



PURPOSE



PLANNING

# The Effective Board

From Basic Oversight To Strategic Asset



PRACTICES



PERFORMANCE

A Guide to Strengthening Board Governance

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# About this document

This publication presents an overview of Maliasili Initiatives' emerging approach to establishing, operating, evaluating, and maintaining an effective Board of Directors within a civil society organization (CSO). The principles and practices described in this guidebook may be useful for a broad range of CSOs, including Maliasili Initiatives' partners in the African conservation and natural resources field.

This document sets out to define the purpose and core functions of a board, the roles and responsibilities involved, and the key processes to ensure the board supports an organization to achieve its goals. As an overview, this publication is not intended to be exhaustive, but instead to serve as a useful primer for CSO board members and senior leaders. Additionally, it represents an evolving body of work, as we implement, learn from, and adapt our approach across a diversity of organizations and circumstances. As such, we welcome your feedback and would encourage any interested readers to contact us at [info@maliasili.org](mailto:info@maliasili.org).

## How Maliasili supports Board Strengthening

As the stewards of an organization, the members of a Board of Directors collectively play a critical role in helping the organization fulfill its mission. Given the significance of this responsibility, it's not surprising that many of Maliasili Initiatives' partners have asked for our support in evaluating the role and effectiveness of their board and in helping them to identify ways to get the most out of their board.

Similar to our work with organizations more broadly, we like to start with a board assessment, evaluating how the board is functioning, how it adds value to the organization, and where there are opportunities for improvement. We work with the organization and the board to assess the governance structures and modes of operation—including board meetings—to determine how the board can run more efficiently and be more valuable to the board members and to the organization. Lastly, as needed, we conduct board trainings to improve the understanding of the roles and responsibilities of the board and to optimize performance.

# The Effective Board

## An Overview

An effective board of directors performs its core functions—governance, strategy, and resourcing—with an eye toward fulfilling the organization’s mission and meeting constituent needs. In many ways, the board’s role serves to build a network of relationships within and outside the organization, establishing confidence and credibility among all stakeholders, from its community to its employees to its donors.



# Key Points



## Guidance and oversight

A strong board is key to effective organizational performance and leadership. The board must exercise core functions, such as guiding organizational mission and strategy with a focus on the needs of key constituents; selecting the executive and holding her or him accountable for delivery against goals and priorities; assisting in building the organization's brand and relationships; and helping to mobilize resources, including financial and human capital.



## Diverse skills and assets

Boards should emphasize a diverse suite of skills, perspectives, and assets in their composition and recruitment. For CSOs, it is often important to strike a balance between board members with important technical skills, professional expertise (legal, accounting, etc.), high-level strategic insight, and fundraising or networking experience, with board members that provide links and accountability to rural constituents and beneficiaries.



## An evolving structure

There is no one-size-fits-all structure for a board. Instead, board size and composition should evolve with an organization. During an organization's early phase of growth, small and focused boards may be appropriate. Adding new board members and the pace of growth should be carefully considered and managed. As organizations grow, the composition and mixture of skills should change. Boards should also become more institutionalized with more formal processes, new members joining, and a willingness to embrace change.



The young bird  
does not crow  
until it hears the  
old ones.

-Tswana proverb

# Purpose

## Why Board Governance Matters To Organizational Performance.

The Board of Directors sets the tone and direction of an organization. Effective board leadership and governance helps ensure that a civil society organization can operate to its fullest capacity. Creating an effective board is a continual process that includes recruitment, engagement, and development, as well as striking a balance between providing oversight and supporting the organization's leadership.

As the chief governing body, the Board of Directors holds ultimate responsibility for an organization's successes or failures in achieving its mission and vision. It is useful to think about a board in terms of three critical functions:

### 1. Governance:

The board is the key organ to make critical decisions and allocate resources. This includes approving annual work plans and budgets. Ultimately the board is legally responsible for ensuring that the organization is doing what it says it should be doing, including how it deploys its resources and meets its obligations. (See "The Board's Fiduciary Duties" below.) Boards should also represent an organization's key constituents and give them a formal role in decision-making and direction of the organization. This is central to questions of accountability and ownership.

### Oversight of the Director

The board's governance responsibilities include oversight of the executive director, a relationship that is crucial to the organization's success. The board and ED must work together to establish and maintain clear roles for and expectations of both parties. For more details, see Performance, Page 15.

## 2. Strategy:

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Boards help to set an organization's overall strategy as required to deliver on its mission. This means agreeing on what an organization wants to achieve, what the scope of its ambitions are, and what it needs to do in order to execute on its goals. The board holds the staff responsible for delivering on those agreed goals and plans. Boards should be keenly aware of the key risks to an organization, and ensure that the management and leadership is addressing those risks effectively.

## Organizational Strategy

The board plays a critical role in setting the overarching strategy for the organization. The process of translating strategy into a strategic plan is covered in more detail in Maliasili Initiatives' companion publication, *Organizational Strategy*.

## 3. Resourcing:

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Boards should play a key role in attracting the two key resources that any organization needs: people and money. Boards are responsible for recruiting and retaining key staff, particularly the leadership of an organization (executive director or CEO). Boards also should play an active role in overseeing wider human resourcing, and key concerns like succession planning. In terms of fundraising, boards have a key role to play in promoting the organization, building its networks and key relationships, and in some cases sourcing or providing funding directly.

## The Board's Fiduciary Duties

As the central decision-making body, the board is legally responsible for and may be held accountable for the organization's actions. Acting on behalf of the CSO's key constituents, the board is legally bound to key fiduciary duties:

- ☑ **Duty of care:** Board members are actively engaged, knowledgeable and well informed, and provide strategic guidance and management oversight.
- ☑ **Duty of loyalty:** Members act in the best interest of the organization, avoiding personal or other conflicts of interest.
- ☑ **Duty of obedience:** Members are faithful to the organization's mission and the laws under which it operates

# The Value Of A Board

Many founders and executives of newly formed CSOs see their organizations making progress and feel they are doing just fine without a board of directors. For them, the question is, “Why bother?” The answer is twofold:

- First, nonprofit registration typically requires oversight by some type of board. A board provides accountability to the organization and its mission-driven mandate.
- Secondly, a board can be an invaluable resource to an organization, capable of offering support to the executive, access to a network of funders and partners, political capital and influence, and technical input on legal and financial issues.

If well managed and built strategically, the board can offer a suite of resources to an organization. Your organization should think through the skills, experience, and capabilities that you feel are missing or that would be valuable to you and look for those attributes while you put together your board. If you have a current board that isn't active or engaged or doesn't have the right type of people on it to meet the current needs of the organization, then it's time to reflect on your needs and identify new individuals to recruit.

In summary, the value that a board of directors brings to an organization will vary depending on a variety of factors covered in this publication, including its size, composition, strategic fit, and diversity, as well as the developmental maturity of the organization. Over time an effective board should evolve from playing a largely functional role to adding progressively greater value through the execution of its core responsibilities



## Governance

### Underperforming Board

- Meets infrequently
- Provides only cursory oversight of finances
- Becomes either too involved in or too far removed from day-to-day operations
- Maintains weak relationships with key constituencies

### Functional Board

- Meets periodically
- Signs off on annual work plans and budgets
- Ensures existence of sound accounting practices, effective internal control, and external audit
- Gives voice to key constituents in determining organizational direction

### Valuable Board

- Engages regularly
- Provides expertise and access (e.g., financial, legal, etc.) to inform and/or guide work plans, budgets, controls, and other key functions
- Establishes focused committees with specific objectives or areas of purview
- Actively and continually engages with key constituents to solicit valuable input
- Performs self-assessment to ensure effective board performance

## Strategy

### Underperforming Board

- Approves mission statement and organizational goals without critical interrogation
- Fails to hold leadership team accountable for delivery or does so inconsistently

### Functional Board

- Formally articulates organization's vision and mission
- Agrees on organizational goals, strategic approach, and related tactics

### Valuable Board

- Regularly monitors organizational performance against strategic goals, holding executive team accountable
- Identifies internal and external sources of risk, assesses probability and magnitude of risks, and formulates mitigation and management plans as appropriate

# Resourcing

## Underperforming Board

- Contributes little or nothing to fundraising efforts
- Neglects to recruit competent leaders into the organization
- Focuses only on immediate resourcing needs

## Functional Board

- Selects executive director
- Facilitates fundraising relationships

## Valuable Board

- Ensures organization's leadership capacity is "fit for purpose," taking corrective action (training, replacement, etc.) as necessary
- Helps lead fundraising efforts, enhancing the reputation of the organization
- Considers not only current but future needs, including succession planning to ensure continuity

# Common Challenges

Although a strong board can add tremendous value, establishing an effective governing body is not as simple as gathering a smart group of people around a table; it takes time, effective management, and most importantly, an understanding by the members and by the executive of the board's role and purpose.

