

# Boards in Gear



## Unlocking the Why, What, Who, and How of Nonprofit Boards



WASHINGTON NONPROFITS



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# Introduction



There is a folder of **key documents** available to you online. Visit [www.wanonprofitinstitute.org/boards](http://www.wanonprofitinstitute.org/boards).

Boards in Gear is complemented by these toolkits. All are available for free at [www.wanonprofitinstitute.org](http://www.wanonprofitinstitute.org).

**FINANCE UNLOCKED FOR NONPROFITS:** Unlocking financial literacy for nonprofit boards.

**LET'S GO LEGAL:** The right road to compliance and protection.

**STRATEGIC PLANNING IN NONPROFITS:** Your step-by-step guide to achieve your mission.

**BUILD A MOVEMENT!:** Tools to use public policy to achieve your 501(c)3 mission.

Boards in Gear draws on the information and insights provided in these resources. We encourage you to explore them further.

## 501 Commons

Best Practice Materials for Nonprofit Boards

<http://www.501commons.org/resources/tools-and-best-practices/boards-governance/501CommonsBestPracticesforBoards.doc/view>

## Boardsource

Leading with Intent: A National Index of Nonprofit Board Practice

<https://www.boardsource.org/eweb/dynamicpage.aspx?webcode=LeadingwithIntent>

## Colorado Nonprofit Association

Principles & Practices

<https://www.coloradononprofits.org/resources/principles-practices>

## Minnesota Council of Nonprofits

Principles & Practices for Nonprofit Excellence

<https://www.minnesotanonprofits.org/resources-tools/principles-practices-for-nonprofit-excellence>

## National Council of Nonprofits

Everyday Advocacy

<https://www.councilofnonprofits.org/everyday-advocacy>

## Nonprofit Association of the Midlands

Guidelines & Principles

<https://www.nonprofitam.org/page/GuidelinesandPrinciples>

## Social Venture Partners

SVP Organizational Capacity Assessment Tool

<http://socialventurepartners.org.s3.amazonaws.com/www.socialventurepartners.org/sites/40/2013/10/SVP-Org-Capacity-Assessment-Tool-2006.pdf>

## Stand for Your Mission

A Discussion Guide on Advocacy for Boards

<http://standforyourmission.org>

*Links updated August 2019*

**The Boards In Gear video series, which accompanies this kit, features these expert speakers:**

**Amara Oden**, Amara Oden Consulting

**Howard Donkin**, Jacobson Jarvis PLLC

**Laura Pierce**, Washington Nonprofits

**Nancy Long**, 501 Commons

**Rebecca Sherrell**, Office of the Secretary of State

**Rebecca Zanatta**, Ostara Group

**Sara Lawson**, Shorthand Consulting

**Susan Howlett**, Boards on Fire

## *With gratitude...*

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# Introduction



You care about your organization’s mission. You want your organization to survive and thrive and make a difference in your community and the world beyond. You want your volunteer hours as a board member to make an impact on the issues you care about. In short, you want your board to get in gear so that together you can drive your organization where it needs to go.

*Boards in Gear* – which intentionally abbreviates to BIG in recognition of the large role that boards play in an organization’s success—was designed to provide actionable information and tools that elevate board practice. It is guided by three core values: quality, simplicity, and accessibility. The information contained in BIG comes from a range of sources and has been vetted by nonprofit experts working directly with boards. From these resources, we have identified key questions and main ideas, making BIG accessible to the diverse boards working in communities across Washington.

As you approach BIG, keep in mind these themes:

★ **Start from where you are.** Organizations have life cycles, just like any living thing. They are created, they grow, they plateau, and sometimes they die. The work of an organization’s board is guided by where that organization is in its life cycle and what is happening around it. Its role and scope are heavily influenced by whether there is staff in place or if it is an all volunteer endeavor.

★ **Ask 3 kinds of questions.** Boards guide their organizations to achieve their missions within a landscape of other organizations, funding limitations, and changing demographics, among other elements. To effectively navigate this landscape, boards need to ask questions that demonstrate their three key roles as stewards, strategists, and sense-makers of their missions.



## **Oversight: Stewards of the organization**

Technical work: What’s happening? What’s wrong? Are we compliant with our legal obligations? Look under the magnifying glass.



## **Foresight: Strategists for the organization**

Strategic work: Where are we going? What’s the plan? See through the binoculars.



## **Insight: Sense-makers for the organization within a bigger cause**

Big picture work: Why do we exist? What will best move our mission forward over time within our changing communities and world? View the horizon through the telescope.

In each chapter, we have given examples of how these roles relate to the topic.

★ **Create a culture that aligns people, resources, and connections towards your mission.** Culture is defined as the way of thinking, behaving, or working that exists within an organization. We experience culture in three ways: the “artifacts” (visible things you see, like agendas, name tags), actions (behaviors you see, words you hear), and assumptions (unspoken, assumed perceptions or beliefs). Effective boards create a culture that best serves its mission.

# Introduction



These BIG materials are organized in five topics, each answering a basic question about the **why, what, who,** and **how** for your organization.

Each BIG topic includes three sections:

- ★ **KNOW:** What board members should know about the topic
- ★ **SHOW:** How a board or its members can demonstrate understanding
- ★ **GROW:** What a board and its members can ask and do to improve its practice

Each topic includes a VIDEO, supporting CHAPTER, and a PATHWAY guide to help organizations gauge their board's practice and get ideas for improvement. Don't forget the Boards in Gear GAME, too!

## Why does your organization exist and why do you serve on its board?

**1: CONNECTION TO CAUSE:** Board members place the work of the organization within a larger context, understanding the circumstances that cause the organization to exist. They are aware of others working in the same space and are able to give voice to stories, challenges, and opportunities that exist for the people their organization serves. Page 5

## What is the job of a board member?

**2: RESPONSIBILITIES:** Board members fulfill their responsibilities, from setting a clear mission to ensuring the impact of that mission. The board ensures that the organization is compliant with all federal, state, and local requirements and conducts activities with accountability and transparency. Page 10

## Who serves on the board and who works to reinvigorate the board over time?

**3: COMPOSITION & DEVELOPMENT:** A nonprofit board ensures that the board itself has the characteristics and qualifications needed to effectively represent the people that the organization serves and the organization's needs. Page 20

## How does a board operate to achieve its mission?

**4: OPERATIONS OF THE BOARD:** The board operates in a way that allows the organization to achieve its mission effectively and efficiently. Page 27

**5: FUNDRAISING:** Board members ensure that the organization has the necessary resources to sustain its work over time. For many boards, this involves an active role in fundraising, often with the help of staff. Page 33

# Connection to Cause

Board members place the work of the organization within a larger cause to understand its place in the system in which it works and to affect changes that better that system when possible. They serve as **ambassadors** and **advocates** for a cause that they are passionate about. They are **leaders** bringing into the organization knowledge, ideas, and connections. They place their role within the context of being a **steward** of an organization operating for the public benefit with support from the general public.

## Why?

When a board connects its mission to the larger cause and advocates for it within a larger landscape of individuals, organizations, and agencies:



It becomes part of a network making sure the rules that govern nonprofits provide the right level of oversight.



It expands its strategic vision to include a larger community of individuals and organizations working in the same space, such as government agencies.



It contributes to the changing of circumstances that created the need for their organization in the first place, thus allowing the organization to achieve its mission over time. It connects to root causes and can respond better to change.

## Know

Board members should understand these elements of CONNECTION:

- ✓ **Connecting mission to the cause:** Organizations exist within a larger context of circumstances, individuals, organizations, and agencies that impact the work of the organization.
- ✓ **Communication:** Board members have a powerful voice in connecting their organization to the larger causes that people of influence care about.
- ✓ **Advocacy as a tool:** Advocacy can be a powerful tool to advance your cause by partnering with policy makers. It's important to know how to engage in advocacy and lobbying so that your organization is effective and compliant with applicable laws. Lobbying may not be a substantial part of an organization's overall activity.

