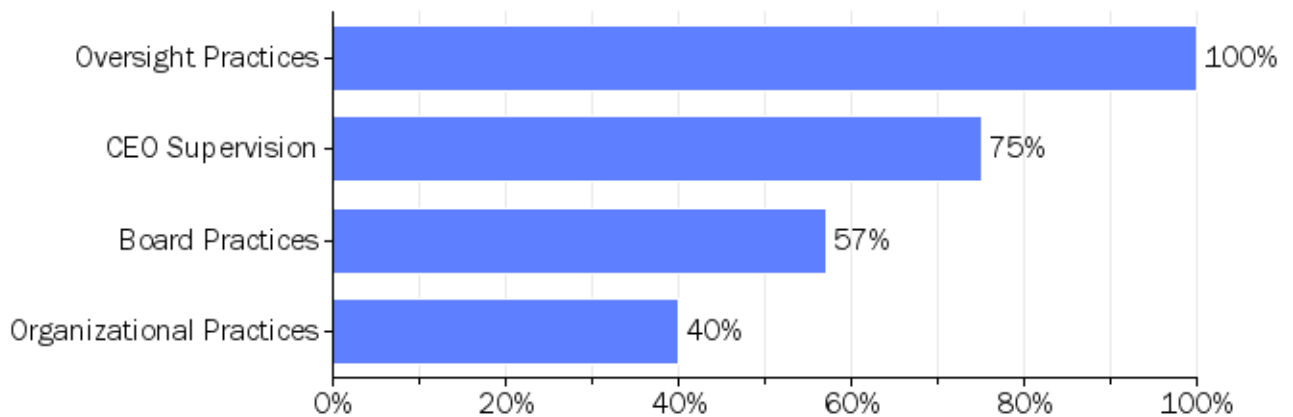
Board Composition and Effectiveness

Your board has 24 voting members

Size Matters

The primary guide for determining board size is the board's function, which may change over time depending on where the organization is in its lifecycle, ranging from start-up to adolescent to mature. Variables such as these make it impossible for BoardSource to recommend a standard size for all boards; however, it is difficult to imagine that a board with fewer than five members is able to incorporate all the desired qualities and capacity of an effective board, or that an exceptionally large board is able to engage every member in a constructive manner. Based on the *2012 BoardSource Nonprofit Governance Index*, we know that the average board has 16 members.

1. The size of the board meets the current needs of the organization.


Very Satisfied 22%
Neutral 13%
Satisfied 65%
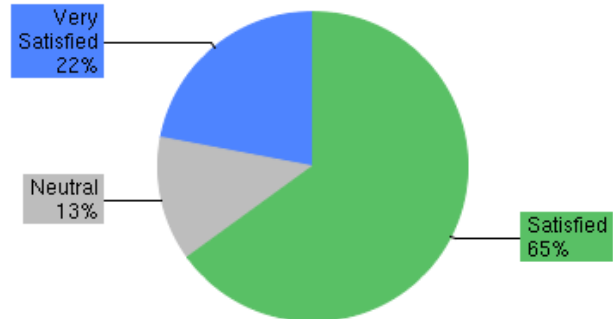
Regardless of size, all board members must be engaged, as all are equally accountable for the organization. This graph reflects your board's level of satisfaction with its current size.

Overall Effectiveness

This graph reflects your board's thinking about its overall effectiveness. Because the percentages are based on the perceptions of your individual board members, this information can be used to spark a full board discussion on whether the members feel they are collectively meeting their responsibilities.

2. The overall effectiveness of the board.

Neutral 9%
Very Satisfied 43%
Satisfied 48%
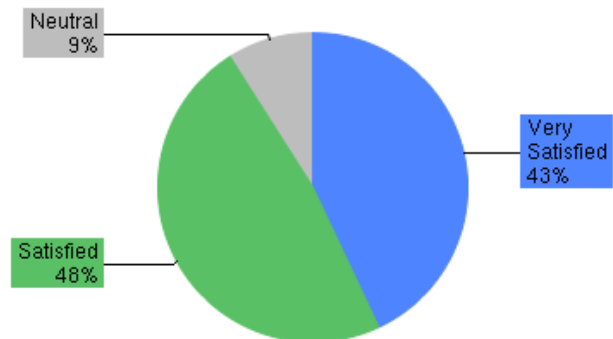
Next Steps

Take Action

Exceptional boards are a strategic asset to be leveraged by the organization. They add significant value and make a discernible difference in the organization's advance on mission. Use this report as a tool to guide your board on the path to exceptional performance.