A poorly functioning board may even be a drag on the organization as it attempts to make progress toward its goals. The remainder of this document aims to help CSOs establish and maintain boards of directors that fulfill—and even exceed—their core functions while avoiding common pitfalls, such as the following:

- Board members who do not know or understand their collective or individual roles and responsibilities
- Boards that are the wrong size, usually being too large for what the organization needs, and thus unmanageable
- Board composition that isn't well balanced and/or lacks key skills, characteristics, and roles
- Boards that are not used well by organizational leaders, including mismanaged board meetings or board members whose efforts are not effectively deployed with clear tasks
- Boards that micromanage an organization, becoming too involved in day-to-day activities and not focusing enough on higher-level decisions
- Boards that act as a rubber stamp, not providing enough oversight, support, or advice to an organization or its executive director
- Boards that do not adequately oversee financial resources
- Weak board leadership, resulting in a lack of cohesive team effort



## Questions to Consider

- Is my organization operating to its fullest capacity? Is my executive team achieving its full potential?
- Would decision-making at my organization benefit from considering a broader range of perspectives?
- Has my organization effectively engaged key constituents in guiding its strategic direction?
- Is my organization and its leadership team held accountable for performance against its stated goals and priorities?
- Could additional fundraising support and networking opportunities help bolster my organization's key programs?

# Case Study: The Value of A Board

Many first-time founders and directors may wonder why their CSO even needs a board of directors. The short answer? It's a legal requirement. However, compliance—while obviously important—is not the only reason it's a good idea to establish a governing body to oversee the organization. An effective board can help bring the founder's or director's vision into sharper focus, build the organization's capacity, and provide a breadth of expertise that allows the CSO to work smarter in pursuit of its mission.

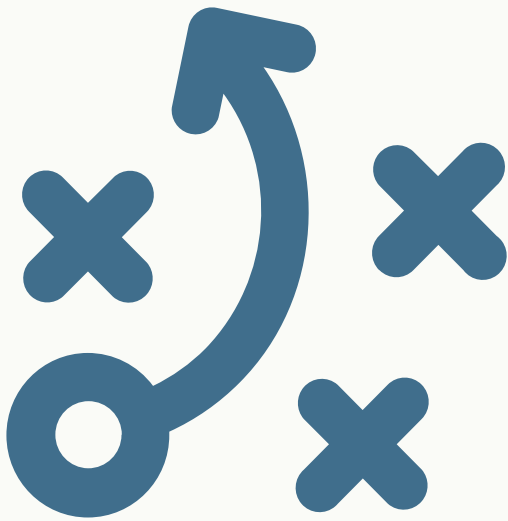
## Supporting the Mission: Board Contributions at MCDI

Founded in 2004, Mpingo Conservation & Development Initiative promotes community-based forest management in southeastern Tanzania, seeking the common ground where both habitat conservation and local development can flourish. Today, MCDI is one of the more successful conservation organizations in Tanzania. In 2016, the organization's CEO, Makala Jasper, won the Whitley Award for Nature, which is presented annually to outstanding nature conservationists, and the National Geographic Society/Buffett Award for Leadership in African Conservation, which recognizes unsung heroes in the field.

Makala credits much of MCDI's achievement to the support the organization receives from its strong board of directors, made up of seven members with backgrounds in forestry, wildlife, finance, law, and policy. Specifically, Makala says, the MCDI board has made significant contributions in three key areas:

1. **Fundraising:** “The board has been very active in contributing to funding proposals prepared by management, providing guidance, and exploring new funding opportunities,” Makala says. MCDI received grants of £282,000 over three years in 2008 and £240,000 in 2011 from Comic Relief for work related to the trade and marketing of certified African blackwood. “The idea for us to apply came from one of the Board members,” Makala says. “He forwarded us the call for proposals, we applied, and were successful.”
2. **Technical Backstopping:** MCDI's board draws on its diversity of backgrounds to provide guidance to the organization in areas that may sometimes fall outside its core mission. “Based on their expertise, board has been very supportive to management,” according to Makala. “We have received much guidance on legal and financial matters through the board's two committees, the Finance & Administration Committee and the HR Committee.”
3. **Oversight:** Finally, board guidance has helped MCDI refine its communications with stakeholders, improving clarity, accuracy, completeness, and consistency. “Each quarter management submits quarterly reports to the board,” Makala says, “and they provide feedback which improves the reports before they are shared with donors and other stakeholders.”

For MCDI, establishing a board of directors was more than just a box-checking exercise. By developing an effective board, the organization has enhanced its ability to advance community-based natural resource management, helping local communities develop market opportunities through sustainable forestry and timber production.



If you are building a house  
and a nail breaks, do you stop  
building or do you change  
the nail?

- Rwandan proverb

# Planning

## Aligning your board's size, structure, and composition with organizational strategy

Assembling an effective board of directors can be a delicate balancing act. On one hand, each new board member can add to and diversify the skills, perspectives, and other assets to which it has direct access. On the other hand, as the board grows larger, each member has fewer opportunities to become engaged and the group becomes more challenging and costly to manage.

When an organization faces a wide range of particularly complex issues, a larger board may be appropriate. When its existing membership lacks the skills or expertise to meet organizational needs, additional members may make sense. However, when a potential new member brings needed assets to the table, but also threatens to disrupt a highly productive interpersonal dynamic or working culture among the board's current members, it may be smarter to stay put and keep looking.

Indeed, the board's composition - finding the right people for the tasks at hand - may be more important than its size. The same may also be said of its structure, including its leadership and use of committees, which will also be covered here.

# Board Size

There is no one-size-fits-all board size; it will differ depending on an organization’s current needs. A new, small organization doesn’t need a large board. For a new organization, two to three committed and engaged people may be enough. Remember, it is a primary part of the executive’s role to manage the board, and the number of members, their availability, and their level of commitment to the organization are significant factors in effectively managing a board. Large, well-established institutions, such as universities or hospitals, may have boards as large as 40 people, and the average size of a nonprofit board in the United States is 15. But a smaller board allows for nimble management, potentially appropriate for a younger organization.

Ultimately, the size of the board should match the organization’s needs, and should evolve over time along with those needs. In general, a good rule of thumb is that the board should be as large as it needs to be—and no more. Determining the best size for a board of directors involves trade-offs, many of which are listed below

Larger Board		Smaller Board
	<b>DIVERSITY:</b> Greater diversity of assets, including stakeholder representation, skills, expertise, experience, networking opportunities, and personal backgrounds.	
	<b>ENGAGEMENT:</b> More meaningful engagement of all board members.	
	<b>WORKLOAD:</b> Scale to effectively manage large workload.	
	<b>MANAGEMENT:</b> Relatively easy to manage and coordinate.	
	<b>FUNDRAISING:</b> Decreased burden of fundraising.	
	<b>UNITY:</b> More cohesive group dynamic, professionally and personally.	
	<b>CREDIBILITY:</b> Enhanced credibility.	
	<b>ACCOUNTABILITY:</b> Greater individual accountability.	
	<b>RESPONSE TIME:</b> Ability to respond quickly.	

# Board Structure

Compared to its size, the board's structure is arguably a more important determinant of its effectiveness. This includes its leadership, its committee structure, and its capacity to evolve over time.

