

New York Council of Nonprofits

Board Committee Resource Packet

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Tips for Building an Effective Board Committee Structure

Committees provide an important opportunity for the Board of Directors to perform its due diligence functions effectively and efficiently. In addition to relying on the knowledge and expertise of the Executive Director, Legal Counsel, and Fiscal Counsel, Boards can rely on its committees to research, evaluate, and recommend a course of action to the Board of Directors.

In order for committees to be effective they need to be supported and nurtured. Consider the following:

1. Distinguish between ***Committees of the Board*** which have, or can be granted, the authority to bind or make decisions on behalf of the Board of Directors and must be comprised solely of voting Board Members and ***Committees of the Corporation*** which are advisory to either the Board of Directors or the Executive Director and may include non-board members and volunteers, as determined by the organization.
2. Clearly define the charge and authority as well as the limitations of each committee in writing and review annually.

Limitations on Committee Authority

No Committee shall have such the authority in the following matters:

- a) submission to Members, if any, of any act, or action, requiring Members approval by statute and/or these By-Laws;
 - b) filling of vacancies on the Board, or in any of its various Committees;
 - c) fixing of compensation for Directors, or members of its various Committees;
 - d) authorization of any form of Fundamental Corporate Change, as set forth in these By-Laws, including, but not limited amendment, or repeal, of these By-Laws or the adoption of new By-Laws; and/or,
 - e) amendment, or repeal, of any resolutions of the Board, which by its terms, shall not be capable of amendment or repeal.
3. Develop an annual workplan for each committee.
 4. Do not create committees that cannot be sustained and supported through volunteer participation and staffing. Committees require at least three voting members.
 5. Committees that are not functional should either be made functional or eliminated in the bylaws.
 6. All Committees should be staffed by the Executive Director or his/her designee whenever possible.
 7. All committees should have minutes taken and should distribute those minutes to the entire board. Committee work should be respected and not “rehashed” at the Board meeting. If you are unsatisfied with the work of a committee or have additional questions send it back to the committee or to a different committee (e.g. the finance committee for financial implications)
 8. Consider having non-Board Members serve on select committees of the corporation.

Typical Committee Responsibilities

Executive Committee

Composition: Chaired by the Board President and comprised of officers. Sometimes includes chairs of standing committees, past presidents, and/or board members at-large. It is important that the committee have the composition of board leaders necessary to legitimize whatever actions it may need to take.

Responsibilities:

- Maintains surveillance of the business and affairs of the corporation
- Empowered to exercise all of the powers of the board that may lawfully be delegated in the management of the affairs of the corporation as may be necessary between board meetings or as specifically authorized by the board and/or bylaws
- Reports its actions to the board at the next regularly scheduled or special meeting of the board
- Evaluates the Executive Director

Audit & Finance Committee

Composition: Typically chaired by the treasurer, although this is not always advisable. Members are usually appointed by the President or his/her appointments are subject to ratification by the board. Board president is ex-officio and usually an active committee member. It is advisable that the chair or liaison connection with other financially focused committees of the board (i.e. investment, fund development, and audit) also serves on this committee. Committee members usually are those board members with some level of expertise or knowledge of fiscal matters.

Responsibilities:

- Develops a proposed budget that advances the organization's purposes and goals for consideration and approval by the board of directors
- Develops policies, processes and reporting procedures that promote the financial well-being, sound financial budgeting, management and the safeguarding of assets, and regulatory/contractual compliance of the corporation for recommendation to and approval by the board of directors
- Monitors, on behalf of the board, implementation and compliance of all financial policies approved by the board
- Reviews the financial implications of new initiatives and changing project revenue
- Serves in an advisory and resource capacity to the treasurer in ensuring that accurate, complete and timely financial records and reports are developed, maintained and reported
- Educates the board as to their fiduciary role and responsibilities
- Assures that appropriate and sufficient insurance coverage is secured
- Performs the functions of audit and investment committees if either or both of these committees do not exist

Personnel Committee

Composition: Typically appointed by the board president or his/her recommendations are subject to board approval.

Responsibilities:

- Formulates, revises and recommends policies on all matters relating to paid and volunteer human resources, including compensation practices, to the board for approval
- Maintains familiarity with, and assures that all personnel practices of the board are in accordance with, applicable law and contractual obligations
- Monitors, on behalf of the board, the implementation of all personnel policies approved by the board of directors
- Keeps the board informed on the organization's personnel requirements and needs
- Establishes procedures and processes to hear grievances and to arrange necessary negotiation with any unions involved with the organization
- Serves as an advisory resource to the Executive Director on personnel matters for which (s)he has assigned responsibilities

Nominations or Board Development Committee

Composition: Elected by the board of directors and/or membership of the corporation. It is not advisable to have this committee appointed, without board ratification, by the board president. Committee members should not include board members and officers who will be eligible for election during the committee's work. Some organizations permit non-board members to serve on this committee.

Responsibilities:

- Ongoing assessment of the strengths and limitations of the board's composition vis-à-vis achievement of organizational mission and goals
- Regularly review and propose to the board for revision of board and officer job descriptions, expectations and ethical standards
- Identify, recruit and nominate officers and directors for board/membership consideration
- Develop succession plans for key board leadership positions
- Design and implement new board orientation
- Coordinate ongoing development and training for all board members and officers

Fundraising and Marketing

The role of the Fundraising and Marketing Committee is to develop and provide leadership in implementing and overall strategy and plan to achieving the organization's mission and financial objectives. As it relates to fund development, the Committee lead the Board's fund development efforts and, with the Executive Director.

