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THE BOARD CHAIR HANDBOOK

THIRD EDITION

BoardSource®

BoardSource®

Empowering Boards. Inspiring Leadership.

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

- leadership initiatives addressing key opportunities and issues within the nonprofit sector
- research and benchmarking of board composition, practices, and performance
- membership and board support programs
- customized diagnostics and performance assessment tools
- a comprehensive library of topic papers, publications, and downloadable infographics, tools, templates and more
- live and virtual education and training
- governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs
- a biennial conference that brings together approximately 800 board leaders for two days of learning and sharing

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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For more information, please visit our website at boardsource.org, e-mail us at mail@boardsource.org, or call us at 800-883-6262.

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INTRODUCTION

As the chair of a nonprofit board of directors, you play a significant role in ensuring the organization's health and well-being. The board chair's obligation to stakeholders is to facilitate the work of the board in the context of effective leadership and good governance. The guiding principle is what's best for the organization. In this context, every board chair puts his or her own positive stamp on the board's culture, work, and impact. But many of us have served on boards where the chair's personality and personal agenda determine how the board conducts itself and what the outcomes look like. A challenge for new board chairs is to accept the power and authority of the position while putting personal interests aside in favor of the good of the organization.

In a practical sense, what does this mean for the person stepping into the board chair position? Where do you seek knowledge and guidance to help you fulfill this role? My experience with nonprofit boards as a consultant, trainer, board member, and board chair leads me to observe that there is no universal orientation or preparation. Filled with great passion and good intentions, you are expected to step into this role and know what to do. Service as a board member or committee chair does not necessarily translate into competency as a board chair. You will certainly build on what you've learned, but you'll need more than that to succeed. The unique role of the board chair requires the application of new knowledge and skills or, for others, the application of knowledge and skills in a new way.

This book is organized into three sections:

- The Foundation: Building Individual Capacity (Part I) focuses on preparing to take on the tasks and responsibilities of the board chair, beginning with an exploration of the personal decision to accept the job and covering roles, relationships, and skills.
- The Journey: Optimizing the Work of the Board (Part II) deals with the application of strong leadership and sound governance practices with a focus on board process and board tasks.
- The Finale: Creating Endings and New Beginnings (Part III) addresses how to prepare for the end of your term as board chair, the importance of closure, and answering, "What's next?"

Each chapter ends with a list of Board Chair's Reminders — key tasks to help you do your job effectively. Appendix 1 provides a summary of these lists. Appendix 2 lists the twelve principles of exceptional governance found in *The Source* (BoardSource, 2005). Appendices 3 and 4 offer tools for supporting your board chair role, including how to create a learning community of board chairs along with samples of board meeting agendas and board member correspondence. Throughout the book, you'll see board statistics and quotes from board members and chief executives. These data were collected during the *BoardSource Nonprofit Governance Index 2012* survey, and they provide interesting insight into board service.

The Board Chair Handbook focuses on helping board chairs carry out their responsibilities for the good of the organization. Whether you are a seasoned board chair wanting to brush up and learn something new, an incoming board chair seeking knowledge and skills, or a person considering the possibility of becoming a board chair, this book is intended to be user-friendly and practical. The guidance will also be useful to chief executives, other management personnel who interact with the board chair (including operations officers, development directors, financial officers, and marketing directors), and consultants who work with nonprofit organizations. This updated third edition offers new material in every chapter with expanded sections on the board chair role and the partnership with the chief executive in Chapters 2 and 3, respectively. A new appendix (#3) outlines a leadership development model for using this handbook to create a peer-to-peer learning community of board chairs.

As you embark on the journey of leading a board, remember to build on your experiences, practice humility, follow ethical principles, and model an openness to learning that will make you the best board chair possible. When you accept the job, you enter into an obligatory relationship with the organization that is fulfilled as you adopt and model effective leadership and governance practices. Coupling these skills and practices with passion and good intentions makes a winning combination for any board chair and, ultimately, for the organization.

I extend my sincere thanks to the board chairs and nonprofit professionals who provided helpful feedback and ideas for this revised edition. Special thanks to Gail Kurtz and Julie Meehan of Community Connection of Northeast Georgia for their input on developing a learning community. Kudos to the diligent editors and nonprofit experts at BoardSource: Deborah Davidson, Karen Hansen, Outi Flynn, and Caitlyn Freitas — your contributions were invaluable in fine tuning this edition.