

## **Board Member "Contract"**

### **Suggestions for use**

This is an example of a statement of what board members will hold themselves and their colleagues accountable to, including standards for: contributions, meeting attendance and participation, committee service, etc. Having agreed expectations is a necessary in order to encourage high standards for board members, determine who should be re-nominated and inform prospective candidates of the expectations of membership.

The Governance or Executive Committee can review this statement and decide on what to propose to the board for consideration and adoption.

### **Sample Board Member Contract**

Adapted from, By *Jan Masaoka* Board Cafe October 9, 2009

I, \_\_\_\_\_, understand that as a member of the Board of Directors of \_\_\_\_\_, I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward. As part of my responsibilities as a board member:

#### **Outreach**

1. I will interpret the organization's work and values to the community, represent the organization, and act as a spokesperson.
2. In turn, I will interpret our constituencies' needs and values to the organization, speak out for their interests, and on their behalf, hold the organization accountable.

#### **Board and Committee participation**

3. I will attend and prepare for at least \_\_\_percent of board meetings, committee meetings, and special events. I will inform the board in advance of any meetings that I cannot attend.
4. I will be an active member of at least one Committee or Task Force and will be willing to take a leadership role on a committee or on the board.
5. In addition to committee work, I will be willing to accept at least one individual initiative to be determined in collaboration with the Chair and the Executive Director and to share my professional expertise.

## **Resource Development**

6. I will make an annual, personally meaningful, contribution of no less than \_\_\_\_\_.
7. I will actively participate in one or more fundraising activities.
8. I will be willing to solicit donations from individuals, corporations and philanthropies [Solicit donations of at least \_\_\_\_\_ each year from individuals, corporations and foundations]

## **Board policies**

9. I will excuse myself from discussions and votes where I have a conflict of interest.
10. I will maintain the confidentiality of board deliberations and will publicly support the decisions of the board, including those with which I might have been in disagreement

## **Active Participation**

11. I will stay informed about what's going on in the organization and developments in fields relevant to the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues, policies, and other matters. I will not stay silent if I have questions or concerns.
12. I will encourage, enable and respect the participation and contributions of fellow board members
13. I will support, where possible, the recommendations of the committees.
14. I will participate in the assessment of my own performance and the performance of the board as a whole, recommend candidates for board nomination and be available to mentor a new board member
15. I will respect and support the Executive Director's authority, communicate ideas about program or administrative activities to the Executive Director rather than to line staff, refrain from making special requests of the staff and avoid discussion of personnel matters with staff
16. I will work in good faith with staff and other board members as partners toward achievement of our goals.
17. If I don't fulfill these commitments to the organization, I will expect the board chair to call me and discuss my responsibilities with me.

**The organization is responsible to the board members for . . .**

In turn, the organization will be responsible to me in the following ways:

1. I will be sent regular financial reports and an update of organizational activities that allow me to meet the "prudent person" standards of the law. (The "prudent person rule," applied in many legal settings in slightly differing language, states that an individual must act with the same judgment and care as, in like circumstances, a prudent person would act.)
2. Opportunities will be offered to me to discuss with the Executive Director and the Chair the organization's programs, goals, activities, and status; additionally, I can request such opportunities.
3. The organization will help me perform my duties by keeping me informed about issues in the industry and field in which we are working and by offering me opportunities for professional development as a board member.
4. Board members and staff will respond in a straightforward fashion to questions that I feel are necessary to carry out my fiscal, legal, and moral responsibilities to this organization. Board members and staff will work in good faith with me toward achievement of our goals.
5. If the organization does not fulfill its commitments to me, I can call on the board president and executive director to discuss the organization's responsibilities to me.

Signed by \_\_\_\_\_, Board Member Date \_\_\_\_\_

and by \_\_\_\_\_, Chair of the Board of Directors

Date \_\_\_\_\_

## **Board Member Assessment Process**

### **Suggestions for use**

Once a board contract have been agreed to, it is then possible to assess how each board member has contributed to the board and the organization. This tool suggests a process for that assessment.

