



Nonprofit 411: Tips for Non-Profit Directors

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Too often, new members sit at board meetings without a good understanding of the organization and the board's role in its governance. Training board members about their roles and responsibilities can make your board into a stronger body and can help ensure that your organization meets its legal requirements.

Regardless of the nature of an organization, there are some responsibilities that are common to all boards of directors. These include the following:



- **Oversight – The board must oversee the organization.**
 - *CEO oversight:* Finding and retaining a strong leader is one of the board's most important responsibilities. An annual review process for your chief executive is essential. In addition to undertaking a 360 or other review, initiate regular conversations with your chief executive to confirm that you are on the same page regarding the organization's strategy, culture and operations.
 - *Financial oversight:* Another important board responsibility is safeguarding the organization's financial resources. The full board should understand executive compensation, excess benefits and the fuller operational budget. For larger non-profits, stewarding invested endowments may also be necessary. Board members should also know how to read and approve 990s and audits.

- **Fundraising – Boards vary in fundraising expectations, but every board member is expected to play some role.**
 - *Roles and responsibilities:* Make sure your board understands your broader fundraising goals and strategy. If board members will be expected to make or solicit gifts, they should understand the full scope of the expectation as well as the core areas that gifts could support.
 - *Educating board members on how to make the ask:* Even for the savviest professionals, asking for money can be uncomfortable. Train your board members on how to approach these conversations and make the ask, and equip them with tools (from sample scripts and talking points to collateral) to make it easier.

- **Conflicts of interest -- Board members must disclose any conflicts.**
 - *Identifying and managing conflicts of interest:* Your board should understand your organization's conflict of interest policy. In particular, directors should understand their

obligation to disclose a conflict and recuse themselves from all voting and discussion of the matter.

Easier said than done? Perhaps. But it's far from an impossible task. A few tools can make a tremendous difference:

- **Board Handbook**

- Create a board handbook containing your organization's by-laws and articles, a list of the current officers and directors (with contact information), an organizational chart, a list of committees (with a list of members of and chairs of any committees), copies of key policies and procedures, board member expectations, recent financials and budgets, and recent minutes. All board members should have a copy of the handbook, which should be reviewed and updated periodically.
 - Key policies and procedures should include: conflict of interest, whistleblower, document retention and destruction, data privacy and security, and guidance on excess benefits.
 - Board member expectations may include expectations regarding participation and attendance, contributions to the organization (ideas, time, skills, donations, fundraising and solicitation), fiduciary oversight and promotion of the organization and its mission.

- **Board mentor program:** Consider pairing new board members with more experienced 'mentors' who have been with your organization for several years. While these relationships often develop informally, creating some structure ensures that all new board members know they can turn to a peer for guidance.
- **Annual board retreat:** Providing time for the board to connect informally can spur larger conversations and more serendipitous connections than traditional meetings often permit. Invite key members of your organization's leadership and staff to facilitate stronger connections, and consider activities that connect back to your mission to remind everyone why they got involved in the first place.
- **Formal Board Training:** Consider offering a formal board member training or orientation for new board members, to help board members better understand your organization and their role as directors.

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