

The Evaluation Instrument

Board Members,

Keep in mind that this self-evaluation is not a fault-finding hunt. It is an attempt to build a baseline of board performance so that you have a place to begin to make your board even better. This is a standardized evaluation form, so some items may not apply to your board. It is not necessary to respond to every item. If you have not been on the board long enough to respond, do not have an opinion about the item or the question is irrelevant to your board, skip the item and focus on those items you can answer well.

Check only one ranking in each item. The explanation of the ranking is:

Yes= The board is really on top of this item. There is not much you would change about the board's performance in this area.

Needs Improvement= The board does reasonably well, but could use some review in this area as a part of a future board development plan.

No= When you assign an item this rank you are saying that the board needs to get its act together on this—the sooner the better. These items will be the first items addressed in Section 5 of this kit— Setting Goals for Change.

Give details in the “Comments” section that will explain the reason for answering as you do. These comments will be valuable as the full board discusses results of the evaluation later. It is important that you recognize the good things the board does as well as those things the board does poorly.

Note that each item also presents a recognized standard of board operations. Again, this is a generic evaluation and special circumstances may make the standard invalid for your board. However, these standards are not just for large organizations or small organizations, new organizations or old organizations. They are valid for organizations of all sizes and all ages.

Category 1: Our board prepares to do its job better

1a) We conduct a thorough orientation for all new board members, which are given copies of the mission statement, long-term plan, bylaws, board policies and other important documents of the organization.

Yes Needs Improvement No

Comments:

The standard: New board members share the same level of responsibility as every other member of the board and cannot afford to be unfamiliar with how the board operates or how the organization operates. Neither can the board afford to have new members unfamiliar with operations. Orientation is the responsibility of the full board and not the executive, although the executive should assist the board with the orientation. The orientation should take place as soon after election/ appointment to the board as possible. All of these materials should be in a board member notebook and every member of the board should have a copy of the notebook. The notebook should serve as a reference between meetings and it should be brought to each board meeting for reference. The board operates under clear standards and this paperwork spells out those operational standards.

1b) We provide regular board development activities for all board members.

Yes Needs Improvement No

Comments:

The standard: Board members must perform in a professional manner and professionals regularly spend time doing in-service education as long as they are in their professions. Board development should be frequent and can be as simple as evaluating meeting procedures or doing this self-evaluation.

1c) Our board members regularly attend state and national meetings for our type of organization.

Yes Needs Improvement No

Comments:

The standard: Many types of nonprofits are affiliated with state and national associations. If you are, at least part of your board should attend state and/ or national meetings of the association every year. Your board should not operate in isolation, but rather learn from others who govern the same type of organization. You should budget funds for this type of board development.

1d) Our board budgets money for board development.

Yes

Needs Improvement

No

Comments:

The standard: Board development, like staff development, costs money for materials, travel and trainers. Board members are often reluctant to “spend money on themselves” because every dime that goes to board development will not go to programs and services. But the for-profit world has learned well that there is no better investment than that of assisting those who govern the organization to do a better job. If you’re budgeting nothing now, make board development part of your long-range planning, fund it at whatever level you feel comfortable with this year and increase that line item over the next few years as you increase your board development activities.

Category 2: Our board membership

2a) We have a plan for recruiting or encouraging quality people to run for the board. Our board utilizes non-board people, in areas such as committee work, to cultivate them for future board positions.

Yes Needs Improvement No

Comments:

The standard: The best way to develop your board is to seek good new people to replace those leaving. No one knows what it takes to serve the board better than current board members. The board should actively encourage good people to run for the board even if your board is appointed by an outside source, or elected by a membership base. The board must communicate to those who will elect/ appoint board members, a job description and expectations of those they appoint. By appointing people outside the board to serve on board committees, other than the Executive Committee, you can have access to expertise that may not be available from board members. Your board can broaden the perspectives widely by tapping the knowledge and skills of other community leaders. The purpose of a committee is to study an issue for action by the board; therefore you should utilize as much expertise as you can find to make a recommendation to the board. Bringing those people close to the organization will cultivate them for future assistance such as service on the board.

2b) Our board represents a wide variety of perspectives.

