The Board’s Evolving Role: From Management to Governance

As nonprofits, foundations and other tax-exempt organizations develop, the role of the board and its individual members changes. At one extreme, the start-up, the board may do everything from licking envelopes to setting strategy. In truly mature organizations, the board may be so removed from the day-to-day work as to feel disconnected from the organization’s principal mission.

We believe that any entity blessed with board and staff is well advised to clarify the board’s proper role by assessing the gap between current reality and desired practices.

To accomplish such clarity, we invite your board and your CEO to declare their respective views of the current allocation of strategic responsibilities. Next, both parties are invited to decide what the allocation should look like by some defined point in the future, say three years out. Only by acknowledging differences in expectations can the organization achieve true alignment of responsibilities. As our English friends say, “Mind the gap!”

To help you identify where your board is on the continuum of shared responsibilities, we have developed the following template.¹

Use this template to indicate your view of the division of responsibilities between your organization’s board and its CEO, both as the division now exists and as it should be in the future:

1 = The Board has exclusive responsibility
2 = The Board has primary responsibility, but the CEO contributes.
3 = The Board and the CEO share responsibility equally.
4 = The CEO has primary responsibility, but the board contributes
5 = The CEO has exclusive responsibility.
n/a = Not applicable, or unknown

By comparing board responses as a group with responses from the CEO (and other senior staff, if appropriate), you can easily highlight areas requiring attention. Combined with other variables specific to your own organization, the completed template offers a non-threatening means of clarifying expectations regarding who is responsible for what.

Ten Quick Ways to Invigorate Board Meetings

Make a resolution to implement at least one of the following ideas this month:

1. Supply name tags for everyone, every meeting. It's embarrassing to have seen people at several meetings and wondered what their names are... and later it's really hard to admit you don't know their names.
2. Make a chart of frequently used external and internal acronyms and post it on the wall of every meeting. The chart will help people unfamiliar with the acronyms know what others are talking about.
3. Write an anticipated action for each agenda item. Examples:
   • Volunteer recruitment and philosophy: Anticipated Action = form committee of three to four board members.
4. Make sure that each person says at least one thing at every meeting.
5. Avoid one-way presentations from staff.
6. Don't include committee reports on the agenda just to make the committees feel worthwhile. If a committee has done work but a board discussion isn't necessary, put the committee report in the board packet.
7. On the agenda, have an open-ended discussion on at least one of the most important matters facing the organization.
8. Encourage "dumb" questions, respectful dissent, and authentic disagreements.
9. Make sure the room is comfortable!
10. Adjourn on time, or agree to stay later. Twenty minutes before the scheduled end of the meeting, the chair should ask whether the group wants to stay later.

(From CompassPoint) www.compasspoint.org
Are there practical and interesting ways to enliven continuing education for our board members?

The short answer is yes! Continuing education, which is most often either mission based or governance related, is an important way to increase the board’s “intellectual capital.” Doing it effectively will greatly benefit your organization through better decisions in the future.

The simplest, most interesting way to educate your board members is to draw on the expertise and experiences around your board table and in your community. And it doesn’t have to cost a thing!

Consider sending an article relevant to your mission to board members and then opening the next meeting with some form of the question, “What does this mean to our organization?” For example, in preparation for strategic planning discussions, the Drug Information Association sent Jim Collins’s monograph, Good to Great and the Social Sectors, to all board members. A board member then led the group’s discussion.

Why not open each of your next 12 board meetings with a discussion of one of BoardSource’s 12 principles that power exceptional boards? This is exactly what the Rappahannock United Way has been doing.

Invite members of your community to address your board and field questions. U.S. Masters Swimming, which is moving from being managed by volunteers to being managed by a professional staff, recently invited a respected chief executive to speak about the roles and responsibilities of a chief executive.

Tour a mission-related site. The American Health Assistance Foundation holds one of its three board meetings at a research facility that it funds.

