



Week 2

# STRUCTURING THE WORK OF THE BOARD

---

Leadership Certificate of Nonprofit Education for Chief Executives

BoardSource<sup>®</sup>

Welcome



Justin Wood

Governance Programs Manager



Jenifer Holland

Senior Director of Programs and Consulting

## Certificate for Nonprofit Chief Executives Webinar Series Resources

## Week 1

For content related questions please contact the BoardSource Knowledge Center: [we](#)

- [This week's slides \(PDF\)](#)
- [This week's recording](#)

## Recommended reading

- [Week 1 Reader](#)

## Optional reading

- **Topic Papers**
  - [Board Dynamics and Processes – FAQ](#)
  - [Boards that Micromanage](#)
  - [Chief Executive Job Description](#)
  - [Chief Executive Performance Evaluation](#)
  - [The Role of the Board Chair](#)
  - [John Carver's Policy Governance Model](#)
- **Publications**
  - [Ten Basic Responsibilities of Nonprofit Boards](#)
  - [ePolicy Sampler – Chief Executive \(Word Doc\)](#)
  - [ePolicy Sampler – Communications \(Word Doc\)](#)
  - [ePolicy Sampler – Mission-Related Issues \(Word Doc\)](#)
  - [ePolicy Sampler – Ethics and Accountability \(Word Doc\)](#)
  - [The Source: Twelve Principles of Governance That Power Exceptional Boards](#)

## Have questions?

Contact Andy Davis, Director of Education at  
[andy.davis@boardsource.org](mailto:andy.davis@boardsource.org)

## Week 1 Recap:

Exceptional boards govern in *constructive partnership* with the CEO, becoming allies together in pursuit of the mission, and building a relationship based on trust and forthrightness.

CEOs can encourage a constructive partnership with their boards – starting with the Board Chair – by cultivating relationships, evaluating strategies to inform the board, and facilitating a balance in roles and responsibilities.



## Chat Question

- What have you decided to do as a result of the material covered in week one?

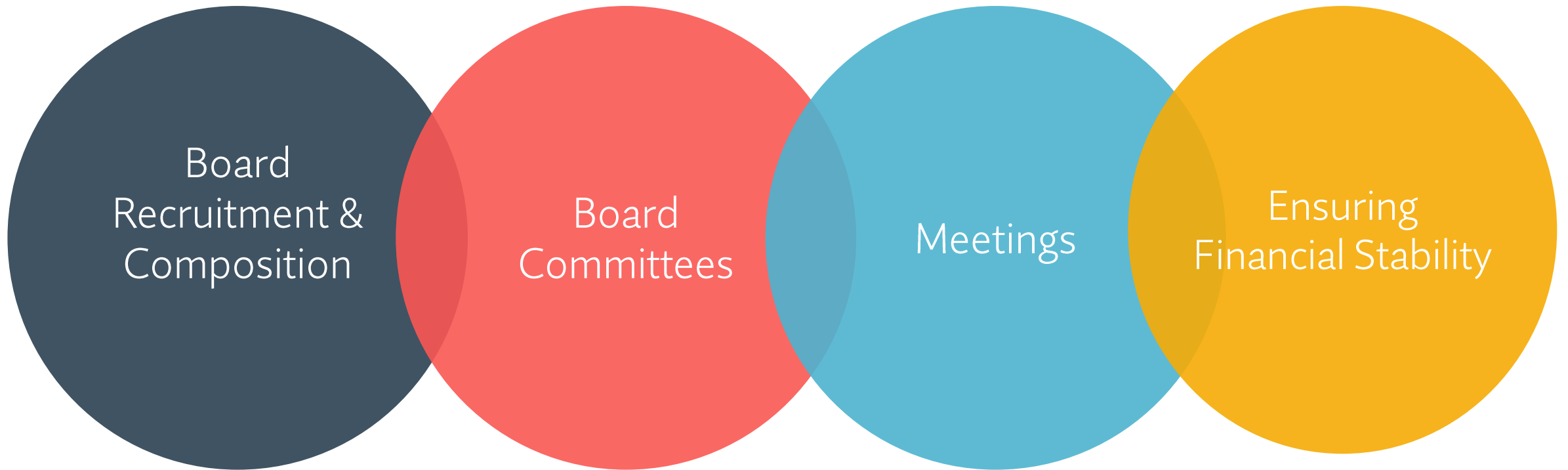
# Week Two Learning Objective

## Structuring the Work of the Board for Engagement and Effectiveness

List at least three of the five areas in which the Chief Executive and the board chair have the opportunity to positively structure the board's work.

