

**6****ENSURE EFFECTIVE ORGANIZATIONAL PLANNING**

The planning process enables the board and staff to translate the broad mission of the organization into objectives and goals that can be measured and accomplished. The conventional wisdom is that boards should insist that comprehensive organizational planning is done and done effectively. The perplexing questions for board and staff are: Who should carry out strategic planning, and how can busy volunteer board members meaningfully be involved in the process? Opinions differ on how these questions should be answered, but there is wide unanimity on at least three principles.

First, board members must be involved extensively in the strategic planning process if they are to assume proper ownership of the plan and otherwise help to implement many of the plan's goals and objectives, including the acquisition of new resources. Their role is essentially one of asking good questions, expecting good answers, and serving as resources in areas of personal and professional expertise. Second, board members can be engaged in specific areas of the plan by serving on standing committees or temporary task forces.

Third, the board should formally and enthusiastically approve the plan following an extended period of consultation and opportunity for revision. While some long-range forecasts can be made, it is probably best not to cover more than a three-year period. Annual progress reports by the chief executive will keep the staff accountable and the board aware of progress on priorities.

When there is professional staff, the conduct and coordination of planning is best entrusted to it. We should not expect volunteer board members to be full-time authorities on programmatic, financial, and managerial issues, or to commit to more and longer meetings. The organization's chief executive and staff must share at least as much enthusiasm and ownership as does the board, and perhaps even more because they bear the primary responsibility for implementing the plan.

This is not at all to minimize the board's vital involvement in the planning process, however. Because board members are, or should be, free of vested interest and are responsible for considering issues and rendering judgments for the organization as a whole, and because they must ultimately assess the quality of the goals and objectives resulting from the process, they should be involved extensively in it.

Planning occurs at various levels within an organization depending on its size and complexity, the attitudes of the chief executive, staff, and board concerning its relative importance and any other circumstances. It is the process of conducting a substantive planning effort — of bringing many people together under good leadership — that is often as important as the resulting plan itself. Depending on the special circumstances, mission, and purposes of the organization, most long-range or strategic plans will include some variation and combination of these elements:

- statement of mission and purposes
- assumptions about the future (likely internal and external circumstances)
- current programs and services
- new programs and services
- membership development and retention strategies (if appropriate)
- staffing (current and projected)
- board of directors (size, method of selection, committee structure, other bylaw provisions)
- financial projections (income and expenditures)
- fundraising strategies
- public relations strategies

*For more information on planning, see The Nonprofit Board's Role in Planning and Evaluation, book 7 in the Boardsource Governance Series.*



---

### Questions the Board Should Ask

1. Are the plan's underlying assumptions about the organization and its external environment comprehensive and plausible? Are any major factors missing?
2. What are the cost-benefit ratios for each of the organization's current programs and services? Are any peripheral to the organization's primary purposes? Which should be retained? Which should be discontinued or modified?
3. Looking at recent income and expenditure trends, how realistic are projections? What goal should the organization strive to achieve for financial reserves (e.g., at least one-half of its operating budget)?
4. Are new priorities clear and the proposed means of paying for them realistic? Which can or should be self-supporting and which should be operated at a loss?

## **7** RECRUIT AND ORIENT NEW BOARD MEMBERS AND ASSESS BOARD PERFORMANCE

All boards have a responsibility to articulate and make known their needs in terms of member experience, skills, influence, demographic, and many other considerations that define a balanced board composition. All boards also have responsibility to properly orient new board members and to periodically and comprehensively assess the board's effectiveness. But there is a related responsibility that more boards are recognizing and acting on — the responsibility to assess the performance of individual board members eligible for reelection or reappointment. None of these are easy matters; all are important.

A distinction needs to be made between two more-or-less equal parts of a comprehensive orientation program: (1) orientation *to the board and board membership* — core responsibilities, bylaw provisions, committee structure, meeting practices, what is expected of all board members, and the like; and (2) orientation *to the organization* — its mission, programs and services, goals and aspirations, fundraising strategies, staffing structure and personalities, finances, emerging issues and opportunities, and the like. Trying to do it all in two or three hours is unrealistic.

For boards that have the authority to fill their own vacancies, the most important committee to the long-term health of the board (and, therefore, the organization itself) is the governance committee. This is the board committee that — in consultation with the full board and the chief executive — oversees the process of defining membership needs, cultivates prospective nominees, checks prospective nominee credentials and performance on other nonprofit boards, recruits nominees, oversees the orientation program, and designs programs of board self-assessment. Service on the governance committee entails a very full job description, indeed, one that calls for the board's most committed and respected members to constitute the committee's membership.

