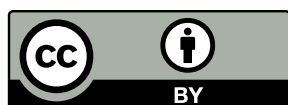


Boards of Directors and Governance Systems:

A Practical Guide for Non-Governmental Organizations

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This guide is a work in progress. Any feedback and suggestions for improvements are welcome.

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Contents

About this Guide	5
Section 1: Yes, It is a Challenge... Some Principles and Ideas for Getting Started	6
Section 2: Putting Together the Architecture and Establishing the Commitments	
2.1 Models of Governing Bodies	
r Reflection: Some Basic Principles for the Composition of Governing Bodies	8
s Sample: Three Models of Governing Bodies and Their Advantages and Disadvantages	9
r Reflection: Advantages and Disadvantages of Advisory Boards	10
2.2 Responsibilities and Commitments	
r Reflection: The Key Responsibilities of Boards of Directors	10
p Practical Tip: Drafting Articles of Incorporation and Bylaws	13
p Practical Tip: Key Contents of Bylaws	14
s Sample: Bylaws	14
r Reflection: Is a Letter of Commitment Worthwhile?	15
s Sample: Letter of Commitment	15
r Reflection: What are Conflicts of Interest and What Should We Do When They Arise?	16
s Sample: Conflict of Interest Policy	18
Section 3: Electing Ideal Board Members and Providing Them Orientation	
r Reflection: What Types of Board Members Do We Want and Need?	19
s Sample: Evaluation of Board Member Profiles	19
s Sample: Registry of Assembly and Board Members	22
s Sample: Procedure for New Board Member Orientation	23
s Sample: Board Handbook Contents	24
Section 4: Ensuring Implementation of Key Responsibilities	
4.1 Strategic Leadership and Programmatic and Institutional Oversight	
s Sample: Outline of a Programmatic Report for a Board Meeting	25
s Sample: Outline of an Organizational Report for a Board Meeting	26
4.2 Hiring and Evaluating the Executive Director	
s Sample: Executive Director Job Description	26
s Sample: Executive Director Performance Evaluation	30
s Sample: Staff Survey and Executive Director Self-Evaluation Form	31
s Sample: Questions for Allies or Other External Actors	35

4.3 Executive Director Leadership Transitions

- s** Sample: Executive Director Leadership Transition Plan 35
- s** Sample: Staff Members Survey on Executive Director Duties, Qualifications, and Selection Criteria 36
- s** Sample: Selection Criteria 38
- r** Reflection: The Role of the Founding Director on the Board of Directors 39

4.4 Basic Human Resources Policies

- s** Sample: Elements of a Basic Human Resources Policy Approved by the Board of Directors 39
- s** Sample: Policy for Conflict Resolution Among Staff Members 40

4.5 Financial Oversight

- s** Sample: Financial Oversight Procedure 40
- s** Sample: Financial Report for the Board of Directors 44
- s** Sample: Outline of a Narrative Financial Report for the Board of Directors 46

4.6 Ensuring Optimal Board Effectiveness

- s** Sample: Board Self-Evaluation 47
- p** Practical Tip: How to Ensure Productive Board Meetings 50
- s** Sample: Basic Board Meeting Agenda 51
- s** Sample: Form for Board Meeting Minutes 52
- s** Sample: Board Meeting Evaluation 53
- p** Practical Tip: Committees that are Worthwhile 53
- p** Practical Tip: Communication between Board and Staff 54

Section 5: Active, Motivated, and Well-Utilized Board Members

- p** Practical Tip: Some Do’s and Don’ts—a Summary of the Best Advice for Executive Directors and Board Members 55
- p** Practical Tip: How to Keep Board Members Active and Motivated 58
- p** Practical Tip: How to Activate an Existing but Inactive Board 59

Section 6: Sample Bylaws 60

Section 7: Bibliography 69

About the Author 71

Acknowledgments 71

About This Guide

This guide was originally released in Spanish in 2014, as a practical tool for strengthening boards of directors of non-governmental organizations (NGOs) in Latin America. It was born out of a fruitless search and recurring need for culturally and linguistically adapted tools on board development for Latin American organizations. In many cases in the region, board development of civil society organizations is still quite incipient and looks entirely different than in the United States, Western Europe and other contexts. The original version was written mindful of the reality of Latin American organizations, drawing on the successful experiences of some, and the needs and challenges they have identified.

Shortly after its release, we began to receive requests for a version in English. After conversations with colleagues in other regions, we understood that the approach and tools might be useful for organizations in other parts of the world.

This guide does not adopt a utopian model nor does it seek to present or adapt models from the United States or other regions. While some of the reflections, tips and sample materials were developed based on civil associations in Mexico, we believe that at least several of them will prove helpful in other contexts, with no more than minimal adaptation. Hence the version you are reading today, modified lightly to be more universally applicable. As with any material of this nature, please feel free to use what is useful and ignore the rest.

We have much to learn and would love to receive your feedback! Please let us know your thoughts by writing to martha.farmelo@gmail.com.

Section 1

Yes, It is a Challenge...Some Principles and Ideas for Getting Started

Yes, It Is a Challenge...and Essential...and Possible

There is no doubt about it: having a useful and effective board is a challenge—for the executive director, for the staff, and for the members of the board. At the same time, having a good board is essential for guiding and nourishing the organization’s strategic direction; for ensuring checks and balances that make it possible to avert institutional crises, for preventing ethical or programmatic deviations (intentional or otherwise); for taking on leadership transitions—since only the board or the members’ assembly can hire the new executive director and ensure stability at such moments—and, in general, for conferring legitimacy upon the organization.

This guide is based on the assumption that **in a healthy organization, the staff agrees to be accountable to the board, while the board accepts its responsibilities and the limitations of its role and respects the knowledge and effort of the staff.**

It is often feared that the board may have a conflictive relationship with the staff, make ill-informed decisions, be too distant from the organization, engage in inappropriate roles or duties, or that it may take up too much staff time and energy. This guide is aimed at helping to avoid each of these potential problems.

A useful and effective board is the result of a joint effort by the staff and the board members. They are two entirely interdependent bodies. A board should not depend exclusively on the staff, but in practice the staff plays a key role in establishing the collaborative relationship that makes it possible for board members to be informed, oriented, and motivated, and to ensure their efforts are well-channeled. If done properly, and without taking too much time away from programmatic work, engaging with and cultivating the board of directors is key to ensuring the health and stability of the organization, in addition to bringing about other contributions, such as providing contacts and strategic thematic expertise.

You generally get the board you seek: If you think that your board will definitely be of no use, it will most likely be useless. If you think that a useful and effective board is possible, the possibilities of it being so are much greater.

Some countries’ legal frameworks do not require NGOs to form a board, or the board may be comprised of a small group of friends, relatives, or staff members. In addition, different countries have different rules around the legal liability of board members. This guide recognizes that, **in many places, there is a gap between what is required by law and what is needed to build a healthy and sustainable organization.**

At the same time, this guide takes an approach that is practical, pragmatic, and feasible. We recognize that executive directors and their staff have major workloads that they cannot and should not neglect, and that board members are generally extremely busy, too. This guide seeks to promote rational investments of time and effort that bring about worthwhile results.

The process of building a board is gradual and takes time and effort. Thus, it is best to begin small, grow gradually, and maintain realistic expectations about the board’s role in the short and medium term. Certainly there will be an initial stage of preparation and start-up that will take more time than what is needed later.

Some basic principles for strengthening boards of directors:



- Having a useful and effective board is a challenge, is essential, and is possible.
- Useful boards result from the joint efforts of staff and board members.
- Having a useful board goes beyond compliance with the law.
- Achieving a useful board should be based on a practical, pragmatic, and feasible approach.
- Begin small and grow gradually, managing expectations and recognizing that the start-up stage entails a greater effort than subsequent stages.

Different Models, Different Names

Governing bodies may vary from organization to organization and, at times, from country to country. Some organizations have a members' assembly and a board of directors, but there are many other possible models. Across countries and regions, many different names are used to refer to what is, albeit with some variations, essentially the same thing. This guide is focused mainly on developing what we refer to as the board of directors, or simply the board, understood as the governing body that will play the leading role in the life of the organization.

How to Use this Guide

Boards of directors are not static: they must change and evolve based on the various stages of the organization. This guide is intended for organizations that have been operating for at least two or three years, and may or may not have a board in place, and for older organizations whose boards of directors have been inactive or not so useful to date. For organizations that are just being founded, we suggest you seek resources aimed specifically for that purpose. For example, in Latin America, we suggest *Construyendo tu organización en 16 pasos.*¹ (*Building Your Organization in 16 Steps*).¹

The guide contains reflections, practical tips, and several samples of processes, tools, or materials that can be adapted for different organizations. **You may click on the samples marked with  Save document to save the documents in Microsoft Word or Excel and adapt them as you see fit.** You may also access all the documents by clicking on the paperclip  to the left to see the list of attachments.

The chapters are organized based on the typical sequence of an organization that is activating or establishing its board, but there is no specific order to follow. We suggest you skim through the contents of each chapter, but feel free to jump from one chapter to the next, taking what is useful and skipping the rest. Because the various sections and samples are highly inter-related, several hyperlinks are included that take you to other parts of the document.

¹ Carillo Collard, Patricia, Gisela Robles Aguilar, Mónica Tapia Álvarez, Andrea Tapia Álvarez. *Construyendo tu organización en 16 pasos: Manual de constitución legal de asociaciones civiles (Building Your Organization in 16 Steps: Manual for the Legal Constitution of Civil Associations)*, Mexico City: second edition: November 2009.

Section 2

Putting Together the Architecture and Establishing the Commitments

2.1 Models of Governing Bodies

r Reflection: Some Basic Principles for the Composition of Governing Bodies

There are several possible models for governing bodies. You may want to consider these reflections when choosing a specific model.

The Best Model for the Stage and Nature of the Organization

The model should reflect the country's legal requirements, and be appropriate for the stage and characteristics of the organization and board. To simplify and progress gradually, you may choose to begin with an uncomplicated model with relatively few members that may be changed later on. For example, perhaps the members' assembly had three members when the organization was founded, today it has five members, in five years it will grow to 15 and in another five years it will grow even more. And perhaps the board begins with five members, and over time expands to seven or nine.

On Including Staff Members in Governing Bodies

We begin with the assumption that good governance requires separating managerial and operational functions from those of the governing bodies in order to establish checks and balances and avoid conflicts of interest. As such, staff members, including the executive director, would not be members of the governing bodies. They would participate actively in the development and optimal functioning of the governing bodies, and the latter's relationship with the staff.

Article 7 of the [sample bylaws](#) establishes: "The members serve on a strictly honorary basis and may not have any labor relationship whatsoever with the Association or receive payment or remuneration for any service provided to the Association." Nonetheless, some organizations may choose to include staff in the members' assembly. In these cases, the organization may want to draft clear criteria for their selection and tenure, and limit their number to ensure that external (non-remunerated) members constitute the majority.

On Including the Executive Director on the Board

There are reasons for and against including the executive director on the board. The advantages include the possibility of helping the board become better acquainted with the day-to-day work of the organization, promoting closer ties between the board and the staff, and, in the case of a founding director, having his or her vision and leadership inspire and encourage a greater commitment from other board members. Nonetheless, these advantages may also exist without the director's participation as voting member.

The main disadvantage is the accountability and conflicts of interest problems that may result from the director's role as "judge and party," when he or she weighs in on issues of direct personal interest (which may or may not involve his or her compensation). This may erode the legitimacy of the NGO in the eyes

of donors and other groups, in addition to undermining the board's inherent role of providing checks and balances, weakening it overall. Some organizations resolve this issue by having the executive director participate with voice and without vote, and by excluding his or her participation in decisions that directly affect him or her (such as his or her salary or other benefits).² This option, however, still leaves open the possibility of an extremely strong leader (especially a founding director) exerting too much power, and not allowing other board members to perform their role freely and in a healthy manner.

The Members' Assembly as the Highest-Ranking Body

For organizations that have a members' assembly as well as a board of directors or similar body, the assembly is, as a rule, the highest-ranking body. As such, its composition is crucial. If a useful and effective board of directors is established, yet the members' assembly is made up mostly of staff or other remunerated members (founders or otherwise) whose presence constitutes a conflict of interest, it would be best to modify the assembly's composition. Otherwise, one runs the risk of having staff members select (and legally have hierarchy over) the board of directors, which is the governing body in charge of, among other duties, overseeing the NGO's finances and programs, as well as hiring and evaluating the executive director. This issue is discussed once again in [Amending the Articles of Incorporation](#).

S Sample: Three Models of Governing Bodies and Their Advantages and Disadvantages

There are various models with different characteristics. This guide presents three examples. Of course there may be others, or ones similar to these albeit with small differences, for example, in the number of members of each body.

1. Members' Assembly and Board of Officers

A members' assembly is relatively small (for example, no more than nine persons). It meets once or twice a year, and has a lower level of involvement in the life of the institution. It elects, from its members, a board of officers with three persons (chairperson, treasurer, and secretary) that meets four to six times a year to perform duties of accountability, establishing institutional policies, and supporting the executive director, among others.

2. Members' Assembly and Board of Directors

The members' assembly is medium-sized (for example, from nine to 20 persons). It meets once a year and is less involved in the life of the organization. It elects, from among its members, a board of directors with five to seven members that meets three or four times a year. While the board has a president, treasurer, and secretary, the board of directors as a whole performs duties of accountability, establishing institutional policies, and supporting the executive director, among others.