Think about following the lead of

- a health-related organization that opened a planning retreat with a presentation from a local professor about demographic changes in the community
- a symphony orchestra board that listened to a guest performer play three different quality violins to better understand why the board needs to raise funds for the best instruments
- a PBS station that asked a reporter to share her schedule and discuss the stories she is working on

Committee chairs or officers also should be charged with learning activities that relate to ongoing policy decisions. The treasurer, for example, is responsible for ensuring that all board members understand nonprofit finances sufficiently to make informed budget decisions. The secretary might consider presenting a 15-minute orientation on the legal responsibilities of board members before the discussion of a new conflict-of-interest policy. And the chair of a fundraising/ development committee is well advised to first orient board members on how to engage a prospect or deliver the “elevator speech” before expecting them to be successful solicitors.

There are so many ways to enliven continuing education — pose this question to your own board members and see what great ideas they have.

RESOURCES:


If continuing education challenges your board, please consider contacting BoardSource’s consulting team for assistance via e-mail (consulting@boardsource.org) or call 877-892-6293.
THE CONSENT AGENDA: A TOOL FOR IMPROVING GOVERNANCE

BoardSource wishes to thank Mary Carole Cotter, W.K. Kellogg Foundation; James P. Joseph, Arnold & Porter LLP; David Nygren, Mercer Delta Consulting; and James E. Orlikoff, Orlikoff & Associates, Inc., for sharing their professional insights and expertise on this document.

Information and guidance provided in this document is provided with the understanding that BoardSource is not engaged in rendering professional opinions. If such opinions are required, the services of an attorney should be sought.
MEETING CHALLENGES, CHALLENGING MEETINGS

Nonprofit leaders have the daunting task of delivering on their missions — feeding the hungry and healing the sick, educating the young and entertaining the community, preserving the environment and protecting human rights, accrediting professionals and setting industry standards. With an abundance of obstacles and possibilities at every turn, boards need to spend their scarce time wisely.

Board meetings are the ultimate venue for executing the complementary responsibilities of oversight and strategy. Collectively, the board must satisfy legal requirements and provide programmatic, financial, and ethical oversight. As strategists, board members shape the future of the organization. Equally important — but often overlooked — board meetings bring together the governing body that is responsible for the organization’s health and sustainability. As allies with the chief executive in pursuit of the mission, board members must be well informed about the opportunities and challenges facing the organization and ensure that the organization has appropriate strategies, plans, and resources to meet them.

As a practical matter, duly-called meetings are the main mechanism through which boards make organizational decisions. Often, meetings are the only time when the board as a whole gets together to execute its governing responsibilities. For these reasons, board meetings are precious times, indeed. More often than not, however, nonprofit board members find themselves in meetings that are filled with the least interesting and least challenging issues. Many board members and chief executives struggle to make board meetings valuable to the organization and the individuals in attendance.

A consent agenda can turn a board meeting into a meeting of the minds around the things that matter most. A consent agenda is a bundle of items that is voted on, without discussion, as a package. It differentiates between routine matters not needing explanation and more complex issues needing examination. While not difficult to use, a consent agenda requires discipline in working through the following seven steps:

1. Set the meeting agenda
2. Distribute materials in advance
3. Read materials in advance
4. Introduce the consent agenda at the meeting
5. Remove (if requested) an item from and accept the consent agenda
6. Approve the consent agenda
7. Document acceptance of the consent agenda

With a consent agenda, what might have taken an hour for the board to review, takes only five minutes. Because it promotes good time management, a consent agenda leaves room for the board to focus on issues of real importance to the organization and its future, such as the organization’s image and brand, changing demographics of its constituents, or program opportunities created by new technology. This BoardSource white paper offers guidance on how to use consent agendas to improve board meetings and, in turn, the overall quality of governance.
WHAT DOES — AND DOES NOT — BELONG ON A CONSENT AGENDA?

In setting the board meeting agenda, the board chair and chief executive recommend what items warrant full board discussion. While their best guess sets the agenda, all board members have an opportunity in the board meeting to “second guess” that preliminary decision and remove items from the consent agenda for discussion.

COMMONLY FOUND ITEMS

Items commonly found on consent agendas include:

- **Minutes of the previous meeting.** There is no need to read the text of the minutes of a previous board meeting at a current one.

- **Confirmation of a decision that has been discussed previously.** Some decisions may need a final administrative touch before the board can vote on them. After such details are resolved, the board may vote on the item via consent agenda at the next meeting.