- Records will be maintained of each board member's fulfillment of the agreed expectations. Each board member can be provided with a "Report Card" (following tool) based on the expectations and their personal goals
- There will be an annual assessment and "check-in" interview with each board member by a member of the Governance Committee or the Chair to review the prior year and set personal goals for the next year.

### **Review of previous year's experience**

- Satisfaction/high points?
- Were expectations met?
- Suggestions for improving the board's working relationships
- Review of past year's assignments
- Assignments for upcoming year

### **Personal Commitment**

- Financial commitment, event attendance, etc.
- Cultivation activities (contact lists for solicitation, hosting receptions, making thank you calls, introductions to prospective donors, etc.)
- Access to resources: vendors, in-kind gifts, etc.
- Special Interests (e.g., program volunteering, etc.)

# **Governance Committee Job Description**

## **Suggestions for use**

A working Governance Committee is essential to the effectiveness and long term health of a nonprofit board. It is the group whose ongoing responsibility is the life of the board. The Board should review these descriptions and hopefully agree that such a committee is needed. The Chair will be responsible for appointing a Chair of this Committee. Other than as ex officio, the Chair of the board should not be a member of this committee. It should include both junior and senior members of the board and may include non-board members who represent important constituencies.

The governance committee is responsible for ongoing review and recommendations to enhance the quality of the board of directors. The work of the committee revolves around five major areas.

### **1. Help create board roles and responsibilities**

- Lead the board in regularly reviewing and updating the board's description of its roles and areas of responsibility and what is expected of individual board members
- Assist the board in periodically updating and clarifying the primary areas of focus for the board's work and help shape the board's agenda for the next year or two, based on the strategic plan

### **2. Pay attention to board composition**

- Lead in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider to accomplish future work of the board
- Develop a profile of the board as it should evolve over time
- Work with other board members and the chief executive to identify potential board member candidates and explore their interest and availability for board service
- Nominate individuals to be elected as members of the board
- In cooperation with the board chair and chief executive, contact each board member eligible for re-election to assess his or her interest in continuing board membership and work with each board member to identify what he or she might be able to contribute to the organization

### **3. Encourage board development**

- Work with the chief executive to provide candidates with information needed prior to election to the board
- Work with the chief executive to design and oversee a process of board orientation, sharing information needed during the early stages of board service
- Work with the chief executive to design and implement an ongoing program of board information, education, and team building

### **4. Assess board effectiveness**

- Initiate periodic assessment of the board's performance, and propose, as appropriate, changes in board structure and operations
- Provide ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness
- Regularly review the board's practices regarding member participation, conflict of interest, confidentiality, and so on, and suggest needed improvements
- Periodically review and update the board policy and practices

### **5. Prepare board leadership**

- Take the lead in succession planning, taking steps to recruit and prepare for future board leadership
- Nominate board members for election as board officers

*(Adapted from: Support Center for Nonprofit Management and Fred Miller, Chatham Group, Inc.)*

## **Board Assessment Survey**

### **Suggestions for use**

Every board should regularly step back and ask itself how it is doing. This process will always surface areas in which the board thinks that it can do better.

The survey should be anonymous so that each board member can be as candid as possible. The survey can be administered online through a service such as Survey Monkey. Feel free to delete, add or edit the questions.

The results should be compiled by either an outside party or a member of the board whose confidentiality can be relied upon, to maintain anonymity.

A summary should be discussed at a board meeting or as part of a board retreat to identify solutions to the areas identified as needing improvement.