# Week 2 Agenda

## Structuring the Work of the Board





# 1 Board Recruitment and Composition

---



# Board Member Elections: LWI Data 2014



70% of boards  
are self-  
perpetuating



10% are elected



19% have a  
combination of  
board-elected  
and member-  
elected board  
members



Boards should  
take responsibility  
for the cultivation  
and recruitment  
process

# Poll



Do you feel that you have the right board members on your board?

- Yes
- No
- For the most part
- No opinion

# Recruiting Board Members: LWI Data 2014

CEOs report:  
Having the right  
board members is a  
determinant of  
effective board  
performance

Yet, only 73% of CEOs  
believe they have the  
right board members

Finding board  
members is getting  
harder:  
58% of CEOs vs. 44%  
in 2012 report it's  
difficult finding the  
right board members

# Finding the Right Board Members



“High-performing boards approach recruitment as a year-round board responsibility and typically use the governance committee to spearhead this effort ...A continuous cycle of identifying potential candidates, exposing them to the work of the organization and current board members, and getting them actively involved early in the process results in a more well-rounded pool of candidates”.

## Poll Question

As CEO, what is your role in board recruitment?:

- A) I actively seek candidates
- B) I work with the governance committee/nominating committee
- C) I speak/meet with board candidates
- D) I help identify gaps and priorities for recruitment
- E) All of the above

# The Chief Executive's Roles in Recruitment

## How Chief Executives Help Recruit Prospects:

Spot talent to develop a diverse and inclusive board

Develop relationship with board and chair

Share strategic objectives and board action needed

# The Board Building Cycle



Nothing is more important to the health and sustainability of your organization than getting highly qualified and enthusiastic people to serve on your board. But many organizations struggle to identify the right leaders.

- More than half – 58 percent – of nonprofit leaders report that it is difficult to recruit new members. (*Leading with Intent 2015: A National Index of Nonprofit Board Practices*)
- Only 73 percent of chief executives state that they have the right board members to effectively govern their organizations. (*Leading with Intent 2015: A National Index of Nonprofit Board Practices*)



# BOARD RECRUITMENT MATRIX



## Board Matrix

This matrix can be adapted to assist your organization's recruitment efforts by assessing your current board composition and identifying opportunities to diversify and/or expand your board.

Every organization is different. Use the table below to help distinguish the skills and strengths needed depending on your organization's stage of development, community served, and other factors.

In considering board building, an organization is legally obligated to follow its bylaws, board size, structure, and composition. Keep in mind that your organization's bylaws must acknowledge changes in the environment and community that have made board structure and composition important.

AREAS OF EXPERTISE/LEADERSHIP QUALITIES
Administration/Management
Early-stage organizations/start-ups
Financial oversight
Fundraising
Government
Investment management
Law
Leadership skills/motivator
Marketing, public relations
Human resources
Strategic planning
Physical plant (architect, engineer)
Real estate

COMMUNITY CONNECTIONS	NUMBER OF CURRENT MEMBERS	NUMBER OF PROSPECTIVE MEMBERS
Religious organizations		
Corporate		
Education		
Media		
Political		
Philanthropy		
Small business		
Social services		
Other		

PERSONAL STYLE	NUMBER OF CURRENT MEMBERS	NUMBER OF PROSPECTIVE MEMBERS
Consensus builder		
Good communicator		
Strategist		
Team member		
Visionary		

AGE	NUMBER OF CURRENT MEMBERS	NUMBER OF PROSPECTIVE MEMBERS
Under 18		
19 - 34		
35 - 50		
51 - 65		
Over 65		



## 2 Board Committees

---



## Chat Question

- What do you expect is the average number of standing committees for nonprofits?

