

**The Accountable Nonprofit Series**

# The Board Assessment

Taking the Pulse of  
Governance in Action

**Third Sector Company**  
January 20, 2022





# The Board Assessment

An Annual Snapshot of a Board's Performance and Potential

## PREPARING TO LEARN:

*Why did I want to attend this session?*

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## MY CURRENT PERCEPTION:

*What has been the "culture of accountability" as it relates to your board and its performance of governance?*

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*Does your organization currently conduct an annual board performance review?*

YES NO DON'T KNOW

## Today's Agenda

- The Concepts of "Accountability," "The Accountable Nonprofit," and "A Culture of Accountability"
- The Three Assessments that Contribute to Equitable Due Diligence
- The Facts of Nonprofit Boards Today
- A Leader's Guide to Considering Board Assessments
- The Five Approaches to Board Assessment
- Action Steps to Evolve Board Governance Using Assessment to Inform Strategy



*Evaluations are a leadership obligation.*

The Accountable Nonprofit is the result of having stewarded a community's trust that a cause is advancing, the community is being impacted, and the infrastructure is effective and efficient.

The diagram is a 2x2 grid with a central box. The central box is light gray with rounded corners and contains the text **The Accountable Nonprofit**. The four quadrants are dark gray with rounded corners. Each quadrant contains a bold title and a subtitle in italics.

Dimension	Key Phrase
<b>TAKING RESPONSIBILITY</b>	<i>Intentional Monitoring and Evaluation</i>
<b>ACTING RESPONSIBLY</b>	<i>Demonstrating Thoughtful Behaviors and Due Diligence</i>
<b>FOCUSED RESPONSIBILITY</b>	<i>Clearly Stated Goals and Commitment to Equitable Behavior</i>
<b>PROVEN RESPONSIBILITY</b>	<i>Tangible Outcomes and Measurable Impacts</i>

**TAKING RESPONSIBILITY**  
*Intentional Monitoring and Evaluation*

**ACTING RESPONSIBLY**  
*Demonstrating Thoughtful Behaviors and Due Diligence*

**The Accountable Nonprofit**

**FOCUSED RESPONSIBILITY**  
*Clearly Stated Goals and Commitment to Equitable Behavior*

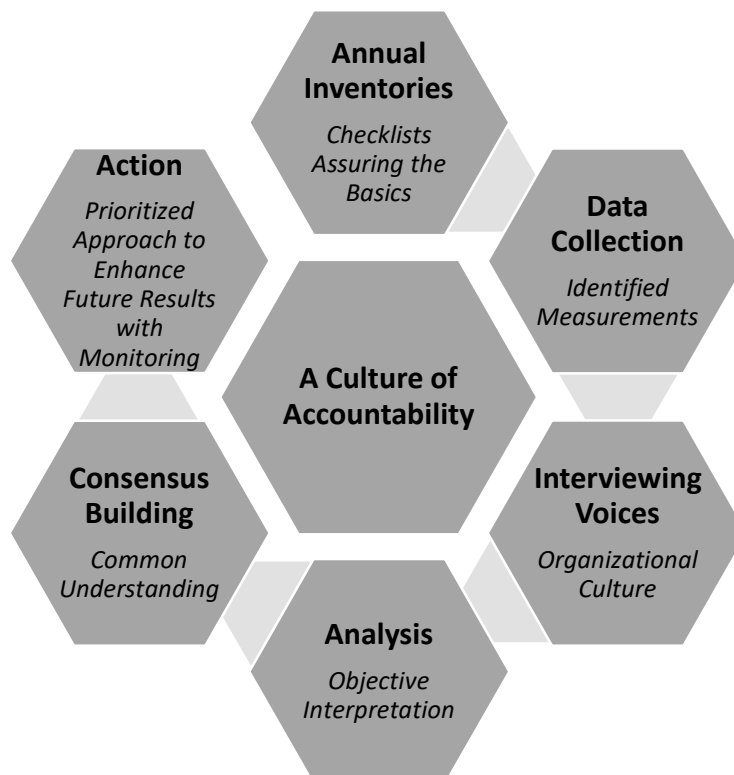
**PROVEN RESPONSIBILITY**  
*Tangible Outcomes and Measurable Impacts*

