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Welcome to BoardServeNYC:
A United Way of New York City Initiative
in partnership with NYC Service

BoardServeNYC builds the capacity of nonprofits in New York City by connecting them to a pool of prospective board members. Training board member candidates in nonprofit governance and in roles and responsibilities of boards, as well as actively preparing nonprofits to recruit, engage, and utilize new board members, are integral components of BoardServeNYC.

To prepare you for your upcoming training session and the subsequent matching process, we have assembled this set of materials for you.

The tools included in this Nonprofit Orientation & Board Recruitment Kit, along with the orientation session itself, will familiarize you with the BoardServeNYC program, as well as provide you with the tools necessary to recruit new board members effectively.

It is critical that current board members work collaboratively with staff and adapt the tools to best suit the needs, capacities, history and culture of your organization.

Even though all boards have similar responsibilities, there is no one "right way" for a board to meet these responsibilities. Each board must find its own way. Thus, the tools and procedures provided are intended as examples, not as templates.

While using the enclosed tools to address one issue, you may find that the process itself leads to unexpected improvements in other areas of board governance and leadership. To help fine-tune other areas of your board practices, you can use this Nonprofit Tune-Up Kit, the companion manual to Nonprofit Orientation Kit.

The BoardServeNYC training curriculum and kits are developed and designed in consultation with the Support Center for Nonprofit Management and Michael Davidson.
Section I. Governance & Responsibilities

All charitable organizations in the state of New York must have a board of directors consisting of at least 3 individuals, 18 years of age or older, to govern the organization. Practicing good governance entails fulfilling a number of responsibilities, outlined in the following pages.

What is “Governance”?

1. **To Steer:** The word governance comes from an ancient Greek word, kebernon, which means “to steer”. In current usage, to govern means “to steer, to control, and to influence from a position of authority.” Governance deals with the legitimate distribution of authority throughout a system, be it a country or an organization.

2. **To Hold and Exercise Authority:** Authority to govern an organization may be granted by a variety of sources, ranging from organizational members and supporters to public officials. When an organization is incorporated, the state in which the incorporation takes place assigns responsibility for the affairs of the organization to a governing board. This responsibility includes both authority to make organizational decisions and accountability for the outcome of such decisions.

An organization’s articles of incorporation (or constitution) and its bylaws will specify how its board is to be constituted and organized. Boards vary in size and structure, as well as by board member selection. Regardless of their differences, though, boards are always charged with the responsibility of organizational governance. This means that not only do they have the authority to establish and control organizational direction, but also that the board – as a group – will be held accountable for how this authority is carried out. The board is where the proverbial buck stops.

3. **To Provide Accountability:** The legal framework for governing nonprofit boards has evolved. For a long time, laws related to trusts were used to determine issues of nonprofit board accountability. This placed a great deal of responsibility on individual trustees. A number of court cases have since placed interpretation of nonprofit board accountability within the framework of corporate law, leaving legal responsibility on the board as a collective body rather than on individual trustees.
Primary Board 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 ensure there are 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 goals of the organization.

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/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.

Adapted from Ingram, Richard, and Ten Basic Responsibilities of Nonprofit Boards. Board Source.

Individual Board Member Responsibilities

1. Understand and support the organization’s mission
2. Attend board meetings
3. Prepare for meetings and commit to learning about the organization
4. Share professional expertise
5. Engage in discussion and decision-making
6. Respect the opinions of other board members
7. Support the board’s consensus on governance matters
8. Respect and support the executive director’s authority
9. Make a personal donation each year (if applicable)
10. Encourage other individuals, corporations, and philanthropies to give
11. Assess your own performance
12. Be prepared and willing to lead the board or a committee
Three “Hats” Often Worn by Board Members

1. Governance “Hat”
   - Governance is the role of the board as a whole
   - Governance means “having ultimate responsibility for the organization”
   - An individual board member wears this “hat” during board meetings when developing policy and acting collectively

2. Implementation “Hat”
   - Implementation means “stepping out of the governance role temporarily to take on a task usually done by a staff member or consultant”
   - Board members may wear this “hat” when the board asks/authorizes them to implement particular tasks, board policies, or programs

3. Volunteer “Hat”
   - This is the “hat” worn at all other times when involved with the organization’s activities
   - By donating their time to the nonprofit, board members are serving as volunteers

Legal Obligations of a Nonprofit Board
When organizations incorporate as nonprofits, the law requires that a group of individuals serve as the stewards of the public’s and the government’s interests in the work of the nonprofit.