- **Chief executive’s report.** To the extent that the chief executive does not have items other than those provided in a written memorandum to the board, the chief executive’s report can be assigned to the consent agenda. However, chief executives who prefer to use a few minutes of the board meeting to draw attention to a particular issue outlined in the memorandum should exclude their report from the consent agenda.

- **Committee reports.** Committee reports often contain important information and sometimes recommendations for board approval or resolution. To the extent that such matters do not need discussion and are supported by written materials provided ahead of the board meeting, they may be better assigned to the consent agenda.

- **Informational materials.** To educate members about the organization, staff provides the board with reports and documents that do not require any action. These might include human resource policies, statistics on compensation levels in similar local organizations, a copy of the IRS Form 990 before it is filed, or a real estate analysis of the local market. However, if these materials relate to discussion items, they should be included as a part of that agenda item rather than placed on the consent agenda.

- **Updated organizational documents.** Organizational documents periodically need to be updated. Rather than waste meeting time, updates — such as typographical errors in a document that requires board approval, new dates or locations for board meetings, changes to the organization’s name or address in legal documents, revisions to the bylaws after changing the title of the chief staff officer — may be added to the consent agenda.

**Tip Box**

To test whether an item should be included in the consent agenda, ask:

- Is this item self-explanatory and uncontroversial? Or, does it contain an issue that warrants board discussion?
- Is this item “for information only”? Or, is it needed for another meeting agenda issue?
- Do we need to confirm a previously discussed issue? Or, do we need to continue the discussion?
• **Routine correspondence.** The board may need to sign standard letters to donors, renew major vendor contracts (whose terms have already been renegotiated), or confirm a conventional action (such as opening a bank account) that requires board approval as stated in the bylaws.

**INAPPROPRIATE AND QUESTIONABLE ITEMS**

Consent agendas should be crafted with care since the items are not discussed by the board. **They should not be used to hide important issues or stifle difficult discussions.** The following items warrant close consideration when determining if they belong on the consent agenda:

• **Audit.** The board is responsible for hiring an auditor and overseeing that the auditor’s recommendations are properly implemented. The auditor’s report is a key financial document and should *never* become a consent agenda item. Ideally, the full board’s consideration of the audit should include an opportunity to discuss the findings with the auditors without any staff present.

• **Financial reports.** On the one hand, if the financial report is uneventful, it may be appropriate to include it on the consent agenda. On the other hand, if it covers important topics, raises questions, or needs emphasis, it may be better handled as a separate item. Needless to say, consideration and approval of the annual budget should never be included in the consent agenda since it represents a major opportunity for the board to understand and discuss management’s proposed resource allocations and operating plans.

Deciding to put a financial report on the consent agenda may also be influenced by the financial acumen of all members of the board. Boards with only a few financially astute members should exclude financial reports from the consent agenda. This allows for a discussion of the financial reports to educate board members about the organization’s financial health, thereby ensuring that they fulfill their fiduciary duties.

• **Executive committee decisions.** Even if an executive committee has authority to act on behalf of the board under certain circumstances, its decisions must still be confirmed by the full board. Executive committee decisions that are routine and procedural are ripe for a consent agenda. If the issue has broader implications — be it an emergency or a major strategic decision — the rest of the board needs to understand the background, rationale, and ramifications. These latter executive committee decisions should not be on the consent agenda; rather, they should be handled as separate discussion items, with the full board receiving appropriate information before confirming the decision.

**Tip Box**

Another way for the board to monitor financial performance — without having financial reports consume every board meeting — is to delegate certain duties to the finance committee, such as working closely with the financial staff and reviewing *monthly* financial statements in committee meetings. *Quarterly* financial reports may then be elevated to a special status and discussed thoroughly during full board meetings. While the finance committee may be charged with monitoring the financial performance, the full board is responsible for the financial health of the organization and should be directly involved in assessing financial matters, especially if the organization is undergoing change.
The Consent Agenda: A Tool for Improving Governance

Seven Steps to Using a Consent Agenda

Consent agendas offer the opportunity to convert board meetings from boring recitations into active discourses by freeing up scarce meeting time for genuine board discussion of critical issues, emerging opportunities, and forward-looking plans. Chief executives and board members who use consent agendas speak glowingly of their impact on organizational decision making and board-staff solidarity. They appreciate the fact that their limited time is used well and that conversations in the boardroom are productive. The following seven steps outline how to use a consent agenda successfully.

