
THE BUSINESS PROFESSIONAL'S GUIDE TO
**NONPROFIT
BOARD SERVICE**

LEVERAGING YOUR TALENTS
FOR THE SOCIAL SECTOR

SECOND EDITION

Library of Congress Cataloging-in-Publication Data

The business professional's guide to nonprofit board service : leveraging your talents for the social sector / by BoardSource. -- 2nd ed.

Rev. ed. of: The business professional's guide to nonprofit board service / Charles F. Dambach, Oliver Tessier, Carol E. Weisman. 2002.

p. cm.

ISBN 1-58686-123-9

1. Nonprofit organizations. 2. Voluntarism. I. Dambach, Charles F. Business professional's guide to nonprofit board service. II. BoardSource (Organization)

HD62.6.D36 2010

658.4'22--dc22

2010044457

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First Printing, November 2010

ISBN 1-58686-120-4

Published by BoardSource
1828 L Street, NW, Suite 900
Washington, DC 20036

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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

WHY JOIN A NONPROFIT BOARD?

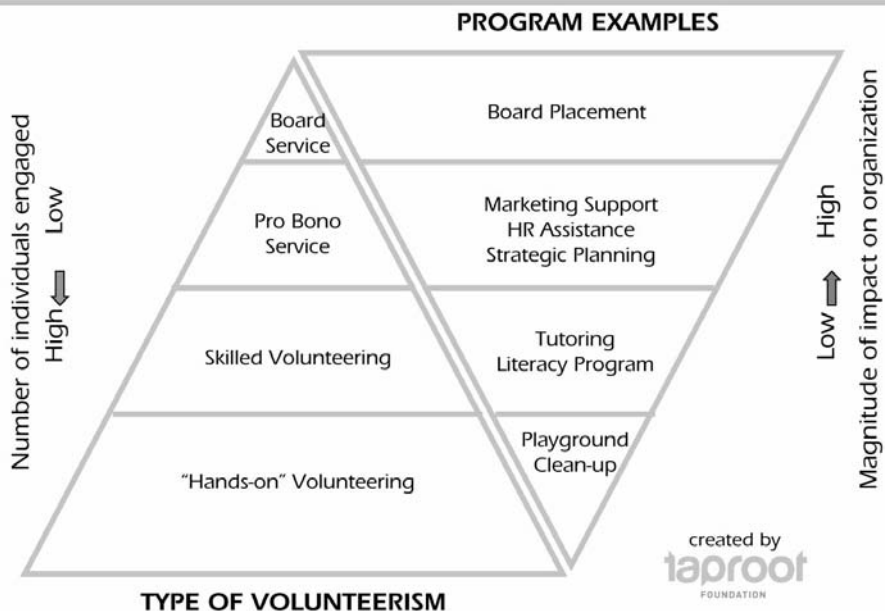
The success and profitability of a business enterprise depends on a range of factors. One factor that is often overlooked is the connection between the business and the communities it serves. Consider the following findings from a survey of 50 corporations that encourage nonprofit board involvement among their employees:

- Businesses that demonstrate an interest in their customers' communities are likely to attract greater brand loyalty than those that don't.
- Professionals whose businesses support their interest in community service report higher levels of job satisfaction and a greater commitment to their companies.
- Professionals who become involved with nonprofit boards describe a strong sense of personal gratification, unique networking opportunities, and broader insights into leadership than they are likely to encounter in the business sector.
- Many nonprofit organizations are eager to learn from the skills that business professionals have to offer.

Recognizing the benefits of community involvement, progressive businesses are encouraging their employees to engage in volunteerism at all levels, including board membership. Business professionals who serve on nonprofit boards report unexpectedly high returns on their investments of time and energy. Not only do they get to make a difference in people's lives, they also have fresh experiences of leadership as they negotiate decisions and build relationships with peers in the boardroom. The nonprofit governance experience helps them see society from a fresh perspective while earning them added recognition for their service and commitment — both within the community and at work.