Decisions must meet the “prudent person” rule: Given a reasonable amount of information and reasonable efforts to gather information, the decision must be one that a prudent person would make.

Individuals are expected to fulfill the following legal duties:

1. Duty of Care
   a. Board members must exercise reasonable care in the decision-making process. This is known as the business judgment rule and allows board members to be creative and make mistakes
   b. The board is knowledgeable, its members active and willing to engage in discussion and decision-making
   c. Part of this care or “due diligence” is ensuring that the organization will comply with government laws and regulations affecting its operations:
      - As an employer
      - As a taxpayer (unrelated business income tax, employment taxes, applicable property taxes), and
      - As a provider of services (professional certification, licenses)

2. Duty of Loyalty
   a. The board will act in the best interest of the organization, rather than in the interest of an individual or of a narrow segment of the population served
   b. Board members will refrain from self-dealing and avoid actual as well as perceived conflicts of interest

3. Duty of Obedience
   a. The nonprofit’s actions will be consistent with its tax-exempt purpose, bylaws, and mission

Adapted from Jacqueline C. Leifer and Michael B. Glomb. “The Legal Obligations of Nonprofit Boards: A Guidebook for Board Members”. Published by BoardSource.
Section II. The ‘New Work’ of the Nonprofit Board

The key to improved performance is discovering and doing what we call the ‘new work’ of the board. This ‘new work’ of the board generates high levels of interest and demands broad participation and widespread support.

“Effective governance by the board of a nonprofit organization is a rare and unnatural act. Only the most uncommon nonprofit board functions as it should: by harnessing the collective efforts of accomplished individuals to advance the institution’s mission and long-term welfare.”

The excerpt above can be used to open a board discussion about how your board might want to focus its work.

1. This ‘New Work’ Demands that the Board:
   - Concern itself with crucial, “do-or-die” issues central to the institution’s success
   - Be driven by results that are linked to defined timetables
   - Have clear measures of success
   - Require the engagement of the organization’s internal and external constituencies

2. This ‘New Work’ Requires New Practices:
   - Find Out What Matters
     a. Make the CEO “paint the picture”
     b. Get to know key stakeholders
     c. Consult experts
     d. Decide what needs to be measured
   - Act On What Matters
     a. Board and management are on the same side of the net as partners
     b. Is the issue important or unimportant, central or peripheral?
     c. Involving trustees in policy implementation can be critically important during a crisis
   - Organize Around What Matters
     a. Committees, work groups, and task forces must mirror the institution’s strategic priorities

Section III. Policies

Policies are the operational guidelines for an organization.

Policies serve to protect and steer the staff and the board as they fulfill the mission of the organization. They are a reference tool for appropriate action, ethical decision making, and for dealing with potential or actual conflicts. Policies can paraphrase a law, explain a procedure, clarify a principle, or express a desired goal. They are the protocol to follow which, when properly used, helps diminish embarrassing or potentially harmful situations, improper behavior, and ineffective decision making.

How Are Policies Created?

1. **Proactive Process:** New policies are regularly needed to deal with situations that arise in the life of an organization. Ideally, policy development is a proactive process which foresees eventual conflict situations and thus provides a firm, existing guideline for the staff and the board. Many difficult situations can be avoided if an appropriate policy is in place to serve as a reference.

2. **Teamwork:** Both staff and board can be involved in policy formulation. However, the final ‘blessing’ is the task of the board. The board signs each organizational policy to show its responsibility for the decision. Often, the staff recommends new policies or identifies a need for them. Staff involvement in the process is important, particularly as they are the ones who will be implementing many of the policies.

3. **Research:** Drafting new policies and assessing their applicability takes research, brainstorming, and team effort. It is necessary to know legal requirements and to be attuned to new societal trends. Before voting on a specific policy, the board should accumulate facts and recommendations from knowledgeable sources, deliberate and take a clear position, and afterwards enforce the policy and revise it as the need arises.

4. **Board Policy Manual:** The secretary or a designated staff member is responsible for keeping all board records easily accessible and up-to-date. A board policy manual is a reference manual that contains all adopted policies in chronological order. This manual is also an excellent tool for new board member orientation. (See the Nonprofit Orientation Guide and Recruitment Kit, page 28).
### Types of Policies

An organization must identify the policies necessary to direct its activities and decision-making. Below is a sample (but by no means exhaustive) list of policies that can prepare the organization to function in a more effective and accountable manner.

