

**THE BOARD BUILDING CYCLE**  
**PARTICIPANT WORKBOOK**



**National Tooling & Machining Association**  
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**David Styers**  
BoardSource Governance Consultant  
202-204-8010  
[dstyers@boardsource.org](mailto:dstyers@boardsource.org)

Presented by

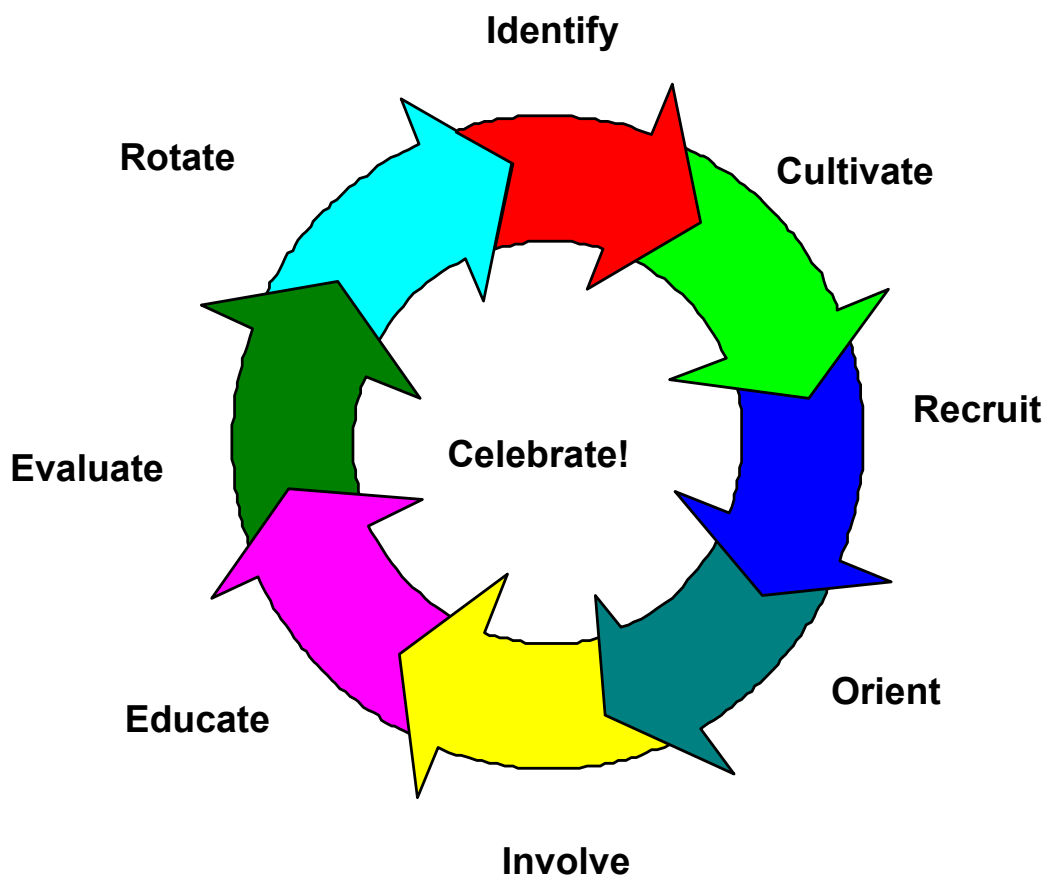


***Building Effective Nonprofit Boards***  
*Training based on content from The Board Building Cycle*  
*by Berit M. Lakey (BoardSource, 2007).*

## **Session Objectives**

1. Understand the nine steps to finding, recruiting, and engaging nonprofit board members in order to improve board composition and effectiveness.
2. Develop ideas for improving the composition and effectiveness of your board.
3. Increase your interest in building your board.

## The Board Building Cycle



### Steps:

1. IDENTIFY prospective board members.
2. CULTIVATE prospective board members.
3. RECRUIT prospective board members.
4. ORIENT new board members.
5. Encourage board members to become more INVOLVED.
6. EDUCATE board members about the organization's work and context.
7. Engage the board in self-EVALUATION.
8. ROTATE out board members to make room for new skills and insights.
9. And finally, CELEBRATE the board's victories and successes.

