

CHECK THESE OUT...



The Alliance- The national voice and catalyst for the field of capacity building to assist nonprofits and communities achieve positive social change.

<http://www.boardsource.org/>

Management Help -An on-line integrated library for personal, professional, and organizational development.

<http://managementhelp.org/boards/index.htm>

The Non-Profit Sector Leadership Program- Provides voluntary and non-profit organizations with useful information on leadership and management topics.

http://www.mselfhelp.org/resources/list.php?resource_resourcecategory=4

Issue 12

focus

TOPIC WATCH

Each month we will feature a different topic; expanding the knowledge, resources, and peer networking in targeted areas. These target areas will include workforce development, transition, supported education, leadership, organizational development, sustainability, and others as they are identified.



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Board Development

America is the host to a variety of businesses and corporations, including for profit and nonprofit entities. For profit businesses exist to make money for their owners and investors, whereas nonprofit organizations exist primarily to fulfill some mission. For this reason, many mental health consumer groups choose to operate as nonprofits with missions related to the changes they would like to see in the behavioral health system. To qualify as a nonprofit, an organization must follow a strict set of policies and procedures and adhere to state and federal guidelines. One of those requirements includes the need for a functioning and accountable Board of Directors.

A Board of Directors is the governing body of a non-profit organization. A Board of Directors is required by the Internal Revenue Service as a fundamental component of the 501c3 status. All federally recognized nonprofits in the country require a Board of Directors that operates according to set policies and with associated responsibilities. This includes responsibility for developing the organization's policies, monitoring the organization's operations, serving as a public representative of the organization, protecting the mission and vision of the organization, preserving the public's investment in that mission and other board responsibilities as outlined in the bylaws.

Nonprofits often struggle to get their Board of Directors in a position to actually fulfill their responsibilities. More than a million nonprofit boards can be found across the country, and many of them do not reach their potential for a variety of reasons. Sometimes they are destined for failure from the start, due to a lack of commitment, poor representation, conflict, or poor leadership. Some Boards start well but lose their energy and members become burned out.

The Board of Directors is more than a legal requirement. It is more than a check box on annual forms. No matter how successful or committed a Board seems to be, it should be viewed as a living organ within the organization. It is the heart, and without a well-functioning heart, the organization will surely die.

Ten Basic Responsibilities of Nonprofit Boards

- Determine mission and purpose.
- Select the chief executive.
- Support and evaluate the chief executive.
- Ensure effective planning.
- Monitor and strengthen programs and services.
- Ensure adequate financial resources.
- Protect assets and provide proper financial oversight.
- Build a competent board.
- Ensure legal and ethical integrity.
- Enhance the organization's public standing.



Richard T. Ingram, *Ten Basic Responsibilities of Nonprofit Boards, Second Edition* (Board Source 2009).



How Healthy is Your Board?

This simple checklist can help you assess the health of your Board and allow you to target areas that may require attention to ensure the longevity and sustainability of your organization.

- The roles of the Board, Board officers, and the Executive Director are defined and respected.
- The Executive Director is the manager of the organization's operations and the board focuses on policy and planning.
- The Executive Director is recruited, selected, and employed by the Board of Directors, not vice versa.
- The board provides clearly written expectations and qualifications for the Executive Director, as well as reasonable compensation.
- The Board of Directors acts as stewards of the organization on behalf the public and contributors while carrying out the organization's mission and goals.
- The Board of Directors actively participates in the immediate and long term planning process.
- The Board's nominating process ensures that the Board remains appropriately diverse with respect to gender, ethnicity, culture, economic status, disabilities, and skills and/or expertise.
- The Board members receive regular training and information about their responsibilities and sign letters of agreement to carry out their assigned duties.
- New Board members are oriented to the organization, including the organization's mission, bylaws, policies, and programs, as well as their roles and responsibilities as Board members.
- The Board has a description of the Board and Board Committee responsibilities.
- The organization has at least the minimum number of members on the Board of Directors as required by their bylaws or state statute.
- Organizational bylaws conform to state statute and have been reviewed by legal counsel.
- The Board of Directors reviews and approves the bylaws and any amendments.
- The Board has a process for handling urgent matters between meetings.
- Board members serve without payment unless the organization has a policy identifying reimbursable out-of-pocket expenses.
- The organization maintains a conflict-of-interest policy and all Board members and executive staff review and/or sign to acknowledge and comply with the policy.
- The Board has an annual calendar of meetings.
- The Board has an attendance policy.
- Meetings have written agendas and materials relating to significant decisions are given to the Board in advance of the meeting.
- All meeting minutes are maintained in two separate locations to ensure safety and access.

Adapted from the *Greater Twin Cities United Way*, 2011 <http://managementhelp.org/organizationalperformance/nonprofits/boards.htm>

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