<table>
<thead>
<tr>
<th>Board-Related Policies</th>
<th>Personnel Policies</th>
<th>Financial Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility, powers, duties</td>
<td>Equal-opportunity employment</td>
<td>Investments: asset mix; asset quality, diversification</td>
</tr>
<tr>
<td>Election of officers</td>
<td>Anti-harassment</td>
<td>Endowment management</td>
</tr>
<tr>
<td>Conflict of interest</td>
<td>Substance abuse</td>
<td>Cash flow</td>
</tr>
<tr>
<td>Code of conduct</td>
<td>Performance review</td>
<td>Risk management</td>
</tr>
<tr>
<td>Confidentiality</td>
<td>Personnel files</td>
<td>Reserves</td>
</tr>
<tr>
<td>Compensation</td>
<td>Working schedules: working hours; overtime; flex-time</td>
<td>Acceptance of gifts</td>
</tr>
<tr>
<td>Reimbursement: travel; expenses</td>
<td>Compensation and benefits: paid/unpaid leave; deferred compensation; severance pay; displacement expenses; travel expenses</td>
<td>Fiscal period</td>
</tr>
<tr>
<td>Personal contribution</td>
<td>Disciplinary issues: termination; grievances</td>
<td>Audits</td>
</tr>
<tr>
<td>Meeting attendance</td>
<td>Nepotism</td>
<td>Signing of checks</td>
</tr>
<tr>
<td>Indemnification</td>
<td>Personal appearance</td>
<td>Use of credit cards</td>
</tr>
<tr>
<td>Diversity</td>
<td>Personal phone/email/web usage</td>
<td>Request for checks</td>
</tr>
<tr>
<td>Term limits</td>
<td>Inclement weather</td>
<td></td>
</tr>
<tr>
<td>Removal from office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nepotism, fraternization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media/public relations</td>
<td></td>
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</tr>
</tbody>
</table>


Bylaws
The primary policies for an organization are most likely found in its original bylaws.

Bylaws define the role of the board members, how they are elected, how they function during board meetings, and how their work is structured. As well, the bylaws clarify how amendments can be made to the original document. As a result, bylaws are an evolving document that needs to be reviewed by the board on a regular basis. However, bylaws normally create only a basic structure for operative functioning; this document should not be cluttered by every conceivable rule and recommendation.

Bylaws have three major functions:
1. Determine the Organization’s Structure
   - Does the organization have members?
   - What are the officers’ responsibilities?
   - How are board members selected?
2. Determine the Rights of the People Involved in the Structure
   - What are grounds for removal from office?
   - Are board members entitled to indemnification?
3. Determine Procedures by Which Rights May Be Exercised
   - How will members be notified of meetings?
   - Can meetings be held via conference call?
   - Can elections be held by mail?

Bylaws are the board’s answer to important procedural questions; they provide an essential road map for how the board can operate. In addition to having them reviewed from a legal perspective, it is important to make sure that the operating rules fit with how the board wants to conduct its affairs.

**Incorporated organizations are required to have bylaws.** They need to be consistent with both state laws and the organization’s articles of incorporation.

The articles of incorporation are more general, while the bylaws are more specific. Board resolutions (or policies) concerning governance issues may be even more specific than the bylaws. Articles of incorporation can be amended more readily than bylaws, and board resolutions are even easier to change.

An organization is obliged to function in accordance with its bylaws. Because circumstances change and organizations need to adjust and grow, it is necessary for boards to review their bylaws from time to time to ensure that they reflect the structure that will best serve the organization’s purposes at the time.

However, bylaws are not generally a favorite topic of board discussion. Most boards rarely pay attention to them, a fact that can prolong conflicts over governance issues.
The bylaws of your organization should reflect your answers to these questions:

- How are board members elected?
- How are they nominated?
- What are their terms?
- Are there term limits?
- Under what circumstances should board members be removed?
- What is the process for removing board members?
- How are officers elected?
- What committees are there?
- How are new committees created?
- How are committee chairs and committee members selected?
- How are meetings scheduled?
- How can the board vote?
- Is there indemnification for board members?
- What policies have been established (conflicts of interest, nondiscrimination, whistleblower, etc.)?

All board members should receive a copy of the organization’s current bylaws and be familiar with their content.

Section IV. Meetings and Agendas

The quality, efficiency and effectiveness of board meetings begins with the agenda.

A consent agenda is a time-saving meeting technique that involves sending out all items that are purely for everyone’s information (routine committee reports, routine financial and program data, minutes of prior meetings, etc.) in advance and then adopting them in a single vote. Board members are informed that the items will not be discussed and questions about any of the consent agenda components can be sent in advance.