Take action. The board self-assessment establishes a platform for setting and attaining important board priorities. The final step is identifying areas for improvement. To help your board do this, consider the following questions:

1. What steps can we take to ensure that information from the evaluation is used to improve the performance of the board?
2. Who or what committee is responsible for initiating and leading board development and assessment? Does it have the necessary resources and authority to fulfill its responsibilities?
3. Every board should have clearly established guidelines that outline the duties and responsibilities of individual board members. Are our board members held accountable to these standards? Do we have a process for removing nonperforming board members?

Develop a board action plan. Once the board has agreed on its priorities, use a board action plan to help the board stay on track in addressing the issues that surfaced.

Check your progress. Only the board can hold itself accountable for its own performance. In one year, revisit the results from the self-assessment and action plan, celebrate the successes, and recommit to those areas that need further attention.

Repeat. BoardSource recommends conducting a thorough board self-assessment every two to three years and using the intervening time to work on the action plan you develop.

Board Performance Continuum

Dysfunctional · Functional · Responsible · Exceptional
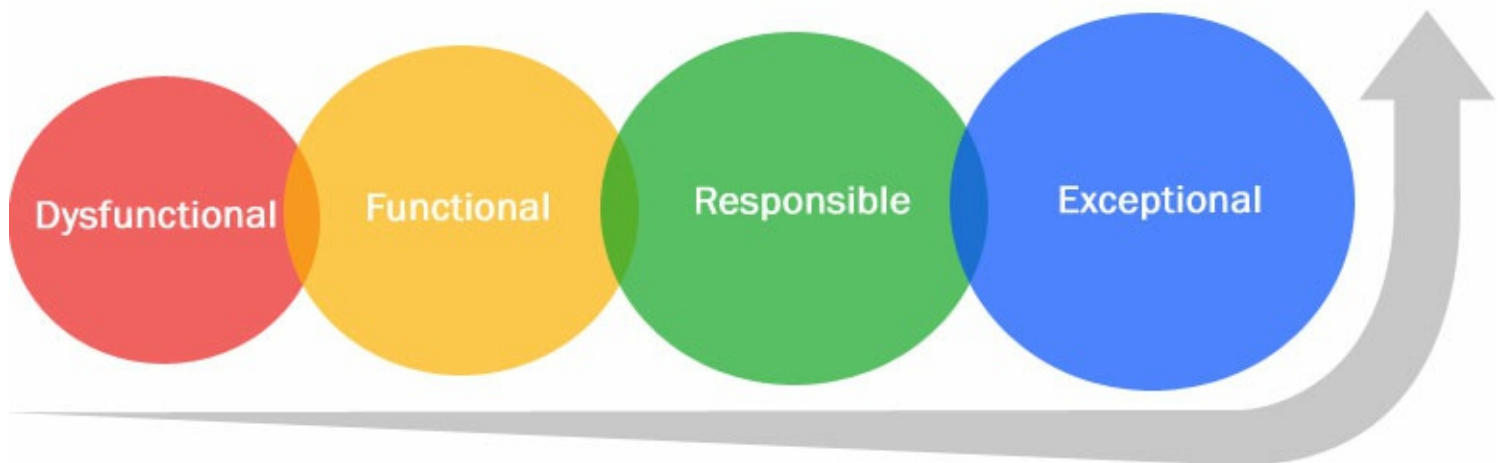
Additional Services

Governance does not come naturally to all leaders. Advice from an objective and experienced governance consultant can help you make the most of the board self-assessment process by bringing a fresh perspective and the latest governance thinking into your boardroom. BoardSource offers the following resources for those who seek additional guidance. For more information visit our website: www.boardsource.org or contact us at consulting@boardsource.org.

- **DECK**
  What's a DECK? It's a deck of 15-20 PowerPoint slides featuring highlights from your Board Self-Assessment (BSA) results and comparison scores benchmarking your assessment scores against other nonprofit boards that have used our BSA tool. The slide deck is a great tool to use when presenting your assessment results to the full board. Utilize it to start a meaningful and thoughtful conversation about how to strengthen performance.