Questions 1-34 are to be answered on a scale of one to four:

4. Strongly Agree
3. Agree
2. Disagree
- 1. Strongly Disagree**

#### **Board member engagement**

1. The Board Chair effectively facilitates board discussions and actively engages and encourages each board member in productive work
2. There is a sense of collegiality among board members and a mutual respect for the contributions of every member
3. Every board member understands what is expected of them and how they can help support the mission of the organization

#### **Board relationship with the Executive Director (ED)**

4. The Board has a clear understanding of the distinction between the oversight and support responsibilities of the board and the management responsibilities of the ED.
5. Board oversight is guided by policy decisions that include measures which guide operations and against which performance can be evaluated

6. The board conducts an annual review of the ED based on mutually agreed objectives
7. The Board Chair and the ED have an effective working relationship
8. Board members do not interfere with the authority of the ED to direct the work of staff

#### **Board meetings and committees**

9. The agenda for Board meetings promotes a maximum of engaged discussion on important mission based goals and a minimum of reporting
10. There is an annual process to establish the objectives for each committee
11. There is a clear assignment of responsibility for management of committee progress.
12. Committee meetings and work between meetings is focused on achieving specific objectives
13. The Executive Committee does not supersede or duplicate the work of the Board
14. Board meetings begin and end on time

#### **Financial Oversight**

15. Financial information is presented in a way that enables board members to understand and question the implications for organizational sustainability and mission effectiveness
16. The Board approves the annual budget
17. The Board reviews the budget actuals on a regular basis

#### **Program Oversight**

18. Program performance is guided by board approved outcome objectives
19. The board regularly reviews progress towards achievement of the objectives

### **Fundraising and Outreach**

20. Each Board member makes an annual personal financial contribution to the best of their capacity.
21. Each board member is actively involved in utilizing personal networks for contributions, connections and expertise
22. Each Board member is involved with community activities that support the organization's mission.
23. Board members are regularly connected with the organization through program visits, staff reports, conversations with staff and program participants, etc.
24. The board participates in an ongoing learning process, gathering the information needed to guide the achievement of the organization's mission

### **Management by objectives**

25. Board and management are guided by multi-year strategic goals.
26. Board and management are guided by an annual work plan.
27. Progress toward goals and objectives is regularly evaluated
28. The work plan includes objectives for the board as well as for management

### **Board Development**

29. Board recruitment is based on objective criteria that address the current needs of the board and the organization
30. All necessary skills, stakeholders and diversity are represented on the board
31. The contributions of each board member are assessed on an annual basis.
32. Leadership of the board is rotated on a reasonable basis and new leadership is developed and encouraged
33. Elections are held annually and all members are encouraged to participate.

34. There is a structured process to insure that board members have direct contact with programs

### **Personal Engagement**

35. The number of individuals I have introduced to the organization over the last year.

- a. 1-3
- b. 4-7
- c. 8+

36. Contributions or solicitations I have made over the last year

- a. 1-3
- b. 4-7
- c. 8+

37. My personal financial contribution this year was:

- a. About the same as I gave to other organizations
- b. The largest contribution I made this year
- c. An amount I regard as personally quite significant

38. The percentage of the financial report that I have a comfortable understanding of:

- a. Less than 25%
- b. 50%
- c. 75%
- d. 100%

39. Percentage of the materials sent to me that I review to determine whether I have any questions:

- a. Less than 25%
- b. 50%
- c. 75%
- d. 100%

40. Approximate hours spent monthly on board matters

- a. Less than 5
- b. 5-10
- c. 10-15
- d. 15+

## **Fiduciary Basics:**

(Yes, No, DK)

1. The board reviews the annual financial audit report and has an opportunity to ask questions about the findings.
2. The board has adopted financial controls
3. The board regularly monitors financial performance and projections
4. The board has adopted a personnel policy manual
5. The board reviews the implementation of the personnel practices
6. The board has adopted an investment policy
7. The board reviews the 990 prior to filing
8. Board meetings regularly include an Executive Session where the board meets without staff
9. There are written expectations for the responsibilities of the members of the board
10. New board members are provided with an orientation to the organization's programs and staffing, the procedures of the board and the responsibilities of board members
11. The board has adopted a policy on board member responsibilities for contributions and fundraising
12. The board has adopted a policy to allocate the authority to speak on behalf of the organization
13. There is an annual retreat to plan for the coming year and to make strategic decisions
14. There is a Board Manual that details the operational procedures of the board
15. The board has adopted conflicts of interest, whistle blower protection and document retention policies