3. Members' Assembly, Board of Directors, and Executive Committee

In general, this model applies to larger, older, and more consolidated organizations. The members' assembly is relatively large (from 20 up to 60 persons). It meets once a year, and is less involved in the life of the organization. It elects, from among its members, a board of directors with seven to 15 members that meets three or four times a year, or more. It performs duties of accountability, establishing institutional policies, and supporting the executive director, among others. To be even more operational, the board of directors elects an executive committee with no more than three to five persons, which may or may not include the president, treasurer, and secretary. This executive committee meets once between each board

² "A Handbook of NGO Governance," Marilyn Wyatt, The Central and Eastern European Working Group on Nonprofit Governance, 2004, p. 34.

meeting for more detailed tasks related to accountability and supporting the director, and is available for quick initial, ad hoc consultations.

Advantages and disadvantages of the various models: In models with fewer persons involved, it may be easier to identify, recruit, and sustain members' participation. In general, it is simpler, more efficient, and more expeditious to work with a small group of people. Nonetheless, the larger the assembly, the stronger the potential social base of support for the organization, the greater its convening power, and the more extensive its network of contacts. Similarly, a larger number of members of the board of officers or board of directors will mean greater perspectives and contributions. It is important to find a model that works for the size and other characteristics and needs of each particular organization.

r Reflection: Advantages and Disadvantages of Advisory Boards

Some organizations choose to have an advisory board with no decision-making power, in addition to its governing bodies. Often the idea is to involve persons who can advise—or at times contribute nothing more than their names—without asking them to take on the responsibility of governing the organization. However, it appears that, in practice, it is difficult for advisory boards to function effectively and add much value to the organization.

Often advisory board members have little motivation to participate if they do not have decision-making power. At the same time, setting up an advisory board in addition to a board of directors and/or other governing bodies involves considerable time and resources if it is convened periodically. Moreover, persons who are sufficiently motivated to help the organization without being on the board of directors or the assembly would probably be willing to contribute without any formal designation: it would just be a question of checking in with them and asking for specific contributions. For all these reasons, it is recommended that the costs and benefits of setting up an advisory board be carefully weighed before following that path.

2.2 Responsibilities and Commitments

r Reflection: The Key Responsibilities of Boards of Directors

There are different opinions on the basic responsibilities of boards of directors. Indeed, these may vary by country, organization, and the individuals involved. At times, especially in small or new organizations, assembly or board members may participate in the day-to-day management of the organization and/or in implementing its programmatic activities. Yet for those organizations that have their own staff, boards of directors can and should play a different role.

It may prove useful for the staff to discuss the following list of minimum responsibilities internally, as well as with board members, so that they understand and take ownership over their appropriate role. (This list was initially proposed in the Latin American context, but it may be appropriate for other regions.) Many organizations (and their boards) emphasize board members' strategic or programmatic contributions above other responsibilities, such as financial oversight or the hiring and evaluation of the executive director, all vital matters to the health of the organization. It is important to strike an adequate balance among all these responsibilities.

1. Establish the organization's **strategic definitions**

- Ensure that the mission is clear, effective, and kept up-to-date
- Ensure that there is an effective, widely-known, and updated strategic plan
- Establish the main strategic guidelines, especially when they involve significant risks or changes in direction
- Ensure monitoring of the strategic plan's implementation, or in its absence, of the organizational goals

If the mission is not clear and effective, the organization may want to do a joint exercise with the staff to update it. Some boards lead strategic planning processes, while others participate along with the staff, or review staff's drafts. The executive director should help identify those aspects of strategic direction that require the board's contributions or decisions. Monitoring implementation of the strategic plan generally happens through [programmatic reports to the board of directors](#).

2. Ensure **leadership and suitable management** of the organization

- Hire the executive director and establish his or her remuneration and other contractual conditions
- [Evaluate the performance of the executive director](#)
- Anticipate [leadership transitions](#) and make appropriate plans when they occur
- Approve [human resources policies](#) (the benefits package or salary scale, but not the remuneration of staff members other than the executive director, as this is the executive director's purview)

This means being in a position to provide leadership for each [transition of the executive director](#) and establish his or her remuneration and other contractual conditions, ensuring that the executive director does not establish his or her own salary. The [performance evaluation](#), which should include staff input, is fundamental for ensuring a strong organization and preventing problems that can easily be avoided by taking the time for periodic evaluation.

3. Ensure the **financial solidity** of the organization

- Periodically review [key elements of the financial situation](#)
- Ensure implementation of an adequate [financial management system and internal financial controls](#)
- Ensure the adequate planning and implementation of a financial sustainability strategy, including appropriate policies (for example, deciding whether the organization will accept government funds, but not becoming involved in the relationship with each donor)
- Appoint the auditor and ensure that there is an annual audit

These steps are fundamental for avoiding problems of cash flow, financial management, and sustainability; ensuring mechanisms of supervision and internal control; and safeguarding the organization's integrity.

4. Ensure the **highest ethical and professional standards**

- Ensure compliance with tax, labor, and programmatic requirements, among others
- Guarantee responsible use of funds and other resources (in part through [financial controls](#))
- Monitor the quality of the organization's work
- Establish fair policies regarding [human resources](#), internal and external transparency, etc.

These duties are performed through such tasks as [financial](#), [programmatic](#), and [institutional oversight](#). The staff, in turn, is responsible for producing financial, programmatic, and institutional reports that support the board members in this task.

5. Ensure optimal **effectiveness of the board of directors**

- Ensure a balance between retaining current members and bringing in new ones
- Establish a process and [criteria for recruiting the most suitable persons](#)
- Provide an efficient, dynamic, and thorough [orientation](#)
- Adopt and implement a [conflict of interest policy](#)
- Hold well-run, substantive, and productive meetings
- Perform an annual board performance self-evaluation, identifying the areas that need improvement and reaching agreement on follow-up steps

This involves encouraging the active participation of all board members and the timely replacement of departing members with appropriate individuals. It also requires establishing processes and routines to carry out the various key responsibilities.

The board should monitor the organization's activities –particularly those of the executive director and other top managers – through an active, independent, and well-informed process. If the board limits itself solely to supporting the executive director or the staff, it is not performing its basic function.

Ideally, boards should also be able to:

6. Make **substantive contributions to mission and programs**

This could include sharing contacts and opening doors, contributing knowledge and expertise, or helping maximize the visibility and public positioning of the organization.

7. Contribute to **fundraising**

Some members carry out these tasks at the request of the staff, while others raise funds with some autonomy, at times based on a fixed yearly amount to be raised (which may or may not be the same for every board member). In some regions, it may be less common (though not impossible) for board members to make individual donations to the organization. In any event, one can expect and require that board members help make contact with donors, open doors to new funding sources, make fundraising requests, and help organize or sponsor special fundraising events, among other actions.

The key responsibilities of boards of directors

1. Establish the organization's strategic direction
2. Ensure the leadership and suitable management of the organization
3. Ensure the financial solidity of the organization
4. Ensure the highest ethical and professional standards
5. Ensure the optimal effectiveness of the board of directors
6. Make substantive contributions to mission and programs
7. Contribute to fundraising

Doubts often arise as to the respective roles and tasks of the executive director and board members. The practical tip in Section 5 on "[Do's and Don'ts](#)" for board members and executive directors includes suggestions for distinguishing those roles.

p

Practical Tip: Drafting Articles of Incorporation and Bylaws

Who Drafts the Articles of Incorporation and Bylaws?

The staff may draft and present a proposal for the articles of incorporation and bylaws. They must be discussed and approved by the members of the board of directors (and the members of the assembly, if there is one), and registered with the proper government authorities, or officially recorded according to local law and custom. The adoption of the bylaws should, at a minimum, be recorded in the appropriate board meeting minutes.

What Should the Articles of Incorporation and Bylaws Include?

The articles of incorporation establish all the governing bodies. For example, they may establish the board of directors in very general terms and mention that bylaws will be adopted. As a rule, any change in the articles of incorporation requires the agreement of at least the majority of the members, and in many places, any change must be recorded before a civil law public notary or government authority, with the respective fees and taxes. Therefore, when the law permits, it is recommended that the articles of incorporation be short, simple, and general so they can remain valid and not require changes. **If an organization has general articles of incorporation, it is essential to have clear and comprehensive bylaws.**

The bylaws are generally much more specific than the articles of incorporation, [defining the rules and procedures of the governing bodies](#). The bylaws are usually an internal document that can be adapted to the needs of the group. In many places, their approval and amendments must appear in the minutes of the meeting, but they do not need to be formalized before a public notary. In order to be legally valid, they must be signed by all the members and each page must include the initials of the members in the margin. Of course, all organizations should ensure that their articles of incorporation and bylaws adhere to local law.

Amending the Articles of Incorporation

Many organizations must amend the original or subsequent versions of the articles of incorporation in order to implement an effective governance system (for example, creating a new entity such as a board of directors, assigning duties that it did not have before, or modifying its composition).

When the time comes to make such an amendment, it is suggested that one carefully consider the composition of the members' assembly, if there is one, in addition to the board of directors. Often the founding partners who make up the members' assembly move on to become part of the staff or become inactive members of the assembly. Given that the members' assembly is the highest-ranking body, it may be necessary to update the articles of incorporation and thereby avoid conflicts of interest—a key step in the professionalization of any organization.

p **Practical Tip: Key Contents of Bylaws**

Before drawing up the bylaws, some of the key issues to define include:

1. Number of board members
2. Duration of board member terms and possibilities for renewal
3. Officers and their duties (for example, treasurer, secretary, etc.)
4. Duration of officers and possibilities for term renewal
5. Number of meetings per year and their duration
6. Basic responsibilities of board members (attending meetings, etc.)
7. Policy for reimbursing expenses incurred to attend meetings, if applicable
8. Annual required financial contribution or other fundraising support, if deemed appropriate
9. Requirements for appointing members to the board
10. Rules for decision-making
11. [A conflict of interest policy](#)

Additional details may be specified, such as notice of meetings, required lead time, distribution of materials, etc.

S **Sample: Bylaws**

An example of [bylaws](#) is included as Section 6.

R Reflection: Is a Letter of Commitment Worthwhile?

The drafting and signing of a letter of commitment does not take much time. If discussed with the board and the staff, it may help foster greater mutual recognition of their respective roles and responsibilities. It is particularly useful for informing potential board members what specific commitments they would be taking on. Even if no one rereads it during the year, the process of developing and signing the letter is useful for reaffirming understandings and commitments around the board member's role. Indeed, the [sample bylaws](#) make reference to it and to its inclusion in the board members' registry.

S Sample: Letter of Commitment³

 Save document

Letter of Commitment [Name of the organization]

As a member of the board of directors of [name of the organization], I express my commitment and dedication to carrying out the organization's mission. Specifically:

- a. I accept the articles of incorporation and bylaws of this board, including the duties of the board set forth therein. I understand that I am morally responsible for the health and wellbeing of this organization.
- b. I will attend at least 75 percent of the meetings of the board (which meets four times a year).
- c. I will answer consultations by telephone or email and I will lend support, outside of the meetings of the board, on any issue or matter on which I have expertise or in which I am interested, and/or I will participate on a committee if one is established.
- d. As board members, we must assure sound leadership and management of the organization, including hiring, setting compensation, and supervising the executive director and ensuring appropriate staff input during the executive director's performance evaluation process. I also commit to stewarding the organization through leadership transitions.
- e. As board members, we are responsible for supervising [name of organization]'s finances: approving the annual budget, actively participating in reviewing and monitoring spending, establishing and helping to implement a sustainability strategy, and providing adequate financial oversight and checks and balances.
- f. I will represent the work and values of the organization carefully and responsibly. I will serve as a spokesperson, but only in close coordination with the staff.
- g. I shall keep myself informed of the work and events in the life of the organization. I will review and request information if needed and I shall prepare for the board meetings.
- h. I will sign and abide by the conflict of interest policy.
- i. I will work in good faith along with the staff and other members of the board to carry out the mission and achieve the institutional goals.

³ Adapted from <http://www.compasspoint.org/board-cafe/board-member-contract> and "Key Governance Relationships: The Human Side of Board Work," Building Better Boards #3 Educational Series Sponsored by Barker Mead Fund through the Community Foundation of South Wood County, April 26, 2006, facilitated by Sandra R. Hughes.

- j. OPTIONAL: Each year I will make a financial contribution that is significant for me (it can be made at once, or at different times during the year).
- k. OPTIONAL: I will participate in all suitable forms of fundraising in close coordination with the staff.
- l. I understand that if I should fail to carry out these commitments, the chair of the board and/or the executive director may contact me to discuss this situation and, should it come to that point, I shall offer my resignation.

At the same time, the executive director, the staff, and the other members of the board shall have the following responsibilities toward me:

- a. They will share, without my asking, regular financial and programmatic reports with key information about the organization’s activities so that I may exercise my role as board member effectively and responsibly.
- b. They will help maintain me abreast of relevant developments and changes in the area in which we work.
- c. The executive director and the staff will coordinate and collaborate with the board in order to ensure its optimal functioning and contributions.
- d. We will work in good faith to carry out the mission and achieve the goals of the organization.
- e. The staff will respond in a timely and clear fashion to any questions that I consider pertinent to exercise my role as board member effectively and responsibly.
- f. If these commitments are not kept, I may contact the chair of the board and/or the executive director to seek joint resolution of the situation.

By signing this document, I understand that no rigid performance standard is being set for board or staff members. We are trusting each other to carry out the above agreements to the best of our ability.

Signature _____
Board Member

Date _____

Signature _____
Chair of the Board

Date _____

Signature _____
Executive Director

Date _____

Two copies are signed, one for the board member and one for the organization’s files.

r Reflection: What Are Conflicts of Interest and What Should We Do When They Arise?

A conflict of interest arises when the personal or professional interests of a member of an organization do not coincide with what is best for the organization. Such conflicts are common. They may or may not include financial interests or transactions. The potential perception of a conflict of interest is just as important as an actual conflict of interest.⁴

⁴ Some donors may ask to examine the founding documents of the organization (articles of incorporation, etc.), and for information about the composition of the governing bodies to check for any evidence of conflicts of interest.

