

Notes From The Nonprofit Answer Book
A Practical Guide for Board Members and Chief Executives
BoardSource

***The Nonprofit Board Answer Book*. 2nd ed. San Francisco, CA: Jossey-Bass, 2007.**

Part One: Basic Board Functions

“As a member of a governing board, you have the pleasure – and the responsibility – of monitoring, overseeing, and providing direction for the organization’s pursuit of that mission. Those responsibilities, which have legal ramifications, will call on you to develop or hone your skills in numerous areas, from financial management to organizational communication and from fundraising to strategic planning.”¹

Chapter 1: What are the basic responsibilities of a nonprofit board?

“...despite their diversity, all boards share the same basic duties....Determine the organization’s mission and purpose....Select the chief executive....Provide proper financial oversight...Ensure Adequate Resources...Ensure legal and ethical integrity and maintain financial accountability...Ensure effective organizational planning...Recruit and orient new board members and assess board performance...Enhance the organization’s public standing...Determine, monitor, and strengthen the organization’s programs...Support the chief executive and assess his or her performance.”²

Chapter 2: What are the attributes of a high-performing board?

“To ensure the optimal performance of a nonprofit board, each member should understand and adopt the following “best practices” guidelines.”³

“The role of the board is clear and distinct from the role of the staff. In a nutshell, the board's primary role is oversight and guidance; the staff's primary role is management.”⁴

“Board members have three "hats"— and only one can be worn at a time. These "hats" represent the three types of roles a board member can have within an organization: oversight, implementation, and volunteer. The oversight hat is worn when the full board meets to make high-level decisions related to the organization's mission.”⁵

“The implementation hat is worn when the individual board member has been granted specific authority to act on the full board's behalf.”⁶

¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 1.

² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 3-4.

³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 6.

⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 6.

⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 7.

⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 7.

“The volunteer hat is always worn when board members serve as organizational volunteers - when they assist with operational details such as stuffing envelopes, writing articles, setting up and promoting events, raising funds, and so forth.”⁷

“**The board is clear about the organization's stakeholders (those to whom it feels accountable) and its primary beneficiaries.** Board members need to distinguish between the people who are stakeholders (for example, members, donors, or alumni) and those the organization serves (for example, students, families, or the community). In some nonprofits, the stakeholders and the primary beneficiaries are one and the same.”⁸

“**The board provides clear direction.** Through the guidelines it issues, the formal policies it adopts, and the official stands it takes on issues, the board delineates and communicates the organization’s mission, purpose, and priorities.”⁹

“**The chief executive is responsible for achieving goals within parameters established by the board.** The board needs one person - the chief executive - to assume responsibility for getting the organization to where the board has determined it should be. When the lines of accountability are clear, no one can make excuses.”¹⁰

“**The board chair manages the board with support from the chief executive.** Every team, even one made up of all-stars, needs a leader. The board chair manages the board, and the chief executive manages the organization.”¹¹

“**Committees serve the board's needs, not the staff's needs.** Committees, with the assistance of staff, should speak to the board - not for it. Committees are useful only when they help the board do its work better.”¹²

“**Board meetings are well-planned.** Meetings should include board-friendly materials sent in advance, concise agendas, clear results, and time for board fellowship.”¹³

“**Board members are carefully selected, oriented, and trained.** It takes a deliberate effort to find people with the motivations, values, experience, and skills that will help the organization reach new levels of excellence.”¹⁴

Chapter 3: What is the board's role and involvement in the mission, vision, and values?

“Successful nonprofit organizations use their mission statements as touchstones for everything board and staff members do. They ask, “Do the strategic plan and its supporting objectives build

⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 7.

⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 7.

⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 8.

¹⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 8.

¹¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 8.

¹² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 8.

¹³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 8-9.

¹⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 9.

upon the whole reason we exist? Does the budget accurately reflect what's really important to us? Do our policies and procedures advance our purposes?"¹⁵

"A good mission statement articulates an organization's fundamental purpose. It helps focus the board members' thinking and actions on what distinguishes their organization from others."¹⁶

"Ideally, a mission statement is succinct (fewer than thirty words), memorable, and clear-cut. Shorter statements can easily be printed and memorized by board members, staff members, and others."¹⁷

"A vision statement differs from a mission statement yet also requires board approval....a vision statement paints a picture of what the organization sees possible in the future....longer than a missions statement, a good vision statement is both idealistic and realistic."¹⁸

"It is not uncommon for nonprofit organizations to revise their vision statements every five years or so, to reflect changes and developments in the world around them."¹⁹

Chapter 4: When should an organization consider revising its mission statement?

"If confusion about your mission is widespread, you need to review why your organization was created in the first place. If those needs still exist, revising (or simply rephrasing) the mission can clarify the organization's bedrock values for all parties involved."²⁰

Chapter 5: What is the board's role in strategic planning?

"The board sets the direction for the organization; on the basis of that direction, the staff fleshes out the plan, defines the strategies to achieve the plan, and determines the operational objectives. Undertaking the process of strategic planning offers numerous benefits to a nonprofit organization."²¹

"It maintains a mission-based focus. Organizations tend to wander from their stated missions over time, taking on new programs and serving new constituencies because money is available or new leaders want to do different things Sometimes the mission statement is indistinguishable from that of other organizations, or it may seldom be referred to in decision making."²²

"It offers a "reality check." Old methods may not meet the needs of today's environment."²³

¹⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 10.

¹⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 10.

¹⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 10.

¹⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 11.

¹⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 12.

²⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 14.

²¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 16.

²² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 17.

²³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 17.

“It provides a performance review. Some nonprofits are good at doing things that no longer apply to their mission (or never did).”

“It builds consensus and ownership. It is not enough for the chief executive to have a clear picture of where the organization is going.”²⁴

“It helps define leadership characteristics. Organizations go through cycles, each handled best by a leader who fits the times.”²⁵

“Once the rationale for strategic planning is clear, the chief executive typically looks at different models and proposes a specific process to follow. The proposal, which should be presented to the full board for approval, should address the following questions:

- *Who will lead the strategic planning process?* The chief executive usually fulfills this role, sometimes assisted by an outside consultant. Or the consultant or a particularly gifted board member might be best suited to take the lead.
- *What is the time frame?* Between six and nine months should be sufficient; if the process goes longer than that, the participants will grow weary of it. The board should receive interim reports.
- *Who will be involved?* The process should include board, staff, major donors, and other key stakeholders (perhaps community leaders).
- *What is the budget?* The process need not be expensive, but some direct expenses will be incurred.
- *What are the expected outcomes?* Be specific about reports, how relative priorities are to be identified, and whatever else the leadership expects from the process. For example, the board may require staff members to provide certain data that track actual results versus desired outcomes. This monitoring requirement forces critical analysis and creative reflection about new ways to achieve outcomes or prompts a reconsideration of the stated outcomes.