1. Set the meeting agenda. Together, the board chair and the chief executive identify what issues should be at the heart of the meeting and what other items need to be addressed. They then assign routine reports to the consent agenda and create adequate time for more substantive discussions. This challenging but valuable exercise enables the board chair and chief executive to focus the board on organizational priorities.

2. Distribute materials in advance. All items included on the consent agenda must be supported by documents that enable board members to make informed decisions. The chief executive sends materials supporting items on the consent agenda to the board sufficiently in advance of the meeting to permit review. Committees and staff may also have to circulate memoranda summarizing committee actions.

3. Read materials in advance. Preparation is an absolute prerequisite for using a consent agenda. Board members must read materials ahead of the board meeting so that they are prepared to ask questions about items on the consent agenda or to vote their approval. While this may require additional effort from board members, it results in more productive meetings and therefore more satisfied and engaged board members.

4. Introduce the consent agenda at the meeting. The consent agenda is usually listed as the first item on the board meeting agenda (See Appendix: Sample Board Meeting Agenda). The

Tip Box
While executive committees operate in a myriad of ways, they are ultimately accountable to the full board. Executive committees sometimes overstep their authority and make decisions on behalf of the full board. This may happen when the committee meets regularly and, to save time during board meetings, presents decisions matter-of-factly to the rest of the board for approval. Or, by broadly defining what constitutes an emergency or unusual circumstance, the executive committee may usurp the full board’s authority. Involving the board in the final confirmation of executive committee decisions sends a clear message that each board member bears responsibility for the organization.

Tip Box
To ensure that the board carries out its fiduciary obligations, the chief executive may want to gently remind board members to pay particular attention to items on the consent agenda and encourage them to ask questions in advance of the meeting, especially if their questions are factual. A quick call to the appropriate person — the chief executive, lead staff person, board chair, or someone else — before the meeting can clarify small matters of fact. If their concerns are substantive, they should voice them at the start of the meeting. The item should then be removed from the consent agenda and added to the meeting as a discussion item.
board chair notes the items on the consent agenda and asks if any board member wishes for an item to be removed. This is the final moment for board members to raise their concerns.

5. **Remove (if requested) an item from and accept the consent agenda.** If a board member has a question, wants to discuss an item, or disagrees with a recommendation, he or she should request that the item be removed from the consent agenda. Without question or argument, the board chair should remove the item from the consent agenda and add it to the meeting agenda for discussion. If a board member needs to abstain from voting on a particular item in the consent agenda, he or she can make this explicit ahead of time and the item need not be removed.

6. **Approve the consent agenda.** If no one requests that an item be removed from the consent agenda, a simple unanimous yes vote is needed. The chair asks the board for a motion to approve the consent agenda in its entirety. After a motion and a second, the chair asks the board for its approval of the consent agenda. The board votes on the consent agenda items as a whole. The vote will, of necessity, be unanimous since any disagreement with an item should have been expressed earlier and the item removed from the consent agenda.

7. **Document acceptance of the consent agenda.** The minutes, circulated after the meeting, state that the consent agenda was approved unanimously and indicate which, if any, items were removed and addressed separately. All supporting materials should be saved with the agenda to demonstrate the information on which the board based its decision.

### CHALLENGING MEETING PRACTICES

#### BREAKING WITH TRADITION

As a meeting management tool, a consent agenda is markedly different from traditional agendas that are highly standardized and structured. Rather than the “old business, new business” approach that emphasizes reports on past performance, a consent agenda energizes board meetings and creates space for deep and forward thinking on the organization’s most important challenges, be it assessing the impact of a particular program, identifying new sources of...
Moving to a consent agenda may cause consternation because it requires a change from standard operating procedure and sometimes seems to minimize traditional board responsibilities and rituals. First, some board members (and lawyers) may worry that a consent agenda prevents the board from exercising its fiduciary duties. Nothing could be further from the truth. Used properly, consent agendas facilitate board focus on the things that matter most. A consent agenda is not an excuse to cover up important issues; rather, it is an invitation to explore them deeply.