Three examples:

1. The communications director is looking for a graphic design consultant, and someone suggests he contact a board member's cousin.

The board member may or may not have suggested his cousin, who may or may not be the best qualified person for the job. Independent of her qualifications, the organization runs the risk of a perception (internal or external) of favoritism.

The board member should clarify from the outset that the person is his cousin, and should exclude himself (even physically) from any conversation about hiring her. At the same time, the board member (or the rest of the board) could recommend that the organization look for someone else, so that the communications director does not feel pressured to hire the cousin. Another option would be to ensure a competitive and transparent contracting procedure in which the cousin and other candidates participate.

2. The board must decide whether to sign, along with other organizations, a joint letter denouncing a government agency where the husband of a board member holds an important position.

The board member may or may not be concerned about the implications of the letter for her husband. In any event, she should remind the board of her husband's position, and exclude herself from the discussion and the decision, physically leaving the room when the subject comes up.

3. The organization (both staff and board) must decide whether to litigate a politically sensitive case before the criminal courts, where one board member often litigates as part of her private law practice.

This situation presents a structural conflict of interest. Even if the board member excludes herself from the discussion and decision, it will be difficult for the organization to manage this conflict. Even if the organization decides to litigate the case, there are extremely important and sensitive relationships at play. The board should discuss the matter thoroughly and consider the possibility of the board member's resignation (either permanently or temporarily) while litigation is pending.

As a general rule, every organization should:

- Adopt and implement a [conflict of interest policy](#), signed by all board members once a year, and incorporate it in the bylaws.
- Establish a custom and natural practice of pointing out possible conflicts of interest. Note in the minutes when someone points out a possible conflict (one's own or a conflict involving another board member), or if someone refrains from participating in a conversation or decision on such grounds.
- Establish competitive procedures for the procurement of goods and services.

S **Sample: Conflict of Interest Policy⁵**

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Conflict of Interest Policy

The standard of behavior at [name of organization] is that all staff, volunteers, and board members scrupulously avoid any conflict of interest between the interests of [name of organization] on one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as perceptions of conflicts of interest.

I understand that the purposes of this policy are: to protect the integrity of [name of organization]’s decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff and board members.

Before election to the board and signing this policy, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

In the course of meetings or activities, I will disclose any interests in a decision in which I (including my business or other nonprofit affiliation), my family and/or my spouse, significant other, employer, or associates might be affected positively or negatively. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I understand that this policy is meant to be a supplement to good judgment, and I will respect its spirit as well as its wording.

Signed: _____

Date: _____

Two copies are signed, one for the board member and one for the organization’s files.

⁵ This example was adapted from an article titled “Sample Conflict of Interest Policy” from The Best of the Board Café, www.compasspoint.org/bookstore, May 27, 2004. Available at: <http://www.compasspoint.org/board-cafe/sample-conflict-interest-policy>.

Section 3

Electing Ideal Board Members and Providing Them Orientation

r Reflection: What Types of Board Members Do We Want and Need?

Like any institution, the board's success largely depends on its composition. Yet oftentimes considerations about the suitability of board members arise only after the board has been formed.

In our experience, more and more organizations are opting for board members who have commitment, integrity, and willingness to work, rather than individuals who only or primarily stand out for their name or reputation. The latter rarely have the time or disposition to participate usefully and effectively.

Though important, the knowledge and skills for being a good board member are not limited to substantive expertise in the organization's field. It may also prove essential to have individuals with experience in organizational development for NGOs, in the communications field, or in performing adequate financial oversight, to cite just a few examples.

The following table is intended to be a useful tool to help analyze the profiles of current board members and define the desired characteristics of future members.

S Sample: Evaluation of Board Member Profiles⁶

Organizations may choose to adapt this table to evaluate their current board and to plan for the future. It should reflect the particular needs of the organization, the board, and the stage at which they find themselves. Each number represents a current board member and each letter a potential member. The names can be included in the upper part of the table. The characteristics or attributes of each current or potential member are marked with an "X."

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Evaluation of Board Member Profiles

Members	Current						Prospective					
	1	2	3	4	5	6	A	B	C	D	E	F
Under 18												
19—34												
35—50												
51—65												
65+												

⁶ Adapted from "Key Governance Relationships: The Human Side of Board Work," Building Better Boards #3 Educational Series Sponsored by Barker Mead Fund through Community Foundation of South Wood County, April 26, 2006, facilitated by Sandra R. Hughes.

Members	Current						Prospective					
Gender	1	2	3	4	5	6	A	B	C	D	E	F
Male												
Female												
Other												
Region or Nationality/Race/Ethnic Group/Community/Other (identify the pertinent groups)												
From the capital city												
From other localities												
Represents affected communities (e.g., indigenous, women, etc.)												
Victims												
Others												
Connections (identify the relevant groups)												
National donors												
International donors												
Political decision-makers (specify)												
Media												
Victims												
Academics/researchers												
Private sector												
Other												
Other resources that can be mobilized												
Technology												
Fellowships												
Other												
Personal qualities												
Connection with the mission												
Willingness to work												
Positive leadership												
Contributes to teamwork												
Contributes to good decision-making												
Strategic vision												
Motivator												
Other												

Members	Current						Prospective					
	1	2	3	4	5	6	A	B	C	D	E	F
Expertise												
NGO or general management												
Financial management												
Accounting and internal controls												
Planning and sustainability												
Investments												
Fundraising												
Public policy												
International affairs												
Law/litigation												
Public relations and strategic communication												
Human resources												
Strategic planning												
Programmatic approach (related to the mission)												
Technology												
Leadership transitions												
Others												
Years on the board												

S Sample: Registry of Assembly and Board Members

Registry of Assembly and Board Members

Because this information tends to become scattered easily, a simple form like this one may prove useful. It is best to designate a person responsible for updating it on a regular basis (for example, the executive director or his or her assistant, or the institutional development coordinator, if there is one). Similarly, you may choose to maintain a record of former members, their positions, and the dates served, as part of the institutional memory.

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Current Members of the Members' Assembly

	Name	Date term ends	Position (if applicable)	Comment
1	Elisabeth Romero	12/31/2014	Secretary	
2	David Onyango	12/31/2014		Moving to NY in January 2015 but wishes to continue participating by Skype
3	Sara Lai	3/31/2015	Chair	
4	Patience King	3/31/2015		
5	Gabriel Mendoza	3/31/2015	Treasurer	
6	Lynne Petros	12/31/2014		
7	Amr Mansour	12/13/2014		
8	Kevin Joseph	3/31/2015		

Current Members of the Board of Directors

	Name	Date term ends	Position (if applicable)	Comment
1	Gabriel Mendoza	12/31/2014	Treasurer	Position ends 3/31/2013. Assumed responsibility when Marcos re-signed. Is willing to continue.
2	Elisabeth Romero	12/31/2014	Secretary	Position ends 3/31/2013. We already asked if she wants to be Chair and she said no, not until her children graduate.
3	Lynne Petros	3/31/2015	Chair	Position ends 3/31/2013.
4	Amr Mansour	3/31/2015	Member	Willing to serve as treasurer, is an accountant.
5	Patience King	12/31/2014	Member	Wants to return to the Assembly in 2014.

S Sample: Procedure for New Board Member Orientation

In order for board members to serve effectively, they must be given a solid orientation both to the organization and to the board itself.

Orientation Session

This should occur before the new member's first board meeting. It can last one or two hours, or up to a half-day session. Ideally, it should be conducted at the offices of the organization, so that those receiving the orientation can become acquainted with its physical space, the staff and the general workplace environment.

Participants may include the executive director, the board members and some staff members.

Typical issues to be reviewed are:

- The organization's history, mission, and programs
- The financial situation and the fundraising strategy
- Board and staff structure
- Role and basic guidelines for board operations, and members' responsibilities

Accompaniment

Some organizations designate a more experienced board member to accompany new members in their first year, to contact new members periodically, to answer their questions, and in general to help them feel welcome and encourage their active participation. This relationship may be more or less structured depending on the needs of the new member and the organizational culture.

Materials

Board Handbook. This may be printed. Ideally, it will be given to new board members with plenty of time prior to the orientation session. See sample contents below.

Other materials. The handbook may be supplemented by other materials such as publications, the annual report (or reports for donors), press clippings, etc.

S Sample: Board Handbook Contents

About the Board

- Articles of incorporation
- Amendments to the articles of incorporation (or a brief summary of them)
- Bylaws
- List of board members, offices if they hold any, and brief bios
- Copy of the Letter of Commitment
- Copy of the Conflict of Interest Policy
- Minutes of board meetings held in the last 12 months
- Upcoming board meeting dates

About the Organization

- Organization's history and mission
- Strategic plan or organizational goals
- Brief summary of programs
- Organizational chart
- List of staff members and brief bios
- Manual of organizational policies and procedures
- Approved budget and financial reports for the last two years
- Audit report(s)

Section 4

Ensuring Implementation of Key Responsibilities

4.1 Strategic Leadership and Programmatic and Organizational Oversight

The board exercises strategic leadership by updating the mission, leading or contributing to strategic planning, and establishing strategic policies and guidelines. Its role also includes programmatic oversight and substantive contributions to program implementation. Board members provide analysis and suggestions and raise tough questions about objectives and strategies. To perform such a role, they need to have certain information.

S Sample: Outline of a Programmatic Report for a Board Meeting

A programmatic report for the board should be brief (for example, no more than four pages), concise, and interesting. It should focus on major accomplishments, outcomes, challenges and difficulties rather than activities. If the organization has a strategic plan, the report may be organized around the goals or outcomes included in the plan.

1. For each organizational goal/program/area
 - a. Summary of the most significant accomplishments and challenges in the most recent period (not activities)
 - b. Summary of the most significant activities (and how they fit in the organization/program/area's strategies)
2. New programmatic opportunities
3. Other key challenges and how they were overcome
4. Other (for example, key information about changes anticipated in the political context and their implications, the closing of a colleague organization and its implications, etc.)

S Sample: Outline of an Organizational Report for a Board Meeting

Organizational reports supplement the financial and programmatic reports and provide an account of other important aspects of the institution. In general, such reports may cover any issue related to the structure and operations of the organization. Some examples:

- New staff members or departure of staff
- Changes/challenges/important accomplishments related to infrastructure
- Proposed changes to organizational structure
- Proposed changes to human resources policies
- Proposed changes to internal controls
- News about strategic planning processes
- News about plans to perform an organizational assessment
- Plans/needs/accomplishments in relation to organizational strengthening
- News on the legal status of the organization (authorized to receive grants, received tax-exempt status, etc.)

4.2 Hiring and Evaluating the Executive Director

We propose the following samples of practical tools to help implement board members' commitments mentioned in Section 2 of this guide.

S Sample: Executive Director Job Description

The job description serves various purposes, but perhaps most importantly, it establishes a shared understanding of expectations regarding the duties of the position and the required qualifications. At the same time, it serves as a basis for generating the job announcement (which summarizes the duties and qualifications in more concise terms) and defining the selection criteria, in the event of having to hire a new director. It is also crucial for an eventual [performance evaluation](#). While the following job description is all-encompassing, it is meant to provide a menu of duties and qualifications and be a useful example of the type of information that should be included.

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Job Description—Executive Director

Summary

The executive director leads and manages the organization to carry out its mission, accomplish its goals, and advance other strategic guidelines developed jointly with the board of directors. The executive director promotes recognition of the organization as a legitimate, innovative, and effective actor.

Duties and Responsibilities

Strategic Definitions and Leadership

- Defines the vision, theory of change and strategic definitions that guide the work of the organization along with the board of directors and key staff members, contributing his or her own vision
- Directs and supervises the substantive agenda in keeping with the annual operational plan approved by the board of directors
- Provides leadership (understood as the capacity to generate unity and enthusiasm among the members of the organization and to positively influence others to achieve the desired outcomes); must be creative and innovative and stimulate creativity and innovation in others
- Updates and uses technical, political, social and economic knowledge and analysis
- Respects and promotes the organization's values [specify or give examples]

Governing Bodies

- Builds a constructive and complementary relationship among the board of directors, the executive director, and the rest of the staff
- Works with members of the board of directors to ensure its optimal development and effectiveness
- Along with the board of directors, develops and implements bylaws that define how the governing bodies shall work, including the respective roles of these bodies and the staff, and a clear conflict of interest policy
- Keeps the board of directors informed of both internal and external matters
- Draws up and recommends draft policies for approval by the board of directors
- Provides periodic financial and programmatic reports as agreed upon with the board of directors

Financial Sustainability

- Develops and implements a model and a strategy for financial sustainability
- Meets ambitious and reasonable fundraising goals
- Develops positive relations with current and potential donors

Representation, External Relations, and Communication

- Represents the organization in national [and international] forums, availability to travel [specify time and frequency]
- Serves as spokesperson and representative in strategic forums, including [examples]
- Fosters strategic alliances and collaborative efforts with peer organizations, political actors, and others to achieve organizational goals
- Designs and directs the communication strategy
- Ensures internal communication (with the staff, among program areas, between staff and board of directors, etc.)

