

## THE COMPASSPOINT BOARD MODEL FOR GOVERNANCE & SUPPORT

### Responsibilities for Boards Explained

Responsibilities of nonprofit boards are of two fundamental types: governance and support. On one hand, the board, acting as the formal representative of the public, governs and provides oversight to the organization's affairs. At the same time, board members as individuals support the organization by volunteering, raising money, and advising.

Let's look first at how the board acts to GOVERN the organization, that is, to ensure that the community's interests are represented within the organization. These governing responsibilities include:

- Determining mission and purpose, and overall strategies, policies and priorities
- Monitoring program performance and impact
- Overseeing compliance with laws and regulations and fulfillment of contractual obligations
- Safeguarding assets from misuse, and ensuring maximum use of resources
- Financial oversight
- Selecting/monitoring/evaluating/terminating the executive director
- Approving a fundraising strategy and monitoring its effectiveness

These governing responsibilities are performed by the board as a body or group: for example, while the board hires and evaluates the executive director, the board president does not have the same authority as a supervisor has over a subordinate. Instead, the board president acts as a convenor and facilitator for the board, which as a group provides feedback and direction to the executive director.

Next, how board members-acting as individuals-work to SUPPORT the organization:

- Contributing to the organization's fundraising success as appropriate to the individual (such as making a financial contribution, volunteering at fundraising events, making business contacts for the organization, soliciting cash and non-cash contributions, etc.
- Assisting staff in raising funds
- Acting as ambassadors to the community on behalf of the organization and its clients
- Volunteering and volunteer recruitment
- Advising staff in areas of expertise, act as a sounding board for executive director and other executive staff
- Lending names and personal credibility to the organization

These supporting activities are performed by board members acting as individuals. As a result, there are two types of role-switching that go on. On one hand, the board acting as a group is "the boss in charge" when determining overall organizational strategy, but as individuals, board

members act to support staff in the implementation of that strategy, for example, by calling a list of donors given to them by staff.

### **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 through the door into the organization. But at the same time, board members also represent the organization's interests to the community-acting as ambassadors to the community.

### **Who's in charge? Who's in charge now?**

In organizations with paid staff, there are times when the board acts in its governing role-"the boss and in charge"-and other times when individual board members act to support the staff. Boards and staff often get confused over these differences. For example, in many boards there is tension over whether and how the board should be involved with fundraising. This tension can be cleared up through the CompassPoint Board Model: In its governing role, the board-acting as a body-is responsible for seeing that there is a realistic plan for bringing in the funds the organization will need, and for monitoring progress on the plan. This plan might include fundraised (contributed) dollars, but could also include fees, interest income from investments, foundation grants, the sale of books, and so forth. What's important is that ensuring the existence of the plan is a governance responsibility-one in which the board acts as the "boss" and oversight to the staff-developed plan.

But in the support role, board members as individuals also help carry out that plan. In this role, they often act with direction from staff. For example, staff might generate a list of people who need to be called for an upcoming event, and distribute those names among the board members who have volunteered to do so. In this kind of work, the staff organizes and is responsible for the work, and delegates it to board members acting as individual volunteers.

Try distinguishing between the board's governing role and board members' supporting role in discussions. This simple approach-based on a complex understanding of governance-can often clear up confusing and frustrating discussions.

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### **Want to learn more about boards? Go to: Board Café**

*Board Café* is a column for and about nonprofit boards. Short enough to read over a cup of coffee, the column appears regularly in Blue Avocado, the online magazine for people who work and volunteer in the nonprofit sector. New Board Café articles can be read on the Blue Avocado website or you can have the magazine delivered to you via email -- sign up for a free subscription at [blueavocado.org](http://blueavocado.org).