## Step 1: Identify

*Identify the needs of the board: the skills, knowledge, perspectives, and connections, etc., needed to implement the organization's strategic plan. What expertise do you have? What is missing? Identify sources of board members with the desired characteristics.*

### Questions to Consider:

1. What skills have you seen on other boards or groups that might enhance your board?
2. What does your board struggle with? What kind of person might alleviate this struggle?

### Notes:

### Board Profile Worksheet Expertise / Skills / Personal Data

This worksheet can be adapted by the organization to assess its current board composition and plan for the future. The governance committee can develop an appropriate grid for the organization and then present its findings to the full board.

In considering board building, an organization is legally obligated to follow its bylaws, which may include specific criteria on board size, structure, and composition. Or the bylaws may need to be updated to incorporate and acknowledge any changes in the environment and community that have made modifications to the board structure necessary or desirable.

Remember, an organization will look for different skills and strengths from its board members, depending on its stage of development and other circumstances. One shortcoming many boards have is that they do not include representatives from the population they aim to serve who are often from low-income neighborhoods or are otherwise under-privileged.

	Current Members						Prospective Members					
	A	B	C	D	E	F	A	B	C	D	E	F
Age												
Under 18												
19 – 34												
35 – 50												
51 – 65												
Over 65												
Gender												
Male												
Female												
Socioeconomics/Race/Ethnicity/Disability												
Low income												
African American/Black												
Asian/Pacific Islander												
Caucasian												
Hispanic/Latino												
Native American/Indian												
Disability												
Other												
Resources												
Money to give												
Access to money												
Access to other resources												
Availability for active participation												
Other												

	Current Members						Prospective Members					
	A	B	C	D	E	F	A	B	C	D	E	F
Community Connections												
Religious organizations												
Corporate												
Education												
Media												
Political												
Philanthropy												
Small business												
Social services												
Other												
Qualities												
Leadership skills												
Willingness to work												
Personal connection with org. mission												
Other												
Personal Style												
Consensus builder												
Good communicator												
Strategist												
Visionary												
Other												
Areas of Expertise												
Administration / management												
Entrepreneurship												
Financial management												
Accounting												
Banking and trusts												
Investments												
Fundraising												
Government												
International affairs												
Law												
Marketing / public relations												
Human resources												
Strategic planning												
Physical plant (architect, engineer)												
Real estate												
Representative of clients												
Special program focus												
Technology												
Other												

## Step 2: Cultivate

*Cultivate potential board members. Ask current board members, senior staff, and others to suggest potential candidates. Find ways to connect with those candidates, get them interested in your organization, and keep them informed of your progress.*

### Questions to Consider:

1. Where might you find individuals that possess the skills or qualities listed under step 1?
2. What can you do to get those individuals interested in serving on your board?
3. What have you tried that has not worked?
4. What have you not tried?

### Notes:

Sample Prospective Board Member Information Sheet

Name of prospective board member: \_\_\_\_\_
Title: \_\_\_\_\_
Organization: \_\_\_\_\_
Address: \_\_\_\_\_
City, State, Zip: \_\_\_\_\_
Telephone: Day \_\_\_\_\_ Evening \_\_\_\_\_ Cell \_\_\_\_\_
Email: \_\_\_\_\_
Source of referral/information: \_\_\_\_\_

Special skills

- Checkboxes for Fundraising, Personnel/Human Resources, Finances, Working with target population, Business, Marketing/Public Relations, Technology, Legal, Management, and Other.

Professional background

- Checkboxes for For-profit business, Government, Nonprofit organization, and Other.

Education

- Checkboxes for Some high school, High school graduate, Some college, Undergraduate college degree, Some graduate coursework, Graduate degree or higher, and Other.