- **LINK**
  BoardSource's new LINK service links you with the experience and expertise of a BoardSource consultant, who will analyze your BSA results, discuss your data with two to three of your board leaders during a 45-minute phone call, and write an in-depth narrative analysis that includes recommendations on where the board should focus its attention to strengthen its practices and how to start that process. LINK, which also includes a DECK, is a powerful tool for boards that are laying the groundwork for strategic planning, considering a change in structure and/or size, developing a stronger fundraising culture, embarking on a leadership transition, or are committed to increasing their effectiveness through board development.

- **Board Retreat**
  A well-planned and well-facilitated four- to six-hour board retreat led by one of BoardSource's experienced and expert governance consultants can assist you in understanding your BSA results, setting priorities for board development, forging camaraderie, and getting a start on tackling the challenging issues surfaced in a board self-assessment. A retreat includes a DECK.

- **Full Governance Review/Consulting and Training**
  After identifying your strengths and weaknesses through a BSA, you may want to arrange for BoardSource's highest level of service. A BoardSource consultant will conduct a full governance review, appraising your board documents and interviewing board and executive staff members to drill down on your strengths and weaknesses. He or she will then work with your board on steps to take that will enhance the overall performance of your board and/or address issues surfaced in the review. He or she will facilitate discussions focused on challenging assumptions, reaching consensus on priorities, and starting a plan for board development.

Leadership Institute

- **The Certificate of Nonprofit Board Education**
  This certificate is for new and potential board members as well as staff and consultants who are new to working with a board. This program is offered through a series of webinars or through a live training.

- **The Leadership Certificate for Nonprofit Board Chairs**
  This certificate is for board chairs seeking practical approaches to some of the most challenging aspects of the job. This program is offered through a series of webinars or through a live training.

- **The Leadership Certificate for Nonprofit Chief Executives**
  This certificate is for chief executives committed to building a constructive partnership with their board. This program is offered through a series of webinars or through a live training. More detailed information on the certificate series can be found on our website.

Detail of Board Performance

Mission

Determine the Mission and Vision: One of the board's fundamental roles is setting direction for the organization. This begins with the board's responsibility for establishing the mission and defining a vision of the future. A mission statement is a concise expression of what the organization is trying to achieve and for whose benefit. A vision statement is an inspiring verbal picture of the organization's desired future. These statements serve as the foundation for making decisions. The board, working closely with the chief executive, should review them periodically and revise them if necessary.
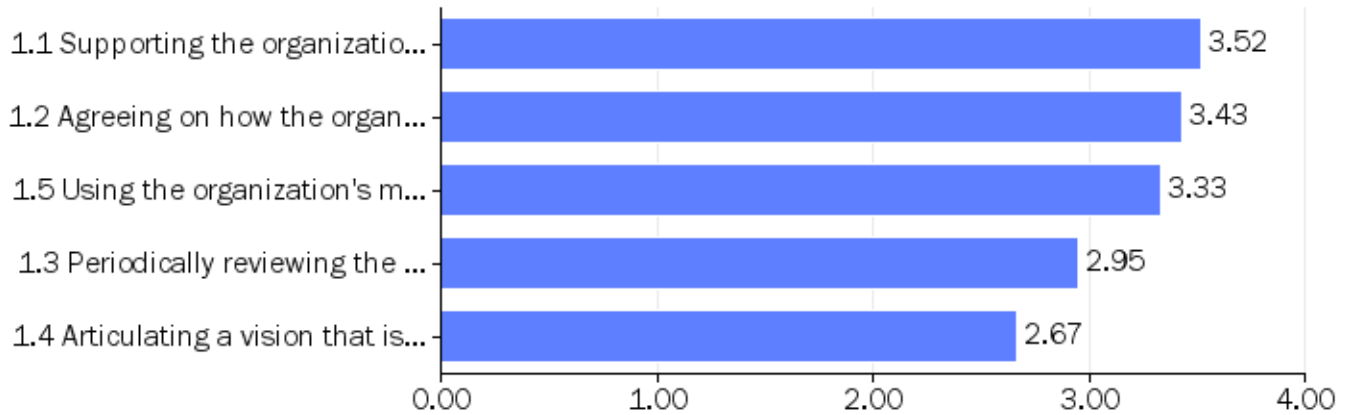
	Average	DoC	Poor	Fair	OK	Good	Excellent	# Resp	NA / Don't Know
1.1 Supporting the organization's mission.	3.52	71%	0%	0%	5%	38%	57%	21	2
1.2 Agreeing on how the organization should fulfill its mission.	3.43	71%	0%	0%	5%	48%	48%	21	2
1.3 Periodically reviewing the mission to ensure it is appropriate.	2.95	66%	0%	0%	26%	53%	21%	19	4
1.4 Articulating a vision that is distinct from the mission.	2.67	56%	0%	11%	28%	44%	17%	18	5
1.5 Using the organization's mission and values to drive decisions.	3.33	61%	0%	5%	5%	43%	48%	21	2