Yes Needs Improvement No

Comments:

The standard: The beauty of a board is that it brings together multiple perspectives that can be applied to governance issues. You don't have to play "Noah's Ark" and recruit two of each species for the board, but you should attempt to find people who can play the "what if" game, exploring all angles of the issues that come before the board. Board members should reflect a wide variety of community influence and experience.

2c) Board members understand and demonstrate that they represent all the people the organization serves, not just a special segment.

Yes Needs Improvement No

Comments:

The standard: Even though board members may be appointed or elected to represent a particular constituency, once they get to the board table, every board member must represent all the people served by the organization. Even though each board member rings a special perspective to the

issues, the final decision must be based on what's best for the organization's entire constituency, not what's best for a special interest.

2d) Our board disciplines or removes board members for nonperformance or inappropriate performance.

Yes

Needs Improvement

No

Comments:

The standard: Board members are generally very committed to the job, but when occasionally a board member fails to come to meetings, engages in unethical conduct or generally hinders board activity, the full board needs to act. You should have a written set of standards for meeting attendance and a board-approved code of ethics for board members. Then apply the rules when necessary.

Category 3: Planning—the board’s most important job

3a) Our board has developed and formally approved a written long-range plan for the organization.

Yes Needs Improvement No

Comments:

The standard: The most important part of the board’s job description is planning for the long-range future of the organization. Board that does not have a written mission statement and goals are not able to be fully accountable to constituents for outcomes of the organization. You should have a written mission statement and long-range plan that looks several years ahead. Both mission and plan should be reviewed by the full board at least once a year and modified as necessary.

3b) The full board is involved in writing the mission statement and the long-range plan.

Yes Needs Improvement No

Comments:

The standard: Planning the long-range future of the organization is clearly a job for the full board. Even though management, staff and others are part of the planning process, long-range planning cannot be delegated. Board members must understand the needs of those the organization serves, and must address those needs in the long-range plan. The mission and plan are the guides for all that happens in the organization and must come from the full board.

3c) The board includes management, staff and other resource persons in the planning process.

Yes Needs Improvement No

Comments:

The standards: Final approval of the mission statement and long-range plan must be done by only the board, but development of the plan should include all the resources that can help the board develop a good mission statement and long-range plan. Those resources include management, line staff, persons outside the organization—anyone who can and will act as an idea person to help you build the plan.

3d) The mission and long-range plan are communicated to all staff and others who should know.

Yes Needs Improvement No

Comments:

The standard: Your first long-range plan will likely not look very far ahead. However, as you revisit and modify the plan every year, your goals should be looking further and further ahead. You do not need to write a “five-year plan” but rather a plan that at least looks that far ahead with one or more goals reaching out five years.

3e) The mission and long-range plan are communicated to all staff and others who should know.

Yes Needs Improvement No

Comments:

The standard: Just as staff should have a part in developing the mission statement and long-range plan, so should they know the goals in the plan the board finally approves. Completion of the goals will happen only if staff understand and accept the goals the board approves because the staff is at the heart of carrying out the plan. The board should communicate to all staff that the board has approved the plan, expects staff to work for completion of the goals, and that the board will continue to be a part of the team effort of board, management and staff to complete the goals.

3f) We consider the long-range plan in every major board decision.

Yes Needs Improvement No

Comments:

The standard: If your plan is well-developed and action-oriented, you will be able to bounce every issue off the plan. To keep the mission and plan before the board, include a progress report on the long-range plan on every meeting agenda. Add a copy of the approved plan to every board member manual. Write the mission statement at the top of every agenda. Make it habit to ask, “how does this relate to our mission?”

3g) Board members participate in action committees assigned to complete long-range goals.

Yes

Needs Improvement

No

Comments:

The standard: The board cannot set goals for the organization and then leave the completion to management and staff. Board members should continue to be active in those committees in which they can be a good resource in devising actions and carrying out actions that will complete the goals. Working on long-range goals can be the most productive work that board members do.

Category 4: The board monitors and evaluates

4a) The board spends time to study and understand the annual budget before the budget is approved.

Yes Needs Improvement No

Comments:

The standard: The budget is the board’s financial plan for the year, and voting to approve the budget implies that you understand the figures and agree with the priorities outlined there. But nonprofit finance can be very complex and, for most board members who are not close to the finances every day, the budget can be a very confusing document. It’s easy to assume that other board members understand it, and simply vote for approval even though you don’t understand, but that’s not good governance. You should allocate adequate time at the budget meeting to discuss the budget and get understandable explanation from the executive who is recommending the approval.

