



second edition

the nonprofit board's role in
**mission, planning,
and evaluation**

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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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ABOUT THE BOARDSOURCE GOVERNANCE SERIES

As BoardSource celebrated its 20th anniversary in 2008, we introduced updated editions of the books in the Governance Series, BoardSource's flagship series created to help nonprofit board members understand their primary roles and responsibilities. BoardSource believes that board members and chief executives who know and understand their mutual responsibilities are better equipped to advance their organizations' missions and, in turn, strengthen their communities.

WHY IS A STRONG BOARD IMPORTANT?

There's no denying that the 1.6 million nonprofit organizations in the United States play a vital role in society, from assisting victims of natural disasters to beautifying our neighborhoods, from educating our children to healing the sick. To ensure that their organizations have the resources, leadership, and oversight necessary to carry out these and other vital activities, nonprofit boards must understand and fulfill their governance responsibilities.

Although there have been headline-worthy scandals by a few nonprofits and their boards, the vast majority try hard every day to be worthy of the public's trust. Nevertheless, BoardSource frequently hears from nonprofit board members and chief executives who say that they are not always sure what the basic components of good governance are or how to educate every board member in them so they can serve their organizations and the public in the best possible manner. The revised Governance Series helps bridge this gap in knowledge.

Within the board's broad roles of setting the organization's direction, ensuring necessary resources, and providing oversight,

board members wear many hats. They are guardians of the mission; they ensure compliance with legal and financial requirements; and they enforce ethical guidelines for their organization. They are policymakers, fundraisers, ambassadors, partners with the chief executive, and strategic thinkers. They monitor progress, evaluate the performance of the organization and the chief executive, and demonstrate integrity in everything they do on behalf of the organization. Because of their many roles, board members need more than enthusiasm for a cause, passion for a mission, or just “good intentions.” They need to understand all of their stewardship responsibilities and perform all of their duties.

WHAT WILL BOARD MEMBERS FIND IN THE BOOKS?

The six books address all of the fundamental elements of service common to most boards, including board member responsibilities, how to structure the board in the most efficient manner, and how to accomplish governance work in the spirit of the mission of the organization.

1. *Ten Basic Responsibilities of Nonprofit Boards, Second Edition* (Book 1) by Richard T. Ingram describes the 10 core areas of board responsibility.
2. *Legal Responsibilities of Nonprofit Boards, Second Edition* (Book 2) by Bruce R. Hopkins, JD, LL.M., elaborates on the board’s legal responsibilities, liabilities, and the oversight it should provide to protect the organization.
3. *Financial Responsibilities of Nonprofit Boards, Second Edition* (Book 3) by Andrew S. Lang, CPA, explains board fiduciary responsibilities in the areas of financial oversight and risk management.
4. *Fundraising Responsibilities of Nonprofit Boards, Second Edition* (Book 4) by James M. Greenfield, ACFRE, FAHP, helps board members understand why they should be actively engaged in ensuring adequate resources for the organization — and how to get involved in fundraising.

5. *The Nonprofit Board's Role in Mission, Planning, and Evaluation, Second Edition* (Book 5) by Kay Sprinkel Grace, MA, Amy McClellan, MNO, and John A. Yankey, PhD, shows how to define and communicate the organization's mission and link strategic planning and evaluation to achieve organizational success.
6. *Structures and Practices of Nonprofit Boards, Second Edition* (Book 6) by Charles F. Dambach, MBA, Melissa Davis, and Robert L. Gale offers guidance on how to build and structure the board (size, committees, term limits) and enhance leadership roles and the partnership between the chair and the chief executive.

Each book focuses on one topic, breaking information into manageable amounts that are easy to digest. Readers will find real-world examples that provide insight from effective boards, statistics from BoardSource's *Nonprofit Governance Index 2007* survey of nonprofit organizations, tips and pitfalls, lists of the most important things to remember, end-of-chapter questions, glossaries, and resource lists for further reading. The authors of the books are subject-matter experts with years of experience in the nonprofit sector.

WHO SHOULD READ THE BOOKS?

Board members and senior staff, especially chief executives, in nonprofits of all types and sizes will find the information contained in the Governance Series relevant. They can use it to set standards, to develop their own approaches to board work and interacting with board members, and to modify practices as the organization evolves.