## Board Leadership

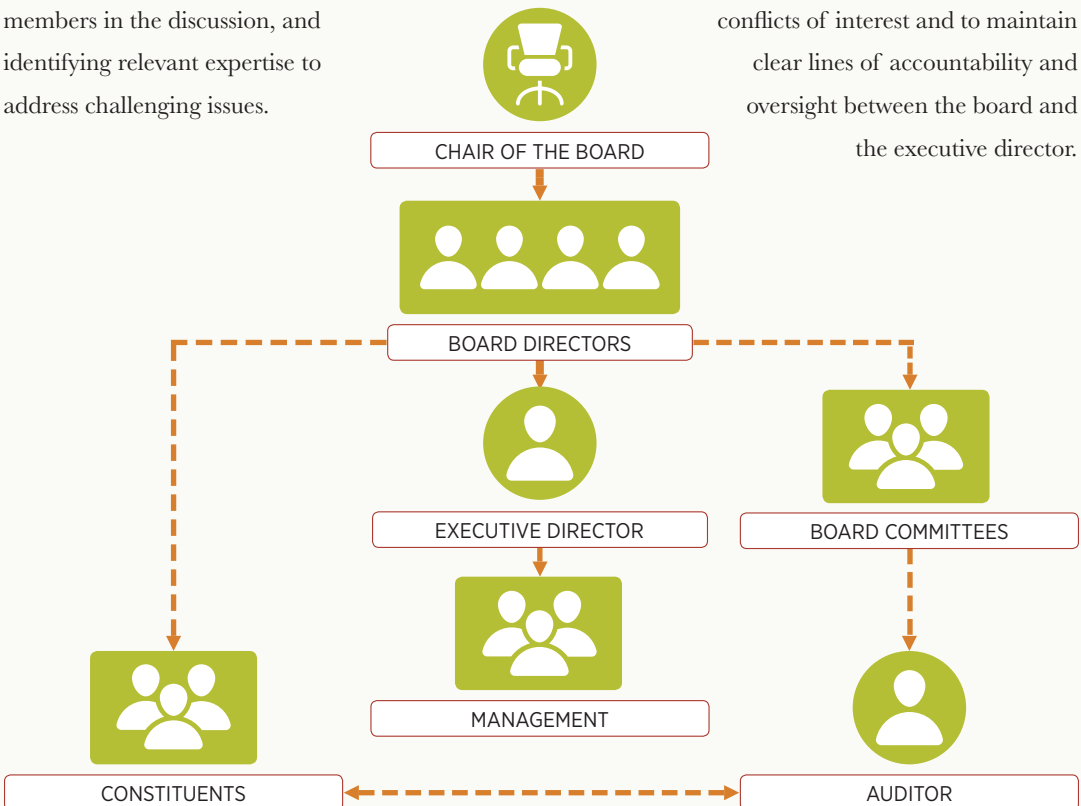
A board's leadership may involve a variety of individuals in a variety of different roles, possibly including a chair, a vice-chair, a secretary, a treasurer, and/or the executive director. Additionally, individual board committees may also require leaders. Whatever form the board's leadership takes, it should be able to motivate and engage other members around shared goals and the organization's mission.

### The Chairperson:

At a minimum, a board of directors is typically led by a chairperson. The chairperson plays an important role in managing the relationship between the board and the executive. Additionally, the chairperson should be responsible for designing and running effective meetings, engaging all members in the discussion, and identifying relevant expertise to address challenging issues.

### The Executive Director:

The executive director should serve as a non-voting, ex officio member of the board. The executive director's experience and perspective are essential inputs for effective board decision-making. However, the executive director should always be prepared to remove themselves from board discussions to avoid conflicts of interest and to maintain clear lines of accountability and oversight between the board and the executive director.



## Other Board Officers

Additional officers, such as a vice-chair, secretary, treasurer, and others, may be appropriate when the volume or the specialized nature of essential duties exceeds the capacity of existing leadership.

### Officers' Responsibilities

#### Board Chair

- Chairs board meetings
- Calls for board and annual meetings
- Serves as signatory to organization's accounts
- Acts as liaison between board and management
- Represents the organization in different forums and functions
- Advises executive director

#### Secretary

- Records and distributes minutes of meetings
- Provides updates of previous assignments agreed on by the board
- Acts as custodian of organization's records
- Meets annual filing deadlines
- Serves as signatory to accounts

#### Treasurer

- Approves financial records of the organization before presenting to board
- Helps in development of annual budgets
- Oversees organization's financial statements and financial position
- Serves as signatory to accounts

## Board Committees

Board committees are an optional structure, but—especially with larger boards—they can be an effective mechanism to elicit focused and strategic input from board members while managing time commitments. When committees are established, it is important to involve each board member in at least one committee (aligned with their expertise), as this is where board members often make their most valuable contributions and find their service most rewarding. Committees should involve at least three members.

Although many committees will fill an ongoing role, temporary, or ad hoc, committees can be a good way of leveraging board input into a specific issue—such as reviewing an HR strategy or addressing a significant strategic risk that needs attention—that does not merit a standing committee. For both standing and ad hoc committees, it is important to have clear policies about how they report back to the board, which may be outlined in a charter, bylaws, or terms of reference created specifically for the committee.



## Executive Committee

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Comprised of the board's officers, the Executive Committee supports the Chair with administration of the board, setting agendas, etc., and supporting decision making and guidance to the executive in between board meetings, particularly in matters of urgency. An Executive Committee may not be necessary if the board is small.

## Audit Committee

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Selects an independent, external auditor and oversees and reviews the auditing process.

## Compensation Committee

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Determines appropriate salary and benefits for the executive director and, potentially, other organizational leaders. To avoid conflicts of interest, no overlap should exist between the Compensation Committee and the Audit Committee.

## Nominating Committee

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To assess and update needs in regards to board composition, maintain a list of potential board candidates, recommend and recruit new board members.

## Finance Committee

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Oversees and advises financial management, consults on budget development, recommends financial practices. The Finance and Audit functions are often combined.

## Development Committee

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Works with relevant staff to establish fundraising goals and strategy, as well as to assess progress.

# Board Evolution: From Personal to Professional

Most organizations are founded by one or two committed individuals, who build their organization based on a set of core insights, goals, and talents. Early on, it makes sense for an organization to start with a small and manageable board, that provides an organization's leadership with essential support and backing. Often the most critical initial needs are simply to comply with legal governance requirements for operating a non-governmental or non-profit organization, and to raise money.

Often when organizations are founded, the initial board members are recruited from amongst friends and family of the founding individual or group. These boards function largely based on personal ties and loyalty to the founder. As such, these boards are highly personal; they largely function as a supportive web of relationships surrounding the founder, and exist, initially, largely to be helpful to the founder and the initial core management team.

As organizations grow and evolve, though, their boards also need to change in their function, composition, and operating principles. For an organization to grow and achieve greater impacts, the board ultimately needs to shift from a personalized board, to a more formal and professional board. There are several fundamental reasons why boards need to evolve in this way, many of which relate to fulfilling the core functions of a board as described throughout this document:

- For an organization to grow, it needs new resources, in particular new skills and personnel, and the money to support growth. Boards will often need to grow in order to better support fundraising, and expand networks to support with talent recruitment.
- For an organization to transition from a small initial project or initiative, to an organization with wider impact, there will need to be a considerable investment in developing its growth strategy or business model. Strategic guidance from the board perspective can be a critical contributor to successful growth.
- As an organization grows and expands, bringing in new people and taking on new challenges, it becomes more important to shift from a situation where the board's purpose is to be supportive, to where the board's core purpose is to hold the organization's leaders accountable for performance and delivery. This is critical to enshrining good governance principles and operations within an organization.

This transition from a personalized to a professionalized board can be difficult, and needs to be planned and managed carefully and consciously. Like any organizational change, this kind of board development requires leadership from both the executive director or CEO of the organization—often the founder in young organizations—and from the board itself. One of the greatest challenges in the transition is simply managing a changing relationship between the leader/founder of an organization and the board, whereby the board truly takes on ownership and leadership of the organization at the highest level, in line with its legal and structural mandate. In both small, grassroots organizations and large companies, there is frequently tension between the founding leadership and the board over control and decision-making, and a reluctance on the part of founders to truly develop and enable a capable board.