Human Resources Planning and Management

- Develops and implements a human resources plan, attracting and retaining the talent required to meet programmatic and organizational needs
- Ensures clarity of roles and duties, and an optimal organizational structure
- Effectively delegates and ensures processes for continuous supervision and feedback

- Establishes human resources policies (on orientation, training, salary scale, annual performance evaluation, professional development strategies, etc.)
- Provides adequate supervision and coaching to support staff growth and performance
- If necessary, discontinues a labor relationship in a legal, sensitive, and appropriate manner
- Ensures a safe and comfortable work space
- Establishes a positive, encouraging organizational climate that fosters constant learning

Planning, Management, and Administration

- Undertakes annual planning, monitors plan implementation, and annually evaluates the attainment of established strategic guidelines
- Ensures that the organization meets the expectations of its board of directors and donors
- Makes decisions in a responsible and transparent manner, and clarifies internal decision-making
- Ensures operations are efficient and effective (internal communication, administrative systems, etc.) and controls quality of the activities and outputs
- Ensures that there is an updated manual or other written document with basic organizational policies and procedures
- Ensures the security of the files and other organizational information

Financial Planning and Management

- Prepares a clear and appropriate organizational budget, approved by the board of directors
- Uses a robust system of accounting and financial management for the proper monitoring and administration of funds and decision-making on strategic financial matters, including cash flow, monitoring of budgets and expenditures by project, etc.
- Ensures internal financial controls are in place and the annual audit occurs
- Complies with all legal regulations and requirements (tax, labor, etc.)

Qualifications

Mission and Values

- Must be passionate about the organization's mission and fully share its values

Education

- A university degree is required in a field related to the mission
- A graduate degree is required in [specify], or substantive work experience equivalent to graduate training, five or more years of experience managing a civil society organization, or a desirable similar area of work
- Other desirable [national or international] experience

Knowledge

- Knowledge of [specify]
- Knowledge for working with digital tools [specify]
- Knowledge of principles and practices of NGO leadership and management, including managing finances and people, and working with governing bodies
- Technical, political, social, and economic knowledge related to the mission

Skills and Experience

- Strategic thinking: evaluates options and opportunities based on current political dynamics and external changes, and designs and implements effective strategies in keeping with the vision and values of the organization
- Communication (oral and written): in [specify language(s)] fluently and at a professional level; communicates using effective techniques and tools
- Representation: serves as spokesperson and conducts other representation activities; is capable of fully articulating the mission; [engages in political advocacy and] positions issues
- Relationships: constructs positive relationships with internal and external actors, especially with donors; expands external relations and alliances
- Fundraising: prepares and implements strategies for mobilizing resources [and generating own funds, if applicable] (preferably has own contacts with donors)
- Decision-making: makes clear and timely decisions for the benefit of the organization
- Leadership and managing teams: motivates, inspires, delegates, trusts, supports, and encourages staff growth; facilitates teamwork; ensures internal communication; engenders unity and enthusiasm among the members of the organization; and has a positive influence on others to achieve the results sought
- Organization: establishes priorities, gives attention to details, monitors attainment of established goals, and organizes internal work
- Planning: defines goals and strategies, creates action plans, evaluates processes and results, ensures planning and implementation of ideas that emerge in the organization
- Problem-solving: identifies problems, evaluates causes and implications, processes relevant information, comes up with possible solutions, and acts effectively

Personal Characteristics

- Shares values: knows and shares the organization's values
- Is ethical and transparent: understands ethical practices and ensures that his or her conduct and that of other members of the organization is in line with these standards and values
- Is creative and innovative: develops new ways of improving the work of the organization and creating new opportunities for impact
- Is open-minded and empathetic: listens well and establishes relations of empathy with the staff and with others
- Promotes teamwork: works effectively and in cooperation with others to establish goals, resolve problems, and make decisions
- Is flexible: adapts, is versatile and tolerant, and maintains effectiveness and efficiency in a changing work environment

Others: Full workday. Availability to travel. Where he or she should be based.

S Sample: Executive Director Performance Evaluation

The importance of the executive director's role makes it essential that he or she be evaluated annually to document accomplishments, identify areas that could be strengthened, and come up with a plan accordingly. Often the board of directors waits until a problem comes up before beginning an evaluation process; this may easily be avoided by conducting periodic evaluations, which in turn may open up a channel of communication with other staff members.

The assessment should be based on a job description and pre-established evaluation criteria, and should be highly participatory with contributions from the whole staff, all the members of the board, and eventually some allies or other external actors. Each evaluation may also establish goals for the year, subject to approval by the board of directors. Normally this process would be entrusted to a board sub-committee. It is fundamental to involve the director extensively in the design of the exercise to ensure that it is a two-way process, benefitting the executive director and the organization as a whole.

At the same time, it is a good idea to establish a few occasions throughout the year to exchange information more informally with the executive director about his or her performance, perhaps by meeting with the sub-committee prior to a board meeting.

Step by Step: A Summary of the Process

A typical process may be summarized as follows:

1. **Agreement on the process.** The committee presents the process to the executive director and all agree on it. They decide together whether to consult external actors and, if so, agree on the list of persons and how to consult them (for example, personal interviews, Skype conversations, etc.).
2. **Job description and evaluation criteria.** The committee creates the job description and evaluation criteria, if they do not exist, with the extensive participation of the executive director. These documents must be approved by the full board of directors.
3. **Self-evaluation.** The committee asks the executive director for a [self-evaluation](#) in writing based on the job description (with guiding questions or a form).
4. **Staff and board members survey.** The committee sends a [brief survey](#) to the staff (giving staff members the option of remaining anonymous) and to the board members, preferably using a digital tool.
5. **Consultations with external actors (optional).** Members of the committee send [key questions](#) to external actors, carefully ensuring that the interviews are short and to the point.
6. **Summary of findings.** A committee member summarizes, in writing, the main conclusions or findings of the surveys and external consultations, if any, to share with the executive director and the board members.
7. **Meeting with the executive director.** The committee members meet with the executive director. The goals of this meeting are:
 - a. To recognize his or her accomplishments
 - b. To give clear and constructive feedback about areas for improvement
 - c. To establish new goals for the organization and for the executive director for the next year
 - d. To establish a plan for professional development

8. **Board analysis and feedback to the executive director.** At the next meeting of the board, without the executive director present, all board members discuss the results of the process. They decide whether or not to ratify the executive director in the position, and possibly establish the remuneration for the next year. They reach consensus on a summary of the board's feedback and ratify the goals for the following year (which should be in writing). At the same board meeting, once the discussion has concluded, the executive director receives a report-back of the results of the discussion.
9. **Final report and executive director signature.** A committee member draws up a short final report on the process and its conclusions and decisions (accomplishments, goals not attained and reasons, goals for the following year, professional development plan, etc.). The executive director signs the report, indicating that he or she read it and understood it. The executive director may also add comments about the evaluation itself or the process. The committee and the board should be informed of the executive director's comments.
10. **Evaluation of the process.** At the next board meeting, members assess the process: Did it work well? How could it be improved?

S Sample: Staff Survey and Executive Director Self-Evaluation Form

The format for this staff survey may be modified to use as an executive director self-evaluation form. The questions should reflect the elements contained in the job description. Ideally, you may use a digital tool for the staff survey (for example Survey Monkey), which aggregates the responses to make it easier to read, analyze, and later discuss.

 [Save document](#)

Performance Evaluation of the Executive Director Staff Survey

Please give your opinion on the following points for the period [specify dates]. Please add comments for all the points, but especially where you give a score of three or less. If for any reason you feel you can't answer a question, please mark "Does not apply."

1. Insufficient
2. Poor
3. Adequate
4. Good
5. Excellent
6. Does not apply (not enough information to respond)

The information will be shared generally with the executive director, but the comments will remain anonymous.

Strategic Definitions and Leadership

- Defines the vision, theory of change, and strategic definitions that guide the work of the organization along with the board of directors and key staff members, putting forth his or her own vision
- Directs and supervises the substantive agenda in keeping with the annual operational plan approved by the board of directors
- Provides leadership (understood as the capacity to generate unity and enthusiasm among the members of the organization and positively influence others to achieve the desired outcomes); contributes and stimulates creativity and innovation

- Updates and uses technical, political, social and economic knowledge and analysis
- Respects and promotes the organization's values [specify or give examples]

Comments:

Governing Bodies

- Builds a constructive and complementary relationship among the board of directors, the executive director, and the rest of the staff
- Works with members of the board of directors to ensure its optimal development and effectiveness
- Along with the board of directors, develops and implements bylaws that define how the governing bodies shall work, including the respective roles of these bodies and the staff, and a clear conflict of interest policy
- Keeps the board of directors informed of both internal and external matters
- Draws up and recommends draft policies to be approved by the board of directors
- Provides periodic financial and programmatic reports as agreed upon with the board of directors

Comments:

Financial Sustainability

- Develops and implements a model and strategy for financial sustainability
- Meets ambitious and reasonable fundraising goals
- Develops positive relations with current and prospective donors

Comments:

Representation, External Relations, and Communication

- Represents the organization in national [and international] forums, availability to travel [specify time and frequency]
- Serves as spokesperson and representative in strategic forums, including [examples]
- Fosters strategic alliances and collaborative efforts with peer organizations, political actors, and others to achieve the institutional goals
- Designs and directs the communications strategy
- Ensures internal communication (with the staff, among program areas, between staff and board of directors, etc.)

Comments:

Planning and Management of Human Resources

- Determines and implements a human resources plan, attracting and retaining the talent required to meet programmatic and institutional needs
- Ensures clarity of roles and duties, and an optimal organizational structure
- Effectively delegates and ensures processes for continuous supervision and feedback
- Establishes human resources policies (on orientation, training, salary scale, annual performance evaluation, professional development strategies, etc.)
- Provides adequate supervision and coaching to support staff growth and performance
- If necessary, discontinues a labor relationship in a legal, sensitive, and appropriate manner
- Ensures a safe and comfortable work space
- Establishes a positive and encouraging organizational climate that fosters constant learning

Comments:

Planning, Management, and Administration

- Undertakes annual planning, monitors plan implementation, and annually evaluates the attainment of established strategic guidelines
- Ensures that the organization meets the expectations of its board of directors and donors
- Makes decisions in a responsible and transparent manner, and clarifies internal decision-making
- Ensures operations are efficient and effective (internal communication, administrative systems, etc.) and controls quality of the activities and outputs
- Ensures that there is an updated manual or other written document with basic organizational policies and procedures
- Ensures the security of the files and other organizational information

Comments:

Financial Planning and Management

- Prepares a clear and appropriate organizational budget, approved by the board of directors
- Uses a robust system of accounting and financial management for the correct monitoring and administration of funds and decision-making on strategic financial matters, including cash flow, monitoring of budgetary and expenditures by project, etc.
- Ensures internal financial controls are in place and that the annual audit occurs
- Complies with all legal regulations and requirements (tax, labor, etc.)

Comments:

Other:

- Organization: establishes priorities, gives attention to detail, monitors attainment of established goals, and organizes the internal work
- Planning: defines goals and strategies, creates action plans, evaluates processes and results, ensures follow-through on planning and implementation of the ideas that emerge in the organization
- Problem-solving: identifies problems, evaluates causes and implications, processes relevant information, generates possible solutions, acts effectively

Personal Characteristics:

- Shares values: knows and shares the organization's values
- Is ethical and transparent: understands ethical practices and ensures that his or her conduct and that of the other members of the organization is aligned with these standards and values
- Is creative and innovative: develops new ways of improving the work of the organization and of creating new opportunities for impact
- Is open-minded and empathetic: listens well and establishes relations of empathy with the staff and other actors
- Promotes teamwork: works effectively and in cooperation with others to establish goals, solve problems, and make decisions
- Is flexible: adapts, is versatile and tolerant, and maintains effectiveness and efficiency in a changing work environment

Additional questions:

- What were the executive director's most significant accomplishments during this period?
- What areas require improvement and why?
- If there are goals from last year that were not attained, why was that the case?
- What should be the executive director's goals for the coming year?
- What should the executive director do more/less of in the coming year?
- Is there any other additional comment you would like to make?

Optional:

Name:

Date began working in the organization:

S Sample: Questions for Allies or Other External Actors

It is best to ask only a few questions and make clear at the beginning of the conversation that the information will be shared with the executive director generally, without attributing comments to specific individuals.

- What are his/her main strengths as executive director of the organization?
- What are his/her weaknesses? Is there some area where we could offer constructive criticism or suggestions as to how he/she could improve his/her work?
- Considering your work in your country/with your organization, etc., are the organization's initiatives the right ones? Has the executive director displayed leadership in carrying them out?
- Could you share some thoughts about his/her capacity for analysis, leadership, representation, or other aspects of his/her work?

4.3 Executive Director Leadership Transitions

S Sample: Executive Director Leadership Transition Plan

A transition in the office of the executive director is always an important moment for any organization, presenting both risks and opportunities. For example, it may increase or diminish the stability, legitimacy, and credibility of the organization (and of the director). The new director selected may or may not be suitable. The process may improve or worsen the relationship between the board and the staff.

The board of directors (or members' assembly) is responsible for searching for and hiring the new director, and establishing remuneration and other contractual conditions.

The process should be orderly and transparent with decisions made formally in organizational (not personal) spaces. Done well, the process may strengthen the role and effectiveness of the board of directors considerably.

Step by Step: A Summary of the Process

The sequence and process may vary, but a typical process can be summarized as follows:

1. **Transition plan.** The board should reach agreement on the process, roles, and timetable.
 - Who will design the process? The board as a whole should approve it.
 - Who will be responsible for monitoring and promoting its implementation?
 - What will be the specific participation of the outgoing director and other staff members?
 - Will it be an open and competitive process?
 - What will be the steps in the process? Who is responsible for each, and who will participate in each?

Open and competitive processes generally provide greater legitimacy and credibility. Even if not competitive, the process should still be transparent and formally adhere to a job description and selection criteria. Many organizations form a board sub-committee to work on the transition. If your organization decides to use an external consultant, it is important to clearly define the consultant's role and responsibilities.