Second, board meetings are often filled with oral presentations of committee updates as a way to showcase work done by committee chairs and members between meetings. Recognizing valuable work by volunteers encourages their continued participation, but the cost of spending board meeting time on purely symbolic matters is too high a price to pay. Instead, the chief executive and board chair should identify other ways to thank committee members for their hard work.

**COLLABORATING FOR SUCCESS**

Using a consent agenda requires true collaboration between the board and the chief executive. Both must do their homework in preparing for the meeting, from setting the agenda to providing materials to facilitating discussions. Chief executives rely on board meetings to handle mandatory business and to educate board members about the organization’s programs. Astute executives treat meetings as valuable “kitchen cabinet” gatherings to engage smart, knowledgeable, passionate individuals around the issues that matter most to their organizations. The efficiencies of a consent agenda give executives more time to engage the board in thinking and talking about the organization’s mission, programs, and impact.

Together, the board chair and chief executive need to think strategically about what contributions board members can make to issues facing the organization and how to present matters for their consideration. They need to be clear about the intended purpose of each item not on the consent agenda. It may be approval of a recommendation, guidance and advice, or brainstorming. Such clarity about the purpose of the item reduces the likelihood that board discussion will result in an extraneous task list for the chief executive or micromanagement by the board.

**Tip Box**

Change is demanding. It requires open-mindedness and flexibility from those affected by the change. As with any new organizational process, the decision to adopt a consent agenda should be made thoughtfully and with a solid understanding of the ramifications of the change. The following steps can help the board adopt a consent agenda without major obstacles:

1. Discuss with the board the benefits of a consent agenda and get the board’s support.
2. Create a cheat sheet on how a consent agenda works.
3. Outline criteria for what can and what cannot be included on the consent agenda.
4. Ease into the process. Start with obvious, clear items on the consent agenda.
5. Ask the board how the new meeting structure is working.
6. Fine tune meetings and materials as necessary.
Because a consent agenda frees up meeting time for a different kind of discourse, it requires a different kind of meeting facilitation. The board chair may need to learn tips and techniques for facilitating less structured, more active group discussions. The board chair may need to approach meetings differently — as a focus group, as a debate about the pros and cons of an issue, as a creative idea-generating session, as a time to troubleshoot thorny problems. To make the most of these free-ranging discussions, the board chair will need to exert appropriate discipline without discouraging participation, or the benefits gained from the consent agenda may be lost.

**THE ULTIMATE BENEFIT: BETTER BOARD PERFORMANCE**

It’s worth repeating: The main purpose of a consent agenda is to liberate board meetings from administrative details, repetitious discussions, and misdirected attention. The main benefit is better governance. Consent agendas allow the board to regularly dig deeper on strategic issues rather than take a superficial pass on a lot of issues. Traditional board meetings often focus on the past, learning about activities and results that occurred since the last meeting. Board members listen, ask for explanations, and seek assurance that staff has thought of everything. This leaves limited opportunity to focus on the future — how the community is changing, what programs will be most valuable, and ways the organization may need to evolve to best fulfill its mission.

The organization benefits from better decisions, more engaged board members, and greater impact when the chief executive and the board operate as strategic allies. The consent agenda removes one of the obstacles — limited time — to engaging the board meaningfully. With a consent agenda, the board is positioned to become an active participant in exploring the opportunities and challenges the organization faces today and in the future because routine business is handled efficiently. Board meetings become filled with open and robust debate around what matters most. Chief executives hear different perspectives about critical issues and in the process they can ensure the board is knowledgeable about, and supportive of, key initiatives. Board members, in turn, feel that their time is well spent; they feel valued and satisfied.

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**TIP BOX**

Meeting facilitation does not come naturally to all board chairs. The following techniques can help board chairs use an interactive approach to running meetings:

- **Silent Starts.** Before starting a major discussion, ask each board member to write down the most important question the board should consider on a sheet of paper. Collect and redistribute the responses. Then, have board members read each others' responses out loud.

- **Counterpoints.** Randomly assign two or three board members to make the most powerful arguments against the recommendation under consideration.