Other affiliations: \_\_\_\_\_

Other board service: \_\_\_\_\_

Known levels of giving: \_\_\_\_\_

Other pertinent information: \_\_\_\_\_



### Step 3: Recruit

*Recruit prospects. Describe why a prospective board member is wanted and needed. Explain expectations and responsibilities of board members; don't minimize requirements. Invite questions, elicit their interest, and find out if they would be prepared to serve. Recruit a diverse board without tokenism, with clear definitions and intentions and with awareness of invisible barriers*

#### Questions to Consider:

5. What got your current board members to commit?
6. What is personally and professionally rewarding about serving on your board?
7. What three things should a potential board member know about your organization and your board before they decide whether to join the board?
8. What do you expect from your board members in terms of fundraising?
9. What do you expect from your board members in terms of meeting attendance?
10. What happens if a board member does not live up to these expectations?

#### Notes:

### Sample Board Member Agreement

As a board member of XYZ, I am fully committed and dedicated to the mission and have pledged to carry out this mission. I understand that my duties and responsibilities include the following:

1. I am fiscally responsible for this organization, along with the other board members. I will know what our budget is and take an active part in reviewing, approving, and monitoring the budget and the fundraising to meet it.
2. I know my legal responsibilities for this organization and those of my fellow board members. I am responsible for understanding and overseeing the implementation of policies and programs.
3. I accept the organization's bylaws and operating principles and understand that I am morally responsible for the health and well being of this organization.
4. I will give what is, for me, a substantial financial donation. I may give this as a one-time donation each year, or I may pledge to give a certain amount several times during the year.
5. I will actively engage in fundraising for this organization in whatever ways are best suited to me. These may include individual solicitation, undertaking special events, writing mail appeals, and the like. I am making a good faith agreement to do my best and to raise as much money as I can.
6. I will actively promote XYZ and encourage and support its staff.
7. I will attend board meetings, be available for phone consultations, and serve on at least one XYZ committee. If I am not able to meet my obligations as a board member, I will offer my resignation.
8. In signing this document, I understand that no quotas are being set, and that no rigid standards of measurement and achievement are being formed. Every board member is making a statement of faith about every other board member. We will trust each other to carry out the above agreements to the best of our ability.

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Board Member

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Board Chair

## Step 4: Orient

*Orient new board members to the organization by explaining the history, programs, pressing issues, finances, facilities, bylaws, and organizational chart. Orient new board members to the board by describing committees, board member responsibilities, and lists of board members and key staff.*

### Questions to Consider:

11. What knowledge would have helped you when you started with the board?
12. How did you learn what you needed to know to perform your board functions?

### Notes:

## Suggested Content for Board of Directors Handbook

- A. The board
  - 1. Board member listing
  - 2. Board member bios
  - 3. Board member terms
  - 4. Board statement of responsibilities
  - 5. Board member responsibilities
  - 6. Committee and task force job descriptions
- B. Historical references for the organization
  - 1. Brief written history and/or fact sheet
  - 2. Articles of incorporation
  - 3. IRS determination letter
  - 4. Listing of past board members
- C. Bylaws
- D. Strategic framework
  - 1. Mission and vision statement
  - 2. Strategic framework or plan
  - 3. Current annual operating plan
- E. Minutes from recent board meetings
- F. Finances
  - 1. Prior year annual report
  - 2. Prior year audit report
  - 3. Chart of financial growth (sales, membership, programs, etc.)
  - 4. Current annual budget
  - 5. IRS Form 990
  - 6. Banking resolutions
  - 7. Investment policy
- G. Policies pertaining to the board
  - 1. Policy on potential conflicts of interest
  - 2. Insurance policy coverage
  - 3. Legal liability coverage
  - 4. Travel/meeting expense reimbursement
  - 5. Accreditation documents (if applicable)
  - 6. Others
- H. Staff
  - 1. Staff listing
  - 2. Organization/team chart
- I. Resource development
  - 1. Case statement
  - 2. Current funding list
  - 3. Sample grant proposal
- J. Organizational information
  - 1. Annual calendar
  - 2. Programs list
  - 3. Current brochure(s)
  - 4. Web site information
- K. Procedures to update board handbook
- 4. Sponsorship policy

