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Forging the Board of Your Dreams

by Buzz Harris, Executive Director, Development Resource Center

Hang around nonprofit staff and you will hear complaints about their boards. "Our board? They're hibernating," or perhaps "Help! Get them away!" A high-functioning board of directors is crucial to the success of any nonprofit organization. Members of the board are, legally, the most powerful stakeholders in an organization, yet they often receive little instruction about their role.

Board members are not born; they are taught. Unfortunately there is often very little effort to educate new trustees. Every board has the same prime directive—to ensure that their organization's mission is carried out. Under this directive there are five key responsibilities: Oversight, Hiring and managing the chief staff person, Fundraising, Strategic planning, and Acting as organizational ambassadors.

Oversight

Oversight means that the board keeps abreast of the activity of the organization via staff reports, community feedback, etc. in order to ensure that the organization is carrying out its mission. The board approves the budget prior to the start of each fiscal year, receives and reviews regular reports on income and expenses, and sets appropriate organizational policies concerning personnel, conflicts of interest, and financial controls. A quick word about those "reports on income and expenses"—trustees in my classes often show me financial statements they've received that contain three pieces of information: the previous month's (or months') bank account balance(s), total income figure, and total expense figure.

There is a phrase that describes board members forced to rely on such information. Ignorance is bliss! Boards must receive a financial report *every month*. It must be formatted so that they see the actual income and expense figures laid out next to the budgeted income and expenses, broken down to the level of major budgetary line items. Why? So that they can see *where* you spent too much, earned more than expected, etc. Only then can your trustees have the information to ask intelligent questions and conduct effective oversight. National Minority AIDS Council (NMAC) has a helpful manual on this topic entitled *Fiscal Management*.

Hiring and managing the chief staff person

Board members hire, supervise, and—if necessary—terminate the chief staff person (usually called the Executive Director). This is the *only* staff person whom they supervise. All other staff are hired and managed by the Executive Director. There are many reasons for this arrangement, but chief amongst them is avoidance of what I call 'The Hydra Problem'—staff members receiving conflicting instructions and/or feedback from multiple board members, none of whom are usually in communication with one another. Board members should convey their thoughts and concerns about staff issues to the Executive Director, either directly or via the board officers. It is the E.D.'s responsibility to weigh them and, if needed, act on them.

Fundraising

Each trustee is responsible for raising money. There are two parts to this—personal giving and involvement in the development process. Every board member should be a donor to the organization. Period. Notice that I did not place a number on the giving requirement. At the start of each fiscal year each board member should make a confidential monetary pledge to the organization. The amount of the gift is up to the board member, but it should be an amount that is significant for her/him. Some organizations set a minimum "give or get" requirement. That is not my philosophy, but it is certainly legitimate. My students often object to this responsibility. One recently asked "Why do I have to be a donor? I already give my time. Isn't that worth something?" Of course it is. Effective nonprofit stewardship requires board members' time. It also needs money, and the two are not the same. Try telling the landlord that you're going to pay the rent or the electric bill with your time and see what she says! I asked this student one other question. "How would you feel if you were asked to donate to a nonprofit whose board members were not themselves giving any money?" Exactly.

The second fundraising obligation is involvement in the development process. Trustees can write thank you notes, make thank you calls, volunteer at fundraising events, perform data entry in the development database, and/or solicit donors

directly. Your trustees will need training and mentoring in many of these skills. Thank your board members for their fundraising work, and help them to succeed with education and encouragement.

Strategic planning

Strategic planning allows organizations to step back from their daily operations and evaluate where they are going. Every aspect of the group's work should be open to question and evaluation. How has the group and the world changed since the last strategic plan or since the group was founded? Is the mission still relevant? Where do you want to be in five to ten years, and what do you need to do in the near term to get there? Believe it or not strategic planning is the second-most-shirked duty of boards of directors (just after fundraising!). Imagine that your organization's mission is to take a successful mountain vacation. While backing out of the driveway you ask the driver how she plans to get to your destination. "Oh, we're just going to drive north 'til we get there," she explains. Does this instill confidence? Are there gas stations along the way? Restaurants? Motels? How long will you be in the car? What if you know for a fact that the mountains lie to the east? Simon says "If you want to succeed, you need a plan." The ever-helpful NMAC has a free publication on this topic as well; see *Strategic Planning*.

Acting as organizational ambassadors

Board members are your ambassadors. They receive questions and proposals for their group from people in their community and from other organizations. They are called upon to represent the organization at public events, press interviews, before government bodies, and in speaking with donors. They need to know their group's history, work, and public positions on various issues. They may need to receive training in public speaking, as well.

Prospective trustees should be given a written list of their responsibilities prior to being offered a seat on the board. They should also be informed of the training resources that will be made available to them so that they can successfully perform all of them. Building a strong board is a project in and of itself. It requires its own planning, time, and attention. For comprehensive information on these matters I recommend the affordably-priced *Managing a Nonprofit Organization in the Twenty-First Century* by Thomas Wolf. If you invest in them your trustees will become much more effective and valued stewards of your group and its mission.

Next month's column: Successful Board Member Recruitment and Orientation

Buzz Harris is the Executive Director of the Development Resource Center, whose mission is to teach the fundamentals of successful fundraising and governance to nonprofits and NGO's. The DRC offers inexpensive, web-based distance-learning and in-person courses on fundraising and board service, including "Building a Strong Board of Directors" (next one: May 23), "Building a Donor Base" (begins March 4, four sessions) and "Grant Seeking" (April 4). Buzz can be reached at http://www.developmentresource.org/contact