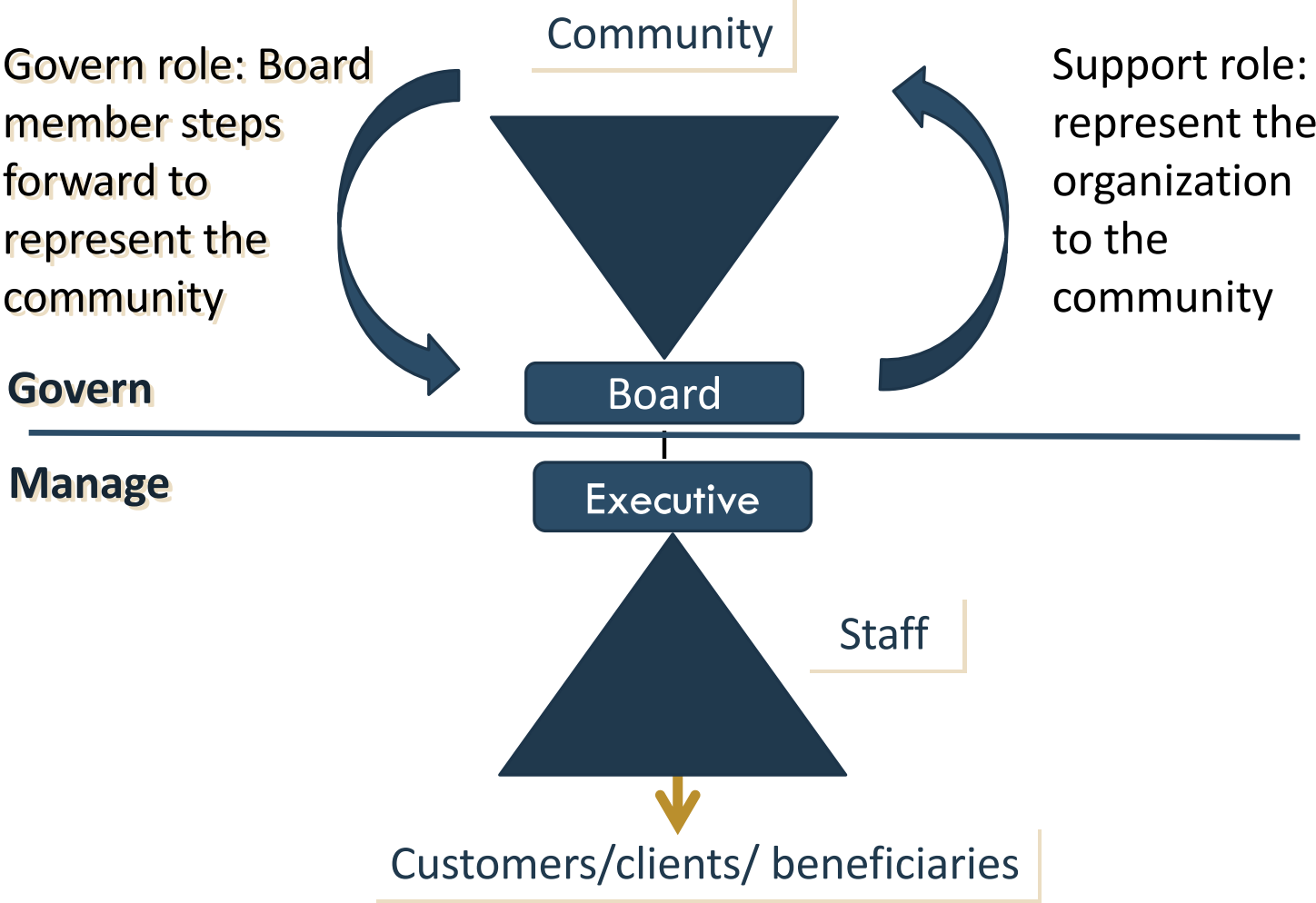
Access online at <http://www.blueavocado.org/category/topic/board-cafe>

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## 10 Basic Responsibilities of Nonprofit Boards

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1. **Determine the organization's mission and purposes and advocate for them.** It is the board's responsibility to create, and periodically review, a mission statement that articulates what specific benefits the organization is attempting to accomplish for what specific beneficiaries. The board should also "stand for their mission" by communicating with the public and advocating to policy makers and decision makers.
2. **Select the chief executive.** Boards must determine the chief executive's responsibilities, conduct a thorough search, and select the most qualified individual.
3. **Support and evaluate the chief executive.** The board should ensure that the chief executive has the moral and professional support he or she needs to accomplish the organization's goals and to raise funds. The board should annually evaluate the executive based on measures that are defined and communicated to the executive in advance of the period that is being evaluated.
4. **Ensure effective organizational planning.** Boards must participate in planning and should monitor the achievement of the plan's goals. This includes gathering information from the organization's constituents, supporters, donors, clients etc. so that the board is well informed about community needs.
5. **Monitor and strengthen programs and services.** The board is responsible for monitoring performance of the organization's goals and for ensuring program effectiveness.
6. **Ensure adequate resources.** One of the board's foremost responsibilities is to provide adequate resources for the organization to fulfill its mission. **All** board members must participate in resource development in order to fulfill this responsibility.
7. **Protect assets and provide financial oversight.** The board must ensure that financial controls are in place and monitor how the organization is managing its money. The board should select the auditor, if one is engaged, and receive the auditor's report.
8. **Build and sustain a competent board.** Boards have a responsibility to articulate the characteristics that will make a person an effective member of the board. This should focus on the candidate's ability to contribute effectively as a member of the board and not primarily on the person's professional expertise or skills.
9. **Ensure legal and ethical integrity.** Ensure that the organization is adhering to legal standards and ethical norms and is attentive to legal risks.
10. **Enhance the organization's public standing.** By clearly articulating the organization's mission, goals and its impact, the board can garner support from the community.



# Board represents the community

These questions are the foundational work of the board

**Why** do we exist?



**Understand** the community **need** the organization exists to address

**What** we do and how do we accomplish it?



**Determine** how the organization will **respond** to that need

**How** will we know if we are succeeding?



**Specify** the **end result** the board is asking the executive to achieve