- **Breakouts.** Divide the board into small groups and have each group brainstorm questions, identify key issues, or propose alternatives to the issue at hand. Then, have each group present its conclusions to the full board.
Board of Directors Meeting
ABC Organization

Monday, January 2, 200X
1234 Main Street, Suite 56
City, ST  78910

8:30 a.m. – 9:30 a.m. Full Board Executive Session

- Chief Executive Assessment: Feedback and Approval of the 200X Process  TAB 1

9:45 a.m. – 3:00 p.m. Board Meeting

9:45 – 9:50  Welcome and Chair’s Remarks

9:50 – 10:00  Consent Agenda

- Minutes of the December 1, 200X Meeting  TAB 2
- President’s Report  TAB 3
- Planning and Development Task Force Update  TAB 4

10:00 – 2:15  Strategic Discussions: Presentations and Feedback

10:00 – 11:45 Strategic Plan: Measures of Success  TAB 5

[Noon — Buffet Lunch]

12:30 – 2:15 New Markets Strategy: Implementation Plan  TAB 6

2:15 – 2:45  Governance Committee: Discussion Items  TAB 7

- Bylaws
- Board Member Recruitment

2:45 – 3:00  Closing
GOVERNANCE COMMITTEE JOB DESCRIPTION

The governance committee is responsible for ongoing review and recommendations to enhance the quality and future viability of the board of directors. The work of the committee revolves around the following five major areas:

1. Board Roles and Responsibilities
   - Leads the board in regularly reviewing and updating the board’s statement of its roles and areas of responsibility, and what is expected of individual board members.
   - Assists the board in periodically updating and clarifying the primary areas of focus for the board, and helps shape the board’s agenda for the next year or two, based on the strategic plan.

2. Board Composition
   - Leads in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider in order to accomplish future work of the board.
   - Develops a profile of the board as it should evolve over time.
   - Identifies potential board member candidates and explores their interest and availability for board service.
   - Nominates individuals to be elected as members of the board.
   - In cooperation with the board chair, contacts each board member to assess his or her continuing interest in board membership and term of service and works with each board member to identify the appropriate role he or she might assume on behalf of the organization.

3. Board Knowledge
   - Designs and oversees a process of board orientation, including gathering information prior to election as board member and information needed during the early stage of board service.
   - Designs and implements an ongoing program of board information and education.

4. Board Effectiveness
   - Initiates periodic assessment of the board’s performance. Proposes, as appropriate, changes in board structure and operations.
   - Provides ongoing counsel to the board chair and other board leaders on steps they might take to enhance board effectiveness.
   - Regularly reviews the board’s practices regarding member participation, conflict of interest, confidentiality, etc., and suggests improvements as needed.
   - Periodically reviews and updates the board’s policy guidelines and practices.

5. Board Leadership
   - Takes the lead in succession planning, taking steps to recruit and prepare for future board leadership.
   - Nominates board members for election as board officers.

The Governance Committee Job Description is adapted from the work of Fred Miller, Chatham Group, Inc.

Knowledge Center

Topic Papers and Articles

Boards That Micromanage

It is not always easy for a board to see the line between management and governance. Board members need to consider themselves overseers, not implementers. Monitoring activities in the organization can be facilitated by clear reporting guidelines and deliberate clarification of the role of the board and the staff. When boards overstep the line between governance and management they can easily become micromanagers.

What is micromanagement?
Micromanagement usually refers to a manager who is paying too much attention to details and is not focusing on the big picture. A micromanager is not able to delegate but feels obliged to get involved in the actual implementation of the work. When a board micromanages it steps out of its governance role and gets caught in the actual operations of the organization. It forgets that the chief executive is responsible for daily management according to the guidelines set by the board. Boards that micromanage want to both set strategic direction and actively oversee the implementation of the details.

Why do some boards micromanage?
Sometimes it is difficult for board members to differentiate between governance and management. Board members, especially those who deal with management issues in their daily jobs, may overstep the boundaries because that is what they know best. In some cases, the board may be missing the necessary strong leadership that helps it focus on strategic issues.

Governing does not usually create immediate rewards, which can be difficult for some boards to live with. While strategic developments take time to show results, operational tasks can often produce faster tangible outcomes and personal satisfaction. Particularly in organizations with a small staff, board members can easily get drawn into the daily operations.