Ultimately though, a strong board is a critical component of any durable and effective organization that can grow and survive beyond the leadership of a single individual. The development of capable and effective boards is an area that needs much greater emphasis when approaching the organizational development of grassroots and other early-stage organizations.

## Board Evolution

Board composition flows naturally out of the organization’s needs, priorities, and operating circumstances. In most cases, these key factors are likely to change over time as the organization grows, requiring that the board evolve likewise. (See “Board Evolution: From Personal to Professional” above.) However, managing healthy turnover—as opposed to change for its own sake—is no small task. As with any change management, the more that best practices are institutionalized into formal processes, the smoother the board’s transformation is likely to be, no matter the rate at which it occurs.

Assessing board effectiveness will require monitoring changing internal and external factors and regularly assessing individual director performance (both covered elsewhere in this document). However, the organization may also choose to include tenure—limiting measures to avoid potential challenges and force fresh ideas and faces. Doing so requires careful consideration of the costs and benefits of available approaches. Although the chart below represents two extremes, the organization may want to aim for somewhere in the middle, balancing the desire for “new blood” or fresh perspectives with the need for established, institutional knowledge—for example, using term limits of medium duration with the possibility (though not guarantee of re-election).

## Strict term-limits

- ✓ Ensures constantly evolving board with enthusiasm, fresh ideas, new skills, greater diversity, and an enhanced ability to more nimbly respond to emerging needs.
- ✗ Forces exceptional board members to step down, even when they are still able to make significant contributions.

## No term limits

- ✓ Maintains continuity, leveraging experience and “institutionalized memory” to help the organization continue its long-term arc of progress.
- ✗ Allows directors to become entrenched and insulated, undermining objectivity and enabling underperforming members.

# Board Composition

Having a well-qualified board with a diverse set of skills—and enough time to contribute them—can greatly increase its value to an organization. It can also make the board a more engaging and rewarding group to be a part of. An organization should think through what skill sets are needed on the board specific to their mission and programmatic efforts; however, the following are some important categories of skills and expertise that organization’s likely will want to include:



# Board Dynamics

In addition to the skills of its members, the culture and working dynamics of a board can also play a major role in its overall effectiveness. Establishing a productive dynamic is not as easy as flipping a switch—team building and culture takes time and a bit of a “secret sauce.” With some patience and a concerted effort, the following principles can help build strong relationships and create a vibrant, engaged, and effective board.

## Constructive partnership

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It is important that there be trust, respect and candor between the board and the executive director. The board needs to trust in the capability of the director to lead the organization, and respect his or her ability to manage. If there are performance concerns, it is better for the board to candidly address those concerns, rather than having board members step in and begin micromanaging the organization.

## Culture of inquiry and constructive debate

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The board can provide the most useful advice and guidance to the organization if it supports a culture that welcomes all ideas and promotes thoughtful and respectful debate, especially on challenging issues. A diversity of opinions and backgrounds can enrich a board’s ability to effectively guide an organization.

## Independent thinking

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The board should aim to combat any potential conflicts of interest and commit to put the interests of the organization first. This can be particularly challenging with constituent-based boards, but the role of a board member is to advise the organization, not to further the interest of any specific stakeholder.

## Transparency

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Boards should put policies in place to ensure stakeholders have access to relevant and appropriate information. While certain information is necessarily confidential to the board and/or the executive, transparency and information sharing can build organizational confidence and credibility.

## Continuous learning

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The board should be committed to improving its own performance, not just that of the organization, and it should periodically evaluate its performance as well as that of the organization to learn from both successes and failures.

## High-Profile Board Members

It is common for CSOs to seek out and invite high-profile individuals to join their board, hoping the individual will heighten awareness and serve as an endorsement of the organization. While this can be an important aspect to a board, an executive should also cultivate enough members with the time and inclination to engage in the board's key responsibilities. If yours is a new organization, you probably want more engaged board members over high-profile individuals, as you'll need more direct support and time.

“What’s the right mix of people for a nonprofit board? Perhaps the best answer to that question lies in the venerable idea of ‘the 3 W’s’: **work, wisdom, and wealth**. The goal, in other words, should be to attract board members who bring one or two or even three of those assets to their organization.”

- A Better Board Will Make You Better,  
Stanford Social Innovation Review

## Board Recruitment

Finding the “right” board member is a process that involves networking, nurturing, and no shortage of patience. Consider the following tips.

1. Begin by identifying what your board needs. What skills, experience, or expertise is currently lacking?
2. Establish a formal process for both incoming applicants and outbound solicitations.
3. Cultivate strong candidates by establishing ongoing, two-way communication.
4. When the time is right, tailor your “ask” to the candidate, making sure it comes from the right source, i.e., the current board member with whom the candidate has—or would like to have—the strongest rapport.
5. Formalize an orientation and onboarding process to get new members up to speed

# Case Study: Balancing Board Composition

For many African organizations working on natural resources and development issues in rural areas, achieving the right balance of skills and representation on the board can be challenging. The trick is maintaining a manageable size while addressing two competing priorities:

1. Ensuring the board has sufficient expertise and capacity in organizational management, strategy, financial oversight, and performance monitoring to effectively guide and oversee the organization and its work.
2. Ensuring that the organization, through the board as the chief governance organ, is accountable to its core constituents and beneficiaries in rural areas—many of whom may lack the technical skills and experience related to running an organization or a business.

Both these needs are valid and important. In work on board strengthening in recent years, a number of Maliasili Initiatives' partners have addressed this challenge by shifting their board composition in one direction or the other to reach a productive balance.

## Finding Balance in Board Composition: Restructuring KWCA.


The Kenya Wildlife Conservancies Association (KWCA) is a young and emerging national organization with an ambitious mandate: to support and represent the interests of more than 140 local wildlife conservancies spread around the country. These conservancies, where communities are developing new ways of managing land and natural resources to integrate tourism ventures, livestock production, and wildlife protection, cover a diverse range of social and land-use arrangements, from large communal areas to private ranches. KWCA, established as a representative support and policy engagement body in 2013, faces a diverse set of challenges, including providing adequate outreach and support to its membership; raising revenue and building a sustainable business model; and being the interlocutor between government policy makers and enforcement agencies, tourism operators, local conservancies, and other conservation groups.

During 2016, Maliasili worked with KWCA on a far-reaching board restructuring process. KWCA had been established with a board that was primarily designed to garner early buy-in from, and provide formal representation in the governance structures of, the member conservancies spread across different parts of the country. These conservancies have their own regional associations, which work to support and organize conservancies and landholders in a given locale (e.g., Maasai Mara Wildlife Conservancies Association; Laikipia Wildlife Forum). As KWCA had become more established, the challenge it faced was that while its board was providing for strong constituent representation and accountability, the board

lacked other key skills and assets. In particular, the board lacked strong management skills and experience with providing an oversight function and guiding strategic development. It also lacked the integration of technical expertise, communications skills, and individuals who could play a key role in fundraising as the organization sought to diversify and grow its funding base as a key priority.

As a result, KWCA undertook a restructuring that established a National Conservancies Council that would bring together all the regional conservancies to elect four representatives to the KWCA board. Meanwhile, three seats on the KWCA board would then be filled by selected technical experts or leaders in Kenyan society or business who could support strategy, management, communications, and fundraising. As an organization that works to link rural conservancies with the policy arena and mainstream Kenyan society, KWCA needs a board that helps it bridge this gap, while also retaining the strong links to its constituency that ensure accountability. It is hoped that this new “hybrid” board will enable KWCA to grow its profile and resourcing, as well as maintain strategic focus, while staying rooted in the communities it helps serve.

## Questions to Consider

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- What are the most crucial skills, expertise, relationships, or other assets that should be represented on my organization’s board?
  - How many board members are needed to handle the anticipated workload? Can some of the work be “outsourced” to partners or advisory groups instead?
  - Which officers and committees are essential for my organization’s board of directors? Which are not?
  - What combination of performance evaluation, term-limits, and other policies will ensure that my organization’s board evolves along with our needs?
  - How can I help foster a healthy culture and productive working dynamic among my organization’s board of directors?