By using this technique, meetings can focus more on discussing items that require board input, hosting speakers on issues of importance and hearing staff members’ exciting stories of their programs. Alternatively, you can make more gradual changes to your board meeting structure by sending only a few reports in advance and by using the saved time to hear from an interesting speaker or to brainstorm a new initiative.

Sample Consent Agenda

I. Call to Order

II. Consent Agenda, Elisha Harris 5 minutes
   Chair Report
   Executive Director Report
   Approve Minutes of July Board Meeting
   Benefit Committee Report

III. Marketing Committee Report, May Kong 30 minutes
   Action Item: Approve proposed new name

IV. Program Committee, David Addams 25 minutes
   Action Item: Approve recommendations on primary constituency

V. Finance Committee, Alita Levis 20 minutes
   Action Items: Approve FY 2005 budget; Approve Investment Guidelines

VI. Governance Committee Report, Saleha Belgaumi 10 minutes
   Discussion: Proposed by-laws changes

VII. Adjourn
Discussion Questions

Once you have used the consent agenda to open up time at board meetings you will be able to open discussions on new or important topics, such as those presented in the questions below:

1. How does the mission guide your organization’s management?
2. How does your organization’s management focus on results?
3. How does your board of directors add value to your organization and help it to perform better?
4. How does your organization ensure that it is diverse, culturally competent and responsive to emerging issues or communities?
5. How does your organization utilize and care for its human and technological resources?
6. Are you effectively telling the core story of how your organization makes a difference? How do you communicate with your constituencies?
7. Cite examples of creative program or organizational management practices that distinguish your organization’s work.

From the New York Times Excellence in Nonprofit Management Awards
Section V. Finances

In addition to having bylaws that accurately reflect how the board conducts its affairs and understanding the 'new work' of the board, it is equally important to understand that the entire board is responsible for financial oversight – not just the finance committee.

In this regard, it would be useful to set aside a portion of a board meeting to assess the extent to which board members have the necessary information to meet this responsibility. You can use the questions below to help facilitate such a discussion.

FINANCIAL CHECKLIST

1. Is our financial planning consistent with our strategic plan?
2. Is our cash flow projected to be adequate? Are our cash-flow projections reasonable, objective and not overly optimistic?
3. Do we have sufficient reserves? Has the board adopted a formal policy for the establishment of reserves?
4. Are we regularly comparing our financial activity with what we have budgeted? What procedures do we use to make sure that the differences between what was budgeted and what actually happened are being appropriately addressed?
5. Does the board provide oversight of contractual agreements to ensure that the organization’s exempt status will not be questioned or impaired? Are we fulfilling our tax-exempt purpose as granted by the IRS?
6. Does the board provide for internal controls over expenditures?
7. Do we have appropriate checks and balances to prevent errors, fraud and abuse? Are we alert to the possibility of fraud within our organization? Are we taking safeguards to try to prevent fraudulent activities?
8. Do we have an external audit? Does our annual audit have an unqualified (“clean”) opinion?
9. Is our financial staff providing us with accurate and timely financial statements that allow us to understand the financial state of the organization?
10. Do we regularly review IRS Form 990? Does it accurately represent our organization?
11. Are our key sources of income rising or falling? If they are falling, what are we doing about it?
12. Are our key expenses, especially salaries and benefits, under control?
13. When was the last time our investment policy was reviewed? Are we satisfied with the performance of our investments, given the level of risk appropriate for these funds?


IRS Expectations for the Board’s Role in Financial Compliance
The IRS 990* expects that the board take a very active role in financial oversight and monitoring. The 990 asks not only if certain key compliance policies are in place (i.e. Conflicts of Interest, Whistleblower Protection and Document Retention and Destruction), but also how the board assures implementation of these policies.

The treasurer should use the following list of expectations to update the board on its compliance:

**BOARD EXPECTATIONS ON COMPLIANCE**

1. **Review of the 990:** The 990 must be signed and attested by an officer of the board. The board must describe the process it used to review the 990 before it was filed.

2. **Conflicts of Interest:** The organization is asked to describe the process used to monitor and enforce compliance with its conflict-of-interest policy, including whether the board and key employees are required to annually disclose any “interests that could give rise to a conflict.” The board is also required to disclose business relationships with any “current or former officer, director, key employee, substantial contributor or person related to such an individual.”

3. **Executive Director Compensation:** The board must describe the process it used to determine the executive director’s compensation, including whether there was a “review by independent persons, use of comparability data and documentation of the deliberation and decision.”

4. **Board Procedures:** The board must disclose whether there are contemporaneous minutes of the board, key committees and how the organization’s documents are made available to the public.

