MOVING YOUR BOARD FROM HANDS ON TO STRATEGIC GOVERNANCE

Adela Mendoza, Executive Director
Ellen Stevenson, Board of Directors
Where is Your Board Now?

• Think of one board that you serve on and answer the questions.

• We will allow time later in the session to reflect on these questions with your table group.
VISION
We envision a vibrant and inclusive community where everyone has access to opportunities for success and prosperity.

MISSION
The Hispanic Alliance facilitates collaborations by connecting people, resources and cultures to build thriving communities.
Core Capacity Assessment Tool (CCAT)
- Mostly doers
- Direct service oriented
- Not systems level thinkers
- No fundraising

- Staff created culture of planning
- 5 to 7 committees, doing “staff” work
- Board meetings focused on programming
• Mix of doers стратегических мыслителей
• Strategic Board recruiting
• More diversity on board

• Staff and funders collaborating played a big role
• Midway transition to 3 Board Committees
• Board chair with business focus
Hispanic Alliance CCAT Lifecycle Stage

- **Core Program Development**
  - 2009-2011: 0 Staff
  - 2012: 2 Staff

- **Infrastructure Development**
  - 2013-2014: 3 - 4 Staff

- **Impact Expansion**
  - 2015-18: 4-5 Staff

- **Stagnation**

**Growth**

- **Start-Up**
  - Board focused outward/ community champions
  - Board members with influence
  - Board work with staff to build organization's credibility

- **Governance**
  - Governance Focused Board
  - 3 Committee structure working
  - Board meetings more strategic with good agenda planning

- **Turnaround**

**Dissolving - Merging**
Key Strategies that Moved Our Board Forward

• Embraced a culture of planning/strong strategic planning
• Strong partnerships with funders
• Strategic board recruiting and cultivation
• Three committee structure
• Board training and coaching on governance
Three Committee Structure

- Internal Affairs
- External Affairs
- Governance
BOARD OF DIRECTORS
Chair, Chair Elect, Secretary/Treasurer

INTERNAL AFFAIRS COMMITTEE
Chair

EXTERNAL AFFAIRS COMMITTEE
Chair

GOVERNANCE COMMITTEE
Chair

BOARDS SHOULD ONLY HAVE THREE COMMITTEES!
Source: Board Cafe • By David La Piana • June 7, 2009
Provides oversight for all internal and operational issues, including those related to finance, human resources, and facilities.

- Human Resources
- Operations
- Finance Planning and Oversight
- Audit
HA External Affairs Committee

Provides oversight for all external issues, including fundraising, public relations, and marketing.

• Communications and PR
• Development and Fundraising
Governance Committee

This committee is responsible for the health and functioning of the board. It recruits new members, conducts orientation, produces board materials, and evaluates the performance of the board itself. It is responsible for:

- Board Effectiveness
- Board Leadership
- Board Knowledge
• More efficient/effective board, therefore more efficient staff
• Clearer roles and responsibilities for each committee
• Better Board engagement
Challenges of 3 Committee Structure

- Requires effective committee leadership with strong facilitation skills
- Keeping annual goals and work plans focused and manageable
- Mechanism to ensure committees performance
• Take 3 minutes individually to look back at your initial ‘assessment’ and identify one or two opportunities for improvement based on what you heard today.

• Takes 10 minutes to share key observations at your table.

• Each table will have 1 minute to share one lesson learned.
THANK YOU!
GRACIAS!

Adela Mendoza, Executive Director
Ellen Stevenson, Board of Directors
We coordinate community partnerships to address complex issues at a systemic level in four priority areas:

**EDUCATION**

**FINANCIAL STABILITY**

**HEALTH**

**LEGAL ACCESS**

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**OUR MISSION**

The Hispanic Alliance facilitates collaborations by connecting people, resources and cultures to build thriving communities.

We convene the largest collaborative network working to advance Hispanic communities across the Upstate. Created from and for collaboration, our network is consistently building a bridge of communication and understanding between Hispanics / Latinos and the broader community.

The Hispanic Alliance facilitates multi-sector collaborative partnerships in order to address complex issues at a systemic level in four priority areas: Education, Financial Stability, Health, and Access to Legal Services. We provide the leadership, coordination, and support needed to carry out strategic outreach initiatives and capstone projects of our Community Teams, which are the pillars of our organization and effective engines for social transformation.

Together, we are building our collective capacity to achieve a **vision** of a vibrant and inclusive community where everyone has access to opportunities for success and prosperity.