# Leading With Intent

## Most Common Committees in 2016 and 2014

Committee	2016	2014
Executive	63%	78%
Development/Fundraising	44%	60%
Finance & Audit	37%	47%
Finance Standalone	25%	33%
Governance/Nominating	33%	37%

# Lessons from the Field

Task forces can sometimes be more suitable than standing committees

Executive committees should be used with care

Trend: Zero-based committee structure

A Governance committee can be of great value to board functioning and renewal

Separate finance and audit committees, if possible

Decline in the use of committees for program-related purposes





## Chat Question

- Do you have an executive committee?

# The Executive Committee



Usually made up of the officers of the board

Needs a clear charter

Promptly reports to and is accountable to the full board

Its limited role should be defined in the by-laws

Should not marginalize other board members or become a “shadow board”

## The Executive Committee Should Not:

Amend Bylaws

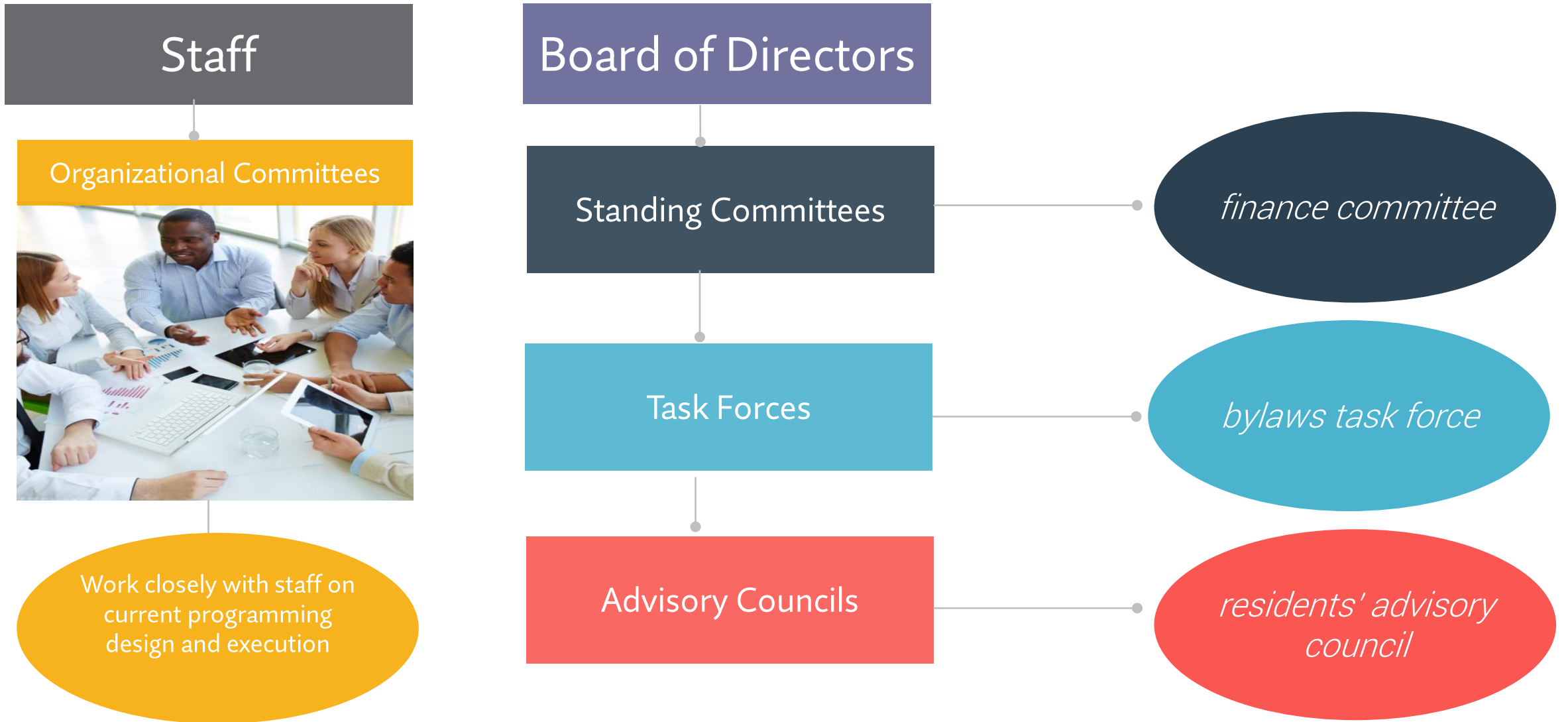
Elect or remove board members

Hire or fire the Chief Executive

Approve or change the budget

Make major structural changes

# Types of Committees





# Chief Executive Roles in Committee Structure



- Ensure committee charges, objectives and work plans
- Ensure the chair provides orientation
- Provide ongoing support to committee chairs