The Taproot Foundation offers the following illustration to indicate the various types of employee engagement and the corresponding impact on nonprofit organizations:

EMPLOYEE ENGAGEMENT AND IMPACT MAGNITUDE



WHAT YOU CAN GAIN FROM BOARD SERVICE

Many people volunteer for nonprofit boards because they want to support a cause that is meaningful to them. Many want to give something back to the communities in which they live or to communities that have been generous to them in the past. Regardless of the reason one volunteers, committed board members stand to gain both personally and professionally from participation on nonprofit boards in the following ways:

Experience — Your peers on the board are likely to come from a wide range of backgrounds, experiences, and social groups. As part of the board team, you will be required to plan and make decisions for the good of the organization. You will have opportunities to practice new ways of working in groups, influencing decisions, and negotiating toward a common goal. You will also have opportunities to network and to interact with other business professionals and community members. Your board experience will help you cultivate valuable human relationships while developing important leadership skills.

Satisfaction — By serving on a nonprofit board, you have an opportunity to have a real, beneficial impact on people’s lives. You will be giving one of your most valuable assets — time — to the direct benefit of an organization whose work you believe in. Equally important, you will have the chance to apply your professional skills and expertise in ways that are useful for the nonprofit and the people it serves. In addition, if the organization follows accepted evaluation standards, you will be able to see how the work you are doing produces positive results.

Recognition — As a board member, you will be seen as making a significant commitment to an organization dedicated to social good. The nonprofit organization and the community will appreciate what you are doing. So will your employer, because your board service will enhance its reputation in the community it serves.

Participation in the governance of a nonprofit, mission-driven organization is an extraordinarily rewarding way to make a contribution to society. Learning ahead of time what to expect can help make your service on a nonprofit board an experience you will cherish for the rest of your life.

The Business Professional’s Guide to Nonprofit Board Service is written for business professionals who want a better understanding of the responsibilities of nonprofit boards and how they function. It targets individuals, but it offers valuable information to businesses that see community involvement as a smart practice. You will find explanations of the contrasts between how business operates and how nonprofits operate. You will find information about the legal obligations of nonprofit boards, their responsibilities, structures, and practices. You will find guiding questions to ask of yourself and of the nonprofits that interest you. These tools will help you understand the meaning of a commitment to nonprofit board service and will help you find an organization that is a good match for your interests and skills.

As you begin your search for a nonprofit organization and board that is a good match for your interests, you may find it helpful to keep in mind what other volunteers have said about their own board experiences. Throughout this book, you will find quotes from board members and chief executives that illustrate the joys and challenges of board work. We hope these insights will help educate you about the realities of board service and inspire you to give your time and talent to a worthy organization with a mission that ignites your passion.



“From a professional standpoint, my nonprofit board service is giving me a look into a whole new area of business. I knew nothing about nonprofits, and I am learning that you have to handle people and situations differently. In for-profits, both parties make money; in nonprofits, you need to appeal to the help of so many more individuals. Learning how to make a case for the organization/mission for what you want and convincing people to support what you need has been quite an experience.”

— Nonprofit Board Member



BOARD SERVICE VS. DIRECT VOLUNTEERING

Before you take the steps to contact a nonprofit organization, be clear whether you want to be a direct service volunteer or a volunteer board member. Both services are needed, valuable, and in demand.

As a direct service volunteer you:

- are active on a daily basis, often setting your own schedule with the organization
- can be involved in hands-on activities, either where your skills are the strongest or where you are doing something totally different than what you are used to doing
- can feel good about saving money for the organization you want to help, because it does not have to pay for a staff member or a temp to do the work you do
- avoid the general liabilities that apply to board service

As a board member you:

- influence the present and future of the organization as you help determine its priorities
- use your strategic skills and have a chance to brainstorm about the key issues affecting the organization
- can rely on your people skills as you function as a member of a (usually) small team of different people with different perspectives
- are not committed to daily work or a “regular” schedule — but the more time (within reason) you are willing to devote to your board responsibilities, the more appreciated and valued you will be