**CONTACT INFORMATION**

OFFICE NUMBER
864.250.8968

MAILING ADDRESS
P.O. Box 17934
Greenville, SC 29606
HA NETWORK
The Hispanic Alliance unites the largest collaborative network of agencies & individuals building opportunity for Hispanic communities across the Upstate. Over 800 members connect & share information through our online platforms.

HA COMMUNITY TEAMS
More than 200 individuals serve on our community teams, which meet monthly to collaborate and build initiatives to address access gaps in the areas of Health, Financial Stability, Legal Access, and Education.

HA NETWORK MEETINGS
Our well-established Monthly Network Meetings convene an average of 40 members each month. Since our inception in 2004, more than 3,000 individuals and over 200 organizations have participated in these monthly meetings.

HA VOLUNTEERS
Since 2014, we’ve coordinated more than 300 volunteers who supported efforts at HA, the Greenville Free Medical Clinic, and several community-wide events (HOG, VITA, etc.). Through HA, volunteers have donated over 3,400 hours of service for the benefit of our community.
SAMPLE BOARD POLICIES & TOOLS

Should any questions arise, please contact:

ADELA MENDOZA
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adela@hispanicalliancesc.com
864.906.0031

ELLEN STEVENSON
Optimal Performance/Hispanic Alliance Board
ellens7377@gmail.com
BOARD POLICY | HISPANIC ALLIANCE

POLICY TITLE: BOARD COMMITTEES

Board committees, when used, will be assigned so as to reinforce the wholeness of the board’s job and so as never to interfere with delegation from board to Executive Director.

Accordingly:

1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board’s broader focus, board committees will normally not have direct dealings with current staff operations.

2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Executive Director.

3. Board committees cannot exercise authority over staff. Because the Executive Director works for the full board, he or she will not be required to obtain approval of a board committee before an executive action.

4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee which has helped the board create policy on some topic will not be used to monitor organizational performance on that same subject.

5. Committees will be used sparingly and ordinarily in an ad hoc capacity.

6. This policy applies to any group which is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the Executive Director.
BOARD POLICY | HISPANIC ALLIANCE

POLICY TITLE: BOARD COMMITTEES

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

External Affairs Committee: Provides oversight for all external issues—including fundraising, public relations, and marketing. This committee is staffed by the Development Director (or by the ED).

a) Communications and PR:
   • Work with the staff to develop the organization’s communications plan.
   • Ensure adequate resources to implement the Hispanic Alliance’s communications plan.
   • Support the staff in implementing the communication plans.
   • Monitor and evaluate the quality and effectiveness of the organization’s communications vehicles.

b) Development and Fundraising:
   • Work with the staff to develop the organization’s fundraising plan.
   • Develop policies, strategies, procedures, and expectations for all board members’ involvement in fundraising.
   • Play a strong role in identifying, cultivating, and approaching major donors (individual and planned gifts, foundation, and corporate).
   • Help educate directors about the organization’s fundraising strategies and the resources needed to realize those plans.
   • Familiarize directors with fundraising skills so that they are comfortable in cultivating potential donors for the Hispanic Alliance.
   • Set guidelines for directors’ minimum expected contributions and then solicit those contributions.

Internal Affairs Committee: Provides oversight for all internal and operational issues, including those related to finance, human resources, and facilities. This committee is staffed by the CFO and the Director of HR (or the ED if these positions do not exist).

a) Human Resources:
   • Lead the process to review the executive director’s performance annually.
   • Approve appropriate compensation and benefit policies for the organization.
   • Ensure that the organizational capacity and employee base can substantiate long-range goals.
   • Ensure that management succession is properly planned.

b) Operations:
   • Set policies for the overall management and operation of the agency and assess compliance annually.
c) **Finance Planning and Oversight:**
- Work with ED to Develop an annual budget to be approved by board, provide financial oversight, and ensure adequate and effective management of resources.
- Ensure that the financial structure of the organization will adequately support its current needs and long-term strategy.
- Develop and review financial policy and assess compliance annually.
- Ensure that the board and its committees are adequately informed of the financial condition of the organization and its operations through reports or any appropriate method.
- Ensure that published reports properly reflect the operating results and financial condition of the organization.

d) **Audit:**
- Appoint independent auditors annually (subject to approval by board members). Specify scope of audit prior to outside audit – by no later than November 30 each year.