- 2. Communication plan.** It is fundamental to develop a brief plan for communicating the transition process with the staff, donors, allies, and other external actors thoughtfully and carefully. For each target audience, it is important to identify who will communicate, how, and when. It may be useful to develop talking points to ensure that board members and staff are conveying the same messages on the transition.
- 3. Job description and selection criteria.** The board should approve the [job description](#) and selection criteria. These are internal documents, although an organization may share the job description with the final candidates. The criteria may be weighed and used as a guide for decision-making. Staff and board members may be consulted on the main points to be included in these documents through a brief survey.
- 4. Search and selection.** If there is an open search, the job announcement should summarize the mission and other information about the organization, duties, and qualifications ([based on the job description](#), but summarized), and the different application requirements (for example, a cover letter, a résumé, a short two-page essay on the strategic vision for the organization, and if deemed appropriate, salary expectations). It is important to define who will choose the candidates to be interviewed, who will participate in the interviews, and the interview questions. In general, outgoing directors do not participate in the interviews, although they may share their (non-binding) views about candidates they know.
- 5. Salary negotiation and conditions.** One board member may be designated to negotiate the salary and contractual conditions, previously agreed upon by the board.
- 6. Orientation.** The outgoing executive director or other staff members may contribute to the design and implementation of the orientation process, ensuring an orderly transfer of responsibilities and contacts.
- 7. [New role for the outgoing executive director.](#)** It is fundamental that the board and the outgoing executive director establish the parameters of his or her future role in the organization, if any. Often founding directors want to be part of the board when they leave the position, which entails potential risks and benefits to be analyzed frankly and carefully in each case.

S Sample: Staff Survey on Executive Director Duties, Qualifications, and Selection Criteria

Staff Survey on Executive Director Duties, Qualifications, and Selection Criteria

Ideally, you may use a digital tool (for example, Survey Monkey) that aggregates answers to facilitate reading, analysis, and subsequent discussion.



Staff Survey on Executive Director Duties, Qualifications, and Selection Criteria

On the new executive director:

What experience and profile should the new executive director have?

What skills should the executive director have to be successful in this job?

What professional and/or personal characteristics should the executive director have to be successful in this job?

The next two questions require establishing priorities. Low priority is only in relation to the other priorities listed.

Of these duties and responsibilities, mark the relative priority (choose two for each level of priority) (low, medium, high):

- Definition of strategic guidelines (vision, strategic plan, etc.)
- Strengthening the governing bodies
- Representation, external relations, and external communication
- Planning, management, and administration (operational plans, policies, and internal procedures)
- Planning and financial management
- Financial sustainability and fundraising

Of these characteristics and skills, mark the relative priority (choose six for each level of priority):

- Formal education
- Knowledge of NGO management
- Relevant technical, political, social, and economic knowledge
- Knowledge of fundraising strategies
- Communication in [specify priority language]
- Communication in [specify additional language(s)]
- Strategic thinking
- Leadership
- Decision-making
- Organization of work loads and flow
- Planning and evaluation
- Problem-solving
- Shares organizational values
- Is flexible
- Is ethical and transparent
- Builds positive relationships
- Is creative and innovative
- People management

Do you have any advice for the board transition committee related to the process of hiring and bringing on the new executive director?

Do you have any questions about the hiring process and transition? You may send an email, or indicate if you wish to speak with a member of the transition committee.

S Sample: Selection Criteria

You may assign a value to each selection criterion and leave space for comments so that those who conduct the interviews can record their impressions. These values may prove useful later on as a reminder of the impressions of each candidate. The tool is not meant to suggest that candidates be evaluated solely on the basis of their numerical score, nor that the applicant with the most points be automatically selected.

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Selection Criteria

Name of candidate:

Name of committee member:

Factor (order of priority)	Maximum	Score	Brief definition	Comment
Must have:				
1. Passion/commitment to the mission	6			
2. Strong knowledge of and ability to engage on organization's issues (cite examples)	6			
3. Language(s) (specify)	5			
4. Strategic vision	5			
5. Vision/ability to ensure sustainability	5			
6. Ability to provide leadership to staff	5			
7. Capacity for fundraising	4			
8. Capacity for representation/ advocacy	4			
9. Ability to stick to plans, produce reports, make presentations, carry out ideas, etc.	4			
Desirable:				
10. Contacts and positioning	2			
11. Experience with boards of directors	2			
12. Experience in strategic communication	2			
13. Experience in NGO sector	2			
14. Regional/international experience	2			
Total:	100			

R Reflection: The Role of the Founding Director on the Board of Directors

At times, founding directors seek to join the board of directors when stepping down as head of the organization, or the board asks them to join. The potential advantages include having a certain continuity of leadership, contacts, and the founder's vision—especially if the organization has depended heavily on him or her up until that point—and possibly his or her contributions to board development.

At the same time, their participation on the board poses major risks. It may generate confusion or discomfort for the staff, especially for the new executive director, who needs the space and freedom to exercise his or her own leadership of the organization. It is often difficult for the former executive director to no longer participate in running the organization, making it hard to let go of the reins, and refrain from being inappropriately involved. However, if the former executive director is able to leave behind his or her previous role and open up the space needed for the new director, then he or she could potentially contribute to a sound transition. Board members should help openly discuss and decide on these new roles, and only approve the former director as board member if they are convinced that his or her incorporation is advisable and feasible.

4.4 Basic Human Resources Policies

One of the responsibilities of governing bodies is to establish basic staff human resources policies.

As part of its duty to hire the executive director, the board must designate his or her remuneration, benefits, and other contractual conditions. At the same time, it should establish the following aspects of human resources policy.

S Sample: Elements of a Basic Human Resources Policy Approved by the Board of Directors

The types of human resources policies that boards generally approve include:

- Modalities of hiring (fully registered employees, employees with temporal contracts, etc.)
- Benefits
- Leave (maternity, paternity, study, etc.) when not governed by law
- Policy for conflict resolution among staff members

However, some human resources policies have more to do with the day-to-day management of the organization and are for the executive director to decide upon (for example, office hours, flexibility for working outside the office, days of rest after travel or other overtime, vacation, holidays and closing the office over holiday periods, performance evaluation system, etc.). In general, boards do not hire other staff members, and beyond establishing salary scales, do not participate in determining staff members' specific remuneration, all of which should also fall within the executive director's purview.

S Sample: Policy for Conflict Resolution Among Staff Members

Some organizations establish a process for resolving conflicts that may arise between staff members and the executive director. These may occur around human resources issues (for example, concerning the results of a performance evaluation or failure to give a promotion or a salary increase), or other issues (such as a fundamental difference of opinion as to the ethical conduct of the organization, or some other inappropriate action or behavior on the part of the executive director). At the same time, conflicts may arise among staff members that the executive director is unable to resolve. It is thus useful to provide a channel of communication between the staff and the board in cases of serious unresolved conflicts, in order to facilitate their constructive resolution.

The following example could be adapted in different ways.

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Policy for Conflict Resolution Among Staff Members

- A. The board of directors has designated [name of board member] as liaison to the staff. He/she will be available to receive staff consultations or complaints related to serious unresolved conflicts, especially between a staff member and the executive director. In cases where the executive director has attempted to resolve a conflict between staff (not involving him or herself) and has been unable to do so or a deadlock has been reached, staff members involved and/or the executive director may call on the board liaison for assistance.
- B. In cases of serious conflict, the board liaison will suggest options to resolve it, in consultation with other board members if deemed necessary.
- C. If the board liaison is unable to facilitate a conflict resolution, he/she will establish a committee of no fewer than three (3) board members in order to listen to both sides and determine next steps.
- D. If this does not occur in a timely fashion, the staff member may turn to the president of the board to discuss the situation. The president will have the last word as to whether the conflict merits the establishment of a committee.
- E. If the committee is unable to facilitate a conflict resolution, staff and board will use a professional mediation service, whose cost will be covered by the organization and whose decision will be final and binding for all sides involved.

4.5 Financial Oversight

S Sample: Financial Oversight Procedure

Effective financial oversight typically includes:

1. **Ensure That There is an Adequate Financial Management System**
(Determine that it exists, review it once a year)

If no one from the board or members' assembly has the capacity to answer these questions, the organization may hire an independent accountant or auditor to analyze the information and report to the board of directors.

- a. Are those in charge of accounting and financial management tasks suitable and well-trained?
- b. Does the accounting system respect all the usual rules and standards?
- c. Does the system produce adequate information for decision-making?
- d. Is the budgetary execution of each project monitored?
- e. Is there an adequate cash flow projection?
- f. Does the organization know exactly how many months of assured financing there are to cover human resources (salaries, etc.) and other fixed expenses?
- g. Are there adequate internal controls?

2. **Ensure Adequate Internal Controls**⁷

(Determine that they exist, review them once a year)

- a. All the money in the office is kept under lock and key or in a safe.
- b. All the bank accounts are in the name of the NGO and not in the name of individuals.
- c. There is a policy that indicates which staff members may authorize which expenditures.
- d. Each transaction is authorized by the appropriate person.
- e. The staff makes sure that goods and services bought by the NGO have been received before making payments.
- f. Blank checks are not signed (all checks include the name of the payee and the amount and have the respective supporting documents).
- g. Salary and honorarium payments (including any advances and loans) are reviewed each month by the executive director or a designated administrative staff person.
- h. Financial tasks are distributed among different staff members.
- i. Petty cash records are reviewed each month by a person other than the one who keeps the accounts.
- j. The balance in the cash book is reconciled with the bank statement each month and for each bank account.
- k. The balance in the cash book is reconciled with the real balance in the office's petty cash each month and for each cash account.
- l. All the reconciliations are reviewed each month by a director or a designated administrative staff person.
- m. Every asset the NGO possesses is registered in an inventory or record of assets.
- n. Each year a qualified external auditor conducts an audit.⁸
- o. Each year the board selects the auditors.

⁷ Adapted from "Financial Health Check" from Mango, www.mango.org.uk, 2005.

⁸ Having an annual organization-wide audit is a basic recommended practice for the financial health of any organization, independent of whether it is required by a funder. Therefore, it is important to include audit costs in the organization's annual budget and in fundraising proposals (whether for project-based grants or general support). In many cases, audit costs may have to be covered by non-earmarked general support funds.

3. Approve the Annual Budget

(once a year)

Each year the board must formally approve the annual budget, including revenues and expenditures. The format should be agreed upon by the treasurer and the executive director, and it should be clear and easy to understand. If projected expenditures exceed projected revenues, staff must explain how the situation will be resolved and share information on the fundraising strategy.

4. Monitor the Financial Situation

(throughout the year)

The treasurer and executive director should agree on the contents and format of the financial information to be shared with and reviewed by the board. [Reports](#) should include relevant financial data (amounts) and an easy-to-read narrative for board members less experienced in financial matters. It is suggested that the information answer the following questions:

- a. Do we begin the year with a deficit or a surplus?
- b. Where are we compared to the annual budget? How much more needs to be raised?
- c. Are we going to have a deficit or a surplus for this year? Will we have to cut back activities, continue at the same operating level, or are we in a position to expand? Is consideration being given to reducing or expanding the current staff based on available and/or expected funds?
- d. Is the projected cash flow adequate?

5. Perform and Analyze the Audit

(once a year)

The board should appoint the auditor and ensure that he or she is independent and has other necessary qualifications. The treasurer or finance committee, if there is one, should ensure that the audit is completed in a timely fashion and in keeping with all formal requirements, and should review its conclusions. In addition, the board may meet with the auditor to ask the following:⁹

- a. Do you consider the finance staff to be suitable and professional? Do you think he/she/they perform(s) the tasks adequately?
- b. Are there adequate internal controls, including documentation of income, expenses, and financial operations?
- c. What is your assessment of existing controls to prevent unauthorized payments from our bank account, to keep a supplier from overcharging, or to avoid any other inappropriate use of funds, including petty cash?
- d. Are you aware of any type of compensation received by any staff member that was not duly authorized by the board?
- e. Are you aware of any relationship with a supplier or relationship among employees, donors, suppliers, etc. that could pose an ethical problem or conflict of interest?
- f. Do you have any recommendation about how we could improve our internal controls?

⁹ Adapted from "Board Basics Governance 101," Building Better Boards #1, Educational Series Sponsored by Barker Mead Fund through the Community Foundation of South Wood County, October 31, 2005, facilitated by Sandra R. Hughes.

6. Monitor Financial Sustainability

(at least once a year)

- a. Are our sources of financing sufficiently diversified? (If one source is lost, will it endanger the organization's financial health?)
- b. Are the core sources of financing growing or diminishing?
- c. What is the financial sustainability strategy? How can we, as the board, support it?
- d. Is the strategy being implemented in a timely fashion?

7. Assure a Reserve Fund

(at least once a year)

Ideally every organization should have a reserve fund, generally equivalent to three to six months of operating expenses. The board of directors should decide on the policy regarding this reserve fund (amount, conditions of use), which should be recorded in the organization's manual of policies and procedures.

- a. Do we have a reserve fund?
- b. Is it growing or shrinking?
- c. What is the strategy for creating it or increasing the amount?
- d. Do we have a policy on the amount and conditions of use of the reserve fund?

S Sample: Financial Report for the Board of Directors

Although the format may vary, the report should answer questions such as: What is the situation of our budgeted revenues and expenditures? Will we end the year with a deficit or a surplus?