**There are always three forces at work that is influencing mission movement and measured impact:**



**We believe that each requires monitoring so that equitable due diligence results.**

- ✓ What is the current status of the organization?  
*(Organizational Assessment)*
- ✓ What has been the performance of governance to the current status?  
*(The Board Assessment)*
- ✓ What has been the performance of management to the current status?  
*(The Executive Performance Review)*





## The Board Assessment: What We Know

*A strong, vibrant board of directors is a clear indicator of a healthy organization. Yet even the best organizations need a periodic check-up to ensure that they cannot just survive but will really thrive in today's environment. To check your board's vital signs, or to put in place practices and strategies for a healthy and energized board, the best place to start is with a board self-assessment.*

### The Maine Association of Nonprofits

- 51% of boards self-evaluate
- 67% consult their completed strategic plan
- 75% of boards provide an orientation to the job
- 74% focus on operations versus strategy/policy
- 17% have a succession plan
- 62% of executives have confidence in their boards
- 10% report the board as being “diverse”
- 73% of boards view exec as “strategic partner”
- 32% of boards use a dashboard
- 29% are prepared for the board meeting

### Sources:

BoardSource – Leading with Intent Study  
CompassPoint – Daring to Lead Study  
Concord Leadership – Nonprofit Leadership Study  
Alliance for Nonprofit Management – Board Governance Study

*How does your organization “stack up” against the current landscape?*

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*Why do most nonprofit organizations consider conducting an annual board assessment an essential element of their “culture of accountability?”*

- Assures an annual check-up that the basics of governance are in place
- Creates a basis for fact-based conversation and objective decision-making about board priorities, processes, and composition
- Provides a means for all voices to speak about the board’s culture and the board experience
- Allows an opportunity for board members to evaluate both their own performance as well as that of the whole board
- Forms a board development agenda
- Informs the executive review

*Are there any additional benefits that could arise from an annual board assessment in your organization?*

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*Why would your organization not want to conduct an annual board assessment?*

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### **THE REASON:**

To evolve your Board to its full potential as diverse community people coming together to accomplish something extraordinary for the community.

**A Board Assessment is a Board’s visible commitment to assuring an “All Hands In” culture exists in the boardroom when it comes to governing the cause.**

## THE RESULT OF ANY BOARD ASSESSMENT:

Through self-assessment and facilitated reflection, a board creates its own board development strategy which forms the basis of a Governance Committee for the Board.