Meetings

Conduct Productive Board Meetings: Boards carry out much of their work in meetings. Meetings that are carefully structured and efficiently conducted will help board members feel that their time is well spent and that the board adds value to the organization. Effective boards have meeting agendas that focus on important issues, allow for discussion, and lead to action. To ensure efficiency, board members receive and review agendas and background materials prior to the meetings. To tap into the collective wisdom of the board, boards pay careful attention to boardroom culture, group dynamics, and decision-making processes.
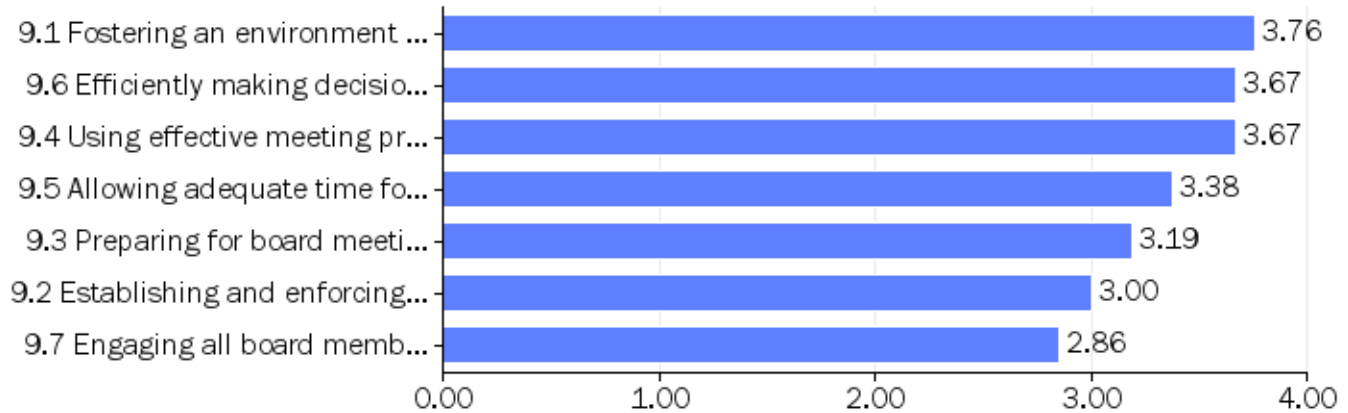
	Average	DoC	Poor	Fair	OK	Good	Excellent	# Resp	NA / Don't Know
9.1 Fostering an environment that builds trust and respect among board members.	3.76	79%	0%	0%	0%	24%	76%	21	2
9.2 Establishing and enforcing policies related to board member attendance.	3.00	64%	0%	0%	26%	47%	26%	19	4
9.3 Preparing for board meetings, e.g., reading materials in advance, following up on assignments.	3.19	71%	0%	0%	10%	62%	29%	21	2
9.4 Using effective meeting practices, such as setting clear agendas, having good facilitation, and managing time well.	3.67	76%	0%	0%	0%	33%	67%	21	2
9.5 Allowing adequate time for board members to ask questions and explore issues.	3.38	67%	0%	0%	10%	43%	48%	21	2
9.6 Efficiently making decisions and taking action when needed.	3.67	76%	0%	0%	0%	33%	67%	21	2
9.7 Engaging all board members in the work of the board.	2.86	64%	0%	0%	33%	48%	19%	21	2

Detailed Checklist of Practices

These practices are divided into four areas:

1. **Organizational Practices** relate to strategic planning documents and procedures.
2. **Oversight Practices** include financial and legal policies and procedures.
3. **Board Practices** address issues related to orientation, terms, retreats, and committees.
4. **Chief Executive Supervision** covers practices related to performance evaluation and executive compensation.