4b) The board spends time to study and understand financial reports before they are approved by the board.

Yes Needs Improvement No

Comments:

The standard: Like the budget, financial reports can be very confusing for board members who are not in daily touch with the organization’s finances. The lay board member cannot be expected to understand all the fine details of the organizations finances, but every board member should be comfortable that the revenue is coming in as it should and the money is being expended in an appropriate manner. To cut through the confusion, the board must insist that they get good explanations of the finances from the executive or the finance officer who is asking for approval of the report. Every board member must ask pertinent questions until the picture is clear.

4c) The board annually has an outside source review the organization’s finances.

Yes Needs Improvement No

Comments:

The standard: The final assurance that finances are in order is to ask someone not affiliated with the organization to annually review the books. This can be a full audit or a simple review by someone who is competent in the field of finance, depending on the size of your budget, financial ability to pay for the review and whatever your bylaws and the law require. The audit is done for the board, and all findings should be presented to the board and the executive.

4d) The board reviews the mission and long-ranger plan annually.

Yes Needs Improvement No

Comments:

The standard: Reviewing the mission formally once a year is an exercise is bringing all board members back to the same track. All board members must be in consensus about the direction for the organization. Reviewing the long-ranger plan formally once a year keeps the plan alive and it keeps the board, management and staff accountable for making the organization work according to the plan. The review of both mission and plan are normally done in a one-day retreat involving board members, management and key staff.

4e) The board measures organizational success/ progress by accomplishment of long-range goals.

Yes Needs Improvement No

Comments:

The standard: The board must be able to measure success or failure by some clear method. Simply considering the number of complaints about the organization or the number of commendation received this year is not a good measurement of success or failure. Meeting or not meeting long-range goals is a clear indicator of success or failure, but that cannot be left to a once-a-year retreat. Once you have a good plan in place, your board meeting agenda should have a standard item labeled, "Progress on the plan." That's where you hear reports from the executive or action committees about actions taken to reach the established goals.

4f) Our board has a policy and plan for evaluating the executive annually.

Yes Needs Improvement No

Comments:

The standard: The board delegates management to the executive because the board has neither the time not the expertise to manage the organization. But the board does not give up its responsibility for appropriate management. The board must always be in control of the nonprofit, including the manager. The board is the employer and must evaluate its employee at least annually. The board should have a written policy that spells out how the executive will be given a formal, written evaluation annually.

4g) We annually evaluate board performance.

Yes

Needs Improvement

No

Comments:

The standard: You are fulfilling that standard right now. You should have a board policy that spells out how it will be done annually.

Category 5: The board as policy maker

5a) Our board has a board policy manual that includes all board policies.

Yes Needs Improvement No

Comments:

The standard: Most boards have board policies, but those policies are often found only in board tradition or lost somewhere in the minutes of past board meetings. The policy manual is like the board's rulebook. New board members need to know the rules even before they join the board. The board takes an unnecessary liability risk if the policies are not clearly understood by all.

5b) Board policy manuals are updated annually.

Yes Needs Improvement No

Comments:

The standards: All of the board's paperwork needs to be current and accurate. The policy manual needs to reflect the current policies of the board so that board members, staff and all who come into contract with the organization understand the policies of the board. Outdated policy manuals pose a liability risk for the board.

5d) Our board understands the difference between management policy and board policy.

Yes Needs Improvement No

Comments:

The standard: The board establishes policy for overall functioning of the organization such as use of facilities, board operations, and affiliation with other organizations. The executive establishes management policies for the daily operations of the organizations such as personnel policies, internal accounting procedures, building maintenance and so on.

5e) New board policies grow out of study and research, not crisis situations.

Yes Needs Improvement No

Comments:

The standard: Good board policy is put into place in anticipation of some occurrence. Policy is a statement of the board's position on an issue or situation before the issue or situation arises. A board cannot anticipate everything on which they will need to have a position, but there are standards that every board should have, such as sexual harassment, nondiscrimination, reimbursement, and other board policies.

5g) New board policies are circulated to all staff and others who need to know.

Yes Needs Improvement No

Comments:

The standard: Most board policies affect staff, management and those your organization serves. Policies work better when everyone affected by the policies knows what policies the board has passed.