### **Open ended questions**

1. What were the three most important organizational achievements of the past year?
2. What were the three most important board achievements of the past year?
3. What issues should the board should address in the coming year?
4. What are the major strengths of the board?
5. What are areas in which the board can improve?
6. What are the ways in which the staff can improve?
7. How can the board and the organization better motivate and support board member engagement and learning?
8. How can communication within the board and between the board and management be improved?
9. In what ways could you be of even greater help to the board and the organization?
10. Anything else that we should know?

## Executive Director's Assessment of Board Governance

	Y/N	Impact on You
1. Do your board members understand their legal governance responsibilities?		
2. Does your board set the near, mid, and long term direction for your organization?		
3. Do your board members have a clear AND shared vision of the desired future of your organization?		
4. Do your board members have a clear AND shared view of what your organization is working to achieve and for whose benefit?		
5. Has your board laid out a statement of what outcomes your organization must achieve AND do they track progress and respond when things seem off track?		
6. Does your board understand the financial resources your organization needs short, medium, and long term?		
7. Does your board work to assure adequate resources (short, medium, and long term)?		
8. Does your board work to assure that a positive public image is maintained for the organization?		
9. Does your board keep an eye on the organization's financial wellbeing and take proactive corrective action when required?		
10. Does your board monitor that plans are being implemented and goals being met?		
11. Does your board monitor your organization's programs and assess whether program results are worth the resources spent on them?		
12. Do all your board members stay adequately informed about your organization?		
13. Do all members attend meetings and actively participate in the work of the board, including special assignments?		
14. Are all your board members active "ambassadors" for your organization?		
15. Do your board members work at the right level – neither too passive (rubber stamping) nor too involved in operations (managing rather than governing)?		
16. Is your board composition right for your organization's needs today?		
17. Is every member clear about his/her individual responsibilities as a board member?		
18. Do all members respect and support decisions determined by a majority of the board?		

## Board Report Card

### Suggestions for use

This report summarizes the overall performance of the board. It underscores the importance of the work of board as a whole to the organization. This report could be provided as part of the board package, along with the other regular reports (financial, development, program outcomes, etc.).

Total number of directors in May, 2005:	25	
Total number of directors in April, 2006:	25	
Avg. attendance at board meetings in 2005-2006:		66.8%
Avg. attendance at board meetings in 2004-2005:		60.2%

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% of directors making financial contributions in 2005-2006: 100% (25/25)  
% of directors making financial contributions in 2004-2005: 92% (23/25)

Average contribution in 2005-2006: \$445  
Average contribution in 2004-2005: \$381

Median contribution in 2005-2006: \$200  
Median contribution in 2004-2005: \$150

Total board contributions in 2005-2006: \$14, 675  
Total board contributions in 2004-2005: \$10,300

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Source: The Nonprofit Coordinating Committee of New York, Inc., (NPCC),  
Modified from Executive Director Richard Berlin, Harlem RBI, New York, NY  
as reprinted in *Board & Administrator*. April 2006 Vol. 22, No. 8

## **Consent Agenda**

### **Suggestions for use**

The quality, efficiency and effectiveness of board meetings begins with the agenda. A Consent Agenda is a technique that involves sending all items that are purely for information (routine committee reports, routine financial and program data, minutes of prior meetings, etc.) in advance and adopting them in a single vote. Board members are informed that the items will not be discussed.

Questions can be sent in advance.

This allows time for engaged discussions about items that require board input, speakers on issues of importance and staff reports on exciting stories about their programs.

You can make gradual changes in board meetings by sending some reports in advance and by using the time to bring an interesting speaker or brainstorm a new initiative.