## Show

A board shows understanding of CONNECTION in these ways:

- Board members can articulate the connection between their mission and the cause which the organization is working to advance.
- Board members are ambassadors for the organization, building connections with the community and its leaders.
- Board members engage key community decision makers and those involved in their work in telling the story of the organization and its work.

# Connection to Cause

## Grow

### Ask

- Why does it matter that board members connect the mission to the bigger cause and give voice to that cause with people of influence?



How might your organization help guide decisions that impact potentially burdensome oversight requirements or uncover critical data to understanding your cause?



How might the involvement of key community decision makers and other people of influence help your organization to achieve its mission?



What could be done to change the circumstances that cause your organization to exist? What can your board do to connect the dots between your organization's work and larger issues impacting your work?

### Act

- Develop a shared vision for the future, including what the world would look like if your organization fully succeeded in achieving its mission.
- Map all of the players who would have a role in shaping this world—think across sectors, including community leaders, elected officials, nonprofit leaders, private sector leaders, etc.
- Identify other organizations working in the same cause as you. Are they doing similar or different work? Is there a gap that no one is addressing?
- Develop a deeper understanding of your work, including all of the causal relationships that create the need for your organization. Invite a guest expert to a board meeting, assign a short article, or plan a field trip to collect new perspectives on the issue at hand. Weave these into the stories that you tell about the impact your organization is making.
- Identify the opportunities and threats that exist outside your organization. Think about the funding climate, policy climate, and trends.
- Embed discussion about these bigger issues into your board meetings, including time on agendas to talk about public policy and how it is important for your organization or the people you serve.

### Key documents

*An organization expanding its advocacy role should consider reviewing these documents:*

- Articles of Incorporation
- Advocacy plan
- One-page handout for decision makers on the organization and its impact
- 501(h) (if organization is lobbying)
- Lobbying tracking document (if organization is lobbying)

# Connection to Cause

## Purpose Map

**Why do you exist? What change do you hope to make? What do you believe to be true related to your mission?** These questions move you toward your purpose. To find your purpose, **take your mission and ask three times: “Why?” or “So what?”** (1) Write your purpose in the circle. (2) Brainstorm everything that connects to this purpose. Think about cause and effect, solutions and symptoms, opportunities and challenges. *There are two short videos on purpose mapping available here: <https://www.wanoprofitinstitute.org/5-minute-learning>.*



# Connection to Cause

## Pathway

Circle the description that best matches your board. Start by looking at the “Good” column and move left or right as appropriate.

### A. Communication

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board members can not give a pitch about the organization.	Board members can give something of a pitch about the organization.	Board members can give a “pitch” about the organization.	Board members can give a “pitch” about the organization that resonates with diverse audiences.
Board members have no stories about the organization.	Board members have at least one story that they can tell.	Board members have a set of stories that they can tell about the organization and the role it plays in the lives of constituents.	Board members have regular ways to gather new stories.
Board members have no brochure or handout.	Board members have a brochure or some handout, though maybe not current.	Board members have a current one-page handout to share with potential supporters.	Board members have customized handouts for different audiences.

### B. Connecting mission to cause

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board members have no understanding of how relevant policies affect the organization.	Board members have some understanding of how relevant policies affect the organization.	Board members demonstrate an understanding of how relevant policies affect the organization.	Board members take leadership on policies impacting the organization and cause.
Board members do not discuss nor act on policy positions.	Board members discuss positions on relevant policies but do not act.	Board members take positions on relevant policies ( <u>not</u> candidates) that affect the organization.	Board members serve as leaders on policies affecting the organization and others like it.
Board members have no contact with other organizations.	Board members have some contact with other organizations around policy of common interest.	Board members seek coordination or collaboration with other organizations around policy issues of common interest.	Board members lead collaborations with other organizations.
Board has not discussed an advocacy plan.	★ Board has discussed elements of a plan but has not adopted one.	★ Board has adopted an advocacy plan that reflects the organization’s strategic plan.	★ Board leads the development of an advocacy plan in coalition with others.

★ For boards looking to accelerate their advocacy work.



# Connection to Cause

## C. Lobbying & political campaigns

★ *For organizations that take the next step and get involved in policy making.*

<b>Needs work</b>	<b>Okay</b>	<b>Good</b>	<b>Great</b>
Board members do not know that there is a difference between education and lobbying.	Board members know that there is a difference but can't articulate it.	Board members can articulate the difference between education and lobbying.	Board members can educate others about the difference between education and lobbying.
Board members don't know that lobbying is allowed.	Board members know that lobbying is allowed but may not be reporting it.	Board members know that lobbying is allowed in "insubstantial amounts"* with mandatory reporting on IRS Form 990.	Board has made a 501(h) election by filing Form 5768.
Board does not know about the limitations of funding sources to support lobbying.	Board knows of limitations but not the specifics.	Board is aware of the limitations of some funding sources to support lobbying efforts.	Board documents the limitations of funding sources to support lobbying.
Board takes positions and/or engages in political action related to candidates.	Board is neutral on candidates for political office.	Board knows that it is prohibited from political activity for a particular candidate.	Board recognizes the distinction between the board acting as a unit and board members taking positions as individuals.
Board does not discuss or adopt a policy that clarifies the scope of the public policy work that the organization will engage in.	Board discusses but does not adopt a written policy that clarifies the scope of the public policy work that the organization will engage in.	Board adopts a written policy that clarifies the scope of the public policy work that the organization will engage in.	

\* "Insubstantial amount" is based on the amount of resources used in lobbying. There is no clear definition from the IRS, but a general rule of thumb is 5% of its overall activities, according to the Alliance for Justice. ([www.afj.org](http://www.afj.org))

# Responsibilities

Board members fulfill their responsibilities, from setting a clear mission to making that mission happen through effective programs. The board is entrusted by the State and by the community to ensure that the organization pursues its mission vigorously, is compliant with all federal, state, and local requirements, and conducts activities with accountability and transparency. Boards of organizations with staff face different roles and responsibilities than organizations with no staff.

## Why?

When board members fulfill their responsibilities:



They provide the oversight an organization needs to grow its mission and protect its assets.



They make intentional strategic decisions that respond to new opportunities or threats.



They steward the organization on behalf of the community, which is entrusting them with resources to make a difference.

## Know

Board members should understand these RESPONSIBILITIES:

- ✓ **Individual responsibilities:** Board members have individual responsibilities towards the organization defined by best practice and the law. They *govern* as a team and *support* as individuals.
- ✓ **Legal and fiduciary responsibilities:** The board has a set of legal responsibilities that keep it in good standing with various government agencies and the public.
- ✓ **Financial responsibilities:** The board has a set of financial responsibilities that enable it to grow its mission and protect its assets.
- ✓ **Risk management:** The board takes action to minimize various kinds of risk that their organization may face.

## Show

A board shows understanding of its RESPONSIBILITIES in these ways:

- Board members are committed to the mission and work of the organization.
- Board members ensure that the organization is compliant with federal, state and local requirements.
- Board members review the budget and IRS Form 990 annually.
- Board members possess and refer to key organizational documents when fulfilling responsibilities.
- Board members add knowledge, resources, and connections to the development, implementation, and evaluation of key programs and services.

# Responsibilities

## Grow

### Ask

- Why does it matter that your board members individually and collectively know and act on their responsibilities as board members?



What oversight do they provide?



What opportunities or challenges do they need to be anticipating?



What role do they play as stewards of your mission within your community?

