

A - Applying to Become a Nonprofit Organization
Creating a Nonprofit Board of Directors
Trends In Nonprofit Boards

Creating A Nonprofit Board Of Directors

The following pages are designed to take you along a continuum from the early stages of building your board in Section One - Yellow, A-G, through organizations who have been in existence for a few years in Section Two - Blue, H-0, along to more mature organizations with experienced board members in Section Three - Red, P-Z.

Each color section is designed as a stand alone section with individual chapters which address areas of challenge depending on where the life cycle of your organization is.

Let's start at the beginning.

"Is there a need for this organization." Before you create a board of directors this is the most important question you must ask. This will set the foundation for your research in identifying whether there actually exists a need for the development of an organization in your community.

"Do you have a plan?" Your plan should address four important questions. Who else is doing this?

Do you have community support?

Where is do you plan to get funding from?

Are you the best person for the job?

Scan your community to see what programs exist and explore possible opportunities for collaboration or a partnership once you have established a need.

Do you have people who support the development of your organization? Solicit feedback and ideas. Take as much time as you need to determine if this is truly a need in your community.

Why has this organization not been created before?

Where will you get funding for this organization? Starting a nonprofit organization does not take a lot of money, but sustaining a healthy organization takes well thought financial strategies.

What makes you the best person to start this organization? Do you have special expertise, or training which qualify you for starting this organization? Dedication and commitment are needed to embark on any organizational development, but there are certain practical considerations to starting and sustaining a new not for profit organization.

Once you have identified a need and developed a plan you are ready to begin.

Building a not for profit board will depend on where the organization is in its life cycle. Are you starting a brand new organization? Is it an organization that has been in existence for a few years, or is it a more mature organization with experienced board members?

There are three stages in the life cycle of a nonprofit board

1. Working/Administrative Board
2. Policy Making Board
3. Policy Governance Board

Some organizations will evolve and move through these three life cycles and some will not. The important thing is not whether your organization makes the transition from step one to step three, but that you recognize where the organization is and plan the creation and development of your board accordingly.

A brief summary of some of the broad differences between the boards of organizations depending on the stage of development is as follows:

Working/Administrative Board

Role of the Board Members:

Volunteering

Supporting the Executive Director/Founder

Size of the Board:	3-10
Composition and Style of the Board:	Informal Less focus on professionals - more "hands on" Less focus on diversity
Approach of the Board:	Organizing Building

Policy Making Board

Role of the Board Members:	Governance Planning Supervising finances Some volunteering
Size of the Board:	10-25
Composition and Style of the Board:	More formal More professional More focus on diversity
Focus of the Board:	Governance Effectiveness

Policy Governance Board

Role of the Board Members:	Governance Fundraising
Size of the Board:	25-40
Composition and Style of the Board:	Relatively formal Access to contacts and donors

TRENDS IN NONPROFIT BOARDS

Once you have determined where you are in the life cycle it will be helpful to know what the current trends are in nonprofit boards.

From

To

- | | |
|---|---|
| <input type="checkbox"/> Enjoying the public trust. | Having to be accountable. |
| <input type="checkbox"/> Forging individual participatory roles at the individual. | Being expected to govern. discretion of |
| <input type="checkbox"/> Creating a loose federation of common interests dynamics | Maintaining a compact community aware of its culture and political |
| <input type="checkbox"/> Constituting the board in large numbers to ensure involvement. | Downsizing to ensure effectiveness. |
| <input type="checkbox"/> Recruiting new board members based on personal relationships with existing members or strong emotional commitment to the cause focus and direction | Recruiting selectively, based on board members' skills and influence as they relate to the organization's strategic |
| <input type="checkbox"/> Orienting new board members informally | Holding formal orientations. |
| <input type="checkbox"/> Agreeing to be a board member while unclear about role expectations. | Being clear about ones responsibilities |
| <input type="checkbox"/> Receiving and reviewing vast amounts of information. | Receiving targeted and strategic information related to key issues. |
| <input type="checkbox"/> Preparing agendas that reflect immediate past activities | Preparing highly structured agendas to address key organizational strategies |
| <input type="checkbox"/> Making decisions as a committee of the whole | Organizing effective committee structures to recommend policy to the board. |

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|---|---|
| <ul style="list-style-type: none"> ❑ Providing financial oversight with a small, closed group. | <ul style="list-style-type: none"> Sharing relevant financial information with the entire board. |
| <ul style="list-style-type: none"> ❑ Being uninsured and unaware of potential risks. | <ul style="list-style-type: none"> Having sufficient insurance and a risk management plan. |
| <ul style="list-style-type: none"> ❑ Serving for unspecified terms | <ul style="list-style-type: none"> Having and respecting term limits |
| <ul style="list-style-type: none"> ❑ Having little or no involvement in fund raising | <ul style="list-style-type: none"> Being involved in fundraising according to one's means, talents and contacts |
| <ul style="list-style-type: none"> ❑ Informally and irregularly assessing the performance of the executive director. | <ul style="list-style-type: none"> Structuring a regular review of the Chief Executive's performance as it relates to the organization's stated goals and expected outcomes. |