



201
KEY
ISSUES

**FROM WORKING BOARD
TO GOVERNING BOARD**

If an organization grows as hoped and planned for, a “working board” will eventually reach a point when it’s time to transfer the organization’s management, administration, and operations to staff and staff-led volunteers. In the past, this working board may have been active on many fronts, ranging from helping the founder set up the organization and running operations and fundraising to tending to the governance issues. It is a special day when a board can transition from being a working board to assuming its primary function — ensuring the organization’s viability, focusing on mission advancement, and accepting full fiduciary duty for the nonprofit.

What is a working board?

All boards work but the term “working board” refers to a board that wears numerous “hats.” Because there is no — or very few — paid staff, the full board delegates operational and administrative activities and tasks to individual board members in addition to meeting its governance responsibilities. This enables the full board to maintain its authority and accountability for the organization and the management of its own members while enabling the organization to work toward its mission.

Governance committee

The best legacy founders can leave for an organization is to guarantee that there is a solid base for continuation. This includes creating a systematic approach for building an effective board, which starts with the formation of a governance committee that oversees the recruitment and orientation of new members.

Every board should have a committee that is devoted to recruitment, to preparing board members for their roles, and to ensuring that the board has the appropriate guidelines, policies, and processes in place. In the beginning, when few boards have governance experts, this important committee can study and share good practices with the full board.

The first task of the governance committee is to brainstorm on the future composition of the board. What are the skills, expertise, qualities, characteristics, backgrounds, and various perspectives that are needed to grow the organization and keep it thriving? If this part of the board-building process is skipped, your board recruitment efforts will lack focus and result in a mismatched board. Knowing what you need in terms of composition and when you will

need it will help you create the future profile of the board. Knowing what you are looking for will help you to find it.

Board evolution

Every founding board will one day reach the point when it requires rejuvenation, when it’s time for the original members to step aside and welcome new recruits. Without a surge of new energy and new ideas, it sometimes can be difficult for a founding board to realize that it must evolve as the organization evolves. When the first staff is hired — an important event for any organization — the board must evolve by letting go of its daily or short-term concerns, by setting its sights on the future, and by thinking strategically.

As your governance committee creates the future profile of the board, remember that your organization will need a board that — when all the individual characteristics are meshed together — has a capacity to see the forest from the trees. The governance committee must be able to see the big picture and set the guidelines to get you there.

Term limits

To provide for a turnover in membership, many boards have term limits. If you install staggered terms, you have the added benefit of never losing the entire board in one fell swoop and ensuring that some organizational memory and continuity remains. This is particularly helpful when it is time for the original founders to retire.

Retiring board members who have not lost their enthusiasm, commitment, and energy for the organization’s mission should be invited to stay involved with the organization, however. There are numerous ways that they can help you: fundraising, public relations, expertise on a task force, or simply as honorary advisors. Making a difference is possible even after one’s term is up.

Staff and board roles

When the board hires its first chief executive, it delegates the daily affairs of the organization to this person. That said, it can be difficult at first for the board to relinquish its hands-on role and honor a clear break in the division of labor. Board members must learn to not micromanage the chief executive. To help them understand and honor the differences between governance and management, it is important to educate your board members about their roles and responsibilities as well as the roles and responsibilities

of the chief executive. Rather than remaining operational, the board must become strategic in its approach, focusing on the future direction of the organization, providing oversight, and ensuring adequate resources are available to accomplish the organization's mission.

References:

Navigating the Organizational Lifecycle: A Capacity-Building Guide for Nonprofit Leaders.

Available at www.boardsource.org or by calling 202-349-2500

BoardSource © 2013. Text may not be reproduced without written permission from BoardSource. For more information, call 1-877-892-6273 or e-mail learningcenter@boardsource.org.