This is also the committee that is increasingly called upon by the board to draft a statement of board member responsibilities for subsequent consideration and adoption. Boards are finding such statements to be very helpful with new member recruitment and orientation, and also for use as a frame of reference in reviewing the contributions of incumbent board members who are eligible for reappointment or reelection. Attendance, personal giving, and solicitation records are part of the

candid conversations that need to take place, conversations that are devoid of dysfunctional politeness, yet fair and sensitive to the individuals involved.

Usually the governance committee also leads the board in a self-assessment process every three to five years. During a self-assessment, the board and chief executive stand back from their usual preoccupations and reflect on how well the board is meeting its responsibilities. This process should include a look at how the board's composition, process of identifying and recruiting prospective board members, committee structure, meetings, relationships with key constituencies, and overall performance can be strengthened.

A candid and anonymous written survey of board member perceptions in advance of a workshop or retreat, perhaps supplemented with telephone interviews of at least some board members, can pave the way for consensus on priorities. A qualified third-party facilitator can bring experience, objectivity, credibility, and perspective — along with some innocence — to the process. An overnight stay away from the organization's boardroom combined with opportunities to socialize can build camaraderie and trust among board members and between the board and the chief executive.

*For more information on board development, see Structures and Practices of Nonprofit Boards and How To Help Your Board Govern More and Manage Less, books 6 and 8 in the Boardsource Governance Series.*



### **Questions the Board Should Ask**

1. How can we improve orientation for new board members?
2. What skills, expertise, and personal traits should we look for in new board members?
3. When was the last time our board conducted a self-assessment? How were the results used to improve board performance? When do we plan to conduct another self-assessment?

## 8 ENHANCE THE ORGANIZATION'S PUBLIC STANDING

Board members serve not only as a link between the organization's staff or volunteers and its members, constituents, or clients, but also as the organization's ambassadors, advocates, and community representatives. But government leaders, the media, and current and potential funding sources call for an ambitious and effective public relations program to ensure a healthy and accurate public image for the organization. Clearly articulated achievements, contributions to the public good, and explanations for how gifts and grants and other revenue sources are allocated are all part of the process. Written annual reports, timely and informative press releases, consistent communication initiatives with community and government leaders, and timely speeches by appropriate board members to civic and community groups are important elements of a comprehensive public awareness strategy. Over the course of their tenure, board members may meet with elected officials, testify before legislatures, court foundation program officers, speak to community groups, represent the organization at national forums, and — when appropriate — be interviewed by news media.

One of the most important decisions to be made by the chief executive and the board chair is who should be the organization's spokesperson. This decision normally depends on the situation, but there are advantages on some issues to ask an especially articulate board chair to serve this important function. Volunteer leaders who convey their commitment and dedication through advocacy and a willingness, on behalf of their boards, to get out in front of their chief executives and staffs on the thorny issues, command more public attention and respect because board members do not receive remuneration.

Boards, however, should guard against the occasionally overzealous board member who may take inappropriate and unilateral initiatives without clearance. The board's elected leaders should ensure that the board appropriately disciplines itself. No board member should represent himself or herself as speaking for the board or organization unless specifically authorized to do so.

*For more on the communicating with the public about your organization, see, The Nonprofit Board's Role in Setting and Advancing the Mission and How To Help Your Board Govern More and Manage Less, books 6 and 8 in the BoardSource Governance Series.*



---

### Questions the Board Should Ask

1. Who is our organization's spokesperson?
2. What should the spokesperson consider before responding to media inquiries?
3. What should board members other than the board chair do when contacted by the media?
4. What is our organization's communications strategy?
5. What are the key messages we wish to communicate to the public?

## 9

**DETERMINE, MONITOR, AND STRENGTHEN  
THE ORGANIZATION'S PROGRAMS AND SERVICES**

The board's fundamental responsibility begins with the question of whether current and proposed programs and services are consistent with the organization's stated mission and purpose. Given limited resources and unlimited demands on them, the board must decide among competing priorities. Financial and programmatic decisions should not be made independently.

What the organization does for its members, constituents, or clients determines its significance as a social institution. Yet, there is nearly universal complaint by board members that their meeting agendas are dominated by finance and fundraising issues. Every board must find a sensible division of labor among its members to ensure that programs and services are demonstrably consistent with the organization's mission and purposes and are of high quality. This minimally argues for a standing committee to oversee programs.

The board should have a good sense of its monitoring and oversight role by seeking a balance between the board's responsibility to ensure quality, cost-effective programs and services and the staff's responsibility to creatively initiate and conduct them. In meeting this particular responsibility, board and staff roles often become confused, particularly when board members also volunteer extensively to conduct and manage programs. Candor, openness, and explicit job descriptions go a long way toward negotiating an accommodation satisfactory to everyone.

Here again, the board best performs its role by asking the right questions and expecting good answers.