5. **Regulatory Compliance:** The board must identify the states in which the organization should be registered because it solicits funds in that state. It should also identify whether or not the organization is in compliance with state and federal regulations.

*For more information on the 990 and its various forms, please see the IRS website at www.irs.gov.*
Section VI. Governance Committee

The Governance (or Nominating) Committee is, potentially, the board’s most important standing committee. Because many organizations now charge this board committee with the responsibility of considering the needs of the board in a broader sense, and not just at the time of annual elections, they are calling this committee the Board Development (or Governance) Committee rather than the Nominating Committee.

It should be composed of members who have many contacts in the community, know where to look for potential board members, offer a variety of perspectives, and represent a range of backgrounds and experiences. It is sometimes beneficial to have non-board members serve on this committee as well.

While this committee helps to facilitate the board’s work in identifying the needs of the board and candidates for board election, it is the responsibility of all board members to suggest possible nominees for the board.

GOVERNANCE COMMITTEE* TASKS

1. Understand the organization's mission and goals
2. Develop/update board member responsibilities (job descriptions)
3. Identify potential board members and maintain information about each candidate
4. Observe and evaluate potential leaders within the board
5. Strive for a diverse, representative board
6. Evaluate board members’ eligibility for re-election
7. Cultivate and recruit officers and new board members
8. Judge objectively the qualifications of potential members
9. Conduct board orientation sessions for new board members
10. Plan ongoing board development programs for the board

Ellen Cochran Hirzy. “From The Nominating Committee: Laying a Foundation for your Organization’s Future.” BoardSource.
Section VII. Self-Evaluation

Once board expectations or a board contract have been agreed to, it is then possible to assess how each board member has contributed to the board and to the organization. A board member assessment is useful in this.

To facilitate this process, consider:

- Maintaining records of each board member’s fulfillment of the agreed expectations
- Providing each board member with a “report card” (following page) based on the expectations and their personal goals
- Holding 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

When Assessing Previous Years' Experience, Review:

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

When Assessing Personal Commitment, Review:

- 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 (program volunteering, etc.)
Board of Directors Report Card

Providing a written review of a board member’s performance underscores the importance of each board member’s work and reaffirms that board membership is a “job.” After conducting assessments, a brief summary (such as the report card below) should be generated for each individual board member and provided to them.

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary of Activities for:</strong></td>
<td>Jane Doe</td>
</tr>
<tr>
<td><strong>Member Since:</strong></td>
<td>2003</td>
</tr>
<tr>
<td><strong>Term Ends:</strong></td>
<td>2008</td>
</tr>
<tr>
<td><strong>2007 Committee Membership(s):</strong></td>
<td>Development, Executive</td>
</tr>
<tr>
<td><strong>2005</strong></td>
<td><strong>2006</strong></td>
</tr>
<tr>
<td><strong>Board Meeting Attendance:</strong></td>
<td>71% 78%</td>
</tr>
<tr>
<td><strong>Comm. Meeting Attendance:</strong></td>
<td>3 of 4 (75%) – 1 by phone</td>
</tr>
<tr>
<td><strong>Total Annual Giving:</strong></td>
<td>$9,000 $4,450</td>
</tr>
<tr>
<td><strong>Getting:</strong></td>
<td>+ 200K (Campaigns 1 &amp; 2) (Company A, B, C, D)</td>
</tr>
<tr>
<td><strong>Committee Participation:</strong></td>
<td>Development</td>
</tr>
<tr>
<td><strong>Event Participation:</strong></td>
<td>Annual Meeting</td>
</tr>
<tr>
<td><strong>Other Service:</strong></td>
<td>Arranged 4 meetings with funders. Continues to leverage professional and personal relationships for organization, most notably securing ……… Company is major supporter.</td>
</tr>
<tr>
<td><strong>Stated Goals for 2010:</strong></td>
<td>Goal for 2010: Keep up the good work. You are eager to be helpful and want to remain on the development committee. You express strong preference that everyone attends meetings in person and not by phone.</td>
</tr>
<tr>
<td><strong>Stated Goals for 2011:</strong></td>
<td></td>
</tr>
</tbody>
</table>

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
**Board of Directors Fact Sheet**

This report summarizes the overall performance of the board. It underscores the importance of the board's work 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.)

Again, the below report is only a sample of one type of fact sheet. Please use it simply as a guide while designing your own fact sheets with information pertinent to your organization and board.