There's something in the Governance Series for everyone associated with the board. A board chair, for example, might share Book 5 (*The Nonprofit Board's Role in Mission, Planning, and Evaluation*) with board members before starting a strategic planning process or give Book 4 (*Fundraising Responsibilities of Nonprofit Boards*) to the development committee. Chief executives will find it beneficial to give Book 3 (*Financial Responsibilities of Nonprofit Boards*) to the board treasurer and to review Book 1 (*Ten Basic Responsibilities of Nonprofit Boards*) and

give it, along with Book 6 (*Structures and Practices of Nonprofit Boards*), to senior staff and the board chair to clarify board–chief executive roles and strengthen the partnership with the board. All board members will want to read Book 2 (*Legal Responsibilities of Nonprofit Boards*) so they understand how to protect themselves and the organization. The chair of the governance committee might give new board members all six books. This sharing helps ensure that everyone associated with the board is “on the same page” and has a common understanding of the board’s responsibilities, expectations, and activities.

Board service entails serious obligations, to be sure, but it can also deliver immense satisfaction. A board that knows what is expected of it and performs at the highest level is a strategic resource for its organization and chief executive. And ultimately, this commitment by dedicated board members translates into mission impact in our communities.

The Governance Series was made possible in part through the support of MetLife Foundation.

INTRODUCTION

LINKING MISSION, PLANNING, AND EVALUATION

“We have a mission statement, but we think it’s a worn-out expression of what our organization is all about.”

“We want our mission to be more than words on our Web site, but we’re not sure how to keep it front and center.”

“Strategic planning always takes so much time and involves so many contentious discussions. Then we create a plan, and it sits on a shelf.”

“We know we need to evaluate our effectiveness to maintain our credibility with stakeholders, but we don’t know where to start.”

Most board members make at least one of these comments at some time during their board service. But notice that each comment isolates a particular topic: what to do about mission, or planning, or evaluation. Boards frequently tackle each as a separate issue or process. They see mission as set in stone, a statement about the organization that shouldn’t be tampered with. Or they think they know what they want and need to accomplish and how they’ll go about it. They assume that later on, somewhere down the road, they’ll figure out if it’s working. In fact, mission, planning, and evaluation are connected, and together they are a key responsibility of the board.

Mission is the “why” at the center of a nonprofit organization. A mission statement expresses the human or societal need the organization meets. The most powerful expressions of mission also incorporate language about what the organization does to meet those needs. This mission statement was developed by the staff and board leadership at WTVP public television in Peoria, Ill., as it repositioned itself for a wider role in the community

and broader community investment. The statement speaks to why independent public service media are essential and then tells how WTVP fulfills that need:

Intellectual, creative, and technological capacity is a requirement of an engaged, democratic society. WTVP uses the power of public telecommunications to inspire, enhance, and inform our community.

Mission drives visionary strategic planning, and then goals and objectives spill down from vision and are validated by mission. A regular and consistent planning process helps the board and staff clarify mission and make changes when necessary to keep mission fresh, lively, and relevant. The third ingredient in the mix — evaluation — generates the information that helps formulate goals and provides the framework for measuring those goals against mission.

This book takes an integrated approach that explains the basic principles and processes of mission, planning, and evaluation while emphasizing their interrelationship.

Chapters 1 through 4 introduce the essentials of mission. Chapter 1 defines key terms, delineates the roles of board and staff in reviewing mission, and suggests ways to know when a reassessment of mission is in order. Characteristics of a compelling mission statement are outlined in Chapter 2, along with tips for developing and expressing mission. Chapter 3 presents strategies for keeping mission visible and active. Chapter 4 recommends ways of using mission to guide board recruitment and inspire board leadership.

Chapters 5 and 6 link mission and strategic planning. Chapter 5 reviews planning, describes roles for board and staff, suggests ways to use consultants, and explains when an organization should not engage in strategic planning. Chapter 6 describes some planning approaches that work for nonprofit organizations.

Chapters 7 through 9 explain evaluation as a learning tool. They offer basic guidance about timing and benefits (Chapter 7), evaluating programs (Chapter 8), and evaluating organizational effectiveness (Chapter 9). The Conclusion summarizes key

points that will help you understand and remember how mission, planning, and evaluation activities interrelate.

Discussion questions at the end of each chapter are designed to prompt board dialogue, whether at regular times set aside on the board meeting agenda; at a board retreat; or when preparing to review mission, engage in strategic planning, or conduct an organizational assessment.

What's the best reason for a board to connect mission, planning, and evaluation? Their integration provides a stronger platform for decision making. Time and money are limited resources, and nonprofit organizations need to make certain that they provide cost-effective services and programs while achieving the anticipated results.