A photograph showing a group of business professionals in a meeting. One person is pointing at a tablet displaying a bar chart, while others look on. There are also printed documents with charts on the table.

## Sample Governance Committee Charter

The governance committee is commissioned by and responsible to XYZ board to ensure board effectiveness, maximum participation, and performance, to recommend new board members in a timely fashion; to ensure board policies are being observed; to implement board development and growth opportunities throughout the year, to ensure all board members receive orientation; and to annually recommend a slate of officers to the board for approval.

(Sample # 1 from the E-Policy Sampler, BoardSource)



# 3 Board Meetings

---

## Poll Question:

Do you feel as though your board meets...

—— A. ——

too often

—— B. ——

not often enough

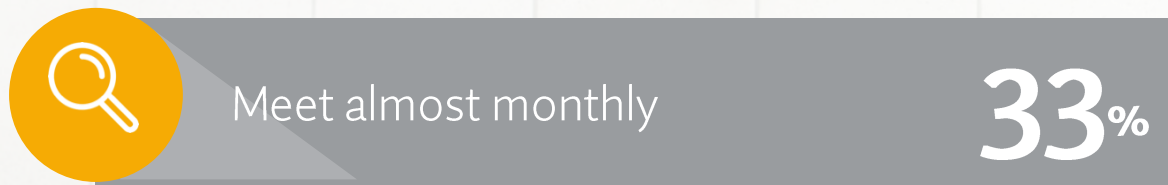
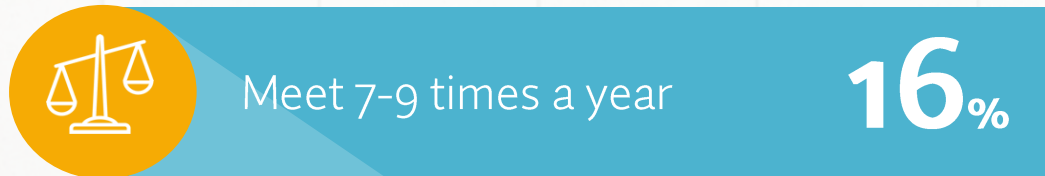
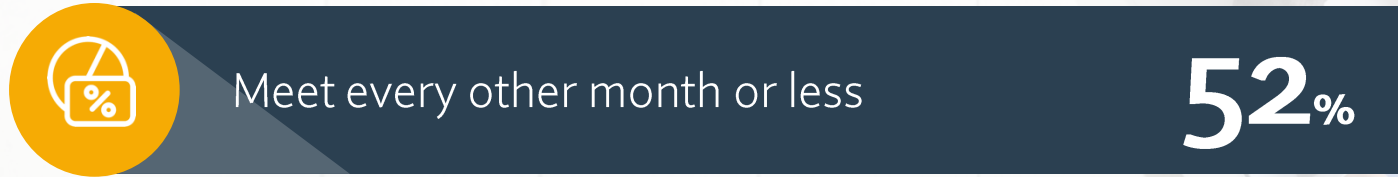
—— C. ——

the right amount

—— D. ——

no opinion

# Leading with Intent 2014 Data



## Why This Matters

- Boards must meet often enough to fulfilling their fiduciary responsibilities without compromising efficiency
- An inverse relationship exists between meeting frequency and length of meeting
- One meeting a year is insufficient – See: BoardSource Recommended Governance Practices