### Act

- Review that the organization is compliant at the federal, state, and local level. Boards with finance committees often task that group with compliance.
  - Federal: File IRS Form 990 (or EZ depending on income);
  - State (nonprofit corporations): File an Annual Report (nonprofit corporations)
  - State (charities, or organizations raising funds from the public): File an Annual Renewal with the Secretary of State
  - State: Make sure that your registered agent is on file with the Secretary of State. (Visit [http://www.sos.wa.gov/corps/search\\_advanced.aspx](http://www.sos.wa.gov/corps/search_advanced.aspx) to check.)
- Review the role of the board chair. What is their role in your organization? Is that role conducive to moving the organization forward?
- Discuss the mission. Has it been reviewed within the last three years? Is it still relevant? If your mission has not been reviewed in the last three years or is otherwise not relevant, make a plan to update it. (Typically missions are revisited every 3-5 years in strategic planning.)
- Discuss the bylaws. Have they been reviewed within the last three years? Is the board in compliance? Are they still relevant? If your bylaws have not been reviewed in the last three years or they are otherwise not relevant, make a plan to update them. (Typically bylaws are reviewed every 4-5 years.)
- Use Washington Nonprofits' **Finance Unlocked for Nonprofits (FUN)** to brush up on nonprofit finance learning that your board needs. [www.wanonprofitinstitute.org/finance](http://www.wanonprofitinstitute.org/finance)

# Responsibilities

## Key documents

### *Required documents to have on file*

- IRS Form 1023 (application)
- IRS Determination Letter - 501(c)(3)
- Articles of Incorporation\*
- Bylaws\*
- Certificate of Articles of Incorporation
- Document Retention and Destruction Policy
- Whistleblower Policy

\* Each board member should have a copy of these two documents

### *Required annual actions & their key documents*

- IRS Form 990
- Washington State Secretary of State
  - Nonprofit Corporations** – Annual Report (due the last day of your incorporation month)
  - Charities** – Annual Renewal (due no later than 11 months after your accounting year ends)
  - Charitable Trusts** (carrying > \$250,000 in assets) – Annual report

### *Recommended*

- Annual report (for funders/community)
- Board commitment form (annual)
- Board job description
- Conflict of interest policy
- Directors & Officers Insurance policy
- Executive Evaluation Plan (annual)
- Reimbursement policy
- Strategic plan
- Succession plan (emergency & long term)

# Responsibilities



<b>B</b> BALANCE SHEET 	<b>I</b> INCOME STATEMENT 	<b>N</b> NINE-NINETY (IRS FORM 990) 	<b>G</b> GIVING 	<b>O</b> OVERSIGHT 
Snapshot	Period of Time	Public Document	Communication	Internal Controls
Liquidity	Budget	Marketing Tool	Pledge	Access
Assets	Actuals	 WASHINGTON NONPROFITS	Endowment	Policies & Procedures
Liabilities	Reporting	Governance	In-kind	Review
Reserves	Revenue Diversification	Compliance & Penalties	Restrictions	Avoiding Fraud

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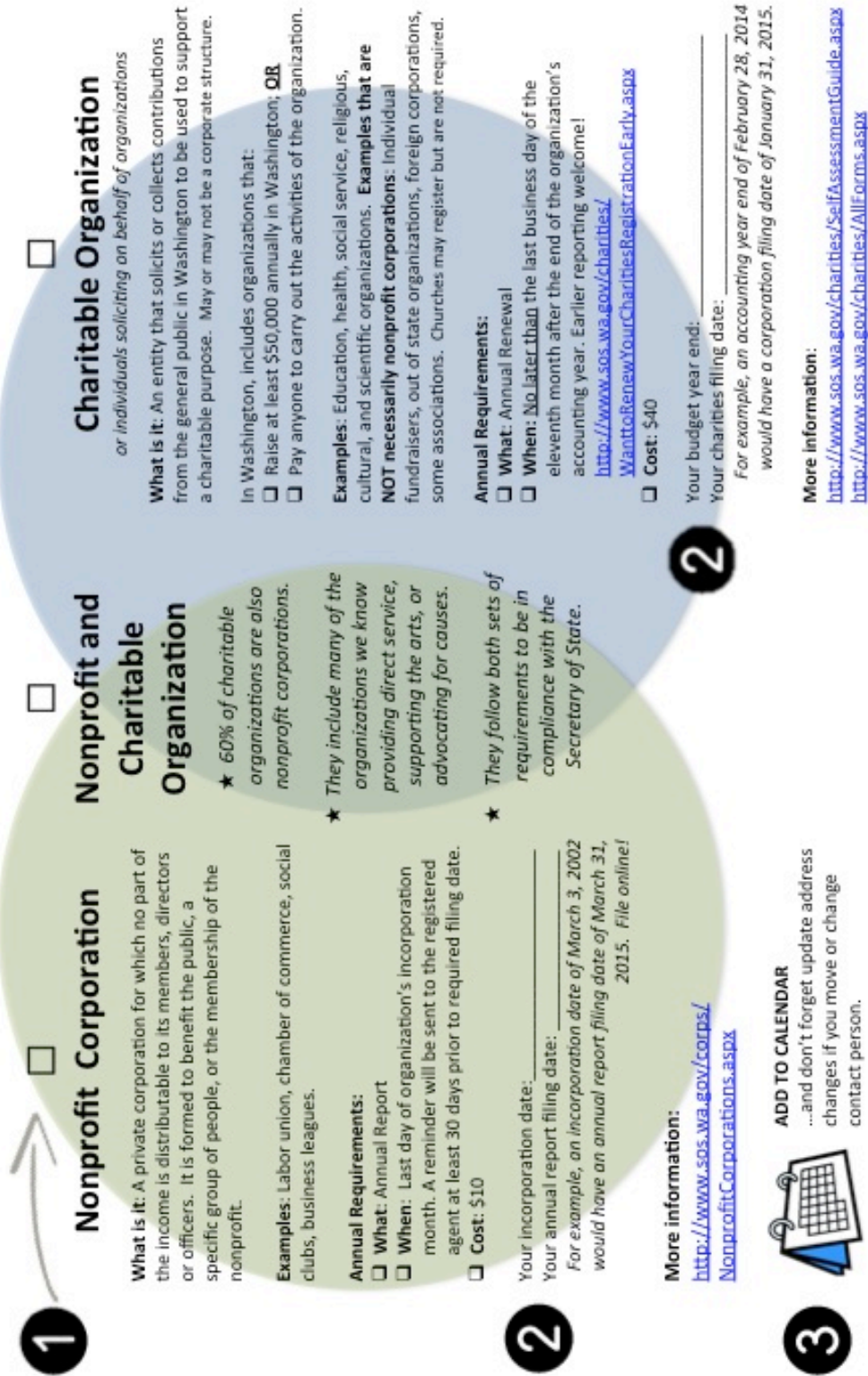
# Responsibilities



## Stay Up-to-Date with the Secretary of State

Nonprofit and charitable organizations need to register and stay up-to-date with the Office of the Secretary of State.

- 1 Check which type of organization you are.
- 2 Note your key dates.
- 3 Put those dates onto your organizational calendar.



# Responsibilities



## Pathway

Circle the description that best matches your board. Start by looking at the “Good” column and move left or right as appropriate.

### A. Individual responsibilities

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board members can not articulate the mission or vision.	Board members can articulate the mission and vision in a general or vague sense.	Board members can articulate the mission and vision of the organization.	Board members can articulate the mission and vision and tie them to their own experiences.
Board members do not understand the duty they hold with respect to the organization.	Board members understand that they have unique duties but not the details of them.	Board members understand their ultimate duties as board members are to care for the organization and to work in the best interests of the organization.*	The board reflects on their duties regularly as a way to reinvigorate commitment and operationalize these duties within their organization.
Board members do not demonstrate an understanding that there is a difference between the board acting as a unit vs. board members acting as individuals.	Board members know that they “wear different hats” when operating in unison vs. as individuals but sometimes cross boundaries.	Board members know that they make decisions as a board (govern) and volunteer as individuals (support). Individual board members do not make decisions on behalf of the board.	Board members go between working as a board and volunteering as individuals with a high level of trust with the executive and staff.
Board members are not aware of the programs or services of the organization.	Board members are aware of programs or services but do not add value.	Board members add knowledge, resources, and connections to the development, implementation, and evaluation of key programs and services.	
The role of the chair is undefined.	The role of the chair is functions in practice though not well defined.	The role of the board chair is defined and is training is available.	The role of the chair is defined and integrated into succession planning.