Responsibilities:

- Recommend fund development and marketing strategies
- Assist with the development of fund development and marketing plans
- Enlist Board support and action to implement fund development and marketing plans
- Lead major funding requests/projects
- Ensure consistency of operational budget with fund development plans and activities
- Develop and recommend policies and/or guidelines to address how and to what extent fund development, public relations, marketing and related tasks are expected of the Board and Executive Director
- Evaluate and monitor fund development efforts at the Board and staff levels

Programs and Quality Improvement

The role of a Program and Quality Improvement Committee is to ensure the programs are mission driven, reflective of community interests and needs, and have systems in place for evaluating their effectiveness and impact.

Responsibilities:

- To oversee new program development, and to monitor and assess existing programs
- To provide input to and support for program evaluations, and
- To evaluate program priorities for the agency.
- To ensure that consumers, stakeholders, and/or community needs and interests are considered in program development and implementation.

Committee Chair Responsibilities

The by-laws define the functions of standing committees, how committees are formed, and their composition. Committee chairs are either denoted by position and responsibility in the bylaws (i.e. the treasurer shall chair the Finance Committee) or the process of appointment is stated. Generally, the board president or chair appoints chairs of board committees. Some bylaws may call for such appointments to be ratified by the board.

Committee chairs are an important and critical part of the board leadership team. Their responsibilities and duties generally include the following:

- Recommending to the president and/or board, who (s) he would like to see serving on the committee.
- Calling meetings and setting the agenda.
- Ensuring meetings are properly recorded.
- Managing the committee or group process, as customary for the position of a chair.
- Coordinating communication and staffing services with the Executive Director (and/or assigned staff).
- Regularly report to the board all committee recommendations, progress and any other significant issues or concerns that warrant the committee's attention.
- Keep the board president apprised on an ongoing basis of committee work and progress, and notify the president of the committee's report to the board in advance of the board meeting.
- Ensure that the committee stays within its governance charge and is accountable to the board of directors as appropriate.
- When the committee provides advice to the Executive Director and/or staff, clearly distinguishes and articulates to all concerned that such advice is not a directive or supervisory in any way.

25 Steps to Improving Committee Functioning

1. Be clear about the committee's purpose. What does it exist to accomplish?
2. Give considerable thought to whom should sit on the committee. For Committees of the Corporation, look outside the board and, perhaps even, the organization. You will not only increase your chances of finding people with the specific skills you need, you will end up cultivating potential board members for the future.
3. Tell people why they asked to sit on the committee and what is expected of them. Include likely commitments of time, energy, skills, contacts, and money.
4. Spend some time allowing committee members to bond. People are more willing to participate and take on responsibility when they feel a commitment to the group.
5. As a group, state the problems or issues to be tackled. This way everyone starts on the same page.
6. Limit committee discussions to topics that fit the organization's mission, vision, values, and priorities.
7. Send out agendas and preparatory materials ahead of meetings so that people can come prepared to work.
8. Meet only when there is something substantial with which to deal. There is nothing sacred about monthly meetings.
9. Give people sufficient notice of meetings and try to avoid making last minute changes to the schedule. Try to establish a routine for meetings such as the third Tuesday at 6pm.
10. Begin and end your meetings on time. People are far more likely to come if they feel you respect their calendar.
11. Assign tasks as evenly as possible. While it may be easier to ask the same handful of people that do everything, it guarantees that you limit participation, leadership development, and potential productivity.
12. Solicit, then listen to everyone's input. After all, the value of committees is summed up in the adage "two heads are better than one."
13. Don't just accept comments at face value. Feedback the comments in your own language, applying your interpretation. Ask questions. Probe. Be sure you understand what is being said, and why it is being said.
14. Assume that even the most off-the-wall ideas make sense to the people who express them. Instead of rejecting such ideas out of hand, ask for clarification.
15. Don't fight over ownership of an idea. The important thing is that the idea is intended to potentially benefit the organization.
16. Speak only for yourself. Let others provide their own explanations or rationales.
17. Play the devil's advocate. Always ask the group to consider the downside of a pending decision. When people feel they have thoroughly looked at all the potential negatives, they are more confident of any decisions to proceed.
18. Strive for consensus but don't require it. Find the right balance between the process required to make a good decision and the decisiveness needed to accomplish goals.
19. Bring conflict into the open.
20. Don't assume that silence means agreement in situations where decisions are being made.

21. If you can't reach consensus, consider:
 - a) identifying shared interests and working to build on those;
 - b) thinking up ways to make the most promising option better or more palatable;
 - c) putting aside the solutions already on the table, restating the mission, vision and goals, and generating a new list of possible solutions that might also/better meet the organization's needs;
 - d) initiating a trial period in which the strongest option is put to the test;
 - e) changing the scope of the problem;
 - f) agreeing to limit the decision to procedural items rather than substantive.
22. Stay focused on the goals and tasks of the committee.
23. Keep action-oriented minutes:
 - a) record only resolutions and votes, not "he said,.....she said";
 - b) include sections such as supplies to order, ideas to implement, people to call;
 - c) summarize with who will do what, by when.
24. Follow-up after the meeting:
 - a) ask committee members if they are comfortable with their decisions;
 - b) set up a system to bring those who missed the meeting up to date;
 - c) do what you promised to do at the meeting.
25. Prepare a report to the board, including:
 - a) the committee's recommendations;
 - b) the pros and cons of each recommendation;
 - c) the rationale for the recommendations made.