Strategic planning should flow from a clear mission—the reason the organization exists.”²⁶

- “Strategic thinking is a continuous exercise, whereas strategic planning is a periodic one.
- Strategic thinking – an attribute of every high-performing board – involves consideration of today’s issues and developments that may have an implication on tomorrow’s activities.”²⁷
- “The goal of strategic thinking is not to predict the future but to anticipate it.”²⁸
- “A board that thinks strategically creates a culture that focuses on critical issues, encourages the thorough exploration of ideas, and continuously aligns agenda items with organizational priorities.”²⁹

Chapter 6: What is the board’s role in fundraising?

²⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 17.

²⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 17.

²⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 18.

²⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 19.

²⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 19.

²⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 19.

“You have made a personal commitment to a nonprofit organization by agreeing to serve on its board. In addition to contributing your time and talents, that commitment should include providing financial support appropriate to your means and encouraging others to give as well.”³⁰

“***Make a personal gift.*** Potential board members should be made aware of the organization’s annual fundraising cycle and the expectation that they contribute.”³¹

“During the year, the board should receive updates on the total goal set for donations from board members, progress toward that goal, and the percentage of board participation.”³²

“***Establish policies to guide fundraising.*** Fundraising policies, plans, and goals should be tied closely to mission, and it is up to the board to make sure this happens. Boards should not get carried away with details but provide wise direction for the staff.”³³

“***Select and encourage a development-savvy chief executive.*** Most chief executives spend a good deal of time raising money – but they can’t do it alone. Board members can pitch in by offering time, advice, and contacts.”³⁴

“***Recruit board members who are willing to raise funds.*** Each member brings to the board a unique network of contacts; tapping into these networks broadens your organization’s fundraising base and raises awareness of the work it does.”³⁵

“***Volunteer to help.*** All board members have a place in fundraising. If directly asking for contributions isn’t your strong suit, volunteer to take on other tasks.”³⁶

“***Evaluate your efforts.*** Staff members can be too close to the fundraising process to evaluate the results objectively; approaches that work well at first may be continued far beyond their effectiveness. Through regular yet informal evaluation, you and other board members can determine the cost-effectiveness of various events or activities.”³⁷

Chapter 7: What are the legal duties of a board member?

“From a legal standpoint, trustees, officers, or board members of a nonprofit board are held to these three standards:

- *Duty of care.* This refers to board members’ responsibility to actively participate in making decisions on behalf of the organization and to exercise their best judgement while doing so.

³⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 21.

³¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 21.

³² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 22.

³³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 22.

³⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 22-23.

³⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 23.

³⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 23.

³⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 23.

- *Duty of loyalty.* When acting on behalf of the organization in a decision-making capacity, board members must set aside their own personal and professional interests. The organization's needs come first.
- *Duty of obedience.* Board members bear the legal responsibility of ensuring that the organization remains true to its mission and purpose by its compliance with all the applicable federal and state laws.”³⁸

Chapter 8: What is the board's role in financial management?

“A board member has a fiduciary duty for the organization, a responsibility to see that the organization is well-managed and that all the finances are safely guarded. In general, these three areas require your attention and participation.

- *Policies.* Every board should have organized financial policies, written in language everyone understands, that provide guidance to the staff. These policies spell out the board's desires regarding matters such as controls on cash receipts and disbursements, budget practices, investments, operating reserves, capital budgets, risk management, financial reports, and audits...
- *Budget.* Even with strong financial policies in place, all nonprofit boards must see and approve the annual budget...
- *Financial Reports.* The board should understand the various financial statements nonprofits use, then clarify what reports it wants and when. The typical reports are statements of financial position, statements of financial activities, and statements of cash flow....”³⁹

“...in its role as the organization's financial monitor, the board must ensure that the organization.

- Keeps accurate and up-to-date financial records
- Prepares and follows an annual budget
- Prepares accurate and timely financial statements
- Effectively manages assets
- Follows established investment policies
- Complies with federal, state, and local regulations and applicable reporting requirements
- Conducts an annual external financial audit
- Conducts audits or prepares reports required by the government or other funders
- Has internal controls in place for staff and board members who deal with finances to ensure segregation of duties
- Effectively manages risk through the purchase of insurance policies and the establishment of conflict-of-interest policies”⁴⁰

Chapter 9: What is the board's role in organization evaluation?

“To be effective monitors, board members need to receive – and read – brief written summaries prepared by the staff. These periodic reports, often provided quarterly and in conjunction with

³⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 25.

³⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 28-29.

⁴⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 29-30.

the materials for an upcoming board meeting, should track the organization's progress toward its strategic goals by including key activities, accomplishments and results."⁴¹

"This short report can be accompanied by copies of more detailed financial reports, the current budget, and financial statements that support the overall analysis. Although only a few people may delve into all the details, good stewardship and good governance require that all board members have access to complete information about the organization's financial status."⁴²

"...board members should have no qualms about asking staff members or members of the finance committee to provide more details or a fuller expectation."⁴³

"When adequate professional staff does not exist to provide comprehensive reports, consider appointing an evaluation team, consisting of volunteers and a staff liaison, to look at each program, gather relevant data..."⁴⁴

Chapter 10: How should the board connect and communicate with constituents?

"As a board member, to whom are you accountable? Every board should identify and define its stakeholders – who are not necessarily the same people as the primary beneficiaries of a nonprofit's work."⁴⁵

"Effective boards form links with all of their constituencies. As a board member, you should always be knowledgeable enough about the organization to represent it at events it sponsors, at meetings with funders, in interactions with constituents, and within the community in general."⁴⁶

"Donors need assurance about an organization's financial stability, its strategic direction, and its wise use of their contributions."⁴⁷

"Whenever a surprise change in leadership occurs, such as the unexpected resignation or termination of the chief executive, the board can quickly put rumors to rest by being the official source of information on what occurred and how the leadership transition will be handled."⁴⁸

Chapter 11: How does a board function as a team?

"Take a diverse group of people, all of whom have strong individual talents, and put them on the same board. They will accomplish more together, by combining their ideas, experience, and expertise – by playing off one another's strengths and expanding their own thinking in the process."⁴⁹

⁴¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 32.

⁴² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 32-33.

⁴³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 33.

⁴⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 34.

⁴⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 36.

⁴⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 36.

⁴⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 37.

⁴⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 37.

⁴⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 40.

“No matter what their personalities or approaches, all board members should share one characteristic: they must be committed to the organization’s mission.”⁵⁰

“...board members must know they can count on one another... This culture of trust is rooted in respect, integrity, and accountability, and built through the frequent communication of expectations and appropriate roles.”⁵¹

Chapter 12: How does the board avoid the extremes of “rubber stamping” and micromanaging?

“Board members who are clear about their responsibilities are much less likely to become involved inappropriately in administration or to distance themselves from critical decisions.”⁵²

“To avoid being a rubber stamp, read the background materials on an issue, analyze the statistics, listen carefully to presentations, and ask pointed questions about stakeholders’ needs, relevance to mission, and success (or failure) or strategies.”⁵³

“If a board member veers toward micromanagement, the board chair can instead steer that person toward an assignment related to the area of greatest interest.”⁵⁴

Part Two: Board Structure

“A board has the latitude to decide which governance structure works best for the organization’s mission, activities, culture, and preferred way of working... The best structure for your board is the one that brings organization to its activities and promotes efficiency in the process.”⁵⁵

Chapter 13: What is the best size for our board?