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Financial Report for the Board of Directors

Association Make a Better World

Financial report as of June 15, 2013

I. REVENUES AND EXPENSES	2012	2013	2013	Balance	2013	2013
	Final	Budget	As of June 15	As of June 15	Projected final	Projected balance
Revenues						
Foundations (for the current year)	\$ 388,000	\$ 410,000	\$ 325,000	\$ 85,000	\$ 400,000	\$ -10,000
Individuals	\$ 40,000	\$ 45,000	\$ 18,000	\$ 27,000	\$ 47,500	\$ 2,500
Contracts	\$ 81,198	\$ 70,000	\$ 63,000	\$ 7,000	\$ 75,000	\$ 5,000
TOTAL	\$ 509,198	\$ 525,000	\$ 406,000	\$ 119,000	\$ 522,500	\$ -2,500
Expenditures						
Human Resources						
Salaries: Staff	\$ 203,500	\$ 225,000	\$ 110,500	\$ 114,500	\$ 228,000	\$ -3,000
Fees: Consultants	\$ 16,000	\$ 11,000	\$ 4,530	\$ 6,470	\$ 8,500	\$ 2,500
Health Insurance	\$ 8,872	\$ 10,700	\$ 6,950	\$ 3,750	\$ 12,900	\$ -2,200
Employment Taxes	\$ 18,402	\$ 21,050	\$ 9,625	\$ 11,425	\$ 21,100	\$ -50
Fixed Operating Costs						
Rent and Utilities	\$ 38,000	\$ 41,000	\$ 20,500	\$ 20,500	\$ 41,000	\$ 0
Phone and Internet	\$ 6,500	\$ 7,200	\$ 3,200	\$ 4,000	\$ 7,400	\$ -200
Equipment	\$ 1,565	\$ 3,000	\$ 900	\$ 2,100	\$ 2,500	\$ 500
Regional Office	\$ 0	\$ 5,000	\$ 0	\$ 5,000	\$ 2,500	\$ 2,500
Fundraising	\$ 3,745	\$ 3,000	\$ 980	\$ 2,020	\$ 2,540	\$ 460

I. REVENUES AND EXPENSES	2012	2013	2013	Balance	2013	2013
	Final	Budget	As of June 15	As of June 15	Projected final	Projected balance
Insurance	\$ 3,474	\$ 3,500	\$ 1,750	\$ 1,750	\$ 3,900	\$ -400
Legal Services	\$ 9,400	\$ 4,000	\$ 300	\$ 3,700	\$ 4,000	\$ 0
Programs						
Publications	\$ 78,663	\$ 63,000	\$ 18,400	\$ 44,600	\$ 62,500	\$ 500
Events	\$ 36,333	\$ 38,000	\$ 19,000	\$ 19,000	\$ 34,000	\$ 4,000
Domestic Travel	\$ 6,790	\$ 17,200	\$ 8,600	\$ 8,600	\$ 14,500	\$ 2,700
International Travel	\$ 26,690	\$ 21,900	\$ 10,950	\$ 10,950	\$ 20,000	\$ 1,900
Local Transportation	\$ 487	\$ 750	\$ 375	\$ 375	\$ 750	\$ 0
Mailings and Dissemination	\$ 13,700	\$ 18,440	\$ 9,960	\$ 8,480	\$ 18,600	\$ -160
Research Services	\$ 4,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bibliography and Subscriptions	\$ 354	\$ 300	\$ 230	\$ 70	\$ 150	\$ 150
Office Supplies	\$ 16,012	\$ 17,450	\$ 9,760	\$ 7,690	\$ 17,300	\$ 150
Web Site Development	\$ 6,500	\$ 13,200	\$ 3,600	\$ 9,600	\$ 13,600	\$ -400
Reserve Fund						
Creation of the Fund+	\$ 0	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 0
TOTAL	\$ 499,788	\$ 524,690	\$ 240,110	\$ 284,580	\$ 515,740	\$ 8,950
Balance (Revenue minus expenses)	\$ 9,410	\$ 310	\$ 165,890		\$ 6,760	
II. FINAL BALANCE SHEET						
January 1, 2012		\$ -4,100				
January 1, 2013		\$ 5,310	(-4,100+9,410)			
January 1, 2014 Budgeted	\$ 5,620	(5,310+310)				
January 1, 2014 Projected	\$ 12,070	(5,310+6,760)				
+ The 2012 contribution of \$5,000 to create a reserve fund was put off due to lack of funds.						
In February 2013 the board of directors authorized the creation of the fund with \$5,000 with another payment of \$5,000 projected for the end of the year.						

S **Sample: Outline of a Narrative Financial Report for the Board of Directors**

Note to the Report

- The notes to the financial report should explain any aspect of the report that needs to be clarified, especially any figures that deviate from initial projections, either positively or negatively. (For this example, one might need to explain why there is higher spending on health insurance (perhaps because of an unanticipated cost increase), and why such lower spending on events and travel, etc.).

Overall Situation

- Where do we stand in relation to the annual budget?
- Are we going to have a deficit or a surplus for this year?
- Is the projected and updated cash flow adequate?

Strategy for Financial Sustainability

- How and to what extent are we diversifying funding sources?
- Are the amounts from our core sources of financing increasing or decreasing?
- Is there any news to share about the implementation of the financial sustainability strategy?

Reserve Fund

- Update based on what was programmed

Audit

- Update on the status of the audit, implementation of the recommendations received, etc.

4.6 Ensuring Optimal Board Effectiveness

The board is responsible for engaging in an ongoing process of learning and growth as it seeks to be as effective as possible. To this end, a brief periodic self-evaluation may be particularly useful for joint reflection and analysis.

S Sample: Board Self-Evaluation¹⁰

This self-evaluation may be completed individually by each board member or through group discussion. If done individually, the board may choose to use a digital tool (for example, Survey Monkey) that provides aggregated responses to facilitate analysis and subsequent discussion.

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Board Self-Evaluation

Task	OK	Needs improvement	Steps to improve
Ensure that the mission is clear and up-to-date			
Establish strategic guidelines			
Ensure that there is a strategic plan			
Ensure monitoring of the implementation of the strategic plan			
<ul style="list-style-type: none"> Receive, review, and discuss programmatic reports 			
Monitor the quality of the organization's work			
Leadership transitions			
<ul style="list-style-type: none"> Transition planning Process implementation (job announcement, selection criteria, interviews, staff participation, etc.) Communication with staff, donors, etc. Outcome 			
Executive director performance evaluation			
<ul style="list-style-type: none"> Process Follow-up 			
Approve human resources policies			

¹⁰ Adapted from "Building Your Board: Recruitment and Fundraising Strategies for Effective Governance," a presentation to the Community Foundation of South Wood County, April 24, 2007 by Chuck V. Loring.

Task	OK	Needs improvement	Steps to improve
Review key financial data			
Ensure existence of adequate financial management system and internal controls			
Approve annual budget and monitor its implementation through financial reports			
Ensure existence of reserve fund or plan to create one			
Ensure existence of adequate plan for financial sustainability and its implementation			
Appoint auditor and follow up on audit reports			
Ensure compliance with tax and other legal requirements, etc.			
Ensure responsibilities to donors are met			
Understand our role as board members			
Ensure appropriate retention and rotation of board members			
Establish process to recruit suitable new members			
Orient new members			
Adopt and implement a conflict of interest policy			
Hold well-conducted, substantive, and productive meetings			
Resolve problems, make good decisions, debate effectively, ask good questions and make contributions			
Refrain from getting involved in aspects of organizational management beyond our purview			
Make the most of the contributions of every board member			
Feel motivated and useful			
Respect the executive director and staff and cooperate fluidly			
Regularly attend meetings			
Come to the meetings prepared and participate effectively			
Conduct an annual board self-evaluation			

Task	OK	Needs improvement	Steps to improve
Maintain fluid and adequate communication with staff			
<ul style="list-style-type: none"> • Ensure opportunities for exchange with staff members 			
<ul style="list-style-type: none"> • Generate periodic opportunities for getting to know one another 			
<ul style="list-style-type: none"> • Provide timely and appropriate information to staff on key points of board discussions 			
<ul style="list-style-type: none"> • Identify areas of joint collaborative work with staff (individually, through mentorships or other identified mechanisms) 			
Have adequate information about the organization's programs and events			
Make substantive contributions to the work of the organization (sharing contacts and expertise, opening doors, participating in events, etc.)			
Exercise representation appropriately			
Contribute to fundraising (identifying financing opportunities, facilitating contacts, sending letters of introduction/support, etc.)			
OPTIONAL: Every board member makes an annual financial contribution			

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Practical Tip: How to Ensure Productive Board Meetings

These suggestions may appear to be common sense, but often they are not implemented. They may make the difference between interesting, productive, and motivating meetings and meetings that are perceived as a waste of time:

1. Send background materials with proper lead time so that board members have enough time to review them. Materials should include:
 - a. [Financial](#), [programmatic](#), and [organizational](#) reports
 - b. Any other materials relevant to the discussions
 - c. Any memo summarizing information so as to facilitate discussion and/or decision-making on a particular point
2. Design a good agenda
 - a. Assign specific times for each agenda item
 - b. For each agenda item, identify whether it is informational, for discussion, for decision, or for some other action
 - c. Review and approve the previous meeting's minutes
 - d. Review and ensure that pending tasks from the previous meeting were addressed
 - e. Minimize the time dedicated to reporting by reviewing information sent beforehand and giving a dynamic oral report to encourage exchange of views on important issues (using photos, videos, etc.)
3. Include substantive discussions, whether programmatic or organizational
4. Do a good job running the meetings! Good facilitation is fundamental. If a board member is skilled at conducting good meetings, you may want to ask him or her to perform that duty.
5. Ask tough questions. The role of each board member is to ask questions that are not always easy to answer in the spirit of improving organizational health, accomplishments, and outcomes.

S Sample: Basic Board Meeting Agenda

In general, the chair of the board and/or the executive director prepare and come to agreement on the agenda. The agenda, along with any other background material to be reviewed before the meeting, should be sent at least a few days before the meeting.

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Agenda Board of Directors

[Organization]
[Date]

3:00 to 6:30 p.m.
[Place]

I. Introductions	3:00
A. Approve Notes and Previous Meeting Minutes	
B. Review Pending Tasks From Previous Meeting	
C. Approve Agenda	
II. Review Report of the Executive Director (Attachment #1)	3:15
A. Implications of Press Coverage of the Strategic Litigation Case	
B. Presentation of a New Organizational Chart	
C. Proposed Modifications to the Salary Scale	
III. Finances and Fundraising	4:15
A. Review of the Financial Report (Attachment #2)	
B. New Aspects of the Fundraising Strategy (Attachment #3)	
C. Appointment of the Auditor	
Coffee Break	5:00
IV. Board Strengthening	5:15
A. Annual Board Self-Evaluation (Attachment #4)	
B. Timetable for Recruiting New Members	
C. Policy on Reimbursement of Expenses for Travel to Meetings	
V. Presentation of the Campaign for Social Justice (Attachment #5)	6:15
VI. Conclusion and Brief Evaluation of the Meeting	6:30

S **Sample: Form for Board Meeting Minutes¹¹**

This form may be filled out and signed at the end of the meeting.

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Board Meeting Minutes

Date:				
Start Time:		End Time:		
Participants:				
Agenda:				
-				
-				
-				
N°	Topic	Commitment/Definition	Person in charge	Date

Next meeting:

Signature of board members present:

¹¹ Created by Rodrigo Mobarec for the Fundación Ciudadano Inteligente.

S Sample: Board Meeting Evaluation¹²

This brief evaluation may be used at the end of each board meeting.

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Board Meeting Evaluation

	OK	Needs improvement	Steps to improve/Persons in charge of follow-up
Began on time			
Agenda was well-structured			
Meeting was conducted well, respecting the agenda, with adequate time to cover all points			
Background materials were circulated with lead time and served their purpose			
Participants read the materials and were prepared to participate			
Discussions were substantive			
Meeting was well-attended			
Participation was broad and active			
We kept from getting into administrative or managerial details outside our purview			
We reviewed pending commitments from last meeting and identified tasks and persons in charge for new pending matters			

p Practical Tip: Committees that are Worthwhile

Committees are not always essential (depending on the size of the board, of the organization, or the scope of the task): it is best to be very practical and flexible, at times assigning tasks or duties to no more than one or two people. That said, many boards organize committees to operate more efficiently. Some typical committees include:

- Finances
- Leadership transition
- Human resources (evaluation of the executive director, liaison with staff)
- Board development (nomination, recruitment, and orientation of new members; board self-evaluation; self-evaluation of the meetings, etc.)

The keys to effective committees are very simple: a clear mandate, members willing to work, and clear yet flexible coordination. It is also fundamental to keep the rest of the board informed of committee activities, generally through a special report at each board meeting. It may be useful to set forth the expectations and operating rules of the committees in the [bylaws](#).

¹² Adapted from "Building Your Board: Recruitment and Fundraising Strategies for Effective Governance," a presentation to the Community Foundation of South Wood County, April 24, 2007 by Chuck V. Loring, adapted in turn from The Board Building Cycle by Hughes, Lakey & Bobowick, 2003.

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Practical Tip: Communication between Board and Staff

Adequate communication and interaction between the board and the staff (beyond the executive director) is fundamental. First, communicating highlights of the board's discussions and decisions helps staff have the information they need, and feel reassured and included. Second, having regular interaction helps ensure that board members have the information they need and are able to understand the organization's activities, operations, and capacities. This, in turn, helps staff feel understood and recognized by the board. Communication and interaction may take place through various mechanisms:

1. Communication of the Board's Discussions and Decisions

This may be as simple as a brief email from a board member or from the executive director to the staff within 24 hours of the board meeting. The information can also be conveyed at the next staff meeting.

2. Interaction and Collaboration between Board Members and Staff

These may include:

- a.** Staff members' participation in board meetings (principally to contribute to certain discussions)
- b.** Staff members' annual presentation of programmatic work to the board
- c.** Informal instances of interaction in social events of the organization
- d.** Collaboration in the work of the organization, be it programmatic (for example, providing support in some litigation, research, advocacy action, etc.) or organizational (financial review, fundraising, external communication)
- e.** Other processes, such as the executive director's [performance evaluation](#) and the [process of transition of the executive director](#), to the extent that these include consultations with the staff through surveys or other mechanisms.