**Governance Committee:** This committee is responsible for the health and functioning of the board. It recruits new members, conducts orientation, produces board materials, and evaluates the performance of the board itself. This committee is staffed by the ED, and it is responsible for ensuring the effectiveness of the current board and for recruiting future leadership. It is responsible for:

a) **Board Effectiveness**
- Annually review the performance of the board (including its composition, organization, and responsibilities) and take steps to improve its performance.
- Provide ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness.
- Regularly review the board’s practices regarding member participation, conflict of interest, confidentiality, etc., and suggest improvements as needed.
- Periodically review and update the board’s policy guidelines and practices.

b) **Board Leadership**
- Cultivate, recruit and nominate a slate of prospective directors through an ongoing and strategic process and fill vacancies as needed.
- Determine eligibility for and appoint members to board committees.

c) **Board Knowledge**
- Design and oversee a process of board orientation, including information prior to election as a board member and information needed during the first cycle of board activity for new board members.
- Design and implement an ongoing program of board information and education for all board members.
## BOARD MEETING SCHEDULE FOR 2017

<table>
<thead>
<tr>
<th>Dates / Times</th>
<th>Board of Directors Meetings</th>
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<tbody>
<tr>
<td><strong>January 6</strong></td>
<td>• Board Meeting (60 minutes)</td>
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<tr>
<td>12:00 - 1:30 PM</td>
<td>• External Affairs (La Fiesta &amp; Fund Development Goals)</td>
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<td></td>
<td>• Strategic Plan</td>
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<td>• Legal Team Chair</td>
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<tr>
<td><strong>February 8</strong></td>
<td>• Annual Meeting</td>
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<td>12:00 - 1:30 PM</td>
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<tr>
<td><strong>March 3</strong></td>
<td>• Board Meeting</td>
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<tr>
<td>12:00 - 1:30 PM</td>
<td>• Governance Committee</td>
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<td>• Education Team Chair</td>
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<td><strong>April</strong></td>
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<tr>
<td><strong>May 5</strong></td>
<td>• Board Meeting</td>
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<tr>
<td>12:00 - 1:30 PM</td>
<td>• Internal Affairs Committee</td>
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<td>• Financial Stability Chair</td>
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<tr>
<td><strong>June 3</strong></td>
<td>• Board Retreat</td>
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<td>Time/Location TBD</td>
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<tr>
<td><strong>July 14</strong></td>
<td>• Board Meeting</td>
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<tr>
<td>12:00 - 1:30 PM</td>
<td>• External Affairs Committee</td>
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<td>• Health Team Chair</td>
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<td><strong>August</strong></td>
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<tr>
<td><strong>September 8</strong></td>
<td>• Board Meeting</td>
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<td>12:00 - 1:30 PM</td>
<td>• Governance - Board Nominations</td>
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<td><strong>October</strong></td>
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<tr>
<td><strong>November 3</strong></td>
<td>• Board Meeting</td>
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<tr>
<td>12:00 - 1:30 PM</td>
<td>• Internal Affairs – Budget</td>
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<tr>
<td><strong>December</strong></td>
<td>• Board Holiday Social</td>
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<tr>
<td>Date &amp; Time TBD</td>
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</table>

HA Board Committee Meeting Schedule will be set annually by Committee Chairs
<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>TASKS</th>
<th>TARGET DATE</th>
<th>STATUS</th>
</tr>
</thead>
</table>
| 1        | By-Law Revisions: review proposed changes, modify and present to Board for approval  
Submit to Secretary of State’s office                                                                                                          |             |        |
| 2        | Finalize/Create and Get Board Approval of New Board/Organization Policies:  
Board Ethics Policy  
Board Responsibility Statement (draft exists)  
Board Commitment Statement (draft exists)  
HA Membership Policy (draft exists)  
Board Committee Descriptions (draft exists)                                                                                                 |             |        |
| 3        | Board Recruitment:  
Create a Board Profile Grid of current members  
Determine needs over next 3 years  
Develop a recruitment strategy, including materials  
Create a slate of nominees for board positions to present by November 2017                                                                   |             |        |
| 4        | Create/Update Board Notebook to include:  
Board Policies  
By-laws  
SCANPO Guiding Principles and Best Practices                                                                                                 |             |        |
| 5        | Design and deliver orientation program for new board members 2018                                                                                                                                     |             |        |
| 6        | Board Performance Evaluation  
Participation  
Efficacy  
Attendance                                                                                                                                 |             |        |
| 7        | Develop Board Engagement Strategy                                                                                                                                                                     |             |        |
Our mission is to enrich the quality of life in our community by coordinating initiatives and building collaborations among service providers, the Hispanic members of our community, and the community at large.