“The smaller the board, the easier it can be to schedule in-person meetings and get a quorum, especially if all board members live close by.”⁵⁶

“In contrast, a larger board brings a greater breadth and depth of experience to the organization and can “share the load” so that individual board members do not become overwhelmed by their responsibilities and therefore risk burnout.”⁵⁷

“...each state determines the minimum number of board members.”⁵⁸

⁵⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 41.

⁵¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 41.

⁵² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 43.

⁵³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 44.

⁵⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 46.

⁵⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 47.

⁵⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 49.

⁵⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 49.

⁵⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 49.

“Many boards number in the twenties or even the thirties. According to BoardSource research, the national average for a nonprofit board is seventeen members.”⁵⁹

“The smaller the board, the easier it may be for the chief executive and key staff members to stay in close communication with and learn what motivates individual board members. There may be a greater sense of camaraderie and engagement because board members have the opportunity to get to know one another well, and the board may govern less formally”⁶⁰

“People who serve on a small board may have a heightened sense of loyalty that translates into more personal involvement...”⁶¹

“Also, a small board is more feasible if you invite people from outside the board to serve on advisory groups, ad hoc task forces, or board committees.”⁶²

“Larger boards need to be more disciplined about establishing following - written policies and procedures to guide their work. And the more board members there are, the greater the number of people who can be effective in fundraising and community outreach efforts – but only when wearing their volunteer hats.”⁶³

“Typically, larger boards create executive committees a smaller group within the board usually composed of the organization's officers and other key leaders.”⁶⁴

“The danger in this scenario is that the full board may not feel its input is necessary or desired; it may become tempted to refer tough issues to the executive committee for action.”⁶⁵

“Of course, smaller boards will incur fewer costs than their larger counterparts.”⁶⁶

“The question of board size is a complicated one to answer and requires a careful analysis of the individual situation. Do not simply rely on tradition...”⁶⁷

“Put the issue on the table now and then.”⁶⁸

Chapter 14: How should we structure our board?

“...board structure is one of the easiest things to create, maintain, and repair when necessary. It all starts with the organization’s bylaws, which should outline the basic structure of board

⁵⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 50.

⁶⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 50.

⁶¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 50.

⁶² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 50.

⁶³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 50.

⁶⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 50.

⁶⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 51.

⁶⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 51.

⁶⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 51.

⁶⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 51.

operations (including how the board chair is selected, how long he or she may serve, the range of how many members may serve on the board at one time, and so forth).⁶⁹

- “Evaluate your structure every couple of years....
- Ensure that the organization’s nominating process is oriented toward identifying the person with the right qualities to lead the board as its chair...
- Keep the size of the board under control...
- If the board has an executive committee, define its authority in the bylaws and use the committee creatively to help the full board and the chief executive function more effectively...
- If the organization has paid staff members, don’t allow the board chair to act as the chief executive...
- Clearly designate the chief executive as the sole agent of the board...
- Limit the number of standing committees – for example, the audit committee, the finance committee, and the governance committee might be the only ones listed in the bylaws...
- Use short-term committees and ad hoc task forces to address special needs that arise...
- When helpful, form an advisor council to provide specific expertise to the board....
- Limit board membership to volunteers...”⁷⁰

Chapter 15: What types of board committees should we have?

“Audit committee, to oversee the organization’s regular outside financial audits. This committee’s primary responsibility is to select and work with the independent, outside auditor who annually reviews the organization’s financial systems and reports.”⁷¹

“Finance committee, to help the board fulfill its fiscal responsibilities. Members of this committee typically review budgets prepared by the staff, ensure that financial reports prepared by the staff are accurate and timely, make policy recommendations to the board, and provide other board members with explanations and insights into the organization’s financial situation.”⁷²

“Governance committee, to handle overall board development.”⁷³

“Board-appointed committees should deal with policies and strategies. Organizational committees should focus on issues or concerns related to specific programs or service delivery.”⁷⁴

Chapter 16: How can our committees be most effective?

“Committees are simply one way a governing board organizes itself to be more efficient and effective.”⁷⁵

⁶⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 53.

⁷⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 53-54.

⁷¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 55.

⁷² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 56.

⁷³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 56.

⁷⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 56.

⁷⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 58.

“For a committee to be effective, its chair must be a good manager of people and process, someone who feels confident in guiding committee members to accomplish the task in a timely fashion. The job requires extra homework, regular communication with staff members and the board chair, and a willingness to resolve conflicts among committee members. It is not an honorary role. The bylaws should allow a board to appoint some committee members from outside the board itself may not have – an investment advisor for the finance committee, for example...”⁷⁶

Chapter 17: Does our board need an executive committee?

“The executive committee speaks for the board when the board gives the committee authority to act on its behalf.”⁷⁷

“For large boards (more than thirty members), the executive committee is a more workable group for dealing with some routine issues.”⁷⁸

“An executive committee can easily meet in person or via a telephone conference call. Within a week or two, minutes of an executive committee meeting should be prepared and distributed to all board members.”⁷⁹

Chapter 18: Should our board have advisor councils?

“Some advisory council members may not be seen by all as a positive association for your organization or may try to compete with the board in wanting to make organizational decisions.”⁸⁰

“Create a written description of each advisory council’s purposes and accountability. Clarify that the group does not make final decisions for the organization.”⁸¹

Chapter 19: What is the role of the board chair?

“No doubt about it, the board chair has a demanding and multifaceted job that goes far beyond banging the gavel to signal the start and the end of each board meeting.”⁸²

“**Preside at board meetings.** Finding a chair with the ability to manage group processes should be an important consideration in officer elections, and should take precedence over selecting a chair who is personally popular, has a close relationship with the chief executive, has been on the board the longest, or has made a sizable financial contribution.”⁸³

⁷⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 59.

⁷⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 63.

⁷⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 63.

⁷⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 63.

⁸⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 67.

⁸¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 67.

⁸² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 63.

⁸³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 70-71.

“Coauthor board agendas. Well in advance of a meeting, the board chair and chief executive should discuss what should be on the agenda, how much time to give to key items, whether guests should be invited to make presentations, how long staff reports should take (most can be sent out in advance), and whether to have an executive session without staff members present.”⁸⁴

“Appoint and assist committees. Whether the bylaws give appoint authority to the full board or to the chair, the board chair should have considerable influence in committee assignments. This responsibility requires knowing the interests and availability of all board members.”⁸⁵

“Appoint a search committee. One special responsibility of the board chair is to appoint and issue the charge to a search committee for a new chief executive.”⁸⁶

“Manage group development. Some decisions such as board size, term of service, and committee structure—are made by the full board and codified in the bylaws or policies. But the board chair often initiates recommendations to change board policy.”⁸⁷

“Maintain organizational integrity. The board chair has a legal mandate from the state in which the organization is founded to assume overall responsibility for the board and to ensure that the organization's mission is respected.”⁸⁸

“Forge a link with the major stakeholders. One task of a board member is to stay in touch with the organization's major constituencies. Although the staff does this constantly, at times the board chair is the most appropriate person to represent the organization at a key meeting, appear on a radio or television talk show, write a magazine column, serve as the organization's spokesperson, preside at a membership forum, make a presentation at a community event, or thank major donors.”⁸⁹

“Support the chief executive. The board chair needs to keep an ear to the ground, sound out individual board members, and then gently encourage the chief executive in the direction of positive board relationships.”⁹⁰

“Be clear on the chair's and chief executive's roles and responsibilities. The board chair should revisit with the chief executive all of their respective roles and responsibilities to clarify who handles what.”⁹¹

Chapter 20: What is the ideal relationship between the board chair and the chief executive?

