

Board Roles and Responsibilities

One of the most common problems experienced by governing boards of nonprofit organizations is the lack of recognition and agreement among members of the board, or between members of the board and staff, about the board's roles and responsibilities. Without such a consensus, carrying out of the board's roles and responsibilities can be haphazard, confused, or non-existent.

Further, if the board is not spending its time wisely or well on its own tasks, it leaves its members free to spend time on others' tasks, especially those that belong to the Chief Executive and other staff members. When such role confusion sets in, disappointment and conflict soon follow, and will negatively affect organizational performance.

Problems in recognizing and accepting the appropriate key roles and responsibilities are not the result of actions by board members who mean harm. On the contrary, the evidence is clear that many board members of nonprofits precisely fit the characterization of board members offered by Thomas P. Holland and Douglas K. Jackson, in an article appearing in *Nonprofit Management and Leadership* (2009). Holland and Jackson state:

"They bring altruism, skills from their business and professional areas, and concern for the needs addressed by the organization. Few, however, are well prepared for the challenges of monitoring and assessing organizational performance, translating values into clear statements of guiding mission and objectives, setting priorities, and shaping the organization's future directions into a complex environment."

In addition to encouraging boards to examine their effectiveness at carrying out roles and responsibilities, the Board Self-Assessment Questionnaire endeavors to stimulate discussion among board members about whether they are engaged in the real work of the board.

Seven "Conventional Wisdom" Board Roles & Responsibilities

Over the years, many experts on nonprofit board development have developed several lists of 7-12 roles and responsibilities considered appropriate for boards and their members. While these lists vary in the number of roles and responsibilities cited, ultimately, they differ little in content.

The Board Self-Assessment Questionnaire's 72 questions are based on seven "conventional wisdom" roles and responsibilities the author has identified over the years as being most helpful in assessing board functioning.

1. Establish the broad-based policies that govern the operations of the organization.

The emphasis here on "broad-based" policy development reflects concern for the tendency of boards to



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spend valuable volunteer time on details best handled by the staff of the organization. While many decisions regarding the mission and policies of the organization will result from an effective board-executive partnership, it is vital that the board maintain its focus on discussing and communicating to its Chief Executive Officer (CEO) the values and important viewpoints that will guide the organization's operations. The CEO and other staff can then translate those viewpoints and values into more detailed policies, procedures, and actions that will bring the organization's programs to life.

A case in point: Many boards have a Human Resources Committee that spends months in multiple discussions and editing sessions attempting to get the wording "just so" for an employee HR Handbook regarding supervision, behavioral codes, benefits, salary ranges and performance appraisals. This level of detail keeps board members bogged down on tasks that more properly belong to the staff. The committee would serve itself and the organization better if it focused instead on providing the CEO with a clear list of policy-oriented values that demonstrate the quality of work life and the expectations between employer and employee the board supports. For example, the committee could establish policies that call for fair and competent supervision; another requiring the CEO to set up a performance appraisal system that provides improvement and career development for employees; and another that encourages the organization to do all it can to offer employees competitive salaries. (The board can approve the salary schedule when it reviews the CEO's manual.)

2. Develop a long-range, strategic plan for the organization.

Strategic planning is the process of determining what a nonprofit organization intends to be in the future and how it will get there. The board is responsible for ensuring the development of a plan (typically looking out 3 to 5 years, which will include sections such as:

- A values-based vision of the future
- A mission statement that speaks to the organization's purpose now and in the foreseeable future
- A set of critical issues that must be resolved if the vision is to be realized
- A prescribed and coordinated set of strategies that will resolve the critical issues
- A series of action steps that will move the organization forward by implementing the prescribed strategies

Many nonprofits have, over the past 20 years, taken the need for strategic planning more seriously and have engaged in strategic planning efforts. The most successful of them have ensured that the plan did not become a dust-collector, but rather a guide to the organization's annual program planning and long-term development. They also recognized that the process has to be continuous. A strategic plan needs to be updated at least annually, and a new plan needs to begin taking shape long before the current one has run its course. The most effective boards have also discovered ways of ensuring the strategic plan is the product



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of a smoothly functioning board-executive team.

3. Select and hire the Chief Executive Officer of the organization, and delegate to the CEO the responsibility and authority to develop and implement annual operating plans and budgets that are consistent with the strategic plan and broad-based board policies.

The board needs to encourage and support the CEO as the person responsible for carrying out implementation of board-developed policies. And while it may be tempting for board members to spend time with staff as a way of staying in touch with how the organization is doing, it is the CEO who is accountable for creating and nurturing a healthy, supportive work environment for the organization's employees.