**Board Orientation Chart**

<b>Information</b>	<b>Issues</b>	<b>Presentation Options</b>
<b>About the Organization</b>		
Program	Offer new board members a feel for the work of the organization — what it does, whom it serves, what difference it makes — to get them emotionally and intellectually connected and motivated.	<ul style="list-style-type: none"> <li>• Tour of facilities</li> <li>• Observation of/participation in program activities</li> <li>• Presentation by client, member, or program participant</li> <li>• Video, slides, film presentation</li> <li>• Verbal presentations</li> <li>• Written materials</li> </ul>
Finances	Help new board members become informed about where money comes from, how it is spent, and the state of the organization’s financial health.	<ul style="list-style-type: none"> <li>• Presentation by chief executive, chief financial officer, or treasurer</li> <li>• Background materials (most recent audit, budget, financials), graphically presented if possible</li> </ul>
History	Provide sufficient knowledge about the past so that the present makes sense. Also, help them see their own participation as part of the organization’s ongoing story.	<ul style="list-style-type: none"> <li>• Stories told by “old timers”</li> <li>• Pictures</li> <li>• Written materials</li> </ul>
Strategic Direction	Present a framework for new members to participate effectively. Clarify the mission, vision, organizational values, and goals that inform organizational actions.	<ul style="list-style-type: none"> <li>• Presentation/discussion led by the chief executive or board chair</li> <li>• Copy of strategic plan (or other documents, especially mission statement, if no plan is available)</li> </ul>
Organizational Structure	Help new board members understand who does what and what the lines of accountability are.	<ul style="list-style-type: none"> <li>• Copy of the bylaws, IRS Determination Letter</li> <li>• Organizational chart</li> <li>• Introductions to key staff members</li> </ul>
<b>About the Board</b>		
Board Roles	Assure that new board members understand the roles of the board.	<ul style="list-style-type: none"> <li>• Presentation/discussion, preferably with the whole board involved</li> <li>• Written materials</li> </ul>
Board Member Responsibilities	Assure that new board members understand their own responsibilities as board members.	<ul style="list-style-type: none"> <li>• Presentation/discussion</li> <li>• Signed agreement (job description), including conflict of interest and ethical statements</li> </ul>
Board Operations	Help new board members understand how the board operates so that they may participate effectively.	<ul style="list-style-type: none"> <li>• Board manual</li> <li>• Board mentors</li> <li>• Committee lists, with committee charges and member lists</li> <li>• Meeting schedule</li> </ul>
Board Members	Facilitate new board member integration with the other members.	<ul style="list-style-type: none"> <li>• List of board members</li> <li>• Board member biographical data</li> <li>• Time set aside for social interaction</li> </ul>

## Step 5: Involve

*Involve all board members. Discover their interests and availability. Involve them in committees or task forces. Assign them a board "buddy." Solicit feedback. Hold everyone accountable. Express appreciation.*

### Questions to Consider:

13. Have you asked each board member what board work interests them?
14. Are there diverse ways to be involved?

### Notes:

### **Barriers to Keeping Boards Involved**

1. The board is too large. It is difficult to accomplish anything because of the complexity of involving so many individuals.
2. The board is too small. Board members are overwhelmed or suffer from insufficient stimulation or limited perspectives.
3. The executive committee is too active. The rest of the board may feel like a rubber stamp or disengaged.
4. Members are insufficiently or ineffectively oriented.
5. Agendas are weak. They may lack substance or be too long. Board members may fail to see the relevance of board meeting topics to organizational performance.
6. Members do not feel well used or important. They may decide that they “have better things to do.”
7. There is little or no opportunity for discussion. Board members may feel bored or frustrated.
8. The board lacks social glue. Board members might have little in common.

## Step 6: Educate

*Educate the board. Provide information concerning your mission area and services. Promote exploration of issues facing the organization. Hold retreats and encourage board development activities by sending board members to seminars and workshops. Don't hide difficulties.*

### Questions to Consider:

1. Have you offered fun ways of learning to board members?
2. How do most of your board members learn what they need to know?