# Effective Meetings

Board chair and  
chief executive  
set the agenda

Informally assess  
board meetings

Establish a  
Governance  
Committee

# Meet Smarter

## PLANNING AND PREPARATION

- Annual board meeting calendar
- Pre-reading materials and reports
- Consent agenda
- Dashboards
- Experts, guests, facilitators

## IN THE BOARDROOM

- Pairs, triads, small groups
- Loyal opposition, devil's advocates
- Foster boards' ability to seek more information, question assumptions, and challenge conclusions
- Draw on multiple sources of information and perspective
- All voices heard

# Board Meeting Evaluation

- The agenda was clear
- Board members were prepared to discuss materials
- Reports were clear and contained needed information
- We focused on strategically important issues
- A diversity of opinions was expressed
- Issues were dealt with in a respectful manner
- The chair guided the meeting effectively



Tool:

## Sample Board Meeting Evaluation Questions

1. Are you leaving the meeting confident in the overall performance of our organization?

2. Did you feel you had ample opportunity for input?

3. Would you change anything for future meetings?

# Strategic Thinking

## Responsible Boards x The Source of Power = Exceptional Boards

- Set direction
- Establish and review strategic plans
- Monitor performance against plans

- Considerable time spent on consequential issues
- Constant strategic thinking
- Joint board-staff efforts to frame and explore issue
- Alignment of agendas, CEO's goals, priorities

- Become a strategic asset, source of leadership
- Sharpen direction, address difficult issues, identify opportunities
- Generate solutions that are understood and supported

Written set of proposals that requires board action but not discussion/debate (e.g., minutes, dates of meetings).

Circulate to board in advance.

During meeting, remove any issues that the board would like to discuss.

Board votes approval of amended agenda and moves on to critical issues.

## TOOL Executive Sessions

Opportunity for the full board to meet in private with and without the executive director.

Open Meetings - <http://www.rcfp.org/browse-media-law-resources/digital-journalists-legal-guide/open-meetings>

# Pause & Reflect

- Does your board use a consent agenda, evaluate board meetings, or incorporate executive sessions?
- Are the conversations at your board meetings strategic or do they stray too far into operational matters?
- What can you do as the CEO to support your board chair in facilitating great meetings?

A background image showing a group of business professionals in a meeting, with one person writing on a document. The image is overlaid with a semi-transparent blue filter.