In some instances, the chief executive can steer the board astray by bringing management issues to the board for approval. The executive may not be providing the board with adequate information, therefore forcing the board to ask for additional detailed reports. Micromanagement can also happen when the board loses confidence in the chief executive's ability to manage the organization.

When is the board meddling in management issues?
A board is too meddlesome in management issues when it wants to:

- approve the choice of vendors, office equipment, software, or office furniture;
- participate in staff hiring and defining job descriptions (besides the chief executive's);
- approve individual staff salaries;
- verify receipts and invoices;
- contact staff members directly for information - without explicitly being invited by the chief executive;
- have a key to the office to be able to come and go at will (unless because of small staff board members are involved in helping out);
- create committees that duplicate staff work;
• send a board representative to staff meetings; or
• publicly second-guess the chief executive's decisions.

What can the chief executive do?
When the board oversteps its boundaries, the chief executive needs to discuss the issue with the chair and work out a solution. The chair must remind other board members of their roles and how to communicate with staff. If the chair is micromanaging, the chief executive still needs to address the problem directly and remind the chair of their different responsibilities. The chief executive can prevent the most flagrant board interventions by being proactive, not bringing detailed administrative issues to the board’s attention, and by ensuring that the board receives regular and concise information.

All-volunteer organizations
All-volunteer organizations have a special challenge in defining the board’s role and avoiding micromanagement. When there is no staff, the board has to divide its time between governance issues and carrying out programmatic and administrative duties. This works out best when there is a clear distinction between the functions of the full board and the individual board members. The full board acts as the strategist. The board delegates specific tasks to individual board members who follow the guidelines set by the board.

Micromanagement can be avoided when each board member is aware of which hat he or she is wearing at each moment. A board member must be able to differentiate between drafting guidelines as a group member and then allowing a colleague to finish a task independently as assigned by the group.

The perfect partnership
When a board hires a competent chief executive, it already has adopted the basics of role differentiation between board and staff. Delegating management duties to the chief executive also assumes that the board clarifies job duties. Like any supervisor, the board is there to support the manager, set performance expectations, and challenge him or her to propel the organization forward. How the staff gets its work done is the responsibility of the chief executive and how the board manages its own tasks is the responsibility of the chair. In a productive partnership, the chief executive uses the board as a sounding board. The two end up formulating strategic decisions together while leaving the details of implementation to appropriate individuals.

References

• Richard P. Chait, "How to Help Your Board Govern More and Manage Less" 408 (BoardSource 203).

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# The Board’s Evolving Role: From Management to Governance

## 1: Board’s responsibility    3: Board & CEO share equally    5: CEO’s responsibility

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<td>• IT</td>
<td>1 2 3 4 5 n/a -</td>
<td>1 2 3 4 5</td>
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<td>• Grantmaking/Grantwriting</td>
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<td>1 2 3 4 5</td>
<td>n/a =</td>
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<tr>
<td>• Fundraising</td>
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<td>n/a =</td>
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<td><strong>HR &amp; organization:</strong></td>
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<tr>
<td>• Leadership development</td>
<td>1 2 3 4 5 n/a -</td>
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<tr>
<td>• Staff (non-CEO) compensation</td>
<td>1 2 3 4 5 n/a -</td>
<td>1 2 3 4 5</td>
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<tr>
<td>• Human capital development</td>
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<td>n/a =</td>
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<tr>
<td>• Organization</td>
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<td>1 2 3 4 5</td>
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<tr>
<td>• Culture</td>
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<td>1 2 3 4 5</td>
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<tr>
<td><strong>Financial management:</strong></td>
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<td>• Financial strategy</td>
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<td>1 2 3 4 5</td>
<td>n/a =</td>
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<td>• Capital structure</td>
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<td>n/a =</td>
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<td>• Operating budget</td>
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<td>1 2 3 4 5</td>
<td>n/a =</td>
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<tr>
<td>• Resource development (fundraising)</td>
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<td>n/a =</td>
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<tr>
<td>• Financial reporting (tax, audit)</td>
<td>1 2 3 4 5 n/a -</td>
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<td>n/a =</td>
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<tr>
<td>• Managerial reporting (operations)</td>
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<tr>
<td>Issue or Activity</td>
<td>Who’s responsible now?</td>
<td>Who should be?</td>
<td>Δ</td>
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<td><strong>Risk management:</strong></td>
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<tr>
<td>• Organizational risk management</td>
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<td>• Ethical performance &amp; compliance</td>
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<tr>
<td>• Audit</td>
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<td>1 2 3 4 5 n/a</td>
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<tr>
<td><strong>External relations:</strong></td>
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<td>• Brand positioning &amp; integrity</td>
<td>1 2 3 4 5 n/a</td>
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<tr>
<td>• Stakeholder relations</td>
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<td>1 2 3 4 5 n/a</td>
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<tr>
<td>• Compliance</td>
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<td><strong>CEO effectiveness:</strong></td>
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<tr>
<td>• Succession planning</td>
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<tr>
<td>• Performance appraisal</td>
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<tr>
<td>• Compensation</td>
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<td><strong>Corporate governance:</strong></td>
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<tr>
<td>• Board effectiveness</td>
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<tr>
<td>• Board and director assessment</td>
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<td>1 2 3 4 5 n/a</td>
<td>=</td>
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<tr>
<td>• Board and director development</td>
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<tr>
<td>• Board and director recruiting</td>
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<tr>
<td><strong>Other items specific to this organization:</strong></td>
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A Devil's Advocate on the Board?