\* Board member legal duties are referred to as “Duty of Care,” “Duty of Loyalty,” and “Duty of Obedience”:

**Duty of Care:** Board members will take reasonable care (that of an ordinarily prudent person) when making a decision as a steward of the organization. They will participate actively and inquire reasonably.

**Duty of Loyalty:** Board members will give undivided attention to the organization when making decisions affecting the organization. The board member will work in the best interests of the organization and not for personal gain.

**Duty of Obedience:** Board members will be faithful to the organization’s mission and governing documents, stewarding funds in a way that honors the public’s trust in that organization.

# Responsibilities



## B. Legal and fiduciary responsibilities

<b><i>Needs work</i></b>	<b><i>Okay</i></b>	<b><i>Good</i></b>	<b><i>Great</i></b>
Board members are not aware of current <u>federal</u> compliance status.	Organization is compliant with some <u>federal</u> requirements but not all.	Organization is compliant with all <u>federal</u> requirements. <input type="checkbox"/> <i>Form 1023 (application) &amp; IRS Determination Letter</i> <input type="checkbox"/> <i>Form 990 (annual filing)</i>	Organization has a written annual calendar shared by multiple people to track annual deadlines.
Board members are not aware of current <u>state</u> compliance status.	Organization is compliant with some <u>state</u> requirements but not all.	Organization is compliant with all <u>state</u> requirements: <input type="checkbox"/> Nonprofit corporation <input type="checkbox"/> Charity (solicit public funds) <input type="checkbox"/> Charitable trust (>\$250K assets) <input type="checkbox"/> Business license <input type="checkbox"/> Business & occupation tax <input type="checkbox"/> Sales tax	Organization is aware of other state regulations that may affect them, ie gaming, revenue, and others.
Board members are not aware of current <u>local</u> compliance status.	Organization is compliant with some <u>local</u> requirements but not all.	Organization is compliant with all <u>local</u> requirements. <input type="checkbox"/> Business license <input type="checkbox"/> Business & occupation tax <input type="checkbox"/> Sales tax	
Organization does not file with the IRS.	Board members do not review or approve the IRS Form 990.	Board members review and approve the IRS Form 990 annually.	Board members use the 990 to improve systems and communicate impact.
The board has no systemic way to provide feedback to the executive.	The board hires but does not regularly review the executive.	The board hires and annually reviews the organization's executive.	The board provides the executive a thorough and useful annual review, ongoing support and partnership, and invests in executive's professional development.

Note: Taxes licenses vary by jurisdiction. City, county, and state requirements may apply differently depending on where you are located.



# Responsibilities



## C. Financial management

<b><i>Needs work</i></b>	<b><i>Okay</i></b>	<b><i>Good</i></b>	<b><i>Great</i></b>
The board treasurer has no finance knowledge or experience.	The board treasurer has some prior finance knowledge or experience.	The board treasurer has a finance background and is qualified to serve in this role.	The board treasurer is a CPA and has received nonprofit finance training.
Organization does not have a budget.	Board approves budget formally but does not necessarily understand it.	The board contributes to the development of the budget, understands it, and approves it.	Board members integrate the budget process into its larger strategic planning and goal-setting process.
The board rarely or does not review finance statements.	The board occasionally reviews the balance sheet, income statement and cash flow statements, or some combination of them.	The board regularly reviews the balance sheet and income statement, as well as a cash flow statement if possible.	The board uses finance statements to guide strategic decisions.
The board is not aware or practicing separation of duties within its finances.	The board is mindful of separation of duties but does not have specific policies and procedures in place to enforce it.	The board verifies on an annual basis that the person writing and signing checks is different than the person reviewing and reconciling bank accounts. More than one signer is on the bank account.	The board has written policies in place on internal controls; it conducts occasional mini-audits to check that safeguards are in place.
There is no connection between fundraising and financial management. The board does not differentiate between restricted and unrestricted funds.	The board is aware of restricted funds but does not track them separately from unrestricted funds.	The board ensures that there is communication between fundraising activities and finance to ensure that restricted funds are being spent as directed.	The board builds systems for consistent communication, both internally and externally, such as with a gift acceptance policy.
The board has not reviewed income streams.	The board has reviewed income streams to ensure that they are diverse and balanced, but there is not a documented finance plan.	The board ensures that the organization has a sustainable finance plan. It has the right balance of income streams, earned income, and grant support.	The board is pro-actively implementing strategies to further diversify income streams.
The board does no board training for how to read and interpret financial statements.	The board provides some financial training.	The board conducts an annual review of nonprofit financial literacy.	

# Responsibilities



## D. Risk management

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
		The board holds Directors & Officers insurance.	
		The board has a Document Destruction Policy & Whistleblower Policy to be in compliance with Sarbannes-Oxley legislation.	
The board does not have a conflict of interest policy in place.	The board has created a conflict of interest policy, etc., but has not updated annually.	The board updates annually conflict of interest policies, procedures, and signed forms from board, staff, and volunteers.	
The board does not review or discuss risk factors.	The board occasionally reviews risk factors, though not systematically.	The board reviews and plans for risk factors, including: legal, financial, regulatory, HR, technology, and property.	The board pro-actively reviews risk factors across all possible types, weighs likelihood, and develops plans to mitigate damage.
The board has not discussed or developed any emergency succession plan.	The board has discussed an emergency succession but has not documented a plan.	The board maintains an emergency succession plan for executive or key organization members.	The board ensures that training opportunities and documents are up-to-date to ensure readiness.
The board has not discussed or developed any general emergency plan.	The board has discussed what to do in a general emergency but has not documented a plan.	The board maintains a general emergency plan for disruption in delivery of programs or services (weather, strike, etc.)	The board exercises drills related to the emergency plan on a regular basis to ensure readiness.
The board has not discussed or developed any emergency communication plan.	The board has discussed what to do in a case of bad press related to the organization or cause by has not documented a plan.	The board maintains an emergency communication plan in the case of negative press related to organization or the cause in which it is working.	The board exercises drills related to the emergency communication plan on a regular basis to ensure readiness.

# Responsibilities

## Your Job Description

<b>Title:</b>
Purpose
Term / time commitment
Skills, knowledge and abilities
General Responsibilities
Specific Tasks
Time Demands
Other

# Composition & Development

A nonprofit board ensures that the board itself has the characteristics and qualifications needed to effectively represent the people that the organization serves and the organization's needs.

## Why?

When a board is thoughtful about its composition and development:



It can better provide the oversight its organization needs to grow its mission and protect its assets.



It has the right people with the right tools in place to respond to new opportunities or challenges.



It can bring the community into its membership, ensuring that the organization is guided by individuals with unique insights and experiences that strengthen the organization's ability to achieve its mission.

## Know

Board members should understand these elements of board COMPOSITION & DEVELOPMENT:

- ✓ **Recruitment, selection, orientation and evaluation:** A board can best make sure that it has the right people with the right information in place when it follows a structure to recruit, select, and orient board members, and then evaluates the board and its members on a regular basis.
- ✓ **Commitment to mission and success of the organization:** The board is recruiting and selecting individuals with a strong commitment to the mission and success of the organization.
- ✓ **Conflict of interest:** These individuals have no undocumented conflicts of interest with the well-being of the organization.
- ✓ **Positions:** The board has enough people serving, a clear set of leadership with officers, and clear jobs outlined in writing.

## Show

A board shows understanding of its COMPOSITION & DEVELOPMENT in these ways:

- Board represents the diversity of the community and constituency served.
- Board is made up of at least five individuals, with seven preferable. 15-20 is considered a manageable maximum. More than 15 can be difficult to manage and requires a strong board chair.
- Board has at least a chair and a treasurer, as well as a vice-chair and secretary if possible.
- Board members are unpaid and volunteer their time to show commitment to the mission.
- Staff board service is limited to the Executive Director (in some cases), and (s)he does not serve in an officer position.

