

NATIONAL HUMAN SERVICES ASSEMBLY*

Promising Practices in Nonprofit Governance: A Checklist

“Cutting-edge” governance today is efficient, focused and collegial. This checklist is the result of effective practices shared by presenters from the National Center for Nonprofit Boards (now, BoardSource), National Association of Corporate Directors, and National Center on Nonprofit Enterprise at a retreat of leaders of National Assembly member organizations. It is a sampling of effective practices not an exhaustive list.

Role of the Organization

1. Is the organization clear about its identity (identity = that which is central, distinctive and enduring about an organization)?
 - Is there consensus among stakeholders about the organization’s identity?
 - Is there an effective metaphor or elevator speech for the organization’s identity?
 - Is there congruence between the organization’s identity and its role and image)?
2. Is the organization clear as to whether it is constituency-based or vision-based?

Constituency Based	Vision Based
Who do we serve?	Who are we: what are our values, vision, mission?
What do they need/want?	How will we accomplish our vision, mission?
So, what should we be?	So, who cares?

Structure and Relationships

3. Is the governance structure complex and prescribed by bylaws or is it streamlined and flexible? Indicators of the former are numerous committees and subcommittees and hierarchical reporting before issues reach the board. Indicators of the latter are few standing committees, use of task forces, and flexibility in meeting rules (i.e., not strict adherence to traditional Roberts Rules).
4. Is the board small enough so that its members can function as a team?
 - Is most of the decision-making vested in the board or does an executive committee precede most board meetings and cover much the same ground?

- Is there a climate of openness, disclosure and trust within the board and with the CEO?
5. Is there a board rotation policy that is enforced with few exceptions (recommended: two 3-year terms)?
- Is there a “no fault” resignation practice so that board members who are not engaged can be replaced?

Role of the Board

6. Is the board a strategic asset (e.g., sets high, realistic standards of performance; enhances decision making with rigorous analyses; attracts and retains a top leadership team; focuses on strategic issues; plans succession)?
7. Does the board guide the organization in planning for its “Four Horizons”:
- Long Range (10-30 years), with clearly articulated core purpose, core values, vision for the future, and “Big Hairy Audacious Goals”?
 - 5-10 years out, with a clear mission and assumptions about the future?
 - 2-5 years out, with a strategic framework and strategic goals?
 - 1-2 years, with operating/business plan (covering programs, finances, staffing, technology, etc.) and a monitoring/evaluation process?

Meetings

8. Do board agendas, and board meetings, focus on a small number of issues that are addressed in depth?
- Are routine reports shared in writing in advance rather than taking up scarce meeting time?
 - Is a “consent agenda” or other method used to dispatch with routine matters that require no discussion (e.g., minutes, financial report, committee reports, chair and CEO reports), leaving the maximum amount of time for critical issues and decisions?
 - Is the board agenda original each meeting or is it “liturgical,” i.e., a boilerplate with just the dates changed?
 - Are meetings and agendas organized around what needs to be accomplished (e.g., priorities from strategic and tactical plans) versus how the organization is organized (e.g., departments or committees)?

- Are pre-board meeting materials well edited and brief (emerging practice: sent electronically)?
9. Does the board conduct an executive session at the beginning or end of each meeting? (An executive session is an informal discussion led by the board chair, without staff present, at which board members discuss how effectively the board and organization are functioning.)
- Does the board conduct at least one executive session a year with the auditor?
 - Does the board conduct at least one executive session a year regarding CEO performance and compensation?

Organizations with Affiliates

10. For organizations with affiliates (or that are otherwise associations of organizations), is there clarity as to whether the organizational identity is:
- Goal-seeking: a unified, coordinated system designed to address particular service goals with maximum efficiency?
 - Economy: a support system that efficiently serves the needs of member organizations?
 - Polity: an organizational framework through which collective interests are discussed, resolved and acted on in an orderly way?
11. If the organization has multiple identities (i.e., a combination of two or more of the above), are there conscious efforts to balance them or are they in conflict?
12. Also for organizations with members or associations of organizations, is governance congruent with organizational identity?

Identity	Corresponding Organization
Goal seeking	Top-down corporate structure, appointed national board
Economy	Bottom-up association, constituent representation on board
Polity	Federated system, members directly involved in governance

* The National Assembly is an association of more than seventy national nonprofit health and human service organizations. For the list of members and more information about the Assembly, go to www.nassembly.org.