At the same time, some organizations appoint a board member to serve as liaison with the staff. This is a designated person for the staff to contact with any question or concern, and as part of the [policy for conflict resolution](#). Assigning this duty sends a message to the staff that the board is concerned with internal communication, establishing permanent channels of exchange.

Section 5

Active, Motivated and Well-Utilized Board Members

P

Practical Tip: Some Do's and Don'ts—a Summary of the Best Advice for Executive Directors and Board Members¹³

No matter how hard board members and executives work at clarifying a governing board's core responsibilities, there are times in which board and staff's roles become fuzzy, and when members and executive directors inevitably run into difficulties. These guidelines may help navigate these critical relationships.

For Executive Directors

Don'ts	Do's
Don't expect board members to initiate offers of help or request assignments; if you wait for them to come to you, you may wait forever.	Do meet with each individual board member once a year to discuss their interests, the organization's needs, and how they can help.
Don't forget that your board members are volunteers with their own full-time jobs, so be strategic in asking for help. Don't resent board members when they fail to follow through, but don't do their jobs for them, or they'll never step up to being accountable.	Do make sure that board members understand what you'd like them to do, and provide them with the structure, staff support, or follow-up they need. Remember good staff work makes for good boards. Do ask your chair to communicate what's needed to board members.
Don't bring issues or questions to the board after you've already made up your mind. The board will feel manipulated or like a rubber stamp. At the same time, don't hesitate to fully express your views on policy decisions.	Do trust and empower your board to make important policy decisions. Their perspective can enhance thinking and increase ownership. Do get buy-in before taking on new major activities, even if it means delaying a funding opportunity.
Don't spend the whole meeting presenting reports—including yours—or dealing with house-keeping issues or trivial matters.	Do engage the board in vibrant discussions. Bring at least one juicy issue to each board meeting.
Don't distribute voluminous background materials without clearly differentiating what you <i>really</i> want the board to read and what is "for their information" only.	Do prepare discussion memos for key agenda items. Make sure the memos provide essential information, crystallize issues, and clarify any action the board needs to take.
Don't let yourself or your staff dominate board discussions. You don't have to know everything, defend everything, have all the answers, or generate all the good ideas. If you want your board to contribute, let them contribute to you.	Do set a tone that invites board members to participate fully and openly in discussions. Actively encourage your board to challenge, question, or criticize wherever they feel it is warranted.

¹³ "Boards Matter: Board Building Tools for the Busy Social Justice Executive," Management Assistance Group, 2007, pp. 11-15.

Don't expect board members to raise money unless you are prepared to involve them meaningfully in setting the course of the organization. Board members need a real sense of participation, investment, and ownership.	Do be prepared to provide board members with whatever support they need—guidance, hand-holding, nagging—if you want them to raise money.
Don't let your board members find out about the organization's news from outside parties.	Do inform your board, in a timely manner, of all important developments, problems, or controversies.
Don't forget to thank and acknowledge board members for whatever help they provide, and don't complain to your staff (or others) about what the board is or isn't doing.	Do make sure your board members feel that you appreciate their contributions. Speak well of your board.
Don't gossip about board members, but don't ignore disgruntled ones. Try to solve problems by talking directly to them, or get help from your board chair.	Do bring problems with board members to your board chair, but only after trying to resolve them directly with the board member.

For Board Members

Don'ts	Do's
Don't micromanage or get caught up in operating details, and don't ask or direct the staff to do anything without first consulting with the executive director.	Do concern yourself with whether the organization is achieving its mission and goals, maintaining high standards, and remaining fresh, creative, and on the edge.
Don't inject yourselves into hiring or firing decisions unless the executive director explicitly asks for counsel or help.	Do trust and empower the executive director to direct and manage the staff.
Don't make policy without involving the staff members responsible for implementing it, or you might end up with two policies—yours and the one the staff is actually carrying out. Avoid second-guessing the executive director and staff; if it can be done their way as well as yours, let them do it their way.	Do ask staff members to participate in the board's discussion of areas for which they are responsible. Offer friendly, constructive criticism, but lean toward giving the executive director and staff the benefit of the doubt.
Don't talk to staff members about the executive director unless it is part of a transparent performance-review process.	Do tell staff members who complain to you to raise their issues directly with their supervisors.
Don't avoid conflict in the boardroom by sharing your disagreements only with like-minded board members in the hall. At the same time, don't rehash issues, or keep pressing in areas where your views did not prevail.	Do raise hard issues, ask penetrating questions, and press for the rationale behind plans during meetings. State your opinion, but support the majority's decision once it's been made.
Don't forget that whenever you, as a board member, volunteer to do staff work, you must work under the direction of the executive director.	Do remember that the executive director neither reports nor answers to individual board members. Rather, the executive director is accountable only to the board as a whole.

Don't criticize the executive director except in appropriate boardroom sessions or through an institutional evaluation process.	Do formally evaluate the executive director's performance once every year or two. Thank and acknowledge the executive director and staff. Remember—the only appreciation they're likely to get is from you.
Don't remain on the board unless you are going to be an active, contributing member. Don't agree to do things unless you're prepared to follow through.	Do attend board meetings. If you think the meetings don't make valuable use of your time, let the chair know. Participate actively on at least one board committee, or in one important area where the organization needs your help.
Don't make unnecessary demands on the executive director or staff, and don't ask them to do special favors for you.	Do make sure you contribute more to the organization in time, work, and money than you take from it.
Don't run hidden agendas, and, as a fiduciary, never put your interests before the organization's.	Do disclose apparent or real conflicts of interest, and recuse yourself from discussions on these matters.
Don't always advocate for only one issue, one constituency, or one part of the organization or program.	Do focus on the organization's needs as a whole. Remember that even if you are on the board because of your links to a particular group, your foremost duty is not to "represent" anything but the organization's best interests.
Don't have committee meetings unless there's something important for the committee to do. Committees that meet without a clear purpose can make work that may not be useful.	Do rely on fluid, <i>ad hoc</i> task forces as much as standing committees to serve as board working groups.
Don't speak for the board or the organization except when explicitly authorized to do so, and don't gossip or speak badly of the organization. Respect the confidentiality of board meetings.	Do act as an ambassador for the organization. Promote it to the people and communities you interact with. Listen to what outside stakeholders say about the organization, and report your findings to the chief executive and/or board chair.
Don't automatically renominate board members. Disengaged members may be staying on out of guilt when they would really love the chance to leave gracefully.	Do adhere to board member's terms, and use the nominating process as an opportunity to assess board members' performance.

p

Practical Tip: How to Keep Board Members Active and Motivated

One of the greatest sources of motivation for board members is to feel useful and to perceive that they are contributing to the mission and vision of the organization. This happens mainly in two ways: through their work as a body that deliberates and makes decisions collegially, and through each member's individual contributions. **It is important to avoid the mistake of focusing only on the board as a group without taking advantage of members' individual contributions, or vice versa.**

In order for the board to work well as a group, it is fundamental that:

- Members received adequate [orientation](#) to the organization
- Members are [clear about their role](#) and how to put it into practice
- Meetings are substantive (not merely administrative) and [well-conducted](#)
- Members receive clear, interesting, and timely information about the organization's work and outcomes, as well as the main challenges it is facing (see models of [financial](#), [programmatic](#), and [organizational](#) reports)

To make the most of the contributions of each member, it is fundamental to:

- Think about each one individually in order to identify and take advantage of his or her contributions
- Speak individually with each member, hearing his or her ideas, proposing others, or making specific requests for different kinds of contributions
- Identify specific actions that they will take and agree on timeframes and dates ("May I contact you about this at the end of the month if you don't write me first?")
- Follow up and/or provide the necessary support to realize each one's contributions

To avoid discouraging board members, it is important to adequately follow up on pending matters and agreements on contributions. You may want to take the initiative to contact them, remind them, ask if there is anything the staff can do to help them, etc.

Examples of other motivating factors:

- **Participation in the organization's activities.** An organization invited a board member to participate in a seminar and in meetings with public officials. Prior to both, the staff helped orient and prepare him. The board member had never had direct contact with the work of the organization, but was highly respected in the field and his involvement gave the event much greater visibility. He came away very pleased and at the next board meeting spread his enthusiasm to the other board members, who offered to participate in future activities.
- **Audiovisual reports from staff members.** An organization began to report on recent accomplishments during board meetings with audiovisual support (photos and short videos) produced by staff. (It is critical that these be short and high-quality.) The board members were excited about this approach to learn more about the work. They were able to have direct contact with staff members, ask questions and make comments, and gain both a better understanding of and a greater appreciation for the work.

p**Practical Tip: How to Activate an Existing but Inactive Board**

Many organizations have a formal board on paper that is inactive and hardly effective in practice. To revert this situation, in some cases it may be useful to bring new people onto the board, while in others, an organization may simply need to activate an already well-constituted group. In either case, a good first step is to agree with board members on the role of the board, and discuss how they are going to put it into practice.

For example, one organization drew up a new “board member job description” (similar to a letter of commitment, but based on what was in the bylaws), identifying duties and responsibilities, including participation in meetings and other activities. With that in hand, the staff held individual conversations with board members to find out whether each one was still interested in participating. Some members who had not been active for some time opted to step down, while others renewed their commitment and were able to articulate the contributions they were willing to make.

The next meeting had a longer and more substantive agenda (on both organizational and programmatic matters). It included a discussion and approval of the new “board member job description” and staff presentations about the organization’s work.

Section 6

Sample Bylaws

These sample bylaws were developed by the Mexican NGO Alternativas y Capacidades (Alternatives and Capacities) as supplemental material for its book *Construyendo tu organización en 16 pasos (Building Your Organization in 16 Steps)*¹⁴ and adapted for this guide. This example follows the model of having a members' assembly and a board of directors. While this guide is focused mainly on the board of directors, these bylaws provide an operational framework for the members' assembly as well. It should be noted that these sample bylaws reflect some of the specificities of the Mexican context and legal framework. Nonetheless, they may be adapted for other places.

[Note: this proposal is quite extensive. You may choose to put in less detail, especially in the first version of the bylaws. In general, the bylaws should be a document you would feel comfortable giving to a new member of the board or assembly to inform them how those entities operate.]

The text in black is part of the sample.

The text in grey includes an explanation of the issues outlined in the clause or clauses.

 Save document

Bylaws

I. Purpose

1. These bylaws establish the rules, procedures, and responsibilities that will apply to the members' assembly, the board of directors, and staff in [name of the organization], supplementing what is already provided for in its articles of incorporation.

II. Governing Bodies and Members

Bodies [and members]. The governing bodies of this organization, in hierarchical order, are:

1. Members' assembly
2. Board of directors (from three to five members, elected by the assembly from among its members)

Here you may include the type of members, with a brief description of how they are elected and what powers they have, especially whether they can vote in assembly meetings.

Registry. The organization will keep a registry of participants in both the members' assembly and board of directors, including:

1. Each member's name, occupation, physical address, and email address.
2. The date of admission and termination of their participation.
3. The offices held by members, as applicable.
4. The letters of commitment and the conflict of interest policies signed by each member.

¹⁴ Carillo Collard, Patricia, Gisela Robles Aguilar, Mónica Tapia Álvarez, Andrea Tapia Álvarez. *Construyendo tu organización en 16 pasos: Manual de constitución legal de asociaciones civiles (Building Your Organization in 16 Steps: Manual for the Legal Constitution of Civil Associations)*, Mexico City: second edition: November 2009. Available in Spanish at www.alternativasycapacidades.org/16pasos.

The letter of commitment and conflict of interest policies may be included as appendices.

III. Assembly Members

Incorporation of new members. Being a member of the assembly requires:

1. Being proposed by another member of the assembly
2. Presenting a letter explaining why one wishes to be a member of the assembly

This requirement is optional. You may opt for other requirements if you wish.

3. Signing a [letter of commitment](#) indicating that assembly members agree to abide by the articles of incorporation, bylaws, or any type of decision made by the organization's governing bodies, as well as the rights and obligations of the members
4. Signing the [conflict of interest policy](#)
5. Being accepted by the members' assembly

Exclusion of members. Article 9 of the articles of incorporation establishes the grounds for losing assembly member status

1. Express waiver
2. Engaging in activities contrary to the objectives of the organization
3. Failure to comply with the obligations set forth in the articles of incorporation
4. Unjustified absences from assembly meetings for two years
5. The exclusion of any assembly member requires the agreement of the entire assembly.

Unpaid status. The assembly members serve on a strictly honorary basis and may not have any labor relationship whatsoever with the organization or receive payment or remuneration for any service provided to the organization. With prior authorization from the board of directors, the assembly members may participate directly or indirectly in specific organizational projects; in no case may they receive economic remuneration or establish a labor relationship with the organization.

Duties and rights. The following are duties and rights of the assembly members:

1. Be familiar with and support the organization's mission
2. Observe the annually signed conflict of interest policy
3. Abide by the articles of incorporation, bylaws, dues, and all decisions of the governing bodies
4. Participate in the regular meeting of the assembly, adopting the agreements specified in item 11, below, having reviewed any background documents sent ahead of time for discussion at the meeting
5. Keep updated contact information in the registry of assembly members, especially email addresses
6. Conduct themselves with loyalty vis-à-vis the interests of the organization and not engage in any contrary action that would be detrimental to its interests
7. Advise on the definition of the mission and purposes of the organization
8. Request and obtain from the board of directors reports on the organization's activities and operations, including accounting books and other documentation
9. Ensure that all revenues received by the organization are destined to the organization's purpose (receiving annual reports from the board of directors to that effect)
10. Cease participating in the organization, giving at least 10 working days' prior notice

11. Propose amendments to the articles of incorporation and to these bylaws
12. Propose new assembly members
13. Contribute annual dues agreed upon by the members' assembly

Some organizations establish annual dues. This may be an amount agreed upon by everyone, or simply a contribution that is "significant for each member," understanding that a smaller yet significant amount is also welcome. If dues are not going to be implemented, it is preferable not to include mention of them in the bylaws.