Wisdom is like a baobab tree; no one individual can embrace it

-Ewe proverb

# Practices

## Core functions and responsibilities of an effective board

Guided by the organization's mission and input from key constituents, the board of directors performs key functions in the areas of governance, strategy, and resourcing. Whether these responsibilities are carried out as part of the full board's agenda or in more focused committee work, clear plans and guidelines should be established to determine how the board will deal with critical areas of oversight and decision-making. This may be achieved with the board's Terms of Reference, committee charters, or otherwise.

The extent of the board's involvement will depend on the nature and maturity of the organization, but clarity around the intended role will improve the functioning of the board. In conjunction with the executive, it is helpful to clarify the board's role in areas such as strategic planning, financial management, risk identification, succession planning, and annual reviews of the executive.

### Terms of Reference

The board may have a separate Terms of Reference, or its organizing principles and basic operations may be outlined in the organization's constitution or bylaws. In either document, the basic outline of the board should include the following:

- Key Responsibilities
- Definition of membership: criteria for eligibility, term limits, approvals required for membership, attendance requirements, term limits
- Meeting Requirements: Frequency, quorum, and procedures for voting
- Officers: What types of officers are required (at a minimum there is usually a Chairperson and a Treasurer)
- Record Keeping: Requirements for meeting minutes

# Board Meetings

Just as vaguely defined roles and responsibilities can hinder the board's effectiveness, poorly planned and/or managed meetings also are a common cause of dysfunction. Agendas are often over-packed and unfocused, leading to meetings that are filled with presentations, lack substantive discussion, and ultimately don't lead to strategic guidance and decision making by the board.

It is critically important that the executive director and board chairman work together to plan agendas that give the board a clear understanding of the input desired from the board and the decisions that need to be made. In the absence of structured discussion questions, board meetings can become a free-for-all during which members unpack a broad range of issues and resolve few. Agendas should allow for a balance between presentation and discussion, as well as a combination of focus on compliance and governance issues, such as budgets and audits, as well as strategic thinking.

Board meeting schedules should be developed for the year in advance, and agendas and preparation materials should be sent out at a set time, preferably one to two weeks prior to meetings.

## Developing an Annual Calendar

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Much of the board's work is cyclical, requiring the directors to annually revisit key topics, such as work plans and budgets, risk assessments, performance reviews, and more. Thus, it can be helpful to develop an annual calendar, such as the one outlined below, to establish a set rhythm for these responsibilities. The board may also consider developing a checklist of key considerations for each task.

## How Often Should We Meet?

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When it comes to board meetings, quality trumps quantity. Some boards might meet twice a year for a couple of days. Others might meet for a few hours every quarter. In any case, what's important is that board meetings are efficient, productive, and engaging and that board members can commit to attending. That said, when a board is unable to convene for a long period of time, it may wish to arrange meetings or calls among the executive committee to insure against lapses in governance and oversight.



## Board Responsibilities

Although the board’s responsibilities can be generally grouped into three main categories—governance, strategy, and resourcing—the specifics will vary from organization to organization. Nevertheless, there are some fundamental roles and specific functions of every board, including the following.

### Function

#### Determine mission and strategy

It is the board’s responsibility to create and review a mission statement and strategy that articulates the organization’s goals and means of achieving those goals. For civil society organizations, boards also provide a mechanism by which constituents, who may provide the mandate for the organization, have a voice in setting strategy and providing oversight of programmatic work.

### Related Tasks

- Solicit input from key stakeholders
- Draft mission statement
- Develop strategic plan
- Clearly define strategic goals, objectives, and targets

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## Select the executive director

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Boards must determine the executive director's responsibilities and undertake a careful search to find the most qualified individual for the position. Additionally, the board should develop and maintain a succession plan for replacing an executive in case of either emergency or poor performance. If the executive makes a sudden departure, it is up to the board to keep the organization operating, and having a transition and succession plan is key to that effort.

- Determine current and future responsibilities of executive director, as well as the knowledge, skills, and abilities of an ideal candidate
- Determine appropriate salary range
- Plan hiring strategy, then recruit, screen, and assess candidates
- Hire executive
- Develop and maintain succession plan

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## Support and evaluate the executive director

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The board should ensure that the executive director has the moral support, as well as the professional skills and training, that he or she needs to further the goals of the organization.

- Set clear expectations
- Develop plan for formal evaluation
- Assess skills and/or knowledge “gap” and create executive development plan

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## Ensure effective planning

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Boards must actively participate in an overall planning process in regards to longer-term strategic planning and annual work planning.

- Perform situational analysis and risk assessment
- Review annual work plans in context of long-term strategic plan

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## Accountability and monitoring

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After having shaped the strategy and work plans, the board should assist in monitoring an organization's performance against planned goals, and in adaptively managing the plan as needed. The board is responsible for determining which programs are adding the most value to the organization's mission, calling for performance evaluations and improvements as appropriate.

- Evaluate organizational performance against strategic goals, objectives, and targets
  - Determine priority programs for resource allocation
  - Use findings to inform “course correction” via tweaks to long-term strategic plans or annual work plans, as appropriate
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## Oversee financial management and protection of assets

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The board must approve an annual budget that supports the organization's work plans and ensures that proper financial controls are in place to protect the assets of the organization. The board is responsible for selecting an auditor and reviewing and responding to the results of an audit on an annual or bi-annual basis.

- Review and approve annual budget
- Assess the effectiveness of internal control to ensure detection and prevention of material omissions or misstatements
- Select third-party auditor and oversee engagement

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## Ensure adequate financial resources

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The board is responsible for supporting the executive team in their efforts to secure adequate resources for the organization to fulfill its mission. This often includes providing fundraising support through networking and donor cultivation.

- Oversee development of fundraising strategy
- Support fundraising efforts through networking and donor cultivation
- Review fundraising performance against goals, objectives, and targets

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## Develop and maintain a competent board

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All boards have a responsibility to articulate qualifications for candidates, assess and maintain desired skill sets on the board, orient new members, and periodically and comprehensively evaluate their own performance. As needed, a board may ask a non-active member to resign from their board position.

- Establish clear qualifications and needs, reviewing periodically to fine-tune as organization grows in complexity and consequence
  - Set term limits, as appropriate
  - Perform annual self-assessment of board and individual directors
  - Identify and recruit high-potential candidates
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## Ensure legal and ethical integrity

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The board sets the tone of the operations of an organization, and should articulate the values and principles that set that tone. The board is ultimately responsible for adherence to legal standards and ethical norms.

- Establish organizational ethics policy (e.g., regarding conflicts of interest) and set the tone from the top
- Ensure adherence to bylaws, compliance with regulations, and observation of governance best practices
- Promote transparency around organizational activities and impacts
- Take corrective action when necessary

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## Enhance the organization's reputation

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The board are ambassadors of an organization, and should thus be able to articulate the importance of its mission and the value of its work. The board should work to garner support from the community, including key stakeholders such as government and donors.

- Advocate for the organization's mission in professional networks
  - Communicate with the public, including stakeholders
  - Engage with media to promote awareness and understanding
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# Case Study: Giving Constituents A Voice In Strategic Planning

The strategic plan of any African CSO can only be effective if it is tailored to the needs of the constituencies the organization aims to serve. Thus, it is essential that key constituents are given a voice in the planning process. As fiduciaries charged with overseeing the organization and guiding its mission, members of the board of directors should represent this important perspective.

As an organization grows and faces new circumstances, however, it can be easy for this voice to become lost among a variety of others. Maliasili Initiatives' partners have addressed this challenge by maintaining balanced board composition even as needs evolve.