by Jan

Wouldn't it be wonderful if boards could foresee the obstacles ahead - in time to make the right decisions?

Absent a few sprinkles of fairy dust, using the devil's advocate technique might assist you in identifying such obstacles. A devil's advocate (DA) is someone who takes an opposing view to test an idea or project the board is considering. The DA's job is to ask questions and make the best case possible against the proposal. By responding to the questions and challenges, the board is forced into healthy debate as it considers arguments it might never have thought of had it not been someone's specific task to challenge the board's thinking.

Here's how it works. Select one board member and place an index card marked DA or devil's advocate in front of that person. Throughout the meeting, this person should ask questions to test the soundness of the decisions the organization is considering.

A services center averts disaster

For example, a small suburban nonprofit that provides services to elder adults was considering expanding services to include another age group. At the insistence of one very vocal board member, this 25-year-old agency was wondering if it should use its expertise in day services to assist young people.

After the first meeting using this technique, the board began to pass the DA card around the table, giving more people the opportunity to offer challenges to the proposal on the table - all under the cloak of security the DA card offered.

Through the tough and sometimes tense discussions, board members decided that their goal was "increased" service, not necessarily "expanded" service. By using the DA card over the course of several meetings, the board realized that the additional licensure, insurance, and expertise that the organization would need to offer youth services outweighed the potential benefits. The agency then looked for ways to make it easier to access their offerings, such as providing transportation from a nearby bus depot.

Don't forget to be nice

Use this technique every meeting or only when an important issue is up for discussion. A couple of caveats: holding the DA card does not give this board member the ability to block or hold decisions from a vote, nor should the board hold it against the designated DA for asking tough questions. You shouldn't be annoyed with someone whose "job" it is to question the wisdom of an idea...right?

Elizabeth C. Vibber is a consultant with Bucks County Center for Nonprofit Management, a consulting affiliate to nonprofits of Bee, Bergvall & Co., a CPA firm in suburban Philadelphia.

Click here to read more on our site
Recommended Reading for issues highlighted in the Workshop, “Best Board Practices and Meetings that Matter: An Introduction to Nonprofit Governance”

The following are available at BoardSource [www.BoardSource.org](http://www.BoardSource.org)

- **Meet Smarter: A Guide to Better Nonprofit Board Meetings**, by Outi Flynn
- **Governance Committee**, by Berit M. Lakey Ph.D., Sandra R. Hughes Ph.D., Outi Flynn
- **The Board Building Cycle, Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members**, by Sandra R. Hughes, Berit M. Lakey, and Marla J. Bobowick

“Blue Avocado – practical, provocative, and fun food-for-thought for nonprofits”, a very worthwhile newsletter from CompassPoint – excellent bi-weekly email with nonprofit topics and board tips [http://www.blueavocado.org/](http://www.blueavocado.org/)