⁸⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 71.

⁸⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 71.

⁸⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 72.

⁸⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 72.

⁸⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 72.

⁸⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 72-73.

⁹⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 73.

⁹¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 73.

“Like a marriage or a business partnership, the chief executive-board chair relationship brings together two people with distinct personalities, experiences, preferences, perspectives, operating styles, and decision-making modes. Furthermore, both are proven leaders, meaning each also has healthy doses of self-confidence, vision, energy, and innovative ideas. Put them together, and you’re bound to have disagreements.”⁹²

“How those disagreements play out within the organization and are ultimately resolved will determine the effectiveness of the board chair's term in office. Allowing tensions to build and spill over into relationships with other board and staff members can create divided loyalties. Everyone devotes his or her time to rehashing or second guessing what one of the leaders said or did instead of focusing on the business at hand.”⁹³

“In contrast, chief executives and board chairs who acknowledge that they are equal partners and make a commitment to a relationship of mutual trust can keep the organization moving ahead. The board chair must trust his or her own abilities to fulfill the job's many responsibilities and trust the chief executive to do the same, and vice versa.”⁹⁴

Chapter 21: What board officers should we have?

“At a minimum, as defined by state laws, most boards have the following officers.”⁹⁵

“**Chair.** On most boards, this position requires the greatest time commitment. The chair manages the board and serves as the primary liaison between the board and the chief executive.”⁹⁶

“**Vice chair.** This position provides additional leadership, substituting for the chair when that person is not available or leaves the position before the end of his or her term.”⁹⁷

“**Treasurer.** The person elected to this position assumes the primary volunteer role in the organization's financial oversight. The treasurer oversees financial operations, ensuring that incoming revenues and outgoing payments are handled and recorded appropriately.”⁹⁸

“**Secretary.** This position has the responsibility for ensuring that board-related documents primarily minutes of board meetings are accurate and prepared in a timely manner. In a smaller organization, the secretary may have the responsibility for taking and distributing the minutes; in a larger organization, he or she will review the minutes prepared by staff members before they are distributed to the board for approval.”⁹⁹

“**Chair-elect.** To ensure leadership continuity - and to acclimate the incoming chair to the responsibilities ahead - some nonprofit organizations designate a chair-elect. This person has

⁹² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 75.

⁹³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 76.

⁹⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 76.

⁹⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 80.

⁹⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 80.

⁹⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 80-81.

⁹⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 81.

⁹⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 81.

already been designated as the successor to the current board chair, on the basis of the board's policies and election processes.”¹⁰⁰

Chapter 22: How should we select our board officers?

“Officer elections should not be popularity contests. The skills, experience, and temperament of a person top the list of the most important qualifications for an officer’s position.”¹⁰¹

Part 3: Selection and Development of Board Members

Chapter 23: How can we recruit active, involved board members?

“...if you want to recruit people who are serious about governing the organization, you must take recruitment seriously.”¹⁰²

“**Define the board member’s job.** Develop a one- to two-page job description that suits the organization at this point in its lifestyle.”¹⁰³

“**Agree on the profile of the future board.** The board should describe what the “dream team” it envisions will look like in a few years.”¹⁰⁴

“**Develop qualifications for serving**...use [the board member profile] to identify current or projected gaps in the desired experience and qualifications of board members.”¹⁰⁵

“**Adopt a plan to identify and nurture prospects.** Using your expectations and needed qualifications as a guide, come up with a list of the people who might be best for the board at this time.”¹⁰⁶

“**Have a rigorous nomination process**...Determine who could be groomed for a key leadership role down the road, knowing who is likely to leave the board.”¹⁰⁷

“**Take board election and new member orientation seriously.** Make the actual election and welcome event memorable for new board members.”¹⁰⁸

Chapter 24: What is the chief executive’s role in board recruitment?

“It is a clear conflict of interest for a chief executive to handpick the board members who ultimately assess his or her performance and determine his or her compensation. Chief

¹⁰⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 82.

¹⁰¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 84.

¹⁰² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 89.

¹⁰³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 89.

¹⁰⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 90.

¹⁰⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 92.

¹⁰⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 92.

¹⁰⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 92.

¹⁰⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 93.

executives should certainly be involved in the process of selecting board members, but they should not vote on who is elected.”¹⁰⁹

Chapter 25: How can a membership organization board an effective board?

“Many organizations with elected boards hold an election at the annual meeting...of members.”¹¹⁰

“Other organizations, at intervals specified in their bylaws, send a ballot and short biographies of the board candidates to all members. The ballot may be uncontested or contested. When contested, elections take some important volunteers in the position of being declared “losers” by their peers.”¹¹¹

- “Avoid setting strict representational quotas or using the board election to pay political favors...”
- Cast a wide net when seeking nominees....
- Present an uncontested slate to the membership... ”¹¹²

Chapter 26: How can our board become more diverse?

“Boards that become too insular, either by electing the same people to leadership positions or by selecting new members in their same mold, can easily miss opportunities to strengthen the organization by introducing fresh perspectives and diverse voices.”¹¹³

“Reducing a board’s homogeneity opens it to a variety of viewpoints and avenues of action.”¹¹⁴

“...once a board has spoken with one voice on policy, those holding contrary opinions must be loyal to the majority.”¹¹⁵

“...a board should be aware of tokenism... This type of approach does not reflect a serious attempt to diversify the board’s composition and does a disservice to the people who were recruited to bring a fresh, personal perspective to board discussions and decisions.”¹¹⁶

Chapter 27: What does a prospective board member need to know?

“The board has a legal and moral responsibility for the organization. A governing board role should no be viewed as honorary or advisory or “just helping out my friend, the chief executive.”

¹⁰⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 94.

¹¹⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 96.

¹¹¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 97.

¹¹² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 97.

¹¹³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 99.

¹¹⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 97.

¹¹⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 100.

¹¹⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 100.