## Preserving the Voice of Key Constituents: Pastoral Women's Council

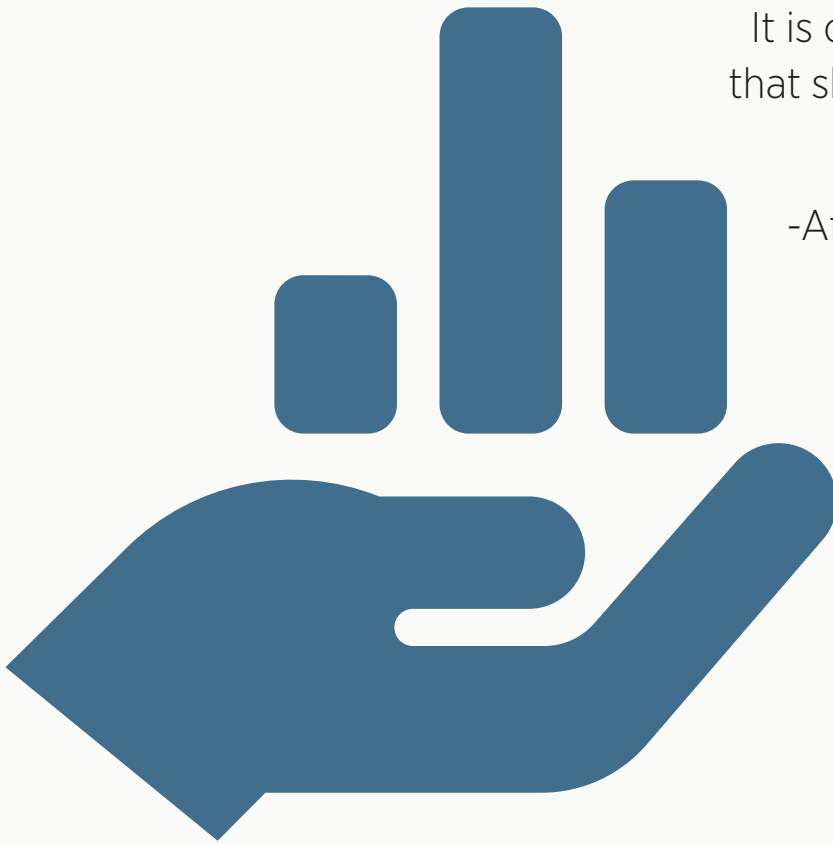
Pastoral Women's Council (PWC) is a unique grassroots organization. It is a membership-based organization, whose members are indigenous Maasai women living in several districts of northern Tanzania. Since its founding roughly 20 years ago, PWC's board has primarily been comprised of representatives of its membership, providing strong constituency ownership and accountability. However, as PWC has expanded from a small grassroots movement to an organization with a growing range of programs, increasingly sophisticated management systems, and major global funders, there has been a shift to incorporate new board members, alongside representatives of its membership, to incorporate the skills the organization needs as it grows.

However, the constituents' voices are still integral to the board's work even as it expands and evolves. For example, constituent members on the board have ensured that PWC recognizes that a lack of reproductive health services for its constituents undermines its other goals and that it is a priority issue for many of its members. Although PWC is not a health care provider, it can raise awareness through existing programs, advocate for services through its lobbying efforts with district governments, and create partnerships with organizations better placed to provide reproductive services directly to communities.

By maintaining close ties to its constituency and giving strong voice to their perspectives, PWC's board of directors is better able to maintain its strategic focus in the face of a growing number of demands on its attention.

### Questions to Consider

- Are the roles and responsibilities of my organization's board clearly and formally defined? Have we established guidelines for dealing with critical areas of oversight?
- How often does my organization's board need to meet? What is my capacity to ensure meetings are as productive as possible?
- What specific functions should my organization's board take on in the areas of governance, strategy, and resourcing?
- How can the board's work be evenly distributed over the course of the year while still ensuring timely execution?



It is crooked wood  
that shows the best  
sculptor.

-African proverb

# Performance

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## Best Practices for getting the most out of your board

The board, as a collective body, has oversight responsibility of the organization, but it is often up to the executive director to manage the working relationship between the board and the executive or management team. Making sure that the board is well structured and operating effectively can go a long way toward creating strong working relationships. It is important that the board feel that their role and their inputs are valued; a well-functioning board is a satisfied and engaged board.

That said, striking the right balance can be tricky. Boards can be either too hands-on or too hands-off, either micromanaging a team's work, or not providing enough guidance or oversight and letting an organization make critical decisions on its own. The following guidance is intended to help the organization find the elusive middle ground through proactive management and periodic review.



# Board Management

While the board collectively is the supervisor of the organization and the executive director, the working relationships between the executive director and individual members of the board should be more nuanced. It's not enough to engage with directors only during—or in advance of—formal, periodic board meetings. It is up to the executive director to proactively manage the board, maintaining communications on key strategic and programmatic developments, designing meeting agendas, and building trusted relationships with each individual director.

The chairperson of the board also has management responsibilities and needs to coordinate with the executive director, run effective meetings, and serve as a conduit of information between each board member and the organization. The quality of board discussions and input will flow from the quality of information provided to the board in advance. Too much information is just as dangerous as no information, and the executive and his or her team should budget sufficient time to develop well organized and succinct information to support the agenda and clearly articulate the decisions that need to be made during a meeting.

## Executive Director's Role with the Board

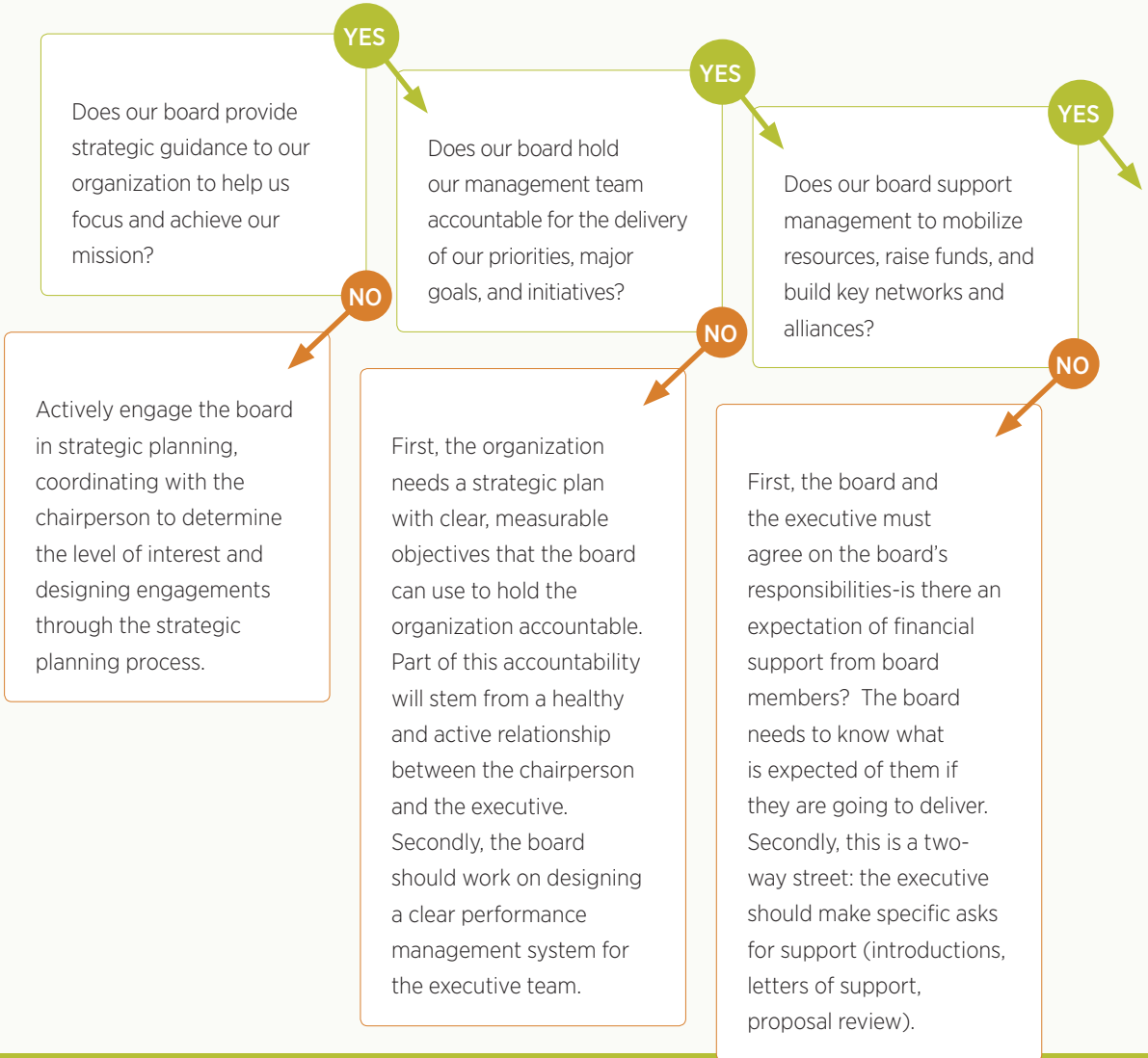
The executive director and the board both shoulder a great deal of authority over the organization and its impact, and their relationship should reflect this shared responsibility.