# Composition & Development

- At least 2/3 of the board is independent. Generally speaking, this means that they (or their family members) do not receive compensation from the organization or contract with it. Loans to board members are specifically prohibited.
- Board has an established process to recruit, select, and orient new board members.
- Board members are provided with a clear job description.
- Board members have signed and update annually a conflict of interest document.
- Board implements a clear policy defining board member term length, limits, rotation (term staggering), and removal, all of which are included in the bylaws.
- Board regularly evaluates itself as a board and the individuals serving on it.
- Board provides opportunities for ongoing training related to its cause, nonprofit practice, and the activities of the organization.

## Grow

### Ask

- Why does it matter who is serving on your board and how they are prepared?



How can the right people help with oversight of assets, projects, or the organization as a whole? How could better orientation help prepare board members for their role overseeing and advocating for the organization?



What opportunity or threat could the board prepare for through the recruitment and selection of key individuals?



What role does your organization play within its larger community? How do you prepare board members to make sense of your work within this community?

### Act

- Add a Board Application to how you recruit board members. Gather key information about prospective board members prior to them joining the board.
- Tie board recruitment and selection to your larger organizational strategy, whether you have a plan or not. Identify what skills or connections you need to get from where you are now to where you want to be in 2-4 years.
- Review the list of key documents. Make sure that every board member has the required items; prioritize other documents based on your calendar of activities.
- Convene a Board Development Committee that coordinates recruitment, onboarding (orientation and mentoring), evaluation, and training.
- Create a board matrix that lists your current board members, their professions, skill sets, and connections. Make a plan for reaching out to potential members who would meet unmet criteria identified in the matrix.

# Composition & Development

- Consider community members who could serve on board committees. This is a great way to expand the capacity of a small board and get to know new people who may be good future board members.
- Create a learning agenda for the board based on needs identified in the annual board assessment. Weave training topics into board meetings.

## Key documents

### *Strongly recommended*

- Conflict of interest policy\*
- Whistleblower policy\*
- Job descriptions: Board Members
- Job descriptions: Officer positions

### *Recommended*

- Attendance policy
- Board application
- Board matrix
- Board recruitment plan
- Board self assessment
- Calendar, including recruitment timeline and orientation schedule
- Committee charters and/or job descriptions
- Terms: rotation and removal policy

\* Listed on IRS Form 990, Section B.



# Composition & Development

## Board of Directors Job Description

I, \_\_\_\_\_, recognizing the important responsibility I am undertaking in serving as a member of the Board of Directors of the Agency hereby personally pledge to carry out in a trustworthy and diligent manner all duties and obligations inherent in my role as a Director.

### MY ROLE:

#### The Agency Board Expectations

- 1. To determine the mission, values and policies of the Agency, and periodically evaluate the Agency's success in fulfilling its mission, living up to its values, and complying with its policies;
2. To understand the agency's history and programs;
3. To elect members of the Board, elect Board Officers, periodically evaluate the performance of Board Members and Board Officers, and perform all corporate acts on behalf of the Agency;
4. To participate in ensuring staff accountability for implementing that mission and plan;
5. To help the agency connect to the community(ies) of recipients and potential recipients of its services and programs;
6. To take advantage of opportunities to inform myself about the agency-operated services and programs;
7. To fulfill the functions of office set forth in the organization's bylaws and described in this volunteer job description;
8. As a part of my fiduciary responsibility, to review and approve all budgets, review all financial statements, audits, and other financial reports, and actively inform myself about the agency's financial health;
9. To create, review and approve strategic plans, major programs and major facilities issues.
10. To interact with other Board members, staff and stakeholders in a respectful and courteous manner;
11. To actively participate in and support the agency's fund raising, including personal solicitation, major gift campaigns, special events, and planned giving;
12. To represent the agency, when asked, to elected officials, funders and others with resources and influence or who need to be influenced to accomplish agency goals;
13. To select the Executive Director and periodically evaluate his/her performance.
14. I understand that so long as I carry out my duties and responsibilities in good faith and to the best of my ability, I will generally be free from any liability for the debts and actions of the organization as provided in Seattle, King County, and Washington State.

### MY DUTIES:

#### Each Agency Board Member is expected to:

- 1. Stay fully informed of the mission, goals, policies, programs and current concerns of Agency.
2. Attend all Board meetings. A member should be punctual and plan to stay for the full meeting. If an absence is necessary, the Executive Assistant should be notified prior to the meeting.
3. Prepare for, and participate in, Board and Committee meetings and organizational activities (e.g. Volunteer Appreciation Night, Holiday Luncheon, Annual Meeting and Awards Events).
4. Faithfully read and understand Agency's financial statements and help the Board fulfill its fiduciary responsibility.
5. Serve in leadership positions, on committees, or undertake special assignments willingly and enthusiastically when asked.
6. Hold in confidence all board discussions and activities warranting such treatment.
7. Support Agency administrators and respect their authority by dealing with grievances or divergent

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## Board Member Application Form

Name: \_\_\_\_\_
Home Address: \_\_\_\_\_
Home Phone: ( ) \_\_\_\_\_ Home Fax: ( ) \_\_\_\_\_ Home E-mail: \_\_\_\_\_
Current Employment/Title: \_\_\_\_\_
Work Address: \_\_\_\_\_
Work Phone: ( ) \_\_\_\_\_ Work Fax: ( ) \_\_\_\_\_ Work E-mail: \_\_\_\_\_

### Current involvement with other non-profit organizations:

Table with 2 columns: Organization Name, Nature of Involvement (member, volunteer, board, etc.)

Board Profile: The Agency Board seeks leaders who are deeply committed to the agency's mission and values. In addition, the Board seeks members with a broad range of skills and backgrounds, including but not limited to experience in law, media/marketing and transportation; as well as business, accounting, finance, fundraising, social services, human resources and the food industry (including growing, processing, handling and distributing). The agency has an historical and ongoing connection to religious communities, so one-third of Board seats are reserved for people who are actively engaged in the faith based community.

Please describe any experience, skills and characteristics that fit the Board Profile described above:

Blank lines for describing experience and skills.

Do you have any other experience, skills or characteristics that would inform or enrich the work of the Board? We are particularly interested in cultural perspectives, life experiences, and points of view that will help us in a way that respects the dignity of the many diverse communities we serve.

Blank lines for describing other experience and skills.

Please describe any prior involvement with the Agency:

Blank lines for describing prior involvement with the Agency.

Why are you interested in serving on the Board of the Agency? \_\_\_\_\_

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## Board Orientation Checklist

Source: Technical Assistance for Community Services, 2004

- New Board members receive written notice of their election to the board stating dates their term begins and ends, regular meeting dates, times, places, and information about the board orientation process.

### Board Orientation Process:

- Special meeting for new Board members
□ Orientation packet
□ Personal phone call or meeting with an experienced Board member
□ Follow up personal contact after first three months of Board service

### Board Orientation Packet:

- Statement of purpose or mission (if developed and adopted by the Board)
□ Brief overview of agency programs and services
□ Agency annual report with financial statements for the past fiscal year
□ By Laws
□ Personnel Policies in brief, or brief overview of personnel system for larger organization including: staff organization chart, number of professional and non-professional staff, identification of any unions or employee bargaining associations, date of last major revision of Personnel Policies.
□ Policy statement and procedures that have been formally adopted by the Board
□ Abbreviations and acronyms of agencies and programs with which this organization is connected
□ List of all Board members' names, addresses, phone numbers, and terms of office
□ List of committees with chairperson identified. If committees have regular meeting times and places, these are included. Board organization chart showing committee and sub-committee structure.
□ Most recent financial statements and current annual budget.
□ Minutes for most recent Board meeting.
□ Listing of facilities owned or rented by the organization for its operations, including address, staff member in charge, and general purpose of the facility.