Board membership should be a serious decision. Before agreeing to serve on a board, ask the following ten questions, at a minimum.”¹¹⁷

- “What is the mission of the organization?....
- Who are the leaders of the organization?...
- What is the financial condition of the organization?...
- What is the board member’s job description?....
- How long is my term?....
- How much of my time will be required in a normal year?...
- How many meetings will I be expected to attend, and when are they?...
- Who pays for my expenses as a board member?....
- Are all board members expected to be donors?....
- What are my motivations for serving as a board member?....”¹¹⁸

“You can learn a lot about recruiting new board members from those who have completed their terms or resigned.”¹¹⁹

- “How much did the board focus its energies on fulfilling the organization’s mission/
- How well were your expertise and abilities used during your term in office?
- Do you believe the expectations outlined before you become a board member matched the reality of the position?
- How do you feel you have contributed to the board’s work? To the organization as a whole?
- Did you have any disappointments in relation to your role as a board member?
- Do you believe you received all the training you needed to serve effectively on the board? If not, what would have benefited you the most?
- In your view, what strategic priorities should the organization concentrate on during the next few years?
- In your view, what skills and competencies does the board need to cultivate among board members to meet the challenges ahead?”¹²⁰

Chapter 28: What should we involve in our board orientation?

“Recruiting good board members is only the beginning. To keep them informed, involved, and motivated, the board should continually evaluate itself and commit to effective board practices. Those practices begin with a comprehensive orientation for new board members”¹²¹

Chapter 29: Should members of the same family serve on a board?

“In general, it is not advisable to seat family members on the same board. Doing so increases the potential for internal conflict should family members vote as a block and may give donors,

¹¹⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 102.

¹¹⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 103-105.

¹¹⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 106.

¹²⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 106.

¹²¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 106.

government agencies, or other audiences the idea that the organization does not take its public stewardship role seriously. In addition, having multiple family members on the same board tends to perpetuate a board's homogeneity."¹²²

Chapter 30: Should constituents serve on the same board?

"An organization's constituents, or stakeholders – those people tend to whom a board feels primary accountability – should be involved in the work of the board. They might participate by serving on board committees, task forces, or advisory groups."¹²³

"In other types of nonprofit organizations, which may have self-perpetuating or appointed boards, the board should not only define the organization's constituents but also develop ways to ensure that their voice is heard."¹²⁴

Chapter 31: What should we do about uninvolved board members?

"While working on the front end to recruit more committed, loyal, fully participating board members, a good board also should face up to the problem of finding a gracious way out for others."¹²⁵

"Rather than allowing faithful board members to become discouraged by the inactivity of some, the board chair should call together a few board veterans to discuss the problem."¹²⁶

"Perhaps these would prefer to resign but don't wish to appear disloyal to the organization."¹²⁷

"Institute a required rotation. Consider amending the bylaws to require everyone to be off the board for at least one year after a certain number of years of service."¹²⁸

"Have a friendly, nonthreatening conversation."¹²⁹

"Develop an annual affirmation statement. Just before the annual nominating and election process begins, distribute an affirmation statement for board members to sign."¹³⁰

Chapter 32: Should we have term limits for board members?

¹²² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 111.

¹²³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 114.

¹²⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 114.

¹²⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 116.

¹²⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 116.

¹²⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 116.

¹²⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 117.

¹²⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 117.

¹³⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 118.

“Rotating people on and off the board through term limits does the following: Brings more diversity to the board...Reinvigorates other board members...Develops new leaders...Assures stakeholders and donors...Reduces inactivity....Enhances the group dynamics.”¹³¹

Chapter 33: How can we engage former board members and chief executives?

“Never let a former board member just drift away without a debriefing and a candid conversation about his or her desired level of continued involvement.”¹³²

“Here are some ways to engage former board members: Recognition...Board committees...Emeritus status...Board Alumni Council...Special assignments...Mailings.”¹³³

Chapter 34: Should board members be compensated?

“Although nonprofit board service is usually a volunteer activity, reasonable fees for service are permissible if the bylaws state so or the majority of the board members so determine...Board compensation is more common in complex nonprofits, such as healthcare systems or large foundations”¹³⁴

“According to the basic tenets of nonprofit law, directors and officers should not make any pecuniary (monetary) profit from the organization, and they should not receive personal financial benefit from their association with the organization.”¹³⁵

“Clarify the reimbursement policy for potential board members, emphasizing that board service should not cause personal economic hardship.”¹³⁶

“It is not inappropriate for a nonprofit organization to have business relationships with board members, provided ethical procedures are followed, such as full disclosure of conflicts of interest.”¹³⁷

Chapter 35: Should board members be evaluated periodically?

“No individual or organization develops excellence without setting standards and submitting to some measure of accountability. Evaluations of staff performance, for instance, are usually done annually. Board members should have no exception.”¹³⁸

“Self-evaluation must be part of the process.”¹³⁹

¹³¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 121-122.

¹³² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 124.

¹³³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 124-125.

¹³⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 127.

¹³⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 128.

¹³⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 128.

¹³⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 128-129.

¹³⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 131.

¹³⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 132.

Chapter 36: How can our board assess and improve its own performance?

“Individual board members become frustrated when they perceive that the overall board is dysfunctional in key areas.”¹⁴⁰

“An effective board addresses issues, keeps the mission clear, uses funds wisely, and makes board meetings enjoyable. New member recruitment becomes easy because others want to join a winning team.”¹⁴¹

“The process of asking, “How are we doing?” might be tied to the strategic planning process or spurred by the upcoming recruitment of a long-standing chair or the departure of the chief executive.”¹⁴²

Part 4: Board and Committee Meetings

“The board chair is the key figure in keeping the board focused on its governance role, although all board members should feel comfortable in pointing out when discussions have strayed into operational areas that are not their responsibility.”¹⁴³

Chapter 37: Is a board legally required to hold open meetings?

“All states have “sunshine” laws. Alternatively known as open meeting laws, these regulations are intended to shed light on the inner workings of an organization and promote accountability by those in decision-making positions.”¹⁴⁴

“In general, the laws pertain to state governments and nonprofits that receive public funds (such as school boards). Some states have extended sunshine laws to cover nonprofits that have government contracts or have government officials serving on their board (which may be a condition of the funding).”¹⁴⁵

Chapter 38: How often and where should we meet?

“Streamlining board governance often includes reducing the number of board meetings and making each meeting more efficient through the use of consent agendas, the absence of routine committee reports, and a focus on major organizational matters rather than operational issues.”¹⁴⁶

“A board should meet only as many times as required to fulfill its role.”¹⁴⁷

¹⁴⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 135.

¹⁴¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 135.

¹⁴² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 135.

¹⁴³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 139.

¹⁴⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 141.

¹⁴⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 141.

¹⁴⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 143.

¹⁴⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 143.

“The objective is to make the meeting memorable.”¹⁴⁸

“Informal time for fellowship.”¹⁴⁹

Chapter 39: How can we improve our meetings?

“It’s rewarding to serve on a board when you feel valued as a member...”¹⁵⁰

“Plan meetings well in advance...Provide a positive environment...Pay attention to logistical details...Manage the meeting effectively...Follow the agenda...Allow adequate time for discussion...Start follow-up immediately after the meeting.”¹⁵¹

Chapter 40: How is a retreat different from a board meeting?

“A retreat offers them the opportunity to delve more deeply into strategic issues that they may not always have time to address during regular board meetings.”¹⁵²

“Many organizations schedule an annual retreat, which might include team-building exercises, orientation for new board members, a refresher course on board members’ roles and responsibilities, or self-assessment exercises.”¹⁵³

Chapter 41: Who should attend board meetings and what are their roles?

