In general, every nonprofit governing board is going to do three basic types of work for an organization – it is going to provide oversight and supervision, leadership and direction, and assistance and support. But how a board does each of these three is likely to be quite different from organization to organization, and from time to time. That’s because, apart from the standard legal duties, the work of a board needs to vary to ensure that it is a good match for its organization’s strategic direction, needs, and state of development.

Leadership is Key
Every board exists to provide leadership to its organization, to its staff, and volunteers. Usually, this involves strategic planning – defining or clarifying the organization’s mission, vision, strategic direction, and goals. It includes clarifying why we exist, how the community will benefit from the work our organization will do, and what we will accomplish. For the agency with paid staff, the work of setting direction and goals should be done together with the executive staff but, in the end, it’s the board that makes the final decision.

Decisions about strategic direction also include deciding which programs will be implemented to accomplish the mission and goals. Programs are sets of activities that involve the actual operations or work of the organization and, similar to the work of setting goals, decisions about programs are best made in collaboration with the executive staff (especially in cases of professional operations and practices). The imperative is to determine which programs are likely to be of greatest benefit in enabling the organization to accomplish its goals.

One of the most important acts of leadership for any board is the selection of the top staff person, the person who will lead the accomplishment of the work. In larger organizations with staff, this is the person called the executive director or the chief executive officer (CEO), and they will be recruited, selected, and supervised by the board or its key leaders. But even small agencies with no paid staff need to be clear about who will lead the work. Typically, this will be the board president or board chair but, to avoid confusion and conflict about who does what, it is important for the board to be clear in making this decision.

The board’s work doesn’t end with the selection of an executive director or CEO though. The board and its members have a responsibility to provide encouragement and support for their executive. This may involve serving as a “sounding board”, or coach, and offering advice to the executive when they seek it. It also involves setting specific goals with the executive – pre-established standards by which the board will judge the executive’s job performance. And, if the executive is having significant problems, it is the board’s job to support the executive with the additional training, direction, coaching, or other support that will help him or her be successful.

Leadership and direction for the organization also includes setting policies to guide the decisions of managers and the work of the staff and volunteers. Useful policies offer direction that guides the decisions and actions of all who work in the organization (including the board, itself). Further, it is the board’s job to have a system in place to monitor whether the organization and its people are following its policies.
Fundraising & Nonprofit Support

What’s the Point?

What is the Work of the Board?

What About Accountability?

One of the most common expectations of governing boards for nonprofits is that of raising money and attracting other essential resources (such as donations of equipment, supplies, and talent). Not all boards handle the actual solicitation of funds, but every board is responsible for ensuring that its organization has adequate resources to implement the plans it has adopted. If the resources are inadequate, the board needs to implement activities to secure additional resources, decide to eliminate or cut back on certain programs, or how to implement some mix of both. When the agency has a professional fund raising team (usually including the chief executive), the board’s fundraising work is handled in collaboration with them. Board members almost always can help in unique ways (e.g., “opening doors,” helping nurture contacts with prospective donors) and it is important to capitalize on this help. In small organizations with no fundraising staff, it is entirely the board’s job to solicit and secure such support.

Of course, it is also the board’s job to ensure that the resources of the organization are used efficiently and effectively in the accomplishment of the work. The IRS and other regulators consider the board to be the chief steward of the nonprofit’s resources, and demand that the board ensure that the organization make the most of its financial and other resources. To do this well, the board needs to have a financial management system in place that will enable it to guide and regularly monitor how agency resources are used. A useful system will enable the board to evaluate compliance with financial goals, plans, policies, and procedures, and a board should regularly review financial reports and assessments (including, for larger agencies, the results of annual audits) that will enable it to assess how well the organization is performing when it comes to its finances.

The board’s responsibilities with regard to accountability, however, go beyond the issue of financial performance. It is the board’s responsibility to ensure that the organization has systems in place to enable it to evaluate how well agency programs and activities perform. Similar to the issue of financial performance, the focus here is on how well the organization is achieving the results that its clients and community want and need. As with finances, it is important that the board have a system in place that gathers and reports on the results of the work. The goal is to enable the board to “close the loop” with information that enables it to evaluate whether the results are worth the resources that have been invested in their accomplishment.

Building Bridges and Staying in Touch

Effective boards also take care to nurture and strengthen their organization’s relationships with constituents throughout the community, both those who receive services and those who are in important leadership positions in the political and donor communities. Nonprofits exist to meet community needs, and it is important for the board to stay in touch with clients so it can make legitimate and useful judgments about whether its programs and activities are valued by those they are designed to serve. This includes evaluating whether community conditions have changed to the degree that changes are needed in the agency’s programs. It also involves making sure that the organization has the political support it needs to do its work. Organizations that are out of touch with their constituents, sooner or later, become irrelevant and disappear. Boards are a critical resource to help the chief executive and other organizational leaders monitor and understand how the agency is perceived and whether changes are needed to sustain or increase its credibility and success.

And Finally…

One of the most overlooked of board responsibilities is that of self-development – of taking the time to monitor and invest in board success. We know there is a strong connection between agency effectiveness and the effectiveness of its governing board. Therefore it is important that the board invest the time needed to successfully recruit and prepare its members and officers to ensure that they will be able to do their board work thoughtfully and effectively. This includes making time for regular board member planning and training sessions, and taking time once every couple of years to assess its own performance.

Ultimately, this is the core of the work of the nonprofit governing board. Governing boards exist to lead, guide, monitor, and support the work of nonprofit organizations as they serve us and our communities as efficiently and effectively as possible. This is important work. Effective boards are integral to the success of nonprofit organizations.