IV. Members' Assembly

Timing of meeting and quorum. As per the articles of incorporation, the assembly's regular annual meeting is to be held in the first four months of the fiscal year. This meeting shall be called with five days notice, and will be held the first time it is called with 51 percent of the members present, and the second time it is called with the number of members present.

Meeting issues. Also as per the articles of incorporation, the assembly shall consider and decide on:

1. The appointment of the board of directors, including the chair, secretary, and treasurer
2. The reports of the board of directors on the organization's activities
3. Annual and long-term planning for the organization
4. The results of any periodic evaluations
5. The main plans and activities for securing financing for the organization
6. The organization's financial reports presented by the board of directors (and auditor)
7. The appointment of the auditor who will review the organization's accounts
8. The analysis of the organization's accounts, assets and liabilities
9. The working committees, if any
10. The general terms of the policies for contracting and removing staff members
11. The admission and exclusion of assembly members
12. The approval and modification of the bylaws and policies of the organization
13. The annual dues agreed upon by the assembly members

Once again, this point is optional.

14. Other general matters

Agenda. The agenda of the assembly meeting shall be sent, along with the notice, signed by the chair and the secretary, at least five days before it is held. It may be sent electronically to the email addresses included in the registry of assembly members. If, due to lack of time, it is not possible to address all the matters for which the assembly was called, the meeting may be suspended and continued one or more days later without any need for new notice and with whatever number of active assembly members attend. It shall be understood that the assembly members who leave, or those who do not attend the resumption of the suspended assembly meeting, are casting their vote consistent with the vote of the majority of those present.

Decision making. The decisions of the assembly shall be by simple majority.

Minutes. Minutes shall be kept of each assembly meeting, which will record all matters addressed and decisions adopted. The secretary is responsible for designating the person who will take notes and for drawing up the minutes. The minutes will be signed by the chair and the secretary. When conditions merit, all members in attendance shall sign the decisions. The minutes of the assemblies shall be sent by the secretary to all the assembly members no later than one month after the meeting is held. If no comment expressing disagreement is received within seven days after it has been sent, the minutes of the assembly meeting shall be considered approved by those in attendance.

V. Board of Directors

Board members. The board of directors shall have three to five members, elected by the assembly from among its members, and shall have the powers to review and oversee the activities of the organization. As per the articles of incorporation, the board of directors shall be made up of the members elected by the assembly. The board shall include the following:

1. Chair
2. Secretary
3. Treasurer
4. Up to two other members

Organizations may write out the names of current members and officers here.

Member term limits. The members of the board of directors shall serve for three years and may be re-elected for the period immediately following. Only assembly members may occupy these positions. (After having served two terms and then a period of three years of rest, an assembly member may rejoin the board of directors.)

Officer term limits. The members of the board of directors may have the position of chair, secretary, or treasurer, also for three-year terms, and may be re-elected for a consecutive term. (After having served two terms and then a period of three years of rest, a member of the board of directors may be re-elected to one of these three offices.)

General responsibilities. The board of directors is responsible for establishing the strategic guidelines and key policies of the organization, reviewing and overseeing the finances, and supporting the executive director and the staff in attaining the organization's objectives.

Meetings. The board of directors shall meet at least once every four months and may hold special meetings it considers necessary. The special meetings may be called by the chair, or by half plus one of the members of the board of directors. The dates of the meetings and their respective agendas shall be agreed upon by the chair and the executive director. The agenda shall be sent to the board members, along with the notice, by the chair or whoever the chair designates at least five days prior to regular meetings and with at least 48 hours notice for special meetings. This mailing may be done electronically to the email addresses included in the board members' registry. To be valid, the meetings require half plus one of the members. Participation by telephone or electronically, as agreed upon by the members, will be acceptable. Any documents related to any agenda item shall be sent at least three working days prior to regular meetings and with 24-hour lead time for special meetings.

Meeting evaluation. Board members will conduct a short evaluation of each meeting using a brief form developed for this purpose.

Decisions. The decisions shall preferably be made by consensus, in lieu of which they will require the vote of half plus one of the members. The chair shall have the right to cast a tie-breaking vote.

Officers' responsibilities. The chair has the following duties:

1. To be the legal representative of the organization
2. To have the powers set out in article [X] of the articles of incorporation

3. To call meetings of the members' assembly and to supervise implementation of the agreements made in those meetings
4. To sign, together with the secretary, the board and assembly meeting minutes
5. To propose the creation or elimination of committees
6. To propose modifications to the bylaws and policies of the organization
7. To inform the assembly of the agreements proposed and signed toward fulfilling the organization's aims
8. To prepare, along with the executive director, the agenda of the meetings of the board of directors
9. To chair the meetings of the board of directors or designate someone else to do so, beginning punctually, reviewing the agenda at the beginning of the meeting and accepting adjustments, respecting the agenda and ensuring efficient use of time so as to allow for adequate consideration of all agenda items

You may include here any other relevant duties of the chairperson.

The secretary performs the following duties:

1. Keeps the books of minutes and decisions of the organization up-to-date
2. Keeps the minutes of the sessions of the board of directors and the assembly
3. Prepares the agenda that accompanies the notice for members' assembly meetings
4. Keeps track of implementation of the decisions made in assembly and board meetings
5. Verifies the quorum needed for holding assembly meetings and the final results of the votes, as well as compliance with other requirements provided for in the articles of incorporation and these bylaws
6. Signs, along with the chair, the assembly meeting minutes
7. Gives written notice to the corresponding institutions and agencies of changes in the board of directors
8. Supervises the organization's file, including corresponding activity and financial reports, signed contracts, and any other documents setting forth the organization's commitments

You may include here any other relevant duties of the secretary.

The treasurer performs the following duties:

1. Supervises the organization's accounting and preparation of financial reports presented to the assembly
2. Supervises the organization's revenues and expenditures, as well as the use of any bank accounts in the organization's name, reviewing a series of financial reports whose format and timing will be agreed upon with the executive director
3. Ensures the existence and implementation of adequate policies for internal controls
4. Proposes the annual dues for assembly members [Optional]
5. Ensures that the organization's registry of assets is kept up-to-date

You may include here any other relevant duties of the treasurer.

Duties of all members. The members of the board and the board as a group have the following duties, in addition to those listed for the officers:

1. Attend board of directors meetings on a regular basis, preferably and at least once a year in person, having first reviewed the materials sent in anticipation of the meetings
2. Determine the executive director's job description and the required qualifications
3. Hire the executive director, establishing his or her remuneration and other contractual conditions, designing and implementing a comprehensive plan every time there is a leadership transition
4. Conduct the executive director's annual performance evaluation, through a mutually agreed upon process involving the participation of staff members, and report the main points to the assembly
5. Propose the removal of the executive director, which must be approved by the assembly
6. Approve the budget and annual operating plan and monitor its implementation through programmatic reports by the executive director, to be agreed upon by the members of the board and the executive director
7. Take stock of and review the financial reports agreed upon by the treasurer and the executive director
8. Resolve conflicts brought to the board's attention by the executive director or staff members, as well as receiving complaints or allegations made against the members of the governing bodies or paid and non-paid staff members
9. Provide other technical and substantive support to the executive director and other staff members
10. Participate in specific activities of representation and others, primarily at staff's request
11. Cover the expenses of participation in the organization, unless there is an agreement by the members of the board and the executive director to cover some or all of them

VI. Implementation of Board Responsibilities

This section includes specific agreements on how the board will carry out its duties. By way of example:

Information flow between board and executive director. The executive director shall provide the following information during the year in order to ensure effective meetings and, in general, to support board members' ability to exercise their role:

- Reports for each board meeting: At least three days before each meeting, the executive director will send a report of approximately two pages that covers programmatic, strategic and institutional highlights. The objective is to maximize the amount of time spent on strategic discussions. The information to be included in the report is that which does not need to be shared during the meeting itself. The executive director will also present a financial report with a short narrative that accompanies and explains it.
- A short email at the halfway point between each meeting with main programmatic, strategic, institutional and financial highlights, as appropriate.
- Additional, brief emails as necessary.

Help define strategic direction and goals through contributions to the organization's periodic strategic planning process and ongoing strategic discussions during board meetings.

- The strategic planning process shall be staff-driven; the board shall be concerned about the "what" and the "why;" and leave the "how" up to the staff.
- The board shall review and comment on a draft of the final strategic plan.

- The board sees its role as “mission caretaker,” which implies checking mission alignment and assessing and preventing mission creep, ensuring harmony between what the organization is doing and claims to do, measuring goals and proposed work against the long-term strategic vision, and asking tough questions.

Ensure good leadership and sound management

- The board will set up a permanent committee (as of this writing, composed of [names]) to lead a performance evaluation process for the executive director (ensuring appropriate staff participation and executive director input) and propose adequate compensation based on periodic reviews of peer organizations’ salary scales. The entire board will decide on compensation based on performance evaluation results.
- The board will participate in setting broad human resources policies (such as salary scales and benefits package, but not individual staff’s remuneration) and monitoring their implementation, including compliance with labor rights and the conflict resolution policy for staff members.
- The board will anticipate leadership transitions and make appropriate plans to steward the process when they occur, determining the executive director’s job description and required qualifications, conducting a transparent and competitive selection process, and maintaining adequate communication with the staff and external stakeholders.

Support fundraising efforts

- The board shall facilitate contacts and open doors to potential funders, helping the executive director develop personal relationships, and speaking of the organization to funders they encounter in their professional lives.
- The board shall ask staff to share key grant proposals and help develop an up-to-date short presentation that members may adapt and use to approach funders.
- Board members shall report back to staff on any contacts and conversations held with funders (copying other board members) in a timely manner for appropriate follow-up.

Individual contributions

- These contributions (contacts, participation in events, support for some programmatic work, etc.) may be made at the request of the executive director or as suggested by each board member (but not imposed by either staff or board members). To this end, the executive director will meet with each board member at least once a year to dialogue about possible areas, opportunities and mechanisms for their contributions to the organization.

VII. The Relationship between the Board of Directors and the Staff

It is recognized that a fluid and harmonious relationship between the members of the board of directors and the staff depends on mutual recognition of and respect for each other’s roles, responsibilities, and work. In addition to the instances of collaboration already indicated between the board of directors and the executive director, communication between board members and staff will be fostered through: specific participation of staff members in certain board meetings, depending on the agenda; support or participation of board members in organizational activities; staff’s input into the executive director’s performance evaluation; and eventually joint participation in a committee.

VIII. Committees

A committee and/or working group may be formed at the request of any member of the board, and after full board consensus is obtained. Such committees may be made up of board members, assembly members, and possibly staff members and other participants in the organization’s work. The board shall establish the number of members and the composition of each committee, including its coordinator. They shall meet with the frequency determined by the committee itself. The coordinator will be in charge of following up on the committee’s decisions. It is agreed to establish the following

committees: [Specify the committees that the organization needs. Here are a few examples.]

- Financial Review Committee
- Fundraising Committee
- Strategic Planning Committee
- Information and Communication Committee
- Outreach Committee
- Training Committee
- Research Committee

You may wish to include any other relevant committees.

IX. Executive Director Duties

The executive director shall have the following duties:

1. Receive and exercise the legal representation delegated to him or her by the members' assembly
2. Present the annual report to the board of directors and subsequently to the members' assembly
3. Be accountable to the members' assembly and the board of directors in relation to the organization's work, the financial statements, and the budgets, with such frequency as determined by the assembly and the board of directors
4. Provide strategic direction to the organization, including holding periodic strategic planning processes, in addition to ensuring its proper management and administration; respect the job description and undergo the annual performance evaluation
5. Collaborate with the chair and other members of the board of directors on board development and effective performance
6. Hire staff members
7. Ensure attainment of strategic objectives
8. Collaborate actively to ensure sound operation of the board of directors. To this end, the role of the executive director includes:
 - a. Maintain a constructive relationship with the board chairperson, supporting him or her in effectively performing his or her role
 - b. Cultivate and maintain active relationships with each board member
 - c. Support the board in identifying, recruiting, and orienting new members and continuously help to encourage and strengthen their participation
 - d. Support the work of any committees that are established or assign a staff member to do so
 - e. Understand the accountability function of the board of directors and help ensure it is performed effectively
 - f. Prepare reports and provide information to the board that enables it to think and act strategically and perform its accountability and financial oversight role
 - g. Encourage a periodic self-evaluation by the board and support its follow-up
 - h. Ensure that the executive director's performance evaluation is carried out

- i. Help establish the agenda and plan board meetings
- j. Be open and honest with the board of directors, promote and model good communication and respect
- k. Periodically share the planning, expectations, and evaluations of any programmatic and organizational progress made (his or her own and those of the staff) with the board of directors
- l. Play a major role in providing orientation to new board members

Write here the date the bylaws were adopted or amended.

The signatures of the assembly members present at the meeting should appear at the end. They should also initial the margin of each page of the minutes.

Name of the assembly member

Signature of the assembly member

Guadalupe Hernández

Lynne Petros

Section 7

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Martha Farmelo is an external consultant on strengthening NGOs in Latin America. She is a U.S. citizen who has been living in Argentina for more than 12 years. She has more than 25 years' experience directing and supporting organizational strengthening processes for NGOs in Latin America and in the United States. Before becoming an external consultant, she held programmatic and institutional positions in various NGOs and was a program officer with the Inter-American Foundation. Her thematic expertise is human and civil rights. She has worked with boards of directors as a staff member with several organizations, has helped other organizations activate their boards of directors, and has served as board member of a labor rights organization.

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