### **Sample Agenda**

Approval of the Consent Agenda, (5 min)

Chair Report

Executive Director Report

Informational committee reports

Approval of Minutes

Marketing Committee Report, (30 min)

Action Item: Approve proposed tag line

Finance Committee, (20 min)

Action Items: Approve Investment Guidelines

Program Committee, (20 min)

Action Item: Board input on defining the primary constituency

Staff report: New developments in the employment program (15 min)

Executive Session (10 min)

## **GENERATIVE QUESTIONS**

(From the Excellence in Nonprofit Management Awards)

### **Suggestions for use**

Once you have used the consent agenda to open up time at your board meeting, you might want to use the time to raise some of the “generative” questions that would engage the creativity of the board in thinking about the larger –“big picture”- questions about the organization’s work.

The following questions, taken from the application for the NY Times Awards of Excellence in Nonprofit Management, might promote such a discussion.

**How does your mission guide the management of your organization?**

**How does your organization’s management focus on results?**

**How does your board of directors add value to your organization and help it perform better?**

**How does your organization ensure that it is diverse, culturally competent and responsive to emerging issues or communities?**

**How does your organization utilize and care for its human and technological resources?**

**Are you effectively telling the core story of how your organization makes a difference? How do you communicate with your constituencies?**

**Cite examples of creative program or organizational management practices that distinguish your organization’s work.**

## **Thoughts from the Coach Boat**

### **What to do with board meetings?**

#### **The Problem**

For many organizations, board meetings are a problem rather than a solution. For staff, they create anxiety and time-consuming activity to "get ready," and mostly relief when they are finally over.

For board members, they are too often seen only as a "duty." Boards can be deeply engaged for episodic decisions, such as a CEO transition, a financial crises, merger, major strategic decisions, etc. Mostly however, board meetings are a time to see friends, offer reactions to the Executive Director's report, vote on technical matters or check email while reports are being read. Much of the agenda is designed to make sure that no one can later say that the board was not "informed."

On a well-functioning board, oversight and supportive work is accomplished in the committees. The leadership of the committees and the Executive Committee is trusted to bring matters to the board when there are concerns or when a board level decision is needed. There is usually very little that actually requires a meeting of the full board.

From a legal point of view, only one board meeting a year is really required--an annual meeting for a financial report and elections. Theoretically, all of the necessary business of the board could be accomplished in committee, voted on by the Executive Committee and ratified at the annual meeting.

We could reduce the number of board meetings or, in the alternative, think about how the meetings can be used to fully engage the attention of the board and to best serve the organization.

## A proposal

In an important article, recently re-published, Ryan, Chait and Taylor, offer a suggestion I find very persuasive.

*If boards approached the question of how to use down time explicitly, rather than lament the absence of a perpetually strategic agenda, they might in fact become more valuable assets to their organizations. Boards could construe learning about their communities or constituencies as vital, continuous preparation for governing...organizations could **use their meetings to promote learning by all board members**. Board members could construct and pursue a learning agenda through field work, meetings with other boards, or extended interaction with constituents.\**

What a radical idea--using board meetings to provide opportunities for boards to develop a deep understanding about the organizations they govern!

\*Problem Boards or Board Problem? William P. Ryan, Richard P. Chait, and Barbara Taylor, Nonprofit Quarterly, Winter 2012

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## Thoughts from the Coach Boat

### What to do about board meetings?—continued

Groups are most effective when the members all share an experience of being part of the “In” group. Board dysfunction, such as board members seeking control or attention or, at the other extreme, disengaging, may be reactions to experiencing exclusion from an “In” group.

In a recent interview in the New York Times, David Rock, Director of the NeuroLeadership Institute, makes the point that effective group leadership creates an “In” group experience by encouraging the development of shared aspirations and goals. (link)

Board meetings provide an opportunity to create the shared goals necessary to enable all board members to experience being part of an “In” group.

Meetings are also an opportunity to promote the creativity that many think is best encouraged by face-to-face conversation that promotes “creative serendipity” (what we of the pre-Silicon Valley generation used to call brain storming).

To the extent that we can clear routine matters from the board table, we can create opportunities for creative conversations to establish the shared goals and strengthen the “In” group experience.