# 4 Ensuring Financial Stability

---

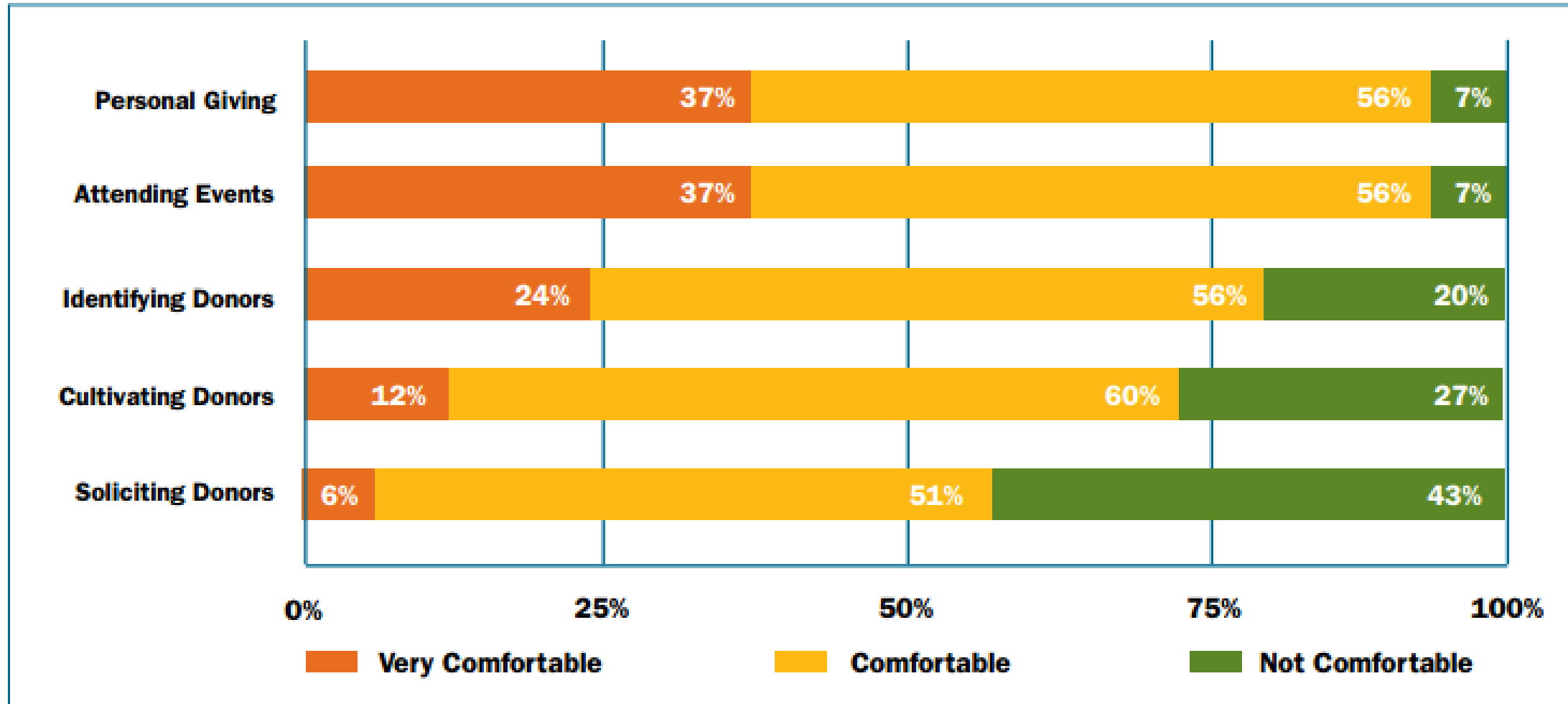
# Chat Questions



- What role do your board members play in fundraising?
- How would you describe your board's comfort with fundraising?

# Board Roles in Fundraising

Figure 22. Boards and Fundraising: Perception of Chair about Board Member Comfort (Q2.7 Chair)





# Board Member Perceptions of Fundraising



Fear of fundraising



Lack of fundraising skills



Equate fundraising with begging



58% of CEOs and 52% of board members feel boards could improve on fundraising ([BoardSource Leading With Intent](#))

# Pre-Requisites to Successful Fundraising



- Strong board and staff partnership
- Current strategic plan
- Fundraising plan
- Passionate board members
- Understanding the strategy of fundraising for your organization
- Willingness of board members to be advocates for your mission

# RESOURCE

## Impact + Profitability



# Strategic Planning and Fundraising: Role of the Chief Executive



Serve as the organization's representative to potential funders and the community



Ensure compliance with funding sources and regulatory requirements



Hire and supervise resource development staff



Initiate and assist the board in developing resource development policy



Help the board set fundraising priorities

# Advocacy and Outreach



To what extent is our mission understood by business, government, education, and media?

Do we actively pursue and develop those relationships?

How could more effective outreach enhance our financial health?

How do the board and staff work together in the area of community outreach?

How can we strengthen this partnership?



# 5 Recap, Questions, and Close

---

# Week 2: Recap

## Board Recruitment and Composition

- Active role identifying and vetting prospects

## Board Committees

- Form follows function
- Clear charters, objectives

## Board Meetings

- Invest in well-crafted agendas
- Evaluate

## Ensuring Financial Stability

- Strategy + advocacy + mission = impact

Up Next

Week 3

# Supporting and Evaluating Performance

BoardSource<sup>®</sup>

---

BoardSource 750 9th St NW Ste 650 Washington, DC 20001

Phone: 202-349-2500 Fax: 202-349-2599

[www.boardsource.org](http://www.boardsource.org)