Organizational Practices	In Place
1. Does the organization have a written mission statement?	No
2. Does the organization have a written vision statement?	No
3. Does the organization have a written code of ethics?	No
4. Does the organization have a written strategic plan?	Yes
5. Did the full board formally approve the organization's strategic plan?	Yes

Oversight Practices	In Place
1. Did the full board formally approve the organization's annual budget?	Yes
2. Does the full board receive financial reports at least quarterly?	Yes
3. Within the past year, has the organization obtained a formal independent audit?	Yes
4. Did the board, or a committee of the board, meet with the auditors without staff present? (Select NA if there is no independent audit.)	Yes
5. Did all board members receive a copy of the organization's IRS Form 990?	Yes
6. Does the organization have a whistleblower policy that provides protection for employees who report suspected illegal activities?	Yes
7. Does the organization have a document retention and destruction policy?	Yes
8. Does the organization carry directors' and officers' liability insurance?	Yes
9. Does the organization have a written conflict-of-interest policy?	Yes
10. Have all current board members and senior staff signed a conflict-of-interest and annual disclosure statement?	Yes

Board Practices	In Place
1. Is a structured, formal orientation held for new board members?	Yes
2. Is the length of board member terms defined?	Yes
3. Is there a maximum number of consecutive years a board member can serve?	No
4. Does the board have an annual retreat?	No
5. Do board committees have written charters or job descriptions?	Yes
6. Is there a written policy specifying the executive committee's roles and powers? (Select NA if the board does not have an executive committee.)	No
7. As the chief executive, are you excluded from voting on board issues?	Yes

About the Board Self-Assessment and BoardSource

About the Board Self-Assessment
Congratulations for completing your recent board self-assessment (BSA). You have joined the ranks of approximately 500 nonprofit boards that used the BoardSource BSA in the past year. BoardSource began offering the board self-assessment tool shortly after the organization's founding in 1988. The product has evolved from a manually tabulated print survey to a user-friendly online assessment that is widely respected and utilized across the nonprofit sector. The current BSA, which was revised in 2009, is based on the BoardSource publication, *Ten Basic Responsibilities of Nonprofit Boards*, an all-time bestseller with more than 175,000 copies sold. Together, the book and the BSA explore the board's core responsibilities within the context of the governance challenges facing nonprofits today. The BSA for nonprofit boards of public and private charities has been customized specifically for associations, community foundations, private foundations, credit unions, independent schools, and a variety of other subsects of nonprofits within the sector. Additionally, individual organizations have the option to further customize any of the master surveys to fit their unique needs.

About BoardSource
BoardSource is focused on its core mission of building exceptional nonprofit boards. As a nonprofit organization ourself, we are acutely aware of the importance of strong board leadership and the impact of exceptional governance. Our goal is to help other nonprofit organizations fulfill their missions and to support the critical work they do in their communities by helping them increase the effectiveness of their boards. With more than 25 years of hands-on experience working with nonprofit boards, BoardSource has become the go-to resource for funders, partners, and nonprofit leaders who want to magnify their impact within their community through exceptional governance practices. BoardSource is a 501(c)(3) organization.

Our History
In the early 1980s, two organizations — Independent Sector and the Association of Governing Boards of Universities and Colleges — conducted a survey of nonprofit organizations and found that although 30 percent of respondents believed they were doing a good job of training and educating their boards, the majority of the respondents reported little, if any, activity in strengthening their board's governance practices. As a result, the two organizations proposed the creation of a new organization to meet the unique and critical needs of nonprofit boards, and in 1988, established the National Center for Nonprofit Boards now known as BoardSource.

BoardSource Today
BoardSource has an annual budget of approximately $6 million and maintains a professional staff of more than 25 employees. In addition, the organization has an affiliated pool of consultants and trainers who conduct consulting and training engagements around the world on behalf of the organization. BoardSource supports a community of more than 80,000 individuals with customized diagnostics, live and virtual trainings, and a comprehensive library of governance resources that includes original publications.

- BoardSource governance consultants work directly with nonprofit leaders to design specialized solutions to address specific organizational needs and assist nonprofit organizations around the world through partnerships and capacity building.
- BoardSource is the world's foremost publisher of comprehensive materials on nonprofit governance, having sold more than a million copies of more than 100 publications and tools developed over the past 25 years, with publications translated and adapted in 12 different languages.
- Annually, BoardSource hosts the BoardSource Leadership Forum, which convenes hundreds of governance experts, board members, and chief executives of nonprofit organizations from around the world.