### Board Orientation Meeting:

- Opportunity for personal introductions among new and experienced Board members.
□ More formal introduction of new Board members by the nominating committee, highlighting background and credentials for new members
□ Brief presentations by experienced Board members explaining Board role and procedures
□ Brief presentation by staff about scope of agency's services
□ Structured opportunity for small group discussion by interest areas (i.e. financial, personnel, programs, planning, fundraising)
□ Clear statement of expectations of Board members, including role in agency fundraising
□ Open-ended opportunity for questions from new Board member

### Personal Contact with Experienced Board Member:

- Discussion of new Board member preferences for committee assignment
□ Brief explanation of upcoming significant Board decisions or events
□ Specific commitment to greet the new Board member at the next Board meeting and provide personal introductions to Board members with common interests

### Follow Up Contact After Three Months of Service:

- Opportunity for general comments about Board service so far
□ Inquiry into involvement with committees if no involvement yet, discussion of barriers and problem solving
□ Request for feedback in orientation process

## Board Matrix

Table with columns: TERM, THIS YR, AREAS OF EXPERTISE, GEN, AGE, Ethnicity, GEO AREA. Rows for Board Member #1 to #12 and a TOTAL row.

TOTAL

These documents and more in the Washington Nonprofit Institute "key documents" document vault!

# Composition & Development

## Pathway

Circle the description that best matches you or your board. Start by looking at the “Good” column and move left or right as appropriate.

### A. Recruitment, selection, and orientation

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
There is no process or documentation on board recruitment.	Board follows a process but it is not systemized or documented.	Board has a documented process to recruit and select new board members.	Board has a committee dedicated to board development.
Board does not represent the diversity of the community.	Board represents some of the diversity of the community.	Board represents the diversity of the community.	Board incorporates demographic and other community shifts in its understanding of what diversity means.
Board has no representation of the organization’s constituents.	Board has some representation of the organization’s constituents.	Board represents the organization’s constituents.	Board has a system to engaging its constituents beyond board membership.
Board does not have diversity of skill, expertise, and experiences.	Board has some diversity of skill, expertise, and experiences.	Board includes members with diverse skills, expertise, and experience.	Board has an active development committee that solicits applications from individuals with diverse experiences.
Board has no term limits. Board members serve indefinitely.	Board has term limits but it is possible to continually renew service.	Board has term limits and a rotation of service that guide board composition. That means that board members stop being board members when terms end.	Board development committee tracks terms and rotations; there is a plan in place to continue to engage former board members in the organization.
Board members are not oriented in any way.	Board members attend a cursory review, either with a board member or the Executive Director, but not a full orientation.	Board members attend an orientation at the start of their board service.	Board has a strong culture of ongoing education and pro-active engagement of its members.



# Composition & Development

## B. Commitment to mission and success of the organization

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board members have no interest in the work of the organization.	Board members say that they have an interest, but they have not acted on that interest before.	Board members have demonstrated an interest in the mission of the organization.	Board members have acted on their interest in ways that will strengthen the organization.
Board members do not attend key events or volunteer.	Board members express an interest in attending key events or volunteering but have not yet done so.	Board members attend key events or volunteer (as appropriate) on behalf of the organization.	Board members attend key events or volunteer regularly.
Board members do not have key organizational documents.	Board members have the documents but have not recently reviewed them.	Board members possess and have read organization's key documents (bylaws, articles, annual report, budget, etc.)	Key documents (budget, strategic plan, etc) guide board discussions and decisions.
Board members do not express how they will contribute to the organization.	Board members state annually how they will contribute to the organization.	Board members complete a board commitment form annually to express how they will contribute to the organization that year.	The tracking of board commitments is used in the board's annual review of its performance.

## C. Conflict of interest

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board does not discuss or disclose conflicts of interest.	Board members have no conflicts of interest, but there is no annual documentation.	Board members have no undocumented conflicts of interest (material or relationships).	Board members review and disclose conflicts of interest annually and as they arise, signing annual statements.
Board does not discuss or disclose payment made to board members.	Board members do not receive compensation, but there is no documentation of this policy.	Board members do not receive compensation for their service, other than reimbursement for board-related expenses.	
		Board members do not receive loans from the organization or its staff.	

# Composition & Development

## D. Positions

<b><i>Needs work</i></b>	<b><i>Okay</i></b>	<b><i>Good</i></b>	<b><i>Great</i></b>
Board has 5 or fewer people.	Board has fewer than 7 people.	Board has at least 7 individuals to ensure that there are enough people to serve and perspectives to support strong decision-making.	Board has enough members to meet as a full board and within committees (7-15), possibly using community members to expand the capacity of committees.
Board has one or two people serving in all roles.	Board has at least a chair and a treasurer and a vice-chair and secretary if possible.	Board has four separate people serving as officers.	All officer positions are filled with succession plan in place.
There is no distinction between staff and board. In an all volunteer organization, there is no understanding of the difference of roles.	If a staff member serves on the board, it is the Executive Director, and (s)he does not serve in an officer position.	If a staff member serves on the board, (s)he serves in an <i>ex officio</i> capacity and does not vote.	There is a clear distinction between staff and board.
Board members are not provided with any job descriptions	Board members demonstrate an understanding of their jobs, though without job descriptions.	Board members are provided with a job description.	Committee members are provided with a clear job description and understand their mandate from the board.

## E. Board development

<b><i>Needs work</i></b>	<b><i>Okay</i></b>	<b><i>Good</i></b>	<b><i>Great</i></b>
Board does not review its performance at all.	Board reviews its performance on an irregular basis.	Board conducts an annual review of its own performance.	Board reviews its performance and develops plans to strengthen it over time.
Board does not review key documents.	Board reviews key documents on an irregular basis.	Board reviews every three years the organization's bylaws, mission statement, articles of incorporation, and policies.	
Board does not engage in learning.	Board engages in some learning related to nonprofit operations, the work of the organization, and the cause in general.	Board engages in ongoing learning related to nonprofit operations, the work of the organization, and the cause in general.	The Board Development Committee plans an annual learning agenda based on the board's annual self-evaluation.
Board has not discussed leadership succession.	Board has discussed the need for a plan but does not have a plan in place.	Board has a plan for leadership succession: officer training, recruitment and planning.	The development of future leaders for the organization is discussed regularly.

# Board Operations

The board operates in a way that achieves the organization's mission effectively and efficiently.

## Why?

When a board operates effectively:



It has the space and structure in place to provide the oversight an organization needs to grow its mission and protect its assets.



It makes intentional decisions that respond to new opportunities or challenges.



It can better steward the organization on behalf of the community entrusting it with resources to make a difference.

## Know

Board members should understand these elements of BOARD OPERATIONS:

- ✓ **Board meetings:** Regular, effective board meetings allow the work of the board to move forward towards the achievement of its mission.
- ✓ **Committees:** Committees chunk out the work of the board so that it can be more efficient and more effective in engaging individual board members in relevant work.
- ✓ **Board/staff relationship:** Operating an organization with clear roles and responsibilities between board and staff strengthens the relationships between them, minimizes interpersonal conflict, and focuses everyone on the mission.
- ✓ **Board development:** Strong boards are reflective about their own practice, celebrating achievements and creating plans around areas for growth.

## Show

A board shows understanding of BOARD OPERATIONS in these ways:

- Board meets regularly, with strong attendance and high levels of engagement during meetings. At least one annual meeting is suggested; annual meetings are required of membership organizations.
- Board makes progress on the work of the organization during meetings documented through minutes.
- Board utilizes committees (if size allows) to break up the focus and work.
- Board hires, *supports*, supervises, and reviews the executive director.
- Board provides the staff direction, support, and accountability through plans, policies and volunteering when appropriate.
- Board reviews its own performance on an annual basis.

# Board Operations

## Grow

### Ask

- Why does it matter that your board operates effectively?



How could a change in how you organize yourselves as a board help your organization oversee its work?