The board's role with the CEO also must include a formal evaluation of the CEO's performance on a regular basis and, if appropriate, replace the CEO. There are many approaches to CEO performance appraisal. Several of these approaches are described and assessed in Aspen Publications' *Evaluating the Nonprofit CEO: A Guide for Chief Executives and Board Members* (1996). The Corporate Fund's publication, *Partners in Performance: A Collaborative Approach to Nonprofit CEO Development and Appraisal* (1998), suggests a unique approach to a transparent partnership that accommodates not only the assessment of the CEO's performance based on a negotiated agreement, but also uses a number of leadership and managerial behaviors to help the CEO develop professionally.

A key to successful board-CEO relationships is clear delineation of board and staff roles, including those times when the board and staff form a coalition on specific tasks, such as the development of the strategic plan. When such clarity exists, there is little reason for board members to be delving into the details of the organization's daily routines. Exceptions must be made when an organization has no staff or only one or two staff members. Yet even under these circumstances, clarity of task, role, responsibility and authority will prevent problems from arising.

4. Accept full responsibility for the financial well-being of the organization, including raising necessary income, managing endowments and other investments, and approving and monitoring the annual operating budget.

This is a pitfall role for many boards. They take seriously their legal obligation to ensure resources are used wisely and ethically to achieve the organization's mission. Perhaps too seriously. In his book, *Boards that Make a Difference* (2006), John Carver states that boards often spend too much time reviewing the previous month's expenditures — money already gone — when their larger and more significant task is to explore and project how future dollars will be available to the staff to carry out the organization's mission.

Many boards need to be more deeply involved in the fundraising element of their financial well being role, especially in the development of a fundraising strategy. They often leave it to the staff to figure out strategy and wait to be told what to do. Or they focus their own engagement in fundraising on bake sales and raffle tickets (not unuseful events, but quite tactical in nature, and not broad enough in scope or impact). The



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effective governing board articulates its acceptance of the fundraising role, and ensures that strategies are developed that will make a difference in the solidity of the future. This does not mean that staff have no role in fundraising. In fact, they are key to the effort. However, the responsibility for ensuring funds are available both now and in the future belongs to the board. This also does not mean that every board member has to be an “asker” for money. There are many other roles available for a board member to carry out that will help the fundraising effort, including:

- Setting up meetings with potential donors
- Speaking to civic groups about the value of the organization to the community
- Reviewing fundraising materials for potential impact
- Penning personal notes on letters going out to potential donors

5. Develop and maintain communications links and beneficial relationships with various communities, funders, and other stakeholders in the organization’s success.

Board members are often in advantageous positions in their communities that can be strategically used to foster ties to key groups and individuals whose support is critical to the organization’s success. Board participation in marketing and community relations activities (whether designed by the board or the staff) is central to mission achievement. This kind of involvement also provides board members with opportunities to hear about the organization and the various perceptions held by community members, constituents, funders, media representatives, and the like. Such information needs to be discussed at committee and full board meetings as needed, and where appropriate, given to the CEO for staff use.

It is important to make the creation and advantageous implementation of board members’ community connections a frequent and explicit agenda item.

6. Ensure evaluation of progress against plan on an ongoing basis.

Nonprofit boards spend a great deal of time trying to determine what should happen. This is a perfectly appropriate role, but the most effective boards also ensure that someone is measuring how much of what was supposed to have happened did happen. Whether the staff takes these measurements and reports to the board (through the CEO), or whether the board itself is engaged in measuring progress against plan is less important than the fact that it does happen. The board may inquire, consult, and guide, within the bounds of noninterference, regarding what must be done to close gaps or adjust expectations.

Working in close partnership with the organization’s CEO, the board can set up a series of measurements on which the CEO can report, say, quarterly, on progress-against plan and recommended adjustments in the plan or in operations to make corrections and close gaps. Likewise, the board can set up its own measurements on how it is doing in implementing actions to become a more effective board (see Role #7, below).



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7. Provide for the continuous self-evaluation and renewal of the board itself.

Increasingly more nonprofit boards in New Hampshire are paying attention to their own effectiveness in carrying out their roles and responsibilities. Some of the areas that need attention from the board in looking at itself are:

- How decisions get made and are communicated
- Quality of meetings that are forums for the board's work
- Effectiveness of the board's structure (including the appropriateness and contributions of various committees)
- Scope and depth of the composition of the board's members, e.g., skills, experience, gender, race, socio-economic group, constituencies represented, and financial contribution ability
- Conscious development of board members as future leaders of the board
- Effectiveness of recruitment and orientation of new board members
- Quality of the board's planning, fiscal management, fundraising, external relations, and policy development practices

It is this seventh role and responsibility, the ongoing self-assessment by the board of its work on behalf of the organization it governs, that provides the impetus for the Nonprofit Board Self-Assessment process.

References

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