<table>
<thead>
<tr>
<th>FACT SHEET</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Directors in May 2005:</td>
<td>25</td>
</tr>
<tr>
<td>Total Number of Directors in April 2006:</td>
<td>25</td>
</tr>
<tr>
<td>Avg. Attendance at Board Meetings in 2005-2006:</td>
<td>66.8%</td>
</tr>
<tr>
<td>Avg. Attendance at Board Meetings in 2004-2005:</td>
<td>60.2%</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Directors Making Financial Contributions in 2005-2006:</td>
<td>100% (25/25)</td>
</tr>
<tr>
<td>% of Directors Making Financial Contributions in 2004-2005:</td>
<td>92% (23/25)</td>
</tr>
<tr>
<td>Average Contribution in 2005-2006:</td>
<td>$445</td>
</tr>
<tr>
<td>Average Contribution in 2004-2005:</td>
<td>$381</td>
</tr>
<tr>
<td>Median Contribution in 2005-2006:</td>
<td>$200</td>
</tr>
<tr>
<td>Median Contribution in 2004-2005:</td>
<td>$150</td>
</tr>
<tr>
<td>Total Board Contributions in 2005-2006:</td>
<td>$14,675</td>
</tr>
<tr>
<td>Total Board Contributions in 2004-2005:</td>
<td>$10,300</td>
</tr>
</tbody>
</table>

Executive Director Review

The board should provide the executive director with an annual review. The purpose of this review is not to find fault, but is rather to make sure that the board and the executive director are:

- On the same page
- Communicating effectively
- Clear on the priorities for the board as well as those of the executive director
- Ensuring the executive director has the resources and support needed to achieve the objectives that the board expects

Here is an outline for a review process that has been found to be very effective:

1. The executive director submits a year-end summary to the executive committee, highlighting accomplishments and outlining goals for the following year
2. Board members complete a survey of the executive director’s performance based on strategic goals
3. The executive committee meets with the executive director to:
   - Review report and survey results
   - Discuss priorities for the following year
   - Consider areas in which the executive director might need additional staff support and/or professional development
   - Identify areas of board responsibility
4. The executive committee and executive director present a joint report to the board

On the following pages you will find a sample board survey of the executive director’s performance and skills, as well as a sample staff survey of the executive’s interpersonal and collaborative skills. These documents can serve as a guide as you formulate your own survey to assess the executive director’s performance.

Resources: Assessment of the Chief Executive, Board Source, 2005
SAMPLE EXECUTIVE DIRECTOR REVIEW SURVEY  
(To Be Given to Board)

The performance levels listed below follow a 1-5 scale:
1. **Poor**: Demonstration of this competency is inconsistent or absent and job performance is persistently and adversely affected
2. **Fair**: Does not consistently meet expectations
3. **Good**: Has the required level of skill to meet the expectations of the position
4. **Very Good**: Demonstrates skills beyond the requirements of the position
5. **Excellent**: Possesses superior skills that generate results which exceed expectations

**NS** **Not sure**: You do not have enough information to assess performance in this area accurately.

Each category in the survey provides a section where you may also comment on the executive director’s performance in this area. If you have assigned a rating of 1 or 2, it is critical that you explain the reasons for this assessment and provide specific examples, to allow the board to provide adequate feedback to the executive director.

<table>
<thead>
<tr>
<th>STRATEGIC ORIENTATION AND FOCUS</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leads the organization and makes decisions in accordance with its strategic direction</td>
<td>1 2 3 4 5 NS</td>
</tr>
<tr>
<td>2. Anticipates changes and scans the internal and external environment for new opportunities, challenges, ideas, and approaches</td>
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<tr>
<td>Comments</td>
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<tr>
<th>AS COMMUNICATOR AND LEADER</th>
<th>Rating</th>
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<tbody>
<tr>
<td>1. Is an articulate and knowledgeable spokesperson for the organization</td>
<td>1 2 3 4 5 NS</td>
</tr>
<tr>
<td>2. Maintains the organization’s standing as a leading grassroots organization, both within the nonprofit community and the public at large</td>
<td></td>
</tr>
<tr>
<td>3. Cultivates lasting, effective relationships with key external constituencies</td>
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<tr>
<td>Comments</td>
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<tr>
<th>INTERPERSONAL SKILLS</th>
<th>Rating</th>
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<tbody>
<tr>
<td>1. Exhibits honesty and candor with the board, staff, and/or public</td>
<td>1 2 3 4 5 NS</td>
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</table>
**Communicates and listens clearly and effectively, showing a genuine interest in the opinions of others**

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<th>Comments</th>
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**INTERNAL ORGANIZATIONAL EFFECTIVENESS AND MANAGEMENT SKILLS**

