Nonprofit Board Service

Webinar: March 9, 2011
Presented by: Mary Ellen Jackson, Executive Director, NH Center for Nonprofits
In partnership with NH Businesses for Social Responsibility
What we will cover today

• A brief look at today's nonprofit sector
• How board service has evolved over the years
• The roles and responsibilities of today's board
• Why life-cycle stage is important
• 10 questions to ask the nonprofit before agreeing to serve
• 10 questions to ask yourself before agreeing to serve
• What board service can mean to your life, career, community
Not your great-grandmother’s charities
Evolution of the Sector

- Socialites & Church sponsored activities
- Civil Rights, other movements, Peace Corps, Disability Rights, Mental Health, Government Engagement
- Technology Boom, Philanthropy Grows, Complex Social Issues, Govt. pulls back, Nonprofits multiply
The NH Profile

- 7,800 nonprofits – 5,000 operating nonprofits
- Sector generates 14.5% of the state GSP
- $8 billion + Gross Revenue
- 1 in 8 NH workers are employed by the sector
- 13.8% of NH workforce
Today

Network of mostly small community-based organizations
80% budgets under $100,000
15% budgets between $100,000 to 1 million
0.2% budget over $100 million

Providing services which provide solutions for:

1.) Corporate community (i.e. child care, housing, literacy, culturally inspiring communities, ensure quality environment)

2.) Social contract: address needs for food, shelter, emergency response, disability services, mental health, etc.

3.) Quality of life: libraries, civic engagement, options for community engagement, recreation, access to health care
At the helm

Leading the way:
The Nonprofit Board

...Working in partnership with the Executive Team
The board’s Legal responsibilities

1. **Duty of Care:** Requires board members to exercise due care in all activities related to their role as board member. Attending board and committee meetings
   - Preparing for meetings
   - Reviewing financial reports and other critical information regularly
   - Exercising independent judgment
   - Requesting information needed for decision making as needed
   - Making sure federal, state and specific industry filing requirements are met

2. **Duty of Loyalty:** Requires board members to act on behalf of the organizations’ best interests, not their own. Adhering to the conflict of interest policy
   - Disclosing all conflicts
   - Avoiding the use of the organizations’ opportunities for personal gain
   - Maintain confidentiality of information regarded confidential by the organization

3. **Duty of Obedience:** Requires board members to be obedient and make decisions in accordance with the mission of the organization and to uphold the bylaws and other policies and functions within the law. Ensuring compliance with all reporting requirements
   - Examining all legal and governing documents
   - Making decisions within the scope of the mission and law
The 10 Core Roles of the Board:

1. Establish mission and vision
2. Approves and monitors strategies (programs, services) used to achieve mission
3. Ensure legal and ethical practices and accountability
4. Oversee board composition and board development processes
5. Recruits, Hires (and when needed, terminates) the Chief Executive
6. Supports the Chief Executive and assesses his/her performance
7. Ensures adequate resources are in place
8. Ensures fiscal soundness and accountability
9. Conducts strategic planning
10. Acts as stewards in the community
Make sure it’s a fit...
# Understand Life-cycle

<table>
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<tr>
<th>Stage</th>
<th>Focus of the Organization</th>
<th>What board members are doing</th>
<th>What’s needed on the board</th>
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| Start-up (1-5)               | Set-up  
Raising start-up funds  
Program exploration  
Location may be in a home  
Hiring staff  
Training volunteers  
Labor intensive fundraising event | Hands on  
Developing structure  
Founders on board  
Board volunteering in programs  
Exploring funding options  
Board tends to act as a whole  
Board recruitment difficult | People who love building and creating. Volunteering more hands-on time than strategy  
Can handle messiness from lack of structure. Board members with experience and knowledge of what is needed. |
| Program Development (5-10)   | Piloting programs  
Hiring more professional staff  
Acquiring more stable location  
Grant writing, Identifying donors  
Fundraising event expands  
Partnership development  
Instituting more assessment | Moving into governance  
Establishing working committees  
Hiring executive and evaluation  
Beginning advanced fundraising  
Developing strategic plan  
Annual appeal | Board members to transition from founders to governing body. Board members able to bring organization to the next phase. Those interested in launching fundraising. Creating strategy. |
| Maturity (10+)               | Managing complex funding streams  
More complex partnerships  
Advancing program model  
Managing growth | Board highly strategic  
Engaged in donors stewarding  
Fiscal strategy advanced  
Board building active  
skilled community ambassadors | Board members ready to steward donors. Provide advanced strategy. Help organization come to scale, assessing new opportunities. |
| Maintenance – may be Stagnant | Ensuring services remain relevant, funding sustainable  
Addressing staffing transitions  
Broadening partnership opportunities  
Expanding funding streams | Assessing overall capacity of organization, identifying areas in need of re-vamping, working on board and executive development | Individuals who have experience with re-booting an organizations, creative problem solvers, leaders interested in creating new approaches. |
Understand the fiscal health

- Review financial reports
- Understand how organization is funded
- Ask if funding streams are secure
- Ask if any significant financial decisions are facing the board
- Ask if any significant changes are on the table (re-location, application for major grants, new significant donors)
Understand the expectations

• What are the meeting requirements?
• Committee service?
• Attendance at events?
• Speaking on behalf of the organization?
• Testifying on legislation related to the organization?
• Level of giving expected?
• Any unique expectations related to service delivery or mission?
Understand the strategic direction

• Ask to see strategic plan, business plan
• Discuss top strategic initiatives with members of the board
• Ask if mission and vision are regularly visited
• Ask if strategic planning is a staff or board or joint responsibility
Understand the culture

• Ask to see a typical board agenda
• Ask about the Board Chair’s style?
• Are board meetings lively and is debate invited?
• What kind of board development activities is the board involved in?
• What kind of pre-preparation happens?
• How does communication occur?
• Ask if board meetings are 2, 4, 6 hours long and run on time?
• Are board meetings fun?
1. What are the top financial concerns facing the organization?
2. What is the organization’s dreams for the future?
3. What are the results the organization is achieving?
4. What are the organization's top strategic priorities?
5. Is the leadership team (board/staff) facing any known transitions?
6. What kind of fundraising strategies is the board involved in?
7. How much money will I be expected to donate?
8. What is the atmosphere like in the board room?
9. Where do you see my talents being used?
10. Do you have Directors and Officers insurance?
10 Questions to ask yourself...

1. Am I passionate about the mission?
2. Can I see where my talents could be used?
3. Are there ways I know I can be of service?
4. Does the focus and life-cycle stage of this organization meet my interests and skills?
5. Is this where I want to spend my free time?
6. Will the experience bring me new friends, contacts and an opportunity for growth?
7. Am I ready to contribute my time, talent and resources?
8. Do I connect with the Executive Director?
9. Do I feel compatible with the other board members?
10. Is this going to be fun?
The value

Volunteers live longer!
Doing something good
Improving your community
Learning
Expanding your network
Building your leadership portfolio
“In the arena of human life the honors and rewards fall to those who show their good qualities in action.”

..........Aristotle