*For more information on monitoring programs, see The Nonprofit Board's Role in Planning and Evaluation, book 7 in the Boardsource Governance Series .*





---

### Questions the Board Should Ask

1. How can the board and staff monitor constituent satisfaction with current and future programs and services?
2. What do we know about who participates in or takes advantage of each of our major programs and services? Are participation trends in the right direction in terms of both numbers and categories of people served?
3. What proportion of the annual budget is devoted to programs and services as distinct from personnel costs and other expenditures?

## 10

**SUPPORT THE CHIEF EXECUTIVE  
AND ASSESS HIS OR HER PERFORMANCE**

The chief executive needs consistent moral and substantive support from the board. Some boards have found it useful to assign the responsibility for assessing the chief executive's performance to the executive committee. This helps, but the board as a whole should ensure that the chief executive

- receives frequent and constructive feedback
- is assisted when board members overstep prerogatives or misunderstand their roles
- feels that his or her performance is being assessed in relation to the board's performance
- is introduced to other community leaders and organizations
- is invited to important social functions
- is complimented for exceptional initiatives
- is encouraged to take professional and personal leaves for renewal
- feels that the board is aware of and sensitive to personal situations and needs

With regard to informal and formal performance reviews, the board and chief executive should agree on purposes and processes. This delicate business is helped immeasurably if annual goals and objectives are mutually discussed and agreed on; they become the primary criteria for review through informal and candid discussion.

The formal, periodic, and comprehensive review process can be especially challenging for everyone concerned. The board performs this function best, as part of its responsibility to be supportive, when the board and chief executive have agreed on these three points:

1. The primary purpose of the evaluation is to help the chief executive perform more effectively. (Ideally, to keep the process healthy and constructive, compensation increases and contract renewal decisions should *not* be the *primary* purpose for conducting the process.)
2. The chief executive should be consulted on the process of review well before it is initiated.

3. The board and chief executive need to understand their effectiveness is interdependent — neither can be assessed completely independently.

Given the importance and delicacy of comprehensive executive performance assessment, and assuming performance reviews will be conducted at regular intervals by standing board policy, many boards and executives have found it useful to secure mutually agreed-upon and qualified third-party services from outside the organization. Such an initiative, perhaps every three to five years, brings professionalism, objectivity, and perspective that almost always justify the required financial investment. An outside person acceptable to the chief executive and the board can assess both chief executive performance and any organizational or governance constraints and make recommendations helpful to everyone.

*For more information on the hiring the chief executive, see Leadership Roles in Nonprofit Governance, book 9 in the Boardsource Governance Series.*



---

#### **Questions the Board Should Ask**

1. What is our policy for evaluating the chief executive's performance? Is the chief executive aware of this policy?
2. What is our process for evaluating the chief executive's performance? Is the chief executive aware of this process?
3. Who is responsible for communicating with the chief executive about and during this process?

# Conclusion

There are other board responsibilities, of course. Students of governance all have their favorite lists. It is important and useful, however, to make a distinction between *board* and *board member* responsibilities. Written job descriptions for the board and for its members should help boards to strengthen their sense of purpose, relations with chief executive and staff, organization and structure, and overall performance. This book concludes with a sample of individual board member's responsibilities that can be adapted to various organizational settings.

Boards and their members continue to be underdeveloped resources — in part because it is natural to respond only to expectations held for them, and in part because of the ambiguities inherent in board responsibilities and board-staff relations. Furthermore, some chief executives and some boards are ambivalent or even negative about in-service education and board development programs. After all, some risk taking is involved; inviting a third party to help with the process, for example, can be a difficult decision indeed.

Boards are learning to balance their nearly limitless organizational powers with self-restraint, to delegate authority where possible and sensible without abdicating their considerable responsibilities, and to channel board member enthusiasm and commitment into appropriate behaviors. As nonprofit organizations continue to evolve and strengthen their governance practices, the entire sector will surely strengthen its already significant contributions to the communities it serves.

## Appendix I

### STATEMENT OF INDIVIDUAL BOARD MEMBER RESPONSIBILITIES



Just as boards of directors have basic collective responsibilities, **individual board members are also entrusted with responsibilities** as a part of board membership. The obligations of board service are considerable — they extend well beyond the basic expectations of attending meetings, participating in fundraising initiatives, and making monetary contributions.

A clear statement of individual board member responsibilities adapted to the organization's needs and circumstances can serve at least two purposes: (1) It can help with the process of recruiting new board members by clarifying expectations before candidates accept nomination, and (2) it can provide criteria by which the committee responsible for identifying and recruiting prospective nominees can review the performance of incumbents who are eligible for reelection or reappointment.

Prospective and incumbent board members should commit themselves to the following responsibilities.