### MEETING AGENDA

<table>
<thead>
<tr>
<th>Item</th>
<th>Action or Item for Discussion/Vote</th>
<th>Responsible</th>
<th>VOTE</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Call to Order</td>
<td>Magaly</td>
<td>X</td>
<td>12:00pm</td>
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<tr>
<td>II</td>
<td>Approval of Consent Agenda</td>
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<td>12:05pm</td>
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<td></td>
<td>• March and May Meeting Minutes (Pg. 2)</td>
<td>Magaly</td>
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<td>• June P&amp;L and Balance Sheet (Pg. 4-7)</td>
<td>Wilfredo</td>
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<td></td>
<td>• Update on Hispanic Heritage Month</td>
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<tr>
<td>III</td>
<td>Items for Discussion</td>
<td>Dennis</td>
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<td>12:15pm</td>
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<td></td>
<td>1. Restricted vs. Unrestricted funds</td>
<td>Ellen</td>
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<td></td>
<td>2. Review of Policies (Pg. 8-14)</td>
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<td></td>
<td>a. Board Committee Structure</td>
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<td>b. Community Teams</td>
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<td>3. Internal Affairs Update</td>
<td>Oscar</td>
<td></td>
<td>12:35pm</td>
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<tr>
<td>V</td>
<td>Chair remarks</td>
<td>Magaly</td>
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<td>1:25pm</td>
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MOVING YOUR BOARD FROM HANDS ON TO STRATEGIC GOVERNANCE

Presented by:

ADELA MENDOZA
Executive Director, Hispanic Alliance
adela@hispanicalliancesc.com

ELLEN STEVENSON
Optimal Performance/Hispanic Alliance Board
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Much of the confusion about board responsibilities is confusion between what the board does (as a body) and what individual board members should do. Most of the prescriptions for boards confuse the two, saying "The board should _____" without making the distinction. This straightforward model for boards has been embraced by thousands of boards across the United States.

There are two fundamentally different types of nonprofit board responsibility: governance and support. Depending on the responsibility, three types of switches occur:

- Who's the boss
- Whether the board is acting as a body or as individual board members
- Who the board is representing

Let's look at both types of responsibility, and the three types of switches.

**The governing role**
On one hand, the board, acting as the representative of the public interest, governs the organization. In this role the board has several key responsibilities, including financial oversight, hiring/evaluating the executive director, and making the Big Decisions:

**The support role**
On the other hand, board members also act to help -- to support -- the organization:

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The first switch: the board as a body vs. board members as individuals

At first, these roles -- and the distinction between governance and support -- may appear obvious. What makes the distinction both profound and practical is that it reflects the switch between the board as a body compared with board members as individuals. Witness:

In its governance role, the board acts as a body. Example: the board chair doesn't hire the executive director. Instead, only the board as a whole can hire the executive director.

But on the other hand, the board doesn't make connections with donors; board members as individuals do. Think of it this way: the board doesn't raise money; board members raise money.

Looking again at the governance and support roles, they are the same split as between what the board can do as a whole, and what board members do as individuals. This simple distinction clarifies the role confusion by providing a useful framework.

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To use another example, although the board as a whole is responsible for evaluating the executive director, the board chair as an individual doesn't have the authority that a supervisor has with a subordinate. The board chair is not a supervisor, but instead acts as a convener and leader for the board, which as a group provides feedback and direction to the executive director.

In revenue, the board as a whole approves a strategy for funding, one that probably includes a mix of earned income and donations. Board members as individuals help with one or more of those vehicles (or take on other individual roles).
The second switch: Who's the "boss"? Who's the boss now?

This model also elegantly answers the question: who's the boss? When the board is acting as a body -- in its governance role -- it's the boss. But when board members are acting as individuals, they act at the direction of staff.

For example, if a board member tells the executive director to paint her office a different color, the board member is acting as an individual, and the executive can take or ignore the advice. But if the board were to vote that the executive must paint her office, she must.

As another example of how we instinctively understand that as individuals board members work at the direction of staff: if as a board member, you show up a street fair to help with the organization's booth, you instinctively ask the staff person there: "What's my assignment?"

When board members volunteer as hospice workers, as cooks, as docents, as ushers, as classroom speakers . . . they will typically be trained by staff, assigned by staff, and have their work monitored and evaluated by staff.

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But when the board acts as a body, it acts to provide direction and oversight for staff.