How could board meetings and functions be strengthened so that it creates the space for thinking about opportunities and challenges ahead?



What kind of board meetings, relationships, or learning would deepen the connection board members feel to the larger cause? What would help board members make sense of the work and its impact?

### Act

- Discuss whether there is enough contact with board members (both in terms of attendance and frequency of meetings) to steward the organization.
- Look at your meeting agendas. Do they reflect the conversations that your board should most be having? Do they reflect the three kinds questions that board members can ask—oversight, foresight, and insight? How do they balance discussion about the past vs. the future?
- Try some strategies to get more engagement at your meetings. Appoint a different person as “the devil’s advocate” in order to identify potential problems or opportunities. Create a verbal or written “check in” after every meeting to see how people are feeling.
- Look at your strategic plan or any other goal document that you have. Align your committees around your strategy and/or goals, writing down the goals that you have for these committees this year.
- Create or update your organizational dashboard that tracks 2 or 3 key metrics on how you measure whether you are making a difference. Organizations with staff: discuss the evaluation plan to help board members understand how progress is tracked. Tie discussion of evaluation to how you communicate with your donors.
- Create a board learning plan that includes three types of learning: learning about your organization, about nonprofit practice, and about the cause in which you are working.
- Discuss the current interaction between board and staff (if you have staff). How might it be helping or hindering the work of the board and organization?
- Review how your organization trains board officers and then mentors them once in position. How could you strengthen the pathway that board members take through officer positions?

# Board Operations



## Key documents are:

- Articles of Incorporation
- Attendance policy
- Board application
- Board matrix
- Bylaws
- Calendar
- Committee charters and/or job descriptions
- Executive compensation policy\*
- Job description: Board member
- Job description: Officers
- Meeting agenda
- Minutes
- Orientation schedule/agenda
- Staff organization chart

\* Listed on IRS Form 990, Section B.

# Board Operations

## Pathway

Circle the description that best matches your board. Start by looking at the “Good” column and move left or right as appropriate.

### A. Board meetings

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board does not meet.	Board meets a couple of times a year.	Board meets at least quarterly during the year.	Board meets more regularly, either as a whole or in committee.
Board regularly fails to have a quorum or has difficulty scheduling meetings at all.	Board has a quorum some of the time.	Board regularly has a quorum at meetings.	Board regularly has full attendance.
Board meetings are not guided by an agenda.	Board meetings are guided by an agenda determined by the board chair <u>or</u> ED.	Board meetings are guided by an agenda determined by the board chair <u>and</u> Executive Director and distributed at least 3 days in advance.	Board utilizes a “consent agenda” to expedite routine business.
Board members do not receive board materials (agenda, financials, support documents) prior to meetings.	Board members have access to materials (agenda, financials, support documents) prior to meetings.	Board members have access to materials (agenda, financials, support documents) <u>in sufficient time</u> that they can be prepared to engage meaningfully in conversation at meetings.	
Board meetings are not guided by an agenda.	Board agendas have a mix of business, but it is not clearly articulated.	Board agendas include different types of business, such as business that is <i>new</i> , open for <i>deliberation</i> , and ready for <i>decision</i> .	Board meetings provide space for members to discuss issues through three lenses: oversight, foresight, & insight.
Board does not keep minutes of meetings.	Board keeps notes of board meetings but not in a systematic way.	Board keeps as a permanent record minutes of all board meetings and documentation of any actions taken by the board.	
Board has not discussed how to handle urgent matters.	Board has discussed the issue of having a provision for handling urgent matters.	Board has a provision for handling urgent matters between meetings.	
Only a few individuals speak or participate in board meetings.	Most board members speak or participate in meetings.	Every board member speaks or participates in meetings.	

# Board Operations



## B. Committees

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board does not utilize committees.	Board has at least one committee outside the full board.	Board organizes committees as needed for greater capacity and better decision-making.	Board members rotate committees over time to expand knowledge and capacity.
If there are committees, board members do not have a clear understanding of the role of the committee.	Board members demonstrate an understanding of the role of the committee, though the charter is not in writing.	Each committee has a charter (job description) so that members know what the function of the committee is.	Committee charters are reviewed annually to align them with the strategic plan and annual goals.
If there are committees, they do not bring the result of their work to the full board.	Committees bring information to the board, but not in a systematic way.	Committees bring decisions and other key information back to the full board for review and voting.	Committee work is an integral part of the functioning of the board.

## C. Board/staff relationship (for organizations with staff)

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board does not hire the Executive Director	Board hires the Executive Director but does not systematically review his/her performance.	Board hires and reviews the Executive Director.	The board reviews the Executive Director and invests in his/her professional development.
Board provides no direction to the staff through plans and policies.	Board provides some direction to the staff through plans and policies.	Board provides direction to the staff through plans and policies.	Board and ED communicate regularly to align board of board and staff.
Board does not demonstrate an understanding of the difference between board and staff functions.	Board demonstrates some understanding of the difference between board and staff functions.	Board understands the difference between board and staff functions.	
Board has not approved any personnel policies.	Board has approved some level of personnel policies.	Board approves personnel policies that cover classification, compensation, evaluation, and reporting.	
Board does not provide support through advice and volunteering.	Board provides some support through advice and volunteering.	Board provides support through advice and volunteering (as appropriate).	
Board provides no accountability.	Board provides accountability, but not through a review of programs.	Board provides accountability through a review of program evaluations.	

# Board Operations

## Meeting Agenda

Mission		
<p>What progress will be made at this meeting:</p>  <p>Another way to think about this... what will you:</p>		
<p><b>Discuss</b></p> <p>Topic introduced for the first time, or re-introduced for future deliberation</p>	<p><b>Deliberate</b></p> <p>Topic for which data or information has been provided with enough time to read and think about it</p>	<p><b>Decide</b></p> <p>Topic ready for a decision or vote</p>
Consent Agenda (topics for a singular vote)		
Topic 1 _____ Facilitator _____		<input style="width: 40px; height: 40px;" type="checkbox"/>
Topic 2 _____ Facilitator _____		<input style="width: 40px; height: 40px;" type="checkbox"/>
Topic 3 _____ Facilitator _____		<input style="width: 40px; height: 40px;" type="checkbox"/>
Closure (Review progress, assign tasks, celebrate achievements)		

**Meeting checklist:**

- Social time for connection
- Food/drink for connection and sustenance
- Small group/pair conversation to engage more voices
- Balance fiduciary/ strategic/ generative
- Balance past/ present/ future



**Rank this activity:**

- 3= High brain power needed
- 2= Medium brain power
- 1= Little to no brain power

Make sure "3" activities come first.



# Fundraising

Board members secure adequate resources for the organization in ways that allow it to be sustainable over time. They conduct fundraising activities in a manner that upholds the public’s trust in their stewardship of contributed funds.

## Why?

When a board participates in fundraising for its organization:



It ensures that fundraising is conducted in an ethical, professional manner, in compliance with federal, state, and local law, as well as Association of Fundraising Professionals Code of Ethics.



It provides the resources needed for the organization to be strategic in how it fulfills its mission.



It expands the community supporting the mission, bringing a larger set of individuals into the cause in which it operates.

## Know

Board members should understand these four elements of FUNDRAISING:

- ✓ **Roles & expectations:** Every board member has a role to play in raising funds, both in participating in the fundraising process of cultivation, solicitation, and stewardship and in donating themselves. They foster a culture of generosity.
- ✓ **Planning:** Planning helps a board to map out and eventually achieve its fundraising goals.
- ✓ **Communications:** Board members have the tools, systems, and stories they need to be effective ambassadors for the work of the organization.
- ✓ **Systems:** The board can implement policies and systems (depending on the size of the organization) to ensure that fundraising happens in compliance with the law and best practice.

## Show

A board shows understanding of FUNDRAISING in these ways:

- Board members know what their role is generally and individually related to fund development.
- Board members “own” their role in fund development, whether it is in cultivation, solicitation or stewardship.
- Board members receive training and the information and resources they need to support fund development.
- Board has systems in place to support fund development.