#### GENERAL EXPECTATIONS

- Know the organization's mission, purpose, goals, policies, programs, services, strengths, and needs.
- Perform duties of board membership responsibly and conform to the level of competence expected from board members as outlined in the duties of care, loyalty, and obedience as they apply to non-profit board members.
- Suggest possible nominees to the board who are clearly women and men of achievement and distinction and who can make significant contributions to the work of the board and the organization's progress.
- Serve in leadership positions and undertake special assignments willingly and enthusiastically.
- Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures through their supervisors. (All matters of potential significance should be called to the attention of the executive and the board's elected leader as appropriate.)

- Follow trends in the organization's field of interest.
- Bring good will and a sense of humor to the board's deliberations.

#### **MEETINGS**

- Prepare for and participate in board and committee meetings, including appropriate organizational activities.
- Ask timely and substantive questions at board and committee meetings consistent with your conscience and convictions, while supporting the majority decision on issues decided by the board.
- Maintain confidentiality of the board's executive sessions, and speak for the board or organization only when authorized to do so.
- Suggest agenda items periodically for board and committee meetings to ensure that significant, policy-related matters are addressed.

#### **RELATIONSHIP WITH STAFF**

- Counsel the chief executive as appropriate and support him or her through often difficult relationships with groups or individuals.
- Avoid asking for special favors of the staff, including special requests for extensive information, without at least prior consultation with the chief executive, board, or appropriate committee chairperson.

#### **AVOIDING CONFLICTS**

- Serve the organization as a whole rather than any special interest group or constituency. Regardless of whether or not you were invited to fill a vacancy reserved for a certain constituency or organization, your first obligation is to avoid any preconception that you "represent" anything but the organization's best interests.
- Avoid even the appearance of a conflict of interest that might embarrass the board or the organization, and disclose any possible conflicts to the board in a timely fashion.
- Maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate, even though not necessarily obliged to do so by law, regulation, or custom.
- Never accept (or offer) favors or gifts from (or to) anyone who does business with the organization.

### **FIDUCIARY RESPONSIBILITIES**


- Exercise prudence with the board in the control and transfer of funds.
- Faithfully read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility.

### **FUNDRAISING**

- Give an annual gift according to personal means.
- Assist the development committees and staff by implementing fundraising strategies through personal influence with others (corporations, individuals, foundations).

## Appendix II

### THE BOARDSOURCE TEN BASIC RESPONSIBILITIES

1. **Determine the organization's mission and purpose.** It is the board's responsibility to create and review a statement of mission and purpose that articulates the organization's goals, means, and primary constituents served. 
2. **Select the chief executive.** Boards must reach consensus on the chief executive's responsibilities and undertake a careful search to find the most qualified individual for the position.
3. **Provide proper financial oversight.** The board must assist in developing the annual budget and ensuring that proper financial controls are in place.
4. **Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission.
5. **Ensure legal and ethical integrity and maintain accountability.** The board is ultimately responsible for ensuring adherence to legal standards and ethical norms.
6. **Ensure effective organizational planning.** Boards must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals.
7. **Recruit and orient new board members and assess board performance.** All boards have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate its own performance.
8. **Enhance the organization's public standing.** The board should clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community.
9. **Determine, monitor, and strengthen the organization's programs and services.** The board's responsibility is to determine which programs are consistent with the organization's mission and to monitor their effectiveness.
10. **Support the chief executive and assess his or her performance.** The board should ensure that the chief executive has the moral and professional support he or she needs to further the goals of the organization.



## Appendix III

### BASIC RESPONSIBILITIES WORKSHEET

Use this worksheet to assess how well your board fulfills its basic responsibilities.

RESPONSIBILITY	MY BOARD SUPPORTS THIS RESPONSIBILITY BY	MY BOARD COULD IMPROVE IN THIS AREA BY
1. Determine the organization's mission and purpose		
2. Select the chief executive		
3. Provide proper financial oversight		
4. Ensure adequate funding		
5. Ensure legal and ethical integrity and maintain accountability		
6. Ensure effective organizational planning		
7. Recruit and orient new board members and assess board performance		
8. Enhance the organization's public standing		
9. Determine, monitor, and strengthen the organization's programs and services		
10. Support the chief executive and assess his or her performance		

## Appendix

### SUGGESTED

Albert, Sheila. *Recruitment and Selection Process*. Chief executive take. This book adapted by al... importance of le... the next chief e... didate-interview... and a system fo... diskette with sa...

Axelrod, Nancy. *Securing Your Organization's Future*. Chief executive organization's n... organization's n... A successful su... plan, mission, a... prepare for the f... executive succe...

BoardSource. *Self-Assessment Toolkit*. Washington, DC... to help nonprof... responsibilities a... toolkit includes... that you can eas...

Bobowick, Marl... *Structure: Strategic Planning*. BoardSource, 20... how your board... board. Discover... committees and...

Chait, Richard F... *Nonprofit Board Governance*. Washington, DC...