The executive:

- Reports to the board.
- Provides leadership in developing organizational strategy and programmatic and financial plans in conjunction with the board.
- Designs board meeting agendas in collaboration with the chair of the board.
- Maintains official records and documents to ensure compliance with relevant regulations.
- Keeps the board fully informed on the performance of the organization, significant trends in the field, and key risks to the organization's function and mission.
- Develops and maintains sound financial practices with input and guidance from the board.
- Works with the staff and the board to develop a budget and to ensure that the organization operates within the guidelines provided by that budget.
- With support from the board, ensures that the organization obtains adequate funds to carry out its work.

# Performance Assessments

The only way to know whether a process is effective is to measure its outcomes. Because organizations—and their circumstances—are constantly evolving, regular performance evaluations can provide important indicators that the path forward is not merely paved with good intentions.



## Board Self-Assessment

The board should periodically review its own performance, assessing how well it is performing its core functions and supporting the organization. This may flag insufficient participation from individual members or clarify a need to improve certain operational aspects of the board, such as board meetings or financial management. The chair should lead this process and discuss and implement follow-up with the executive. In addition to the guidance in this section, boards may wish to consider the criteria for “underperforming,” “functional,” and “valuable” boards on Page 7-8.

It is crucial for a board to regularly and formally assess its own performance (see sidebar), but it may also be useful for the executive director to monitor how the board is meeting organizational needs from his or her perspective. The following basic questions will help the executive conduct a quick scan of the organization's board capacity:





# Frequently Asked Questions

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An effective board can dramatically improve a CSO's capacity to achieve its goals and fulfill its mission, but strong board performance typically relies on the ability of the executive to “manage up” to the board. Every executive has had experience dealing with a boss. However, the complex dynamics of dealing with many bosses—all at once—can sometimes present unique challenges. The following questions represent situations commonly faced by executives working toward more effective board management.

## I'm being micromanaged by the board-how should I handle this?

If a board has become over involved in day-to-day management, it may mean that the board doesn't have a clear understanding of its role. In such a case, it may be a worthwhile exercise for the executive to sit down with the board to review the board's role and discuss how the board could add the most value to the organization. At the same time, this will allow the board an opportunity to give feedback to the executive director. For example, perhaps they are micromanaging because they are unhappy with his or her performance. Similarly, micromanagement may stem from the board's lack of support for the organization's strategy or the management's approach, or potentially a lack of trust in the management's capability.

In any case, it is important for the executive to invest the time in developing a rapport with the board, enabling an open, two-way discussion. Both the board and the executive must be open to giving—and receiving—critical feedback. While it can be challenging to bring up and discuss such concerns, it will help build a stronger working relationship between the board and management.

## I'm having disagreements with my board-how should I handle them?

Executives and boards at CSOs tend to be highly passionate individuals with strong convictions. As a result, a certain amount of conflict is inevitable. When such tensions arise, it is important to address them directly, professionally, and without undue delay; otherwise, negative feelings are likely to fester. Discussion with the board chair is usually a good first step. If the disagreement involves the chair, the executive can instead take up the issue with other board members.

The proper resolution will depend on the nature of the conflict. For example, disagreement between the executive and the board often results from a blurring of the line between governance and management. In such a case, it can be helpful to revisit and clarify the roles and responsibilities of each party. Another common cause of disagreement is a lack of full understanding on one side or the other. In this situation, be prepared to listen first—before taking a strong position. Additionally, be sure to provide the board with everything they need so they can make informed decisions, and ask probing questions to ensure they have responded in kind. In all deliberations, focus on common ground.

If resolution seems out of reach, consider bringing in a trusted, objective, third-party facilitator (possibly including key leaders at partners or donors to hear arguments on both sides and provide arbitration.

As always, however, an ounce of prevention is worth a pound of cure. Similar to handling micromanagement, disagreements with the board are best avoided and mitigated through strong relationships and regular, open communication. Keeping the board informed about key, strategic milestones and financial performance is important to building trust and alignment. At the end of the day, the board hires and fires the executive, so it is important for the executive to invest the time in keeping the board informed and supportive of key decisions. Because the board is not intimately involved in the day-to-day operations of the organization, it is important to keep them aware of the motivations and rationale behind key decisions—not just the decisions themselves.

# I can't get board members to come to meetings. What do I do?

## First, ask yourself a few questions:

- Are the board meetings effective and engaging? Essentially, are they a good use of board members' time?
- How long have board members been serving on the board? Is there fatigue?
- Do you have the right board members?

Lack of attendance could be tied to any number of issues, and it is important to assess the root cause of the board's lack of engagement. If the problem is widespread among board members, it may indicate a systemic problem rather than an issue with the directors themselves.

When there are individual board members who are consistently missing meetings or neglecting to engage, consider taking the following steps:

1. Ask the chair to have a conversation with that member about their commitment and ability to engage; odds are they just don't have the time, may have been looking for an out, and will resign.
2. Develop a memorandum of understanding with board members explaining their responsibilities and the importance of meeting attendance.
3. If these steps don't resolve the issue-either attendance improves or the member resigns-ask the board to meet and decide whether to ask a member to resign.

If serving on the board is ultimately not providing value to the board members it will be hard to get them to engage. Board members can derive value from their efforts in a number of ways, such as feeling good about supporting an effective, high-impact organization or enjoying stimulating engagement with their peers on the board. Board members need to first and foremost believe in the mission and the capability of the organization.

You may also have board members who are too busy and/or too high profile to substantively engage. It is okay to have one or two "in name" board members, but you need to make up the balance with members who can actively engage and do the work of being a board member.

# As the executive director, do I manage the board or does the board manage me?

The answer to this is: yes! Of course, this is a tricky question, but basically both manage each other. The board ultimately has the responsibility to hire and potentially fire the executive of the organization. However, the board also has the responsibility to support the executive in succeeding and to provide evaluation and professional development support as needed.

However, the board members typically are volunteers, so it is up to the executive to help them function effectively and efficiently, making the best use of their time. While the board oversees the executive, the executive must also manage the functioning of the board, working closely with the chair to set meeting schedules and agendas, and to design strategic and effective communications to the board. A well-informed, well-managed board will enjoy their role as board members better, and contribute to a more effective organization. Board management should be a significant part of the executive's role (potentially with support from other staff members), and an executive's time should be allocated to board management accordingly.

## Do I need to pay my board members?

There is a lot of rhetoric on this topic and lots of opinions. It is generally thought that nonprofit board service is a volunteer position. That said, it is not uncommon for an organization to cover the costs that board members incur in participating on the board: travel, accommodations, etc. Beyond reimbursing costs, there are some arguments to be made in favor of a paying a stipend to board members for their participation, including the following:

- Compensation promotes economic diversity, giving members an opportunity to serve who might otherwise be unable to do so.
- Compensation may promote professionalism and better attendance and engagement.
- Compensation may help to attract the most qualified and able individuals.

Ultimately, it is up to the board to set a compensation policy that stipulates who gets paid, how it will be structured (i.e., flat fee, retainer, per diem, formula), and how it will be distributed. The board has the fiduciary responsibility for managing the organization's funds, and should carefully weigh the resources available and the costs and benefits of any compensation policy.