“Every board member should make it a priority to attend every meeting.”¹⁵⁴

“The board chair and the chief executive should sit next to one another during business sessions, working as a team. The chief executive usually is a nonvoting member of the board.”¹⁵⁵

Chapter 42: How should staff members participate in board and committee meetings?

“...the chief executive plays several roles once the meeting begins. He or she...provides information the board needs to govern...Answers all questions raised by board members, or calls on the appropriate staff members in the room to provide the requested information. Helps the board chair manage the meeting productively...Helps board members feel positive about their service to the organization...”¹⁵⁶

“Other senior staff members play an important role in board meetings...Give presentations on their areas of responsibility...Respond to requests for information during or after the

¹⁴⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 144.

¹⁴⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 145.

¹⁵⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 146.

¹⁵¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 146-149.

¹⁵² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 152.

¹⁵³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 152.

¹⁵⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 154.

¹⁵⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 154.

¹⁵⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 158.

meetings...Demonstrate their support of the chief executive and the management team...Interact with board members during refreshment breaks and meals.”¹⁵⁷

“It is common for the chief executive – but no other staff member – to serve ex officio as a board member. In fact, the chief executive is the only staff member who should serve on the board.”¹⁵⁸

Chapter 43: What are the different ways boards make decisions?

“Many small decisions – such as meeting locations, agendas, advance materials, and board reports – are made legitimately for the board by the board chair or the chief executive.”¹⁵⁹

“In most board cultures, unanimity is not typical. In fact, if all of its decisions are unanimous, a board probably has other problems such as uninvolved board members or confusion about roles and responsibilities. A board can still enjoy unity while encouraging board members to speak and vote their true conscience. In other words, a board can have unity without unanimity on all votes.”¹⁶⁰

Chapter 44: What if a board member opposes a board decision?

“How a board member expresses disagreement is often more important than the difference of opinion itself.”¹⁶¹

“From time to time, the board should review these decision-making principles:

- Once elected, every board member should think and act for the good of the whole.
- Different points of view should be encouraged at the time an issues is being discussed.
- When everyone feels that the discussion process has been fair and complete, the board chair calls for a vote.
- The majority determines the board’s decision, and everyone is obligated to support the decision.”¹⁶²

Chapter 45: How should board minutes be written, approved, and kept?

“Minutes from a board meeting are the permanent record that provides information about when the meeting occurred and what accusation was taken. Minutes are legal documents, but how they must be presented is not defined by law.”¹⁶³

“When establishing or revisiting your organization’s system for taking and maintaining minutes, answer the following questions....Who should take minutes?...How much detail should be

¹⁵⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 158.

¹⁵⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 159.

¹⁵⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 161.

¹⁶⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 163.

¹⁶¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 164.

¹⁶² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 165-166.

¹⁶³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 167.

written down?...What is the best format?...How are minutes approved?...Where should minutes be kept?...How are committee minutes handled?...Should minutes be available on the web?”¹⁶⁴

Chapter 46: How can technology improve board and committee meetings?

“...state laws govern how nonprofit organizations can make decisions, and states are slow to update their statutes regarding the use of technology.”¹⁶⁵

Part 5: The Board’s Role as a Fiduciary

“Entrusted with guarding the organization’s assets and reputation, board members must make prudent decisions that are in the best interest of the organization, without subjecting it to unnecessary risk.”¹⁶⁶

Chapter 47: How does a board help ensure the organization’s long-term viability?

“Boards looking ahead to the financial future should focus on these areas...A clear, well-communicated mission and goals. No one wants to give money to organizations whose purpose is unclear or whose successes are not well known...Financial discipline and transparency. More and more, major donors as well as dues-paying members want to know the nitty gritty details about how money is made and spent...Multiple revenue sources. Depending on one or two activities or funders to provide the majority of annual revenue can result in a financial crisis when eve one source dries up.”¹⁶⁷

“How many possible ways to generate income does your organization tap?”¹⁶⁸

Chapter 48: What does the board need to know about reserves and investments?

“Think of your organization’s reserves as a “rainy day” fund – a means of cushioning unexpected shifts in the economy, enduring dramatic changes in donations or the loss of a major revenue source, or providing the means to invest in a new or unexpected opportunity. Nonprofit organizations generally are advised to maintain reserves equal to between three and six months of their annual operating budget.”¹⁶⁹

“...a higher level of reserves may be warranted if the organization is contemplating new program initiatives (which carry higher financial risk) or a major purchase.”¹⁷⁰

“Liquid reserves represent the funds available for investments...Even the cash needed to cover day-to-day operations can be invested in some way, such as earning interest on a checking account and not paying invoices until they are due...In general, investment guidelines generally

¹⁶⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 167-169.

¹⁶⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 170.

¹⁶⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 175.

¹⁶⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 177-178.

¹⁶⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 178.

¹⁶⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 181.

¹⁷⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 182.

cover the following elements...The organization's overall investment philosophy...The kinds of investments allowed or prohibited...How investments should be allocated...How performance will be measured...How often, and in what format, the full board will receive reports."¹⁷¹

Chapter 49: What is the board's role in the budget?

"Staff members have the responsibility for determining which items are covered in the budget and for drafting the overall document. It is the board's responsibility to review and approve the budget, after making sure it accurately reflects the organization's mission."¹⁷²

"A nonprofit reinvests its profits in programs and operations that advance its mission..."¹⁷³

Chapter 50: What is the board's role in the annual financial audit?

"Regardless of your state's legal requirements, most organizations would no doubt benefit from an annual audit of their financial activities, conducted by an independent auditing firm."¹⁷⁴

"An annual external financial audit, conducted by a competent firm, assures board members that the organization's financial systems and safeguards are appropriate."¹⁷⁵

"Delegate responsibility to a committee. The audit committee acts on behalf of the board and keeps the board apprised of its concerns and recommendations."¹⁷⁶

Chapter 51: What should we do if the finances seem amiss?

"The temptation may be to handle the situation internally and quietly ask for repayment and the employee's resignation....But you must report the crime to the proper authorities."¹⁷⁷

Chapter 52: What conflict-of-interest policies should we adopt?

"A board member has a duty of loyalty to the organization on whose board he or she serves. When personal interests collide with organizational interests, they need to be managed appropriately."¹⁷⁸

"If due diligence is not part of hiring processes, vendor choices, or the signing of any contracts, the nonprofit risks losing its good reputation, and the board members may appear to fail to meet the legal standard of putting the organization first before their own personal gain."¹⁷⁹

¹⁷¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 182-184.

¹⁷² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 186.

¹⁷³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 187.

¹⁷⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 189.

¹⁷⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 189-190.

¹⁷⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 190.

¹⁷⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 193-194.

¹⁷⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 198.

¹⁷⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 198-199.

“Conflicts-of-interest policy...This policy should require full disclosure of a board member’s connections with any individuals, groups, and companies doing business with the organization.”¹⁸⁰

Chapter 53: How can we protect the organization – and ourselves – from lawsuits?