In other words, the "boss" changes, and this model reflects the "role switching" that board members do. For example, an individual board member may meet with the organization accountant to lend expertise in formats for cash flow statements. In this role, the person can
make suggestions, but the accountant reports to the executive director who can choose not to take that advice.

In contrast, if the board were to vote on a particular format for cash flow statements, the staff would be required to go along.

**The third switch: On the outside looking in— or, on the inside looking out?**

When acting in its governing role, the board represents the interests of the community. It asks: Is this organization using public and private resources to benefit the community and the public? In a sense, the board stands in the community, looking at and speaking to the organization. It represents the community and speaks to the organization in the community's voice.

But at the same time, board **members** represent the organization's interests to the community. Board members individually act as ambassadors from the organization to the community. Board members promote the organization's work in the community; build support for the organization.

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So when we act as a body in our governing role, the board seeks to hold the organization accountable to its constituency and to the public. It asks the question: "Who is our constituency, and what do they need our organization to be doing right now?"

In contrast, when acting in our support roles as individuals, we ask the question: "What help from the community does this organization need right now?"

**In short**

Because so much of the technical assistance field literature is about how to help the organization and its executive succeed, the role the board plays in governance has been overshadowed. The professionalization of nonprofit work has elevated the respect and authority of staff. Taken together these developments have left board members wondering if they’re just supposed to raise money, be directed by the executive, and be "engaged" (an abstract term difficult to understand tangibly).

By clarifying the distinction between governance and support, the framework is laid for boards and staff to understand the roles that the board plays as an entity, and the roles that board members play as individuals. This framework helps keep authority and responsibilities clear, thereby freeing up both board members and staff member to tackle the particular strategies and questions for their organizations and communities.

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Boards Should Only Have Three Committees!

Source: Board Cafe • By David La Piana • June 7, 2009

Boards tend to be frustrated with their committees, but often don’t know what to do about them. Use this article from consultant David La Piana to kick off a common-sense discussion and make the changes you know you should be making!

Most nonprofit organizations have too many board committees doing too little work. A typical nonprofit has several committees, such as Finance, Personnel, Development, and of course an Executive Committee. Often, when one committee malfunctions, the board appoints another. For example, when the Development Committee fails to raise funds, the board may appoint a special Annual Giving Committee to manage the yearly fund appeal. When none of this actually produces any appreciable increase in donations, the board may then charter a Major Gifts Committee to go after big donors.

Therefore, in most cases, nonprofits do better by replacing this cumbersome structure with a simple three-committee structure consisting of Internal Affairs, External Affairs, and Governance.

In addition, there should be an Executive Committee consisting of Chairs from each of the three committees and the Board President/Chair; however, this committee should not be allowed to take over the decision-making function of the board as a whole.

This structure has several key advantages:

- Each board member serves on just one committee and focuses on interrelated issues.
- It requires fewer meetings, making less work for staff.
- The accountability lines of the three committees are clear.
- Board meetings can be organized around the three committees' reports, reinforcing the importance of their work and affording more time for "generative thinking."

Committee Responsibilities

Internal Affairs Committee: All internal and operational issues—including those related to finance, human resources, and facilities—are handled by this committee which is staffed by the CFO and the Director of HR (or the ED where these positions do not exist).

External Affairs Committee: All external issues—including fundraising, public relations, and marketing— are the responsibility of this committee, which is staffed by the Development Director (or by the ED).

Governance Committee: This committee is responsible for the health and functioning of the board. It recruits new members, conducts orientation, produces board materials, and evaluates the performance of the board itself. This committee, staffed by the ED, is arguably the most important of the three. It is responsible for ensuring the effectiveness of the current board and for recruiting tomorrow's leaders.

The Executive Committee: Many nonprofits have an Executive Committee, typically conceived with a mandate to "take care of issues that come up between board meetings." Over time, however, an Executive Committee often begins to usurp the role of the board. It works closely with the ED and so hears of issues before they come to the full board, helping the ED to resolve them in advance of the next board meeting. As a result, board meetings can become a series of reports by this committee and the ED on actions they have taken. Over time, other board members may feel they have no meaningful role in decision-making.
Our advice: If your board meets fairly frequently -- monthly or bimonthly -- task your Executive Committee with organizing the agenda and nothing more. The only exception should be a true crisis in which the executive needs help.

In conclusion, nonprofits that have adopted this three-committee structure and that have limited the role of the Executive Committee, as described above, report that their boards have become significantly more effective as a result.

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