



The talent will take you there.

# Board Assessment

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## Toolkit

December 2012

*Strong Organizations begin with effective governance, management and planning.*

This resource tool outlines 11 responsibilities of the board and a series of questions to evaluate your board's performance in each.

### Responsibility 1: Determine the Organization’s Mission and Purpose

One of the board’s fundamental responsibilities is to establish the mission of the organization. In addition, the board will review the mission periodically and revise it whenever necessary. The mission statement must be clear and concise, and each member of the board must understand and support it.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
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All board members are familiar with the current mission statement?	1	2	3	4	NS
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The current mission statement is appropriate for the organization’s role in the next two to four years?	1	2	3	4	NS
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The board’s policy decisions and the organization’s program and services reflect the mission?	1	2	3	4	NS
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How can the board do better in this area?

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**Responsibility 2: Select and Support the Executive, and Review His or Her Performance Periodically**

Perhaps the most significant decision a board makes is who to select as chief executive. An effective board will draft a clear job description that outlines the duties of the chief executive, and will undertake a carefully planned search process whenever the position is vacant. In addition, the board will support its chief executive by providing that person with frequent and constructive feedback, and by regularly conducting an evaluation to develop the chief executive and strengthen his or her performance.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
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A written job description clearly spells out the responsibilities of the chief executive?	1	2	3	4	NS
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The board respects the responsibilities distinct to the chief executive?	1	2	3	4	NS
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The board conducted its last search for a chief executive in a professional and competent manner?	1	2	3	4	NS
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The board assesses the chief executive's performance in a pre-determined, systematic and fair way on a regular basis?	1	2	3	4	NS
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How can the board do better in this area?

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### Responsibility 3: Approve and Monitor the Organization’s Programs and Services

A not-for-profit organization carries out its mission by offering specific programs. The board, though not responsible for managing or administering these programs, is responsible for deciding which programs, among the many that an organization could offer, are the most consistent with the mission. In addition, the board is responsible for monitoring the programs to ensure that their quality is as high as possible. Such monitoring can be done, for example, by determining key performance indicators, reviewing performance data, seeing the programs first-hand, ensuring staff conduct a survey of program participants, or having staff retain a consultant to carry out an evaluation.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
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The board is knowledgeable about the organization’s current programs and services?	1	2	3	4	NS
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The board knows the strengths and weaknesses of each major program?	1	2	3	4	NS
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The board periodically considers adopting new programs, and modifying or discontinuing current programs?	1	2	3	4	NS
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How can the board do better in this area?

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### Responsibility 4: Resource Development

The board can take a role in resource development for the organization in consultation with the chief executive or development director. Board members can, for example, make personal contributions to the organization, ask friends and colleagues to consider supporting the organization, and recommend to the staff particular individuals, corporations, and foundations that might be asked for support. In addition, as service volunteers, the board can help develop the organization’s fund-raising strategy, including the formulation of the critical case statement that sets out the rationale for financial support.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
The board understands the fund development strategy for the organization?	1	2	3	4	NS
The full board provides financial support to the organization on an annual basis?	1	2	3	4	NS
Board members recommend others in the community who can provide financial support to the organization?	1	2	3	4	NS
The board has a clear policy on the development of a fundraising strategy?	1	2	3	4	NS

How can the board do better in this area?

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### Responsibility 5: Ensure Effective Fiscal Management

Ensuring that income is managed wisely is especially important for a tax-exempt not-for-profit that is operating in the public trust. The board will approve an annual operating budget, and then monitor throughout the year the organization’s ability to adhere to the budget. In addition, the board will require an audit once a year by an independent accountant to verify to itself and to the public that the organization is reporting accurately the sources and uses of its funds.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
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The board discusses thoroughly, at a high level, the annual operating budget of the organization before approving it?	1	2	3	4	NS
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The board takes advantage of the budget process to consider the most effective allocation of limited resources?	1	2	3	4	NS
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The board receives financial reports on a regular basis that are understandable, accurate and timely?	1	2	3	4	NS
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The board requires an annual audit and considers all recommendations made in the independent auditor’s report and management letter?	1	2	3	4	NS
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How can the board do better in this area?

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### Responsibility 6: Engage in Planning Strategically

One of the major contributions that a board can make to a not-for-profit organization is to consider how the organization’s role will evolve over the next three to five years, and to recommend stretch goals. Given the amount of time the staff has to concentrate on day-to-day operations, the board will focus on the future. For example, while the staff is appropriately concerned with an upcoming mailing to members, the board can be considering how the organization’s education strategy might improve to reflect changes in the local environment. At least every one to three years, the board will engage in a planning process to better understand the fluctuating environment in which it is operating, and to then decide what changes it ought to make to function more effectively in that environment. It can be critical to decide what you will quit doing.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
The board focuses much of its attention on long-term, significant context issues rather than short-term administrative matters?	1	2	3	4	NS
The board has a strategic vision of how the organization would best be evolving over the next one to five years?	1	2	3	4	NS
The board periodically engages in a strategic planning process that considers how the organization could best meet new opportunities and challenges?	1	2	3	4	NS

How can the board do better in this area?