“Employment. Legal experts report that the majority of lawsuits filed against nonprofit organizations pertain to personnel issues...Recommended practices include the following:

- Ensure that anyone in a position to hire or terminate employees understands and complies with state and federal laws...
- Develop position descriptions that clearly spell out the job-related qualifications and performance criteria.
- Conduct thorough reference and criminal background checks on potential employees.
- Follow a formal process for conducting annual performance reviews...
- Draft a grievance policy that provides a means for employees to report fraudulent, discriminatory, or harassing behavior without fear of reprisal...
- Establish a process for handling potential disputes, such as calling in a third-party investigator, a mediator, or an arbitrary...
- Have legal counsel regularly review employment applications and personnel handbooks to ensure that they comply with recent developments in employment law.”¹⁸¹

Chapter 54: What is a Form 990?

Each year, the Internal Revenue Service (IRS) requires a nonprofit with more than \$25,000 in annual revenue to file Form 990 (Return of Organization Exempt from Income Tax). This annual report of revenue, expenses, assets, liabilities, and income-producing activities is due five months after the close of the organization’s fiscal year, on the 15th of that month.”¹⁸²

“Often a certified public accountant prepares Form 990.”¹⁸³

Chapter 55: Does every board member have to make a personal gift?

“By serving on the board, you publicly show your support of the organization’s mission, vision, and values. It’s only natural that your belief in that good work should translate into a personal contribution to an annual giving program and, when applicable, to a capital campaign. After all, one of your responsibilities as a board member is to ensure that the organization prospers financially – and you personally can help make that happen by making a personal gift.”¹⁸⁴

“The board should have a policy to guide personal giving by board members; at a minimum, it should explain that every board member is expected to make an annual contribution to the organization.”¹⁸⁵

¹⁸⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 199.

¹⁸¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 205.

¹⁸² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 209.

¹⁸³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 209.

¹⁸⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 211.

¹⁸⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 211.

“It usually is best not to state a specific amount in the policy.”¹⁸⁶

“Some high-status boards have the clout within a community to make board membership contingent upon a large personal contribution.”¹⁸⁷

“For most boards, achieving 100 percent participation among board members is the goal.”¹⁸⁸

Chapter 56: How can we generate revenue beyond fundraising?

“Nonprofits have a variety of options for generating revenue...”¹⁸⁹

Chapter 57: How do we, as a nonprofit, operate a for-profit subsidiary?

“Unrelated business activities that generate gross income of \$1,000 or more annually may become subject to unrelated business income tax (UBIT).”¹⁹⁰

Chapter 58: What’s the best way to keep track of board policies?

“...develop a board policy manual...This manual houses all the ongoing policies that the board has adopted, organized for easy accessibility. The manual should be a fixture at every board meeting, providing the most tip-to-date versions of board policies and decisions.”¹⁹¹

Part Six: Board-Staff Relations

“The board – led by the board chair – thinks and acts strategically, by setting the direction for the organization and establishing guidelines for it to follow. The staff – led by the chief executive – thinks and acts operationally, by finding the most efficient and effective means of implementing the board’s direction within the guidelines. The most successful organizations foster a “we’re in this together” environment among board and staff.”¹⁹²

Chapter 59: Why should a nonprofit organization designate a chief executive?

“Every nonprofit organization should designate one person to function as its operational leader. That person’s title does not have to include the words *chief executive* or *chief executive officer*, but the bylaws and other policy documents should identify which position carries the authority and responsibility to run the organization day to day and reports to the board of directors.”¹⁹³

¹⁸⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 211.

¹⁸⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 212.

¹⁸⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 212.

¹⁸⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 215.

¹⁹⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 218.

¹⁹¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 224.

¹⁹² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 229.

¹⁹³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 231.

“No board member has more authority than other board members when it comes to establishing organizational directives. When policy is set, everyone must understand and agree upon who is responsible for implementing it.”¹⁹⁴

“Staff members need to know where the buck stops. Competition among staff members to determine who is in charge is distracting, if not destructive.”¹⁹⁵

“The chief executive is the natural person to coordinate an organization’s planning process.”¹⁹⁶

“...the chief executive often fills the role of chief spokesperson; in the event of a well-publicized change or crisis, the chief executive my move into the position of crisis coordinator.”¹⁹⁷

“In general it makes sense to call the chair a chair, as that is clearly a board position.”¹⁹⁸

Chapter 60: What is the board’s involvement in staff selection and management?

“Boards become involved only in human resource matters that relate to the chief executive. The chief executive has the responsibility for handling human resource matters for all other staff members. That said, the board indirectly influences staff selection and management through the decisions it makes in guiding the organization.”¹⁹⁹

“Human resource policies should address these...an organization compensation level...benefits...emphasis on promoting within...compensation.”²⁰⁰

“The board should ask for reports on matters such as staffing levels, salaries, evaluation procedures, and management of incentive pay.”²⁰¹

Chapter 61: Should the chief executive have a vote on the board?

“...the chief executive’s job is to support the board by implementing its decisions. He or she needs to maintain the confidence and trust of the entire board, building relationships that promote effective interaction.”²⁰²

Chapter 62: Should board members be hired as staff members?

“There is nothing wrong with an organization hiring someone who happens to sit on its board, provided two principles are observed:

- The organization follows an open process that results in hiring the most qualified candidate.

¹⁹⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 231.

¹⁹⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 232.

¹⁹⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 232.

¹⁹⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 232.

¹⁹⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 232.

¹⁹⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 235.

²⁰⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 235-236.

²⁰¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 237.

²⁰² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 238-239.

- The candidate resigns from the board.

...no board member should serve simultaneously on the staff except for the chief executive. A strong board policy might even be called for – for example, no board member may accept a paid position with the organization unless he or she has been off the board for one year.”²⁰³

Chapter 63: How should we evaluate the chief executive?

“A planned, thoughtful approach to evaluating the chief executive removes confusion. Determining evaluation criteria for the chief executive enables all members of the board to operate on the same assumptions and have the same expectations about the organization’s direction and priorities.”²⁰⁴

“This evaluation of the chief executive should take place annually and be initiated by the board chair or other officer, and if that does not happen, the chief executive should take the initiative and remind the board of its responsibility.”²⁰⁵

“Develop the evaluation process and schedule as a team (the board and the chief executive working together).”²⁰⁶

“Separate the evaluation process from salary negotiations, which should come later.”²⁰⁷

“Restrict the board to evaluating only the chief executive.”²⁰⁸

“Appoint a two- or three-person ad hoc committee of skilled board members to conduct an evaluation.”²⁰⁹

“With input from the entire board, create an evaluation form with board quantifiable and open-ended questions.”²¹⁰

“As the situation requires it, decided whether to interview staff members...”²¹¹

“Invite the chief executive to write a self-evaluation as part of the process.”²¹²

“Give the chief executive an opportunity to discuss things and ask for clarification on the evaluation committee’s comments, both positive and negative.”²¹³

²⁰³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 240.