# How do I find good board members?

Finding capable and committed board members can be difficult, but it is not solely the responsibility of the executive. Part of the board's mandate is to evaluate its membership and have a strong recruitment and succession plan in place. That said, it can still be challenging to recruit capable board members. A few tips:

1. First, it is important to have a good sense of the needs:
  - How many board members are needed?
  - What skills or other assets are absent from the current board?

It is better to have a handful of highly engaged board members than a large, inactive board.

2. Secondly, have a clear written description of the board member's role. It will help in recruiting board members to be able to offer a tangible set of expectations and clear time commitments.
3. Lastly, network! Put the word out among your colleagues of what you are specifically looking for in a new board member (e.g., perhaps you are looking for someone with financial or legal expertise).

Beyond the immediate network of the organization, think about other professional networking groups, such as Rotary Clubs or professional associations, where you could recruit. Board member positions can even be advertised as a job opening. Remember that you ultimately want someone who believes in your mission and is committed to the organization, so be prepared with a clear elevator pitch about the organization's mission and strategy. As you grow your board, you will most likely need to recruit members from beyond your immediate circle, which will mean clearly articulating the opportunity that serving on the board presents.

## Case Study: Working With The Board

Relationships are not static; they are works in progress, evolving along with the parties involved and their circumstances. The compact between the board and the ED is no different, requiring both parties to engage in an ongoing dynamic of give-and-take as they negotiate and agree upon an effective boundary between governance and management. Although forging a common understanding can be challenging—and, at times, even uncomfortable—it ultimately serves the best interest of both parties, and the organization as a whole. Indeed, when leaders fail to do this hard work, opting instead for a more laissez-faire approach, all three risk paying the price.



## Organizational Chaos: A Failure of Leadership

One African organization's experience serves to highlight the importance of clear relationships between the board and the director. The founder of an organization working to conserve natural resources in pastoralist communities was tapped for a government post, and chose to accept. Upon his departure, the board replaced him with a new executive director. Although, by most accounts, the new director effectively managed the organization's business, she and the board collectively failed to develop the type of strong relationship that would allow them to take full ownership of the organization.

When the founder returned from his government role several years later, he wanted to return to the organization and resume his former role as director. The ensuing uncertainty plunged the organization into chaos. The board had not established a strong position on its role in hiring and firing the organization's executive director. Furthermore, it had not been sufficiently engaged in setting performance targets for the new ED or in tracking her performance. As a result, the newer director was forced out to make way for the founder to regain his position. Ultimately, the ousted director sued the organization for wrongful termination because the board had not adequately performed its duties.

Although building a strong working relationship with—and among—the board can require great effort, the investment is likely to pay dividends, not to mention reduce the risk of a lose-lose-lose situation like the one described here.

### Questions to Consider

- Does my organization's board understand how its role differs from that of the executive director? Does the executive also understand this difference?
- Does the relationship between the board and the executive director facilitate frank, two-way discussion? If not, how can it be strengthened?
- How should I assess the performance of my organization's board? What's the best way to address shortcomings when they are present?
- Does my organization's board include underperforming members? If so, how can I help resolve the problem?

# Resources



- 
- » *A Better Board Will Make You Better*, by Kim Jonker and William F. Meehan III, Stanford Social Innovation Review, March 5, 2014.
- 
- » *Ten Basic Responsibilities of Nonprofit Boards*, by Richard T. Ingram, BoardSource, 2015.
- 
- » *A Board's Number One Priority: Talent Strategy*, by Tom Tierney, The Bridgespan Group, December 19, 2016.
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- » *Board Fundamentals: Understanding Roles in Nonprofit Governance*, by Dr. Berit Lakey, Board Source, 2010.
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- » *Meeting, and Exceeding Expectations: A Guide to Successful Nonprofit Board Meetings*, by Outi Flynn, BoardSource, 2009.
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- » *The Dynamic Board: Lessons from High-Performing Nonprofits*, McKinsey & Company, 2004.
- 
- » *Annual Board Tune-Up Checklist*, National Council of Nonprofits
- 
- » *Building Better Boards: A Blueprint for Effective Governance*, by David A. Nadler, Beverly A. Behan, and Mark B. Nadler, Jossey-Bass, 2005.
- 
- » *Running Board Meetings: How to Get the Most from Them*, by Patrick Dunne, Kogan Page, 2007.
-

# Appendices

## Appendix A: Sample Terms Of Reference

The following is a sample terms of reference for a board of directors. It is intended to provide a useful example of such a document, which can help clarify board roles and responsibilities. This document is designed to be tailored to the needs and context of a specific organization, as the needs and function of the board will vary for each organization.

### Board of Directors – Standard Roles and Responsibilities:

- **Determine mission and strategy.** The board is responsible for participating in the creation and review of an organization’s mission and strategy, which articulates the organization’s goals and means of achieving those goals.
- **Select the CEO.** The Board must determine a CEO’s responsibilities and be accountable for leading a careful search to find the most qualified individual for that position. The board should also develop and maintain a succession plan for replacing an executive in case of either emergency or poor performance.
- **Support and evaluate the executive director.** The board is responsible for reviewing and assessing the performance of an executive director. As part of this they must ensure an executive director has the moral support as well as the professional skills and training that he or she needs in order to further the goals of the organization.
- **Ensure effective planning.** Boards must actively participate in an overall planning process related to the longer-term strategic planning and annual work planning of an organization. The Board should assist in monitoring the organization’s performance against planned goals, and support it to adaptively manage its plans.
- **Provide oversight of programs and services.** Board’s must determine which programs are consistent with the organization’s mission and monitor their effectiveness, calling for performance evaluations and improvements as appropriate.
- **Ensure financial accountability, management and protection of assets.** The Board must assist in developing and approving an annual budget that supports the

organization's work plans and ensures that proper financial controls are in place to protect the assets of the organization. It is the board's responsibility to select an auditor and review and respond to the results of an audit on an annual or bi-annual basis.

- **Ensure adequate financial resources.** The board has a responsibility to support the executive team in their efforts to secure adequate resources for the organization to fulfill its mission.
- **Develop and maintain a competent board.** All boards have a responsibility to articulate qualifications for candidates, assess and maintain desired skill sets on the board, orient new members, and periodically and comprehensively evaluate their own performance.
- **Ensure legal and ethical integrity.** The board sets the tone of the operations of the organization, and should articulate the values and principals that set that tone. It is ultimately responsible for adherence to legal standards and ethical norms.
- **Enhance the organization's reputation.** The board should be ambassadors for the organization, articulating the importance of the mission and the value of the organization's work. The board should work to garner support from an organization's communities, including key stakeholders such as government and donors.

## Appendix B: Sample Job Descriptions

Here we outline general job descriptions for a member of the board and the board chair. Organizations may have additional needs or roles they want these individuals to fill, but this list provides the fundamentals needed for effective and engaged board members.

### Board Member Job Description:

- Attend required number of board and committee meetings and functions, such as special events
- Remain informed about the organization's mission, services, policies, and programs
- Review agenda and supporting materials prior to board and committee meetings
- Serve on committees or task forces and offer to take on special assignments
- Inform external stakeholders about the organization

- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization
- Keep up-to-date on developments in the organization's field
- Follow conflict-of-interest and confidentiality policies
- Refrain from making special requests of the staff
- Assist the board in carrying out its fiduciary responsibilities, such as reviewing the organization's annual financial statements
- Support the staff's fundraising efforts, cultivating relationships with donors and identifying funding opportunities
- Bring specific skill sets and expertise to the board's work

## Board Chair Job Description:

- Is a member of the board
- Partners with the executive director in achieving the organization's mission, setting goals, and designing strategy
- Provides leadership to the board of directors
- Chairs meetings of the board after developing the agenda with the executive director
- Encourages and facilitates the board's role in strategic planning
- Appoints the chairpersons of committees, in consultation with other board members
- Discusses issues confronting the organization with the executive director
- Helps guide and mediate board actions with respect to organizational priorities and governance concerns
- Reviews with the executive director any issues of concern to the Board.
- Monitors financial planning and financial reports, in conjunction with the Treasurer and Finance Committee if one exists
- Leads the performance evaluation of the executive director and informally evaluates the effectiveness of the board members
- Leads the board in annually evaluating the performance of the organization in achieving its mission

