

ROLE OF THE NONPROFIT BOARD OF DIRECTORS



7 BOARD RESPONSIBILITIES GETTING THE GOVERNANCE RIGHT

“The buck stops with the Board”

DIRECTION

Determine mission, vision and strategic direction

- Guard the Mission
- Develop strategic plan
- Monitor performance based on key milestones
- Be the brain trust - ask questions



ADVOCATE

Be mission ambassadors

- Develop & use the elevator speech
- Cultivate connections within the larger community
- Advocate as needed



LEADERSHIP

Select, support & evaluate the chief executive

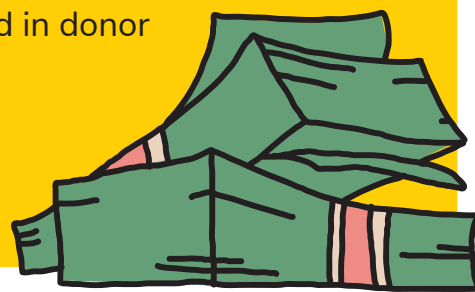
- Form a partnership with the CEO
- Evaluate the CEO's performance & compensation
- Create a succession plan for the CEO
- Open doors for the CEO



FUNDRAISING

Ensure adequate resources

- 100% Individual contributions
- 100% engaged in donor recognition & recruitment



LAW & ETHICS

Ensure legal & ethical integrity

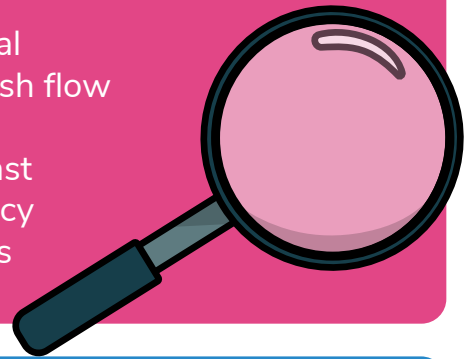
- Duties of care, loyalty & compliance
- Board has the authority as a group, not as individual members
- Ensure risk management
- 96% of nonprofits carry Directors & Officers Liability Insurance (D&O) for their boards



FINANCIAL OVERSIGHT

Review and Forecast

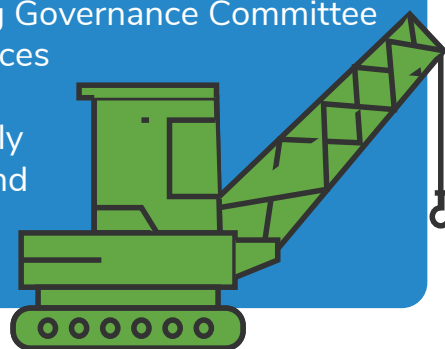
- Annual budget
- Regular financial statements / cash flow
- Annual audit
- Financial forecast
- Investment policy
- Internal controls



BOARD DEVELOPMENT

The board is responsible for the board

- Establish a strong Governance Committee
- Adopt best practices
- Review & update bylaws periodically
- Educate, orient and communicate often



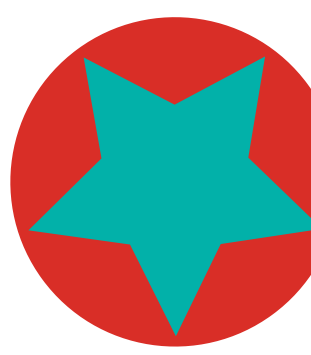
MOST IMPORTANTLY, BE PASSIONATE ABOUT THE NONPROFIT



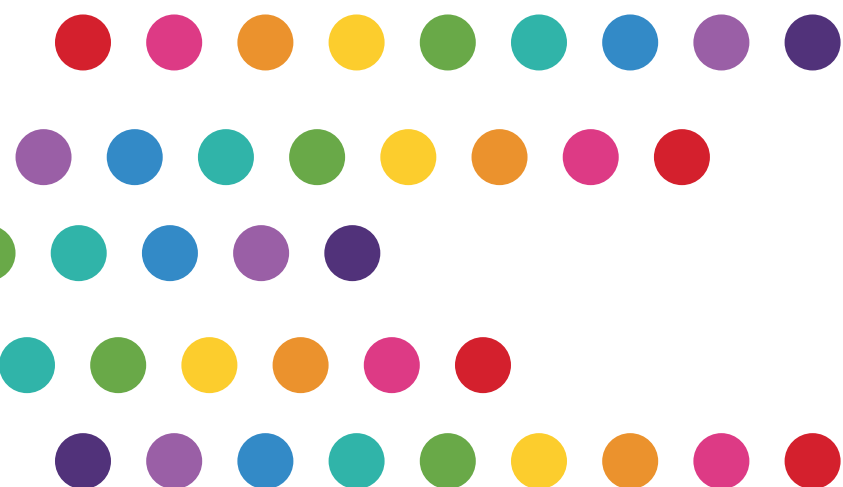
“There’s a great difference between sitting on a board and serving on a board.”

Best Practices:

- Focus on issues of consequence (not minutiae)
- Communicate expectations & accountability for board members
- Respond to & support the CEO
- Establish relevant working committees
- Recruit for diverse perspectives and expertise
- Work hard to engage every board member
- Groom future leaders
- Choreograph good meetings



BVU engages businesses and nonprofits to work together to strengthen the Northeast Ohio community. The Role of the Board Program produced by BVU is open to nonprofit leaders and to BVU Business Member professionals.



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