²⁰⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²⁰⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²⁰⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²⁰⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²⁰⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²⁰⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²¹⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 243.

²¹¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 244.

²¹² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 244.

²¹³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 244.

“Have the evaluation committee report to the entire board, after debriefing the chief executive. For legal purposes, a written record of the evaluation must be kept on file.”²¹⁴

“Write an “evaluation of the evaluation” for the files so the process can be consistent and even more effective the next time.”²¹⁵

“Write performance criteria for the next year’s evaluation, to be mutually agreed upon by the board and chief executive.”²¹⁶

Chapter 64: How do we set fair compensation for the chief executive and the staff?

“...determine philosophically whether it would like its employees to be near the mean or median, or in the upper quarter of similar organizations.”²¹⁷

“The board should set only the chief executive’s compensation but carefully review the senior staff members’ compensation.”²¹⁸

“Merit-based compensation can work well as a small part of the total compensation program if the staff has a role in deciding the pros and cons.”²¹⁹

“...it may be preferable to provide a lower salary and greater benefits, such as additional health and life insurance, deferred compensation, coverage of educational expenses, an annual executive physical exam, a sabbatical, or use of a vehicle.”²²⁰

Chapter 65: What is the chief executive’s role in improving the board?

“...the chief executive needs to make developing the board a priority. This includes meeting with prospective board members, orienting new members, meeting individually with the chair and other board members, preparing for meetings, and doing the follow-up every board meeting requires.”²²¹

“...you should expect the chief executive to do the following...be a student of nonprofit governance...train the board...help shape standing policies...help recruit new board members...insist on board-friendly staff reports.”²²²

“A chief executive can help focus the board on governance by working with the board chair to do the following:...periodically review progress on the strategic plan...structure meeting agendas to minimize operational reports...aim for a give-and-take dialogue between staff members and the board at meetings...develop visual indicators of organizational

²¹⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 244.

²¹⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 244.

²¹⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 244.

²¹⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 247.

²¹⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 247.

²¹⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 248.

²²⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 248.

²²¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 250.

²²² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 251.

performance...integrate a board development activity into every meeting....evaluate the board's own performance.”²²³

Chapter 66: What is the board's role in relation to the staff?

“The best boards stick to wearing their “governance hats” when assembled for a business meeting with a quorum present. When doing board work, some formality is both legally and practically appropriate.”²²⁴

“...put everything in writing.”²²⁵

“Together, the board and the chief executive should clarify their respective roles within the organization and record them in simple, straightforward terms.”²²⁶

Chapter 67: How can the senior staff contribute to board effectiveness?

“The chief executive has the sole responsibility for implementing the board's directives. Still, senior staff members play key roles in helping both the chief executive and the board do their work well.”²²⁷

“Following are ways in which they can help:...provide informative reports to the chief executive...attend board meetings...create tracking systems...support the work of committees...respond to inquiries...work as a team...build relationships...lead by modeling...identify prospective board members.”²²⁸

Chapter 68: How can we facilitate the end of a chief executive's employment?

“...a chief executive's departure from the organization can be unsettling. As a result, the board must exercise care, forthrightness, grace, and sensitivity to the needs of the person and the organization. Although the executive or governance committee frequently conducts performance and compensation reviews on behalf of the board, all board members should be involved in any transitions of the one staff member who reports to them.”²²⁹

“It is common for a board, perhaps during the chief executive's annual evaluation, to raise the issue of retirement.”²³⁰

²²³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 252-253.

²²⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 254.

²²⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 254.

²²⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 255.

²²⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 257.

²²⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 258-259.

²²⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 261.

²³⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 262.

“The chief executive may simply announce his or her departure to take another job, although the decision should be communicated first to the board chair. Together, the two leaders can work out the timing of the staff executive’s departure and transition details.”²³¹

“The chair is asked to deliver a blunt message...”²³²

“If the situation leading up to the termination has potential legal ramifications, often an attorney will be asked to draft a memorandum of understanding that spells out what the board or the chief executive can say in public about the situation.”²³³

“Whatever the reason, for the integrity and progress of the organization, the board realizes that everyone is look to it to act. To exercise good trusteeship, the board must take on the least pleasant task of firing the chief executive.”²³⁴

“Unanimously support the decision...make sure the action never comes as a surprise to the chief executive...tell the chief executive first...ask an attorney to draft a mutually agreeable termination document...communicate the decision.”²³⁵

“...you need to have a back-up plan.”²³⁶

“Knowing the multiple roles played by the chief executive will help the board focus son the type of person the job requires and the demands it asks of that person.”²³⁷

“Have a contingency plan in place to guide both board and staff in the even for the chief executive’s departure or long-term absence.”²³⁸

Chapter 69: What characteristics should we look for in a new chief executive?

“Organizations need a different style of executive leadership at different stages of growth, and more than one leadership style could work in your organization at any given time.”²³⁹

“The chief executive must be skilled at articulating and promoting the vision and mission that guide the organization.”²⁴⁰

“A chief executive, by definition, must motivate other people to accomplish activities in support of the vision or mission.”²⁴¹

²³¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 262.

²³² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 262.

²³³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 262.

²³⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 263.

²³⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 264.

²³⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 264.

²³⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 264.

²³⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 265.

²³⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 268.

²⁴⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 268.

²⁴¹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 268.

“The best chief executives don’t stop at what they perceive to be expected ethical behavior. They go the extra mile, challenging board members, staff, and donors to be above reapproach in all areas.”²⁴²

“Top chief executives do not try to do all things or be all things. They focus on their strengths to achieve the productivity they enjoy and manage their weaknesses...”²⁴³

“After gathering information and involving other key people, the chief executive must be able to make decisions in timely fashion.”²⁴⁴

“Discipline in personal life carries over to discipline in organizational life. Well-organized chief executives know how to manage their schedules to keep family, friends, leisure, and work in balance.”²⁴⁵

“...need a chief executive with the strategic vision, inventiveness, and diplomatic skills to bring together very different organizations to accomplish a shared goal.”²⁴⁶

“Chief executives always have new people to meet, literature to read, travel to schedule, and meetings to attend. If a chief executive is not naturally endowed with high energy, he or she must learn how to generate energy through proper exercise, diet, and rest and how to conserve energy through good planning, wise decision making, and a readiness to delegate.”²⁴⁷

Chapter 70: How do we find a new chief executive?

“Write a position description. The chief executive of an organization is asked to achieve the intended results within the policy parameters set by the board.”²⁴⁸

“Using a search committee invites wider participation, builds ownership in the decision, and allows board and staff to collaborate on a decision critical to both groups.”²⁴⁹

“How the board and staff begin building their professional relationship with the new chief executive during this stage has a lot to do with his or her long term success.”²⁵⁰

²⁴² *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 269.

²⁴³ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 269.

²⁴⁴ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 269.

²⁴⁵ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 269-270.

²⁴⁶ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 269.

²⁴⁷ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 270.

²⁴⁸ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 272.

²⁴⁹ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 273.

²⁵⁰ *The Nonprofit Board Answer Book*, 2nd ed. (San Francisco, CA: Jossey-Bass, 2007), 275.