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<tr>
<th>Rating</th>
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<tbody>
<tr>
<td>1 2 3 4 5 NS</td>
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1. Seeks and develops talent to ensure that the organization has the skills required to achieve its goals and that the talents of the staff are well utilized

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<tr>
<th>1 2 3 4 5</th>
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2. Is effective at setting personal priorities

3. Ensures clarity around internal organizational Priorities

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<tr>
<th>1 2 3 4 5</th>
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4. Is effective at fundraising

5. Seeks out diverse input to address issues

6. Fosters a work environment that encourages individual professional growth

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**SUCCESSFUL WORK WITH THE BOARD**

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<th>Rating</th>
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<tbody>
<tr>
<td>1 2 3 4 5 NS</td>
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1. Understands the appropriate role of the board and is an effective partner with the board

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<th>1 2 3 4 5</th>
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2. Works with the board to create an effective process for long range/strategic direction and planning

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<tr>
<th>1 2 3 4 5</th>
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3. Recommends new programs and the modification or discontinuance of current programs, as appropriate, to the board

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<thead>
<tr>
<th>1 2 3 4 5</th>
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</thead>
</table>
4. Uses board members’ expertise effectively

5. Provides the board with timely and appropriate information regarding issues, questions and activities of the organization

OPEN-ENDED QUESTIONS

1. Which of the executive director’s accomplishments in the past year have been the most valuable to the organization?

2. What are the executive director’s greatest strengths?

3. What are the areas in which the executive director needs the most improvement?

4. How should the board and the executive director best communicate information and ideas about developing plans?

5. What is your understanding of the areas of responsibility of the executive director and of the percentage of her time that should be devoted to each?
### SAMPLE EXECUTIVE DIRECTOR REVIEW SURVEY
(To Be Given to Staff)

#### INTERPERSONAL SKILLS

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<tr>
<th>Rating</th>
<th>1</th>
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<th>3</th>
<th>4</th>
<th>5</th>
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- Exhibits honesty and candor with the staff and public
- Communicates and listens clearly and effectively, showing a genuine interest in the opinions of others
- Comments

#### WORKS SUCCESSFULLY WITH STAFF

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<tr>
<th>Rating</th>
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<th>3</th>
<th>4</th>
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- Builds a sense of teamwork and ownership across programs so that staff members are working collaboratively and toward common goals
- Delegates authority and demonstrates confidence in and reliance on others
- Encourages staff to be innovative in their ideas and encourages/supports risk-taking
- Creates an environment that welcomes differences of opinion and fosters trust and cooperation
- Provides helpful job performance supervision and feedback
- Comments
<table>
<thead>
<tr>
<th>OPEN-ENDED QUESTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Which of the executive director’s accomplishments in the past year have been</td>
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<tr>
<td>the most valuable to the organization?</td>
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<td>2. What are the executive director’s greatest strengths?</td>
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<tr>
<td>3. What are the areas in which the executive director needs the most improvement?</td>
</tr>
<tr>
<td>4. How should the board and the executive director best communicate information</td>
</tr>
<tr>
<td>and ideas about developing plans?</td>
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Section VIII. Leadership: The Board and the Executive Director

The success of a nonprofit organization relies on a strong relationship between the staff and the board. The leaders involved in this strong relationship are the executive director and the board chair.

Think of the executive director as the gatekeeper for the staff and the board chair as the gatekeeper for the rest of the board. This helps to prevent miscommunication and allows both leaders to stay aware of each other’s needs.

When the board needs to communicate with the staff, the information should flow through the board chair to the executive director. Conversely, when the staff wants to communicate a new initiative, program or other message to the board, they should work through the executive director who works through the board chair. This is crucial for the executive director and the board chair to have a healthy, productive relationship.

Both the board chair and the executive director of the organization need to support, consult, and complement each other. To make this happen, they need to communicate openly and regularly. This leadership team needs constant attention. Personalities change but the positions remain: each partner needs to adapt to and cultivate the working relationship.