### Notes:



### **Board Development Activities**

A board self-assessment process that enables the board to comment on the strengths and weaknesses of its own performance

A periodic review of the mission statement

Special board training workshops on topics such as fundraising, planning, and finances

A well-planned discussion on a facet of the board's work, such as committee structure, the content and conduct of board meetings, or how to increase board diversity

Presentations by outside consultants or staff experts on trends in the organization's mission area

A well-planned and carefully scheduled board retreat

Governance workshops offered by management assistance providers

From *Developing the Nonprofit Board: Strategies for Educating and Motivating Board Members* by Maureen Robinson, BoardSource.

## Step 7: Evaluate

*Evaluate the board as a whole, as well as individual board members. Examine how the board and the chief executive work as a team. Engage the board in assessing its own performance. Identify ways in which to improve. Encourage individual self-assessment.*

### Questions to Consider:

1. What barriers to evaluation does the organization have? How can they be overcome?
2. What might be done to ensure follow-up from evaluation findings?

### Notes:

### Sample Board Self-Assessment Survey

Review the list of basic board responsibilities. Indicate whether, in your opinion, the board currently does a good job in the given area or whether the board needs to improve its performance.

	Does Well	Needs Work
Organization's Mission		
Strategic Planning		
Program Evaluation		
Fundraising		
Fiscal Oversight and Risk Management		
Relationship with the Chief Executive		
Board–Staff Relationship		
Public Relations and Advocacy		
Board Selection and Orientation		
Board Organization		

### Sample Individual Board Member Self-Evaluation

Use the following questions for individual board member evaluations. For board members answering yes to these questions, they are likely to be fulfilling their responsibilities as board members.

	Yes	No	Not Sure
1. Do I understand and support the mission of the organization?			
2. Am I knowledgeable about the organization's programs and services?			
3. Do I follow trends and important developments related to this organization?			
4. Do I give a significant annual gift to the organization and/or assist with fundraising?			
5. Do I read and understand the organization's financial statements?			
6. Do I have a good working relationship with the chief executive?			
7. Do I recommend individuals for service to this board?			
8. Do I prepare for and participate in board meetings and committee meetings?			
9. Do I act as a good-will ambassador to the organization?			
10. Do I find serving on the board to be a satisfying and rewarding experience?			

### Board Meeting Evaluation

	OK	Needs Improvement	Suggestions for Improvement
1. The agenda was clear, supported by the necessary documents, and circulated prior to the meeting.			
2. All board members were prepared to discuss materials sent in advance.			
3. Reports were clear and contained needed information.			
4. We avoided getting into administrative/management details.			
5. A diversity of opinions were expressed and issues were dealt with in a respectful manner.			
6. The chair guided the meeting effectively and members participated responsibly.			
7. Next steps were identified and responsibility assigned.			
8. All board members were present.			
9. The meeting began and ended on time.			
10. The meeting room was conducive to work.			
11. We enjoyed being together.			

## Step 8: Rotate

*Rotate board members. Establish term limits. Do not automatically re-elect for an additional term; consider the board's needs and the board member's performance. Explore the advisability of resigning with members who are not active. Develop new leadership.*

### Questions to Consider:

1. If you are not rotating members, what are the barriers to doing this? How can they be overcome?
2. If you are rotating members, does it seem to be bringing fresh ideas to the organization?

### Notes:

**Excerpts from “In Defense of Term Limits” (Board Member April/May 2003)  
by Barbara Taylor**

It's hard enough to find good board members. So why rotate them?

With so many nonprofits having so many problems recruiting new board members, it's natural for them to look suspiciously at the concept of term limits. There are 1.2 million standing board openings—and another 1.8 million board seats become available every year. Given those figures, you can certainly understand a perplexed board chair asking, "I'm having a hard time finding new board members, and now you want me to get rid of my best ones?"

Well, in a sense, that board chair is right. Make no mistake about it: When you institute term limits, you lose good people. However, what you gain is worth the risk. There is nothing like new blood and new perspectives to invigorate a board.