### Never Forget:

### BOARDS and NONPROFITS Have Lifecycles

#### ORGANIZING FOUNDING BOARD

*Small, Operational, Task-Focused,  
Sense of Owners*

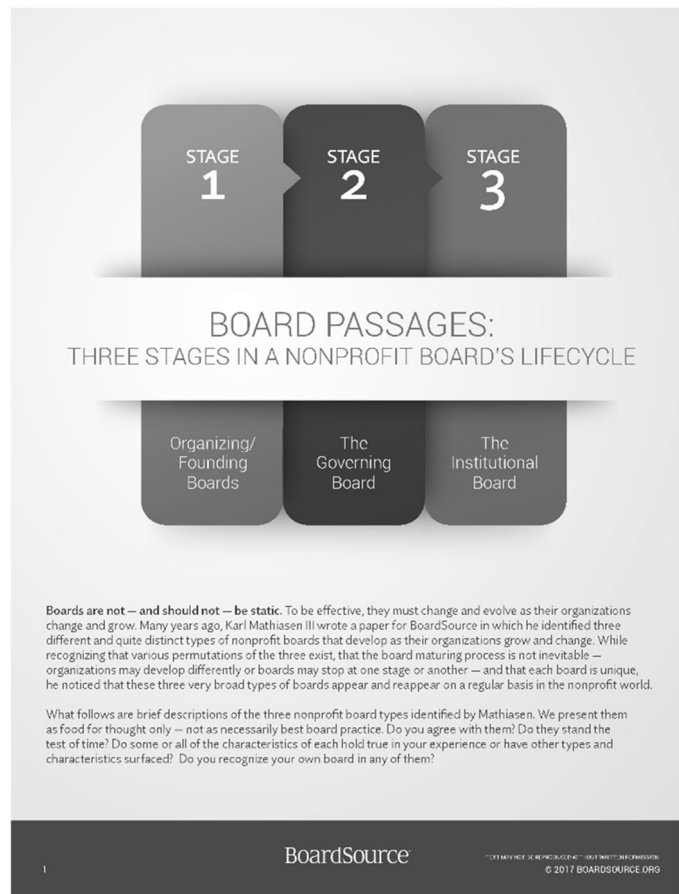
#### GOVERNING BOARD

*Growing and Diversifying, Staff and  
Board Dynamic, Responsibility-  
Focused, Committee Development*

#### INSTITUTIONAL BOARD

*Large, Resource and Finance  
Focused, Visibility Critical, Oversight-  
Focused*

**Recommended Reading:**  
*Board Passages: Three Stages  
in a Nonprofit Board's Lifecycle*  
By BoardSource



### There are several approaches ...

- ✓ A First Step: A SWOT
- ✓ The Jobs of Governance
- ✓ The Outcomes of Governance
- ✓ The Board Experience
- ✓ The Board Member Performance
- ✓ A Combination

**... to gauge the experiences of community leaders in  
their governance responsibilities to advance a community case.**



## APPROACH #1:

### The SWOT Analysis

Initial Dialogue Based on Organic and Generative Conversation about the Board



- **What is working well?**
- **What is not working as well?**
- **What stands in the way of this being a great board?**
- **What could we do right now to make this a better board?**

*NOTES:*

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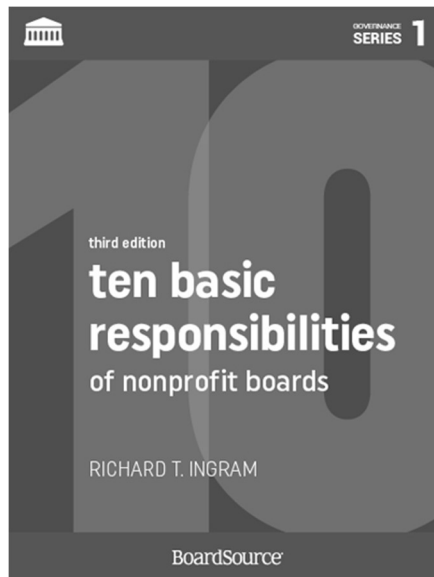
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**APPROACH #2:**  
**The Jobs of Governance (Responsibilities)**  
The Ten Basic Responsibilities of Nonprofit Boards