5h) Our board policies assign responsibility for implementing or enforcing the policy.

Yes Needs Improvement No

Comments:

The standard: Board policies are most often ineffective because no one is assigned responsibility for implementing or enforcing the policies. Having on the books policies that are not followed is as dangerous as having no board policies at all.

Category 6: Our board/executive relationship

6a) Our board has provided the executive a written job description.

Yes Needs Improvement No

Comments:

The standard: The greatest cause of conflict between board and executive is poor understanding of the role of each segment of this team. A clear, board-approved job description, along with good board policies and a board-developed long-range plan, clarify what the board expects of executive. You cannot hold an executive accountable for standards that you have not set.

6b) The board includes the executive in all deliberation except in the final stages of evaluation of executive performance.

Yes Needs Improvement No

Comments:

The standard: The executive is the board's greatest resource for all board work, and should be very much involved in all board deliberation except as mentioned above. The board should expect discussion and recommendations from the executive during all meetings and on all issues.

6c) The board delegates management to the executive and does not interfere with that management except to monitor and evaluate compliance with board policy.

Yes Needs Improvement No

Comments:

The standard: The board delegates management to the executive because the board has neither the time nor the expertise to manage. The board then holds the executive accountable for positive results for the organization resulting from good management. If the board takes back some of the management responsibility, and does not allow the executive to manage freely, then the board cannot hold the executive accountable for the results. The board must allow the executive to manage, verify the outcomes of that management and then hold the executive accountable.

6d) The board, and not individual board members, gives direction to the executive.

Yes

Needs Improvement

No

Comments:

The standard: All governance decisions—including giving direction to the executive—must come from the full board. Individual board members have no power except that delegated to them by the full board. If every board member acted as the executive’s “boss” the result would be chaos. Even the board chair should understand that he/she acts as liaison between board and executive, but does not act as the employer. The full board hires, directs, and evaluates the executive.

Category 7: Board meetings—where the action is

7a) Our board meeting room is comfortable, businesslike and conducive to the important business our board must conduct.

Yes Needs Improvement No

Comments:

The standard: We respond to our environment. Important board business cannot be done well in a cramped, uncomfortable room. Your board room should look like a board room, with seating arranged to allow the board chair to set at the head of the table in the power position, and board members seated so that they can see each other for easy discussion. Only the board team sets at the table—board members and the executive. Others may be invited to the table for presentations, but should move away from the table when the presentation is complete

7b) Meetings begin and end on schedule.

Yes Needs Improvement No

Comments:

The standard: The board chair should set the standard by always beginning the meeting on time, even if a full quorum has not been reached. If you do not have a quorum, juggle the agenda so that information issues not requiring votes can be handled first. Once board members understand that the meeting will always begin at the appointed hour, tardiness will decrease. Ending the meeting on time is also important board members have busy schedules and expect other to respect those busy schedules. Analyze your agenda carefully and pace the discussion so you get business completed.

7c) Our agenda is well prepared and includes only issues the board needs to deal with.

Yes Needs Improvement No

Comments:

The standard: Most boards deal with many issues that could be better left to management and staff. A quick analysis of meeting agendas for the last six meetings— “Is this an item the board really needed to consider?”—will help your board define those issues that do not need to come before the board. The chairperson and the executive should continue to ask that question each time they build an agenda.

7d) The executive director and board chair collaborate to prepare the agenda.

Yes Needs Improvement No

Comments:

The standard: The board meeting agenda is the board's, not the executive's agenda. But the most practical method to develop an agenda is to let the executive write the original and consult with the chairperson about necessary changes before the agenda is mailed to the full board.

7e) The board always has enough background information on each agenda item.

Yes Needs Improvement No

Comments:

The standard: Good decisions come from good information. The executive should provide in the board packet complete background information and a recommendation on each agenda item.

7f) Board members come to meetings prepared to discuss issues and take action.

Yes Needs Improvement No

Comments:

The standard: If the executive gets the board packet to board members well in advance of the board meeting, then board members should come to the meeting fully prepared to discuss the agenda items. Board members should also feel free to call the executive ahead of the meeting with questions about the agenda items.

7g) We follow a businesslike system of parliamentary rules.