Still, I can't tell you how many times, either while serving as a board member or working as a consultant to nonprofits, I have seen the dynamic of a board change when two or three new people join. How often does a stagnant board get bogged down in the same argument again and again? Then, a new board member injects a new point of view—and everything changes.

One board chair told me that, before they established term limits, the board already knew how everyone thought. It needed someone to challenge its opinions. A board member of a different organization noted that his new members brought fresh ideas from other boards. And a third board member said that regularly bringing in new people allows you to examine problems that are right under your nose. You just can't see them because you have become so imbedded in them.

As counterintuitive as it may seem, term limits can help solve your recruitment problems too. Finding new board members becomes easier when you have an active, energetic board. Nobody wants to serve on an old dead board that has been having the same discussion for 10 years.

It's hard to keep busy, high-performing people engaged on a board year after year. Most are interested in serving on a board for a period of time, but then they want to move on and do something else. In fact, a person who is willing to serve for 60 years may not be the kind of high-performing, high-quality board member that you are looking for.

And, while you may be losing valued board members, you could be gaining vital recruiters. From your organization's perspective, former board members form a wider and wider circle of people who know your group intimately and who can speak well of it in the community. Think about it. When you are recruiting new members, do you want 100 people out there looking for you—including 80 former board members? Or do you want the same 20 people who have been serving on your board forever? You can continue to engage your former members in the organization. And, hopefully, they will continue to contribute to your nonprofit.

It's a mistake to look at term limits as a panacea. Some nonprofits set their term limits for three, four, or five years. I don't think that's enough time to groom a good board member. Using term limits to weed out so-called "deadwood" board members is just an excuse to avoid dealing with underperformance. Age limits are problematic too. We all know 80-year-old board members who are high performers and 40-year-olds who don't show up for board meetings and don't contribute anything. But term limits can be a comfortable way of moving people who have been good performers off the board—and making way for the next generation of great board members.

## Step 9: Celebrate!

*Recognize victories and progress, no matter how small. Appreciate individual contributions to the board, the organization, and the community. Make room for humor and a good laugh.*

### Questions to Consider:

1. Do your board members like public acknowledgement?
2. Are there awards that your board might apply for?
3. What do your board members enjoy doing with their free time? Are there possibilities for organizing an activity around this?

### Notes:



### **10 Ways to Celebrate**

1. Go on a dinner cruise
2. Have a picnic and invite board members and their families
3. Show a slide show with the boards achievements, inspirational pictures, and celebratory music
4. Give each board member a certificate of recognition
5. Hold a 15-minute toast to the board in which board members make toasts
6. Show an inspirational movie
7. Go to a baseball game
8. Have cocktail party
9. Give each board member a T-shirt or other small gift
10. Hire a performer

### Possible Next Steps: Board Building Ideas that Might Serve Your Board

Step	Idea #1	Idea #2
1. Identify		
2. Cultivate		
3. Recruit		
4. Orient		
5. Involve		
6. Educate		
7. Evaluate		
8. Rotate		
9. Celebrate		

## Training Content

Lakey, Berit M. *The Board Building Cycle*. BoardSource, 2007.

## Further Reading

BoardSource. *The Committee Series*. BoardSource, 2003.

BoardSource. *The Governance Series*. BoardSource, 2004.

BoardSource. *The Nonprofit Answer Book, Second Edition: A Practical Guide for Board Members and Chief Executives*. BoardSource, 2007.

Bobowick, Marla J., Sandra R. Hughes, and Berit M. Lakey. *Transforming Board Structure*. BoardSource, 2001. (Part of *The Committee Series*)

George, Worth. *Fearless Fundraising for Nonprofit Boards*. BoardSource, 2003.

Ingram, Richard T. *Ten Basic Responsibilities on Nonprofit Boards*. BoardSource, 2003. (Part of *The Governance Series*)

Lawrence, Barbara and Outi Flynn. *The Nonprofit Policy Sampler*. BoardSource, 2006.

Wertheimer, Mindy R.. *The Board Chair Handbook*. BoardSource, 2007.

These resources can be ordered from [www.boardsource.org](http://www.boardsource.org)