# Fundraising

## Grow

### Ask

- Why does it matter that your board commits itself to securing adequate resources for your organization?



How could greater engagement of the board in fundraising improve the oversight of funds received by your organization?



How could greater engagement of the board in fundraising allow your organization to be more strategic, both in terms of how it raises funds and what it does with the funds that it raises?



How can you use fundraising to grow a community committed to making a difference within your cause?

### Act

- Board ensures that all members give a personally meaningful amount.
- The fund development cycle involves three major steps: cultivation, solicitation, and stewardship. Describe all of the different ways that these steps can be accomplished in relation to your mission. Invite board members to say which steps they feel most comfortable focusing on. Assign fundraising tasks based on their comfort area.
- No matter their skill level with fundraising, all board members can play a role in thanking donors. Organize thank-a-thons to call or write notes to donors, updating them on your organization and the impact of their gift.
- List all of the possible ways that this organization can bring in funds, including support (donations, grants, events) and revenue (admission fees, earned income, investments). In a chart, track what percentage of total income was received from each source over the past two years. What would you like those percentages to be in the next two years? Make a plan for how to get there.
- Dedicate time during a board meeting for storytelling. Invite staff members—and those served, if possible—to tell stories about how the organization has impacted them. Ask someone to be the scribe and write down the key elements of stories shared.

### Key documents are:

- Board job description
- Budget
- Case for support
- Financial Plan
- Fundraising plan
- Gift acceptance policy
- List of current donors
- List of current members (if a membership organization)

# Fundraising



## Pathway

### A. Roles & expectations

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Few if any board members contribute.	Most board members contribute in meaningful ways.	Each board member contributes a personally meaningful amount of money to the organization.	Board members are treated like major donors as they make their meaningful financial and other gifts.
Board members do not have any individualized plan or understanding.	Most board members have an individualized plan or understanding for supporting the org.	Each board member has an individualized plan for how they can support the org's fundraising activities.	Board members celebrate each other's successes towards their fundraising plans.
Board members are not told that they will be expected to help raise funds.	Board members are told, but the role is downplayed.	Fundraising expectations are explicit and articulated.	Board members lean in to the fundraising role as a way to help the organization meet its mission.
Board members feel no connection to the budget, or there is no budget.	Board members understand that they have a role to play but do not "own" the budget.	Board members feel accountable for the budget and its fundraising implications.	Board members contribute to the fundraising line items in the budget.

### B. Planning

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board has not discussed its fundraising strategy.	Board has discussed its fundraising strategy but it is not written.	Board has adopted a fundraising plan or strategy that reflects the budget and organization's goals.	Board engages partners or others outside the organization to strengthen the plan.
Board has no understanding of what solicitations the organization is making.	Board has a sense of what solicitations the organization is making.	Board knows what kind of solicitations the organization is making.	Board guides existing and potential solicitations, with an eye on general operating funds.
Board has not reviewed the diversification of funds.	Board has reviewed the diversification of funds but is not working to ensure that funds are diversified as much as possible.	Board has reviewed where funds come from and is working to ensure that funds are diversified as much as possible.	Board has adopted a financial plan outlining how they will diversify funding over time.
Board is not working on building relationships as a part of its fundraising work.	Board is working on building stronger relationships but without focus.	Board anchors fund development in building relationships with current and potential donors.	Board plays an active role in strengthening relationships with current and potential donors.
Board members only know of one way to contribute, giving their own funds.	Board members can contribute in at least three ways.	Board members have at least five different ways to contribute to fundraising.	Board members have three kinds of opportunities based on their interests and connections.

# Fundraising



## C. Communications

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board members have no resources to use in donor outreach.	Board members have materials but maybe not current.	Board members have current print or other resources to use in donor outreach.	Board members receive materials customized to the individual or organization.
Board members cannot tell any stories or outcomes related to the organization.	Board members can tell at least one story or name one outcome of the organization.	Board members can articulate the stories and outcomes of the organization.	Board members can tap into a story bank for more stories. They receive regular updates about outcomes.
Board members are not given any information.	Board members are given general information about potential donors, but without any history.	Board members are given information about potential donors, including background and history.	Donor updates are a regular part of staff/board communication.
Staff and board members do not communicate after donor contact.	Staff and board members communicate informally after contact is made with a donor.	Staff or fundraising leader and board members communicate after donor contact to register the result of the exchange.	Staff/board have systematized communication related to donors.

## D. Systems

<i>Needs work</i>	<i>Okay</i>	<i>Good</i>	<i>Great</i>
Board has no systems in place.	Board has some systems in place to support fundraising, but not tied to a plan.	Board has systems and policies in place to operationalize the fundraising plan.	Board or committee reviews systems and policies on an annual basis.
Gifts are not being acknowledged, or board is not sure.	Board is pretty sure that gifts are being acknowledged.	Board ensures that gifts are acknowledged properly, including that all gifts of \$250 or more are acknowledged in writing.	The board is actively involved in acknowledging donors.
Board does not discuss gift acceptance policies.	Board talks about gift acceptance as issues arise but has no policy.	Board adopts gift acceptance policies that set out conditions under which it would decline funds or in-kind donations.	Board members know to bring certain gifts for review before they are accepted.
Board does not track restricted funds separately from unrestricted funds.	Board tracks restricted and unrestricted funds but without a direct connection to donors and the systems used to communicate with them.	Board reviews financial statements monthly with a commitment to honor donor intent and comply with conditions place on donations.	

# Board Calendar



	Connect to Cause	Responsibilities	Composition & Development	Operations	Fundraising
<p><i>Annual activities for your board to plug into your organizational calendar.</i></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Write down everyone connected to your mission. Use this map across board functions.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Review budget</li> <li><input type="checkbox"/> Sign conflict of interest policy</li> <li><b>Federal:</b></li> <li><input type="checkbox"/> File IRS Form 990</li> <li><b>WA Secretary of State:*</b></li> <li><input type="checkbox"/> File <u>corporation</u> annual report</li> <li><i>Incorporation month</i></li> <li><input type="checkbox"/> File <u>charities</u> annual renewal</li> <li><i>11 mths following accounting year end</i></li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Review process to recruit and select board members</li> <li><input type="checkbox"/> Schedule orientation.</li> <li><input type="checkbox"/> Evaluate the board.</li> <li><input type="checkbox"/> Create learning plan for board members.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Create a meeting calendar that encourages attendance.</li> <li><input type="checkbox"/> Lay out plan for evaluating Executive.</li> <li><input type="checkbox"/> Discuss whether this year is the year for a strategic plan.</li> <li><input type="checkbox"/> Schedule training for officers.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Connect the budget to fundraising.</li> <li><input type="checkbox"/> Create individualized plan for board members.</li> <li><input type="checkbox"/> Update print resource for board members.</li> <li><input type="checkbox"/> Share list of donors.</li> </ul>
<b>JANUARY</b>					
<b>FEBRUARY</b>					
<b>MARCH</b>					
<b>JUNE</b>					
<b>JULY</b>					
<b>AUGUST</b>					
<b>SEPTEMBER</b>					
<b>OCTOBER</b>					
<b>NOVEMBER</b>					
<b>DECEMBER</b>					

Exact requirements may be different depending on your type of organization: [www.sos.wa.gov/\\_assets/charities/CharityComplianceRequirements.pdf](http://www.sos.wa.gov/_assets/charities/CharityComplianceRequirements.pdf)

# Reflection



What is the **biggest challenge** with your board?

What do you want to remember?	What actions do you want to take?
<i>Connection to cause</i>	
<i>Responsibilities</i>	
<i>Composition &amp; development</i>	
<i>Operations</i>	
<i>Fundraising</i>	

One week from now, I will \_\_\_\_\_.

By one month from now, \_\_\_\_\_.

One year from now, \_\_\_\_\_.