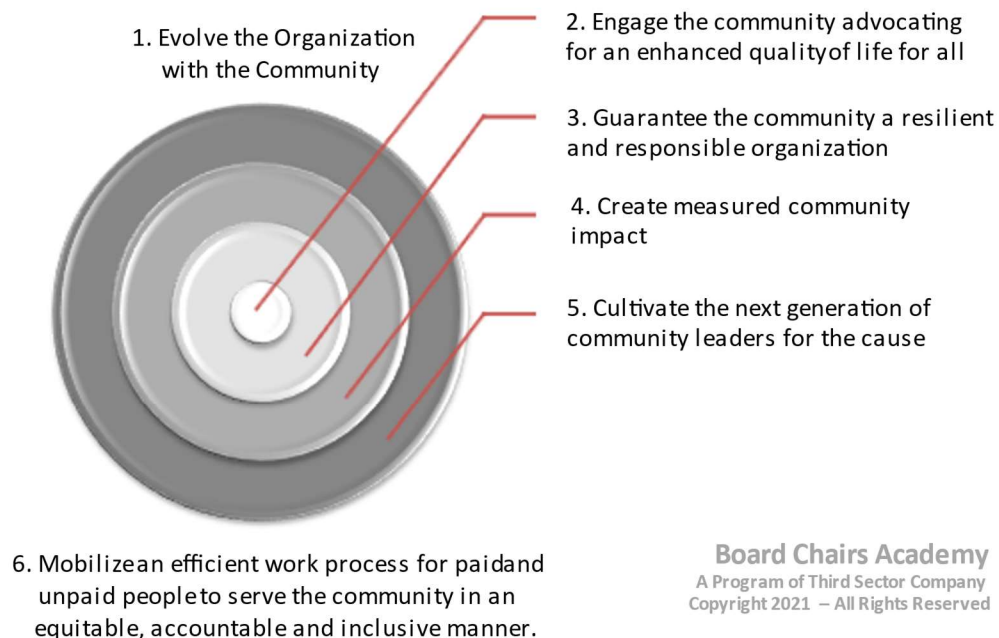
**Measure the Responsibilities**

- Mission
- Advocacy
- Planning
- CEO Selection and Support
- Program Monitoring
- Adequate Resourcing
- Financial Oversight and Asset Protection
- Competent Board
- Legal and Ethical Integrity
- Public Standing

**APPROACH #3:**  
**The Outcomes of Governance (Results)**  
The Impact of Good Governance on the Organization and in the Community

**The Work of Governance:**

Demonstrating Effective Board Leadership to Advance  
Community Impact Organizations



**Board Chairs Academy**  
A Program of Third Sector Company  
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#### **APPROACH #4:**

### **Individual Board Member Performance**

Self-Assessment for Completion by Each Board Member and Their Own Performance



- ✓ Enthusiasm for Mission
- ✓ Understanding of Board Member Roles and Responsibilities
- ✓ Mission Advancement through Personal Giving and Volunteering
- ✓ Attendance
- ✓ Objectivity
- ✓ Avoiding Conflict of Interest
- ✓ Preparation
- ✓ Ability to “Tell the Story”
- ✓ Recruiting People
- ✓ Understanding Board and Staff Roles

#### **APPROACH #5:**

### **The Board Experience**

Self-Assessment for Completion by Each Board Member about How They Experience the Board



- ✓ Board Structure
- ✓ Information
- ✓ Board Dynamics
- ✓ Open-Ended Questions

**NOTES:**

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## APPROACH #5:

### The Combination Assessment

Creating Information and Impressions about a Variety of Aspects  
Of the Board and the Board Experience



### Board Self-Evaluation Questionnaire

*A Tool for Improving the Governance Practices of Non-Profit Organizations*

## MEASURING PERFORMANCE

- How Well the Board has done its Job
- How Well the Board has Conducted Itself
- The Relationship with the Executive Director
- The Board Member's Self-Evaluation
- The Performance of the Board Chair

### AN ADDITION RESOURCE:

### The Complete Boards in Gear Download

Washington Nonprofits



Presents

## BOARDS IN GEAR

Exploring the Why, What, Who, and  
How of Nonprofit Boards.

..... In Partnership With .....



## PROPOSED ACTION STEPS:

1. **Answer the questions contained in this participant guide** on your own and then compare your answers as part of a group discussion. Encourage discussions about accountability to occur within the board, with the executive director, among senior staff, with committees and contributors of time, talent, and money.
2. **Begin with a SWOT-based conversation** so that there is an organic and generative exchange invited between people about their board experience and consider at brief SWOT as a consistent element of your board culture.
3. **Explore the creation or evolution of a governance committee** to suggest and oversee an annual board assessment process, facilitate a board development strategy/plan, and focus on developing the capacity of governance to further lead the cause.
4. **Commit to an annual board development strategy** so that there is an expectation that assessing governance is understood as a responsibility of the board to contribute to a “Culture of Accountability” throughout the entire organization.

## WHAT ADDITIONAL INFORMATION OR ACTION STEPS SHOULD YOU AND YOUR ORGANIZATION TAKE TO TRANSFORM THIS LEARNING INTO ACTION?

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Third Sector Company, Inc. is dedicated to fostering a continuity of professional and voluntary leadership for the nonprofit sectors of the United States and Canada through succession planning training and consultation, interim executive management, executive retention support, executive performance planning and review, search committee training and support, and next generation board and executive leadership training.



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