

Board Governance and the Not-for-Profit Organization Best Practices for Board Governance

1. The board determines the organization's mission, sets policy and assesses and approves programs and services that are appropriate to that mission
 - a. Annual review of organization's mission and purpose
 - b. The board sets and reviews organizational policies to ensure specific outcomes and safeguarding of organization's assets are achieved
 - c. Regular review of board programs and services to ensure that they are tied to specific and appropriate outcomes
2. Board membership is well managed
 - a. Staff support the board and its committees in order to maintain interest, commitment and productivity of members
 - b. Board members receive appropriate orientation regarding board membership responsibilities, legal requirements and conflict of interest
 - c. Board members receive continuing education related to their role on the board and the mission of the organization
3. The board ensures that the organization is in compliance with regulations affecting not-for-profit organizations and has sound risk-management practices
 - a. Executive director provides the board with information and consultation regarding risk management practices that apply to the organization
4. The board holds itself accountable for raising money
 - a. Board members are responsible for raising money and there are structures in place that support them to fulfill this
5. The board ensures effective fiscal management
 - a. Board reviews financial reports that are accurate, easy to understand and timely
 - b. Employees and volunteers have access to an appropriate whistle blower
6. The board represents the organization in the community
 - a. Board members actively solicit feedback from the community and constituencies they represent
 - b. Board members represent the organization to the public – funders, agencies and the community at large
7. The board represents the interest of the community to be served and brings the proper balance of expertise to the organization
 - a. Board membership provides the skill sets required by the organization and reflects the community served
8. The board ensures that the public has reasonable access to information about mission, activities, board membership and basic financial data
 - a. Production of an annual report to inform the public
 - b. Orderly records are accessible to the public

9. The board recruits, hires, sets salary, and evaluates the performance of the executive director and oversees succession of that position and other key staff
 - a. Board performs annual review of executive director performance and sets goals for coming year
 - b. Written policy is maintained regarding board oversight of the executive director and succession of key staff
 - c. The board designs and implements process for hiring new executive director when necessary
10. The board maintains a good relationship with organization staff
 - a. The board understands and maintains the policy-making role of the board
 - b. Board and staff communicate about organization and program issues

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### **Best Practices for Fundraising**

1. Overall fundraising policies are developed to ensure ethical and sound practices and to ensure that practices match the values of the organization
  - a. Fundraising policies outline ethical and sound fundraising practices for the organization
  - b. Fundraising policies demonstrate the values of the organization and articulate any sources of funding or types of fundraising activities that are inappropriate for the organization
2. Annual fund development plan shows a diversified funding base and corresponds to board-approved budget
  - a. Executive director and fundraising staff develop detailed plans for each income line item in the organization's budget to determine how to achieve each goal
  - b. Executive director and fund development staff identify all possible sources of revenue and revenue-generating activities to ensure as diverse a funding base as the organization can achieve at its current level of staff, volunteers and financial resources
3. There is organization-wide awareness of participation in fundraising activities as appropriate
  - a. Fund development plan is discussed with all staff and board
  - b. Mechanisms for participation in fundraising plan are discussed for all staff and board members as appropriate to their role in the organization
4. All donors are treated with respect and with the degree of confidentiality they desire
  - a. All donor information is recorded as to date and amount of gift, any restrictions and other pertinent information
  - b. Donors are acknowledged promptly for their contribution and in whatever public way is appropriate for the organization and for the donor
5. Funders are provided with honest and accurate information about the organization's work and status
  - a. Regular communications are made with donors with accurate information about the organization's performance, programs and activities