ED and Board: A Dynamic Unique to Nonprofit Organizations

- A collegial relationship between the ED and the chair is vital; it is their joint responsibility to provide the information needed to support their respective roles
- Regular and carefully thought out communication; “no surprises”
- The ED must be an active partner in helping the board to be effective
- Someone on the board should be prepared to say, “Isn’t this something that the staff should decide?”
- The distinction between board and management authority can be clarified in the job description for the executive director
- Does the executive director have a contract? How is compensation determined? Is there an annual evaluation? Is there a transition plan?
- Does the board ever meet in executive session without the executive director?
- Being “in charge” is not based on having the power to fire the executive director
- “Hiring and Firing” is not the essence of the board’s role; instead, the board’s role is to nurture and develop human resources for the organization
Section IX. Fundraising

Fundraising is a complex and increasingly professional endeavor. As an organizational activity, it draws on strategies and techniques from sales and marketing, public relations and communications, and investment practices. Even though it is an absolutely fundamental component of the way most nonprofit operations support their programs, it is often misunderstood and feared — especially by board members.

One of the primary responsibilities of the board is to ensure that the organization has adequate financial resources to carry out its mission. Because the board approves the budget, it must be on top of how the money comes in. If one of the ways the organization fulfills its obligations is by raising additional funds, then the board must commit to making this happen.

While the board is responsible for establishing an organization’s strategies, individual board members have two general areas of responsibility in terms of resource development:

- Understanding and overseeing the fundraising process
- Giving and asking for support for the organization

Successful Fundraising — What It Takes

1. A Board and Chair: Committed and supportive, willing to work tirelessly at raising money
2. An Executive Director: Committed, even if not an experienced fundraiser
3. Staff (Ideally Fundraising Staff): Has initiative, writes well, gets along with people, and is willing to do the tough, hard work without recognition (and deserves appreciation from the board)
4. Strategic Planning: A clear understanding of the mission; a vision of what the organization aims to be and do in the coming years; a realistic appreciation of funding needs and the rationale for support

I. The Case or Statement: An inspiring, compelling statement of why someone should support the organization, focused on:
   - Why the organization exists – what is needed in the community, what is changing for the better
   - What the organization does
   - Who it serves

II. Sources and Kinds of Contributions: An understanding of, and access to, charitable giving by individuals, foundations, corporations, other nonprofits, and government agencies, and an appreciation of the special nature of capital giving for buildings and endowments

III. Procedures: Good records, mailing lists, and acknowledgments

IV. Research: Relentless, methodical donor research

V. Resource Development Plan: A comprehensive strategy with realistic goals

VI. Patience and Enthusiasm: Acceptance that fundraising is a process that takes time, and success comes only with an enthusiastic spirit

Used with the permission of Fisher Howe.
“Elevator Speech”
An “elevator speech” is an important, informative tool. This short statement should make friends and colleagues interested in learning more about the organization.

Many organizations have found it useful to craft and provide these short outlines to their board and staff to help facilitate efforts around fundraising or promoting the organization. The development committee might work with staff to outline the key points.

Board members should be asked to introduce these ideas into conversations with friends, not by making a speech but by identifying interests that the friend or colleague has that might connect with an aspect of the organization.

The goal is to generate enough interest so that he/she might be willing to receive information or even attend an event or program.

OUTLINE FOR ELEVATOR SPEECH
- What is your organization’s mission?
- What service does your organization provide?
- Who do you serve (anecdote)?
- Who supports your effort?
  - Financial
  - Your team
- What makes your organization unique from its competition?
- Then … request connection

Board Training - Getting Your Board Members Comfortable with ‘Making the Case’
- Board members work in small groups at a board meeting to develop a statement
- Board members role play a social conversation (seated at an event, during an office conversation, lunch with a friend, etc.) with the goal of generating interest in attending an event or receiving additional information
- Statements are refined and distributed
- Each board member is asked to have conversations with five people and to report the results
- Once board members are comfortable in speaking about the organization in this way, they can then use the skills to ask for contributions
Contact Information

The tools, advice and guidelines included should help you to assess your board’s needs, find and recruit board members, and to make the most of our board recruitment and placement program.

If you come across any questions during your board candidate search, please feel free to get in touch with any one of our team members. The general e-mail below is checked on a daily basis and messages are forwarded to one of our team members. They will get back to you as soon as possible.

The BoardServeNYC Team
General E-mail: BoardServeNYC@uwnyc.org
Website: www.boardservenyc.org
Telephone: (212) 251-2500

Milica Boskovic – Director, BoardServeNYC

Michael Davidson – BoardServeNYC Orientation Facilitator | E-mail: midavidson@aol.com | Telephone: (646) 418-9619

Fred Fields – Associate Vice President, Strengthening NYC Nonprofits

Natalia Jasienowicz – Corporate and Volunteer Liaison

Michael Mahoney – Nonprofit and Volunteer Liaison

Marie Restaino – Events Planning Coordinator

For technical assistance with the website, please contact
Raquel daSilva – Information Technology | E-mail: rdasilva@uwnyc.org