Examples of fruitful topics for such conversations can be found in the “Eight Areas of Nonprofit Excellence” used for the New York Nonprofit Excellence Awards.

Imagine the creative policies and organizational work that could develop from board conversations around questions such as:

1. How do we measure the social change we are seeking to achieve and what do we need to do to maximize those outcomes?
2. How can the board maximize its ability to support the achievement of the mission objectives?

3. In addition to prudence, how does our system of financial management support the achievement of our mission goals?
4. Do the staff and board have the diversity and cultural competence to enable us to best meet the needs of the populations that are served?
5. How can we best support and strengthen our human capital?
6. Are we making the best use of available technology?
7. Do we communicate effectively with our stakeholders and how do we use information from them?
8. Does our resource development plan make effective use of the resources potentially available?

Interesting examples of board conversations that have led to significant social change were presented at the April meeting of the New York State Conference of Bar Leaders.

The board of the National Association of Women Lawyers decided to address the under-representation of women in leadership positions by adopting the specific objective of raising the proportion of women in legal leadership positions to 30% by 2015.

Through research, workshops and advocacy they have worked towards that objective in each leadership area, e.g. equity partners in law firms, tenured law school faculty, the judiciary, etc. Like all strategic initiatives, the exact goal may not be obtained but by setting a clear goal they have moved the needle.

In a similar vein, the board of the New York State Bar Association recognized that the objectives of "diversity" (the composition of the profession) and of "inclusion" (the distribution of leadership in the profession), while aligned, are very different. Following this, they created separate committees to pursue each objective.

It's not only lawyers who can have such creative board conversations.

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## **Thoughts from the Coach Boat**

### **Boards need a Chief Operating Officer**

A complex organization requires both an Executive Director to provide overall leadership as well as some form of Chief Operating Officer to manage the day-to-day operational detail.

When it comes to the Board, however, we expect the Chair to fulfill both of these roles. It is an expectation that leads to burnout and/or a lack of attention to one or the other of these sets of responsibilities.

A recent article by Eugene Fram of the Rochester Institute of Technology on borrowing the concept of the "Lead Director" from corporate boards, focused my attention on this issue.

The best Board Chairs I have known focus on three non-delegable tasks:

- Maintaining an unwavering commitment to stand above the details in order to maintain focus on the strategic needs of the organization
- Motivating board members to devote the best of their capacities to the achievement of the mission
- Establishing a supportive and watchful partnership with the Executive Director.

Accomplishing this requires significant time as well as focus.

The management of the board is a responsibility in itself that includes:

- Maintaining contact with the Committee Chairs to assure that work on deliverables is on track
- Drafting board meeting agendas
- Assuring the timely distribution of the right materials for the board meeting
- Following up on action agreements from the board meetings
- Maintaining the calendar of board and committee meetings

Having responsibility for operational management of the board will distract the chair from the key leadership responsibilities.

### **A Solution**

Rather than create a new position of a “lead director,” I have used available board officer positions for this role. The most likely candidate is the Vice Chair. The Vice Chair is elected based on perceived leadership abilities but has no specific duties, other than to be a member of the Executive Committee.

Besides enabling the Chair to focus on their key responsibilities, assigning the management work to the Vice Chair also creates a strong successor candidate.

Identification of “who’s next” is a challenge faced by every Chair. Having a potential, or even designated, successor, frees the Chair to devote the best of their attention to their important responsibilities.

In addition to its effectiveness in organizations I have guided, this structure has worked for me personally, both as a way to ease into accepting the position of Chair and as a way to make the position more effective once I have assumed it.

### **Action**

- The first step is to develop a job description for the Chair.
- From there it will be possible to distinguish the non-delegable responsibilities of the Chair from those that can be assigned to the Vice Chair.

This is relatively easy to fix and will probably be welcomed by the Chair.

\* Eugene, H. Fram. Can Lead Directors Help Improve Not-for-Profit Board Performance?