Yes Needs Improvement No

Comments:

The standard: Parliamentary procedure is a system to help meetings move smoothly, not a tool for obstruction. Follow a relaxed system of parliamentary procedure in a regular board meeting—just so everyone understands that if a question is raised, the chair will refer to and apply the parliamentary law your board uses as a standard of operation.

7h) Only board members and the executive director sit at the board table.

Yes Needs Improvement No

Comments:

The Standard: Only the decision makers (board members) and their prime resource (the Executive) sit at the board table. Others may come to the table when making a presentation to the board, and then leave the table when the presentation is complete. Allowing others, even staff, to be at the table invites participation from those persons whether the board wants it or not. Seat persons, other than board members and executive where they can comfortably see and hear board deliberations.

7i) We have an annual board meeting calendar

Yes Needs Improvement No

Comments:

The standard: The annual meeting calendar is simply a calendar of events that the board can anticipate and prepare for—regular board meetings, committee meetings, annual meetings, planning retreat, executive evaluation, board evaluation, budget approval, orientation of new members and so on. The calendar is part of the board member’s notebook and is updated regularly.

7j) Board members arrive on time for meetings.

Yes Needs Improvement No

Comments:

The standard: Arrival on time for meetings is simple courtesy to other board members. If the meeting time does not work for all members, then change the time. A meeting which sees board members trickle in late or even begins late because of lack of quorum, is off to a very unbusinesslike beginning that stages the time. A meeting which sees board members trickle in late or even begins late because of lack of quorum, is off to a very unbusinesslike beginning that sets a sloppy pace for the whole meeting.

7k) Minutes of the meeting include only the important actions taken by the board, and not lengthy dialogue.

Yes Needs Improvement No

Comments:

The standard: Brevity is an important quality in meeting minutes. Minutes are the official record of your board’s actions and there is no place for dialog or editorializing. Refer to “Robert’s Rule of Order, Newly Revised” for an outline of what should be included in meeting minutes

7l) Attendance at all board meeting is at least 75% percent

Yes Needs Improvement No

Comments:

The standard: No matter the size of the board, it is important that all board members attend meetings. Missing meetings hampers the board’s ability to do its work and puts the absent member at risk. Absence from the meeting does not relieve the board member of responsibility for actions of the board.

7m) Final decisions of the board are accepted and supported by all board members.

Yes Needs Improvement No

Comments:

The standard: The board must always act like a team, even if the members are not in agreement. Board ethics demand that even though a member is in the minority on any issue, the minority must accept and support the decision of the majority. Individual board members who undermine board decisions damage the organization they serve.

WHO'S RESPONSIBLE... THE BOARD OR THE ADMINISTRATOR?

<u>AREA</u>	<u>BOARD</u>	<u>ADMINISTRATOR</u>
<i><u>Planning and Operations</u></i>		
Long-term goals (more than 1 year)	Approves	Recommends and provides input
Short-term goals (less than 1 year)	Monitors	Establishes and carries out
Day-to-day operations	No role	Makes all management decisions
<i><u>Personnel</u></i>		
Personnel policies	Adopts	Recommends and administers
Organizational Chart/Staffing Plan	Adopts	Recommends
Staff salaries	Allocates line item for salaries in budget	Approves salaries with recommendations from supervisory staff
Staff evaluation	Evaluates only the Administrator	Evaluates all other staff
Hiring of Staff	No role	Approves all hiring
Staff deployment and assignment	No role	Establishes
Firing of staff	No role	Makes final termination decisions
Staff grievances	No role	Grievances stop at the administrator

AREA

BOARD

ADMINISTRATOR

Finance

Budget	Approves	Develops and Recommends
Capital purchase	Approves	Prepares requests
Decisions re: building renovation, leasing	Makes decisions, assumes responsibility	Recommends (could also sign contracts if given authority)
Supply Purchase	Establishes policy and budget for supplies	Purchases according to board policy and maintains adequate audit trail
Major repairs	Approves	Obtains estimates and prepares recommendation
Minor repairs	Policy should include amount which can be spent without board approval	Authorizes repairs up to rearranged amount
Emergency repairs	Work with administrator	Notifies board chair; acts with concurrence
Cleaning and maintenance	No role (oversight only)	Sets up schedule
Fees	Adopts Policy	Develops fee schedule
Billing, credit and collections	Adopts Policy	Proposes policy and implements