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### Responsibility 7: Carefully Select and Orient New Board Members

A good board is made up of visionary, big-picture thinking individuals who can contribute critical skills, experience, wisdom, and time to the organization. Because no one person can provide all of these qualities, and because the role of an organization continually changes, a board must have a well-conceived plan to identify and recruit the most appropriate people to serve on the board. Once selected, a board must orient new members to the organization. In addition, a board will regularly rotate people off the board to ensure that it can be infused with new ideas without making the board so large that it becomes unwieldy.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
The board currently contains a sufficient range of expertise and experience to make it an effective governing body?	1	2	3	4	NS
The board has an effective process to identify the characteristics that new board members could bring to the organization?	1	2	3	4	NS
The board regularly identifies candidates who offer the characteristics required to strengthen board composition?	1	2	3	4	NS
The board provides new board members with a thorough orientation, including board responsibilities and important program and administrative information?	1	2	3	4	NS

How can the board do better in this area?

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### Responsibility 8: Understand Relationship Between Board and Chief Executive

One of the most important responsibilities for a board is to define and understand its relationship with the chief executive. The old dictum that “a board sets policy and the staff carries it out” is oversimplified; an effective board must have a clear understanding of the differences between its role and the role of the staff. Because many important organizational issues require board and staff to be moving in the same direction if they are to be addressed effectively, the quality of the working relationship between the board and chief executive must be high.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
The respective roles of the board and chief executive are clearly defined and understood?	1	2	3	4	NS
A climate of mutual trust and respect exists between the board and chief executive?	1	2	3	4	NS
The board gives the chief executive enough authority and responsibility to lead and manage the organization successfully?	1	2	3	4	NS
The board has adopted adequate policies for CEO selection, training, promotion and conflict procedures?	1	2	3	4	NS

How can the board do better in this area?

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### Responsibility 9: Enhance the Organization’s Public Image

Board members, coming from various parts of the community or region, can do much to develop the organization’s image. If an organization is successful but its achievements are kept secret, it will not succeed in being effective, attracting new leaders for positions of responsibility on the board and staff, or, most importantly, serving a broad range of people. Accordingly, the board must ensure the CEO develops a marketing and public relations strategy that includes written and visual communications pieces such as annual reports, newsletters, fact sheets, and press releases.

In addition, board members must work with the CEO and periodically seek out key business, government, media, and other leaders to inform them about the activities and plans of the organization, and to learn about the external environment. While encouraging board members to spread the word about the organization they help govern, the board must also have a policy about who serves as the organization’s official spokesperson when, for example, a news reporter requests an interview about a possibly controversial issue.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
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The board has approved an effective marketing and public relations strategy for the organization?	1	2	3	4	NS
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Board members talk about the organization to key people?	1	2	3	4	NS
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The board understands who can serve as the official spokesperson for the organization?	1	2	3	4	NS
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How can the board do better in this area?

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### Responsibility 10: Organize Itself So That the Board Operates Efficiently

Boards carry out much of their work in meetings. Because meetings of the full board can not always accommodate in-depth discussion and analysis of key issues, boards often work through task forces, each of which can draw on a small number of board members and outside expertise to focus on a particular area, such as board education and development and ED development. Task forces of the Board are for the business of the Board.

To make board and task force meetings most productive, board members must understand the bylaws under which they are operating, and have the opportunity to review written material related to the agenda several days prior to a meeting. In addition, each task force requires terms of reference, strong leadership, and the ability to develop consensus among its members and present its recommendations to the full board.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
Board members are familiar with the bylaws?	1	2	3	4	NS
Board members receive clear and succinct agendas and supporting written material sufficiently prior to board and task force meetings?	1	2	3	4	NS
Task force assignments reflect the interests, experience, and skills of the board members?	1	2	3	4	NS
Board and task force meetings are well-organized, productive, and make good use of board members' time?	1	2	3	4	NS

How can the board do better in this area?

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### Responsibility 11: Ensure Sound Risk Management Policies

Boards of directors will want to reduce to a tolerable level the myriad risks that can endanger an organization. Organizations will want to protect their ability to deliver their mission and maintain their reputation in the community. Learning the role of a strong governing board and ensuring there is a process for continuity of leadership is a critical part of risk management.

How satisfied are you that:	Not Satisfied		Satisfied		Not Sure
The board has done a risk audit and developed policy to enable the organization to manage and reduce risks to a tolerable level?	1	2	3	4	NS
The board has a sense of how they will operate in the absence of an Executive Director.	1	2	3	4	NS
The board has a sense of how they will ensure their own continuity of leadership	1	2	3	4	NS
The board periodically reviews all of the insurance carried by the organization to ensure that it is adequate and competitively priced (e.g. directors and officers, fire and theft, general liability, workers compensation)?	1	2	3	4	NS

How can the board do better in this area?

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**General Assessment**

1. What are currently the major successes and challenges of the board?

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2. How can the board's organization or performance be improved in the next year or two?

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3. What other comments or suggestions would you like to offer related to the board's performance?

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### ***About Vantage Point***

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*Vantage Point offers leading-edge learning opportunities for not-for-profit executives and boards of directors. We work with you to attract, meaningfully engage and integrate the abundance of talent available to you. By mindfully engaging passionate citizens you can stretch budgets and human resources further to create an abundant not-for-profit.*

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