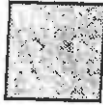


3



The board member's job description

Your job as a member of a nonprofit board team is usually defined as "policy-maker." This is a nice, textbook description of your primary role--and it's certainly correct. The trouble is, it tells you little about what you actually do as a board member. Just what does being a policy-maker involve?!!

A policy is a direction or course of action that your board has decided it wants the organization to take.

The board establishes policies that outline how your nonprofit will operate to accomplish its mission. The administrator and line staffers function within the parameters of this outline. The board acts as observer, interpreter and evaluator of how well the administrator is carrying out policy and accomplishing the mission of the nonprofit.

In short, the board is the navigator giving direction to the administrator, who steers the ship.

Within your policy-making role, there are four general areas of responsibility that you will be asked to oversee. Read the following pages closely--they will help you get a handle on the duties you have undertaken.

Your first responsibility: Hire an administrator

The board's first responsibility is to hire an administrator to manage the day-to-day operation of the nonprofit. In doing so, the board does not give up its governance role. Instead, it enhances this responsibility by adding a competent professional to the board team.

After all, there is no way that a handful of volunteer board members can effectively manage the day-to-day business of your nonprofit. You're showing how seriously you take your responsibility when you hire and support a professional who devotes his or her full attention to keeping things running smoothly!

Although hiring an administrator is done rather infrequently (obviously, every new board member won't be involved in hiring a new administrator!), the board in essence reconfirms its decision at contract renewal time or following a formal performance review of the administrator.

The relationship between a board and the administrator is so crucial that boards

must give a vote of confidence to the administrator every year. This reinforces the sense of teamwork and trust you each need to work well together.

(Editor's Note: Delegating management duties to your administrator is one of the most difficult things you'll do as a board member. Because this is such a touchy area, Chapter 4 is dedicated to helping you explore the specific management and governance responsibilities you and your administrator hold.)

Your second responsibility: Plan for the future

By delegating management to the administrator, your board frees itself for the key task of planning your nonprofit's future. Long-range planning isn't a frill--it's one of the most important areas of trust your board has been given. Most boards don't do enough of it.

With the social, political and economic picture changing almost daily, planning might seem like a classic exercise in futility. But change is the very reason your nonprofit should have a plan to anticipate and be ready for what the future will bring.

After all, failing to plan is planning to fail!

Board members must be visionaries for their nonprofit--and this means that they need to take the lead in long-range planning. Although the typical nonprofit's plan extends three to five years, you may want to plan 10, 15 or 20 years ahead if you envision major construction projects or greatly expanded services or programs.

Once you've formulated this plan, revisit it every year. Remember, the plan is your vision--but your vision will change as your nonprofit's internal resources and external conditions change.

In turn, your administrator is responsible for developing a short-range (one- to two-year) plan to carry out the board's long-range goals. You'll want to keep an eye on progress toward the long-range plan, but remember: Short-term operational planning is your administrator's job!

The mission statement--your first step in long-range planning

The primary building block for your long range-plan is a well-crafted mission statement. Your mission statement should be a strong, clear statement of where you want your nonprofit to go.

It is not a piece of warm, fuzzy philosophy designed to make everyone feel good. When you write your mission statement, keep these important points in mind:

- **Concentrate on the big picture.** Focus on results--overall delivery of service to the community--not on the internal operations of your nonprofit.

- **Avoid jargon and technical language.** Write it in language understandable to everyone who reads it.
- **Challenge everyone in the nonprofit.** Being the best at what your nonprofit does should be the rule, not the exception.
- **Explain what's unique about your nonprofit.** What's the one thing you do that no other nonprofit in the community does?

I've included two versions of the same nonprofit's mission statement here to illustrate the difference between a vague, sketchy mission statement and a comprehensive one.

Poor: "It is the mission of ABC Nonprofit to help developmentally disabled persons lead useful and productive lives."

Good: "The mission of ABC Nonprofit and its staff is to continually strive to improve the lives of developmentally disabled citizens of Anytown, USA by providing the best available education, job experience and housing through unique programs accessible to all these citizens in the community."

The sky's the limit!

Once you have your mission statement in place, you can let loose and brainstorm about all the possibilities the future holds for your nonprofit. Don't hold back--this stage of planning is purely a "right brain activity." It's not the time to say, "Oh, that idea will never work." It's the time to get all your hopes and aspirations on paper.

Later--during the next step of the planning process--you need to be a bit more practical. But for now, the sky's the limit!

"SWOT" makes planning easy

Now that you have a mission firmly in place and have lots of grand ideas for the future, it's time to begin looking at factors that will affect your plans.

The most important factors can be divided into two categories: Internal and external. There are certainly internal characteristics about your nonprofit itself that will affect the course you chart for the future. And, by the same token, there are external societal forces that will also play a role.

The best way to get a handle on these factors is to use an exercise called "SWOT." This acronym stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses are the internal issues you need to consider, while opportunities and threats are the external forces impacting your future.

Here's an exercise your board may want to undertake during planning. Divide a large sheet of paper in half vertically (see example at right). Call the left side of the paper "Internal," and the right half "External."

"SWOT" Exercise			
Internal		External	
Strengths	Weaknesses	Opportunities	Threats

Under Internal, first list all the strengths you see in your organization. Then record the weaknesses you can identify. Under External, consider all the opportunities you see before you, as well as the threats that could inhibit the growth of your nonprofit.

Here are some factors you'll want to consider in each category:

Internal Strengths and Weaknesses	External Opportunities and Threats
<ul style="list-style-type: none"> ● Staffing ● Facilities ● Programs/services ● Public image ● Financial resources 	<ul style="list-style-type: none"> ● Changing demographics, societal or cultural trends ● New legislation, or changes in community leadership and support ● Changes in economic trends and funding patterns ● New developments in the field

Cooking up a workable plan

Now you have all the ingredients you need for a good plan: A mission statement, plenty of dreams and a realistic view of what could affect your nonprofit's future success.

At this stage of the planning process, you need to mix all these ingredients together and put them into a workable blueprint for the future. Board Member Alan Hickman (Inkster, MI) shares the steps he and his board follow...

1) *Write goals that are directly tied to your mission statement.* "In order for your nonprofit to serve the community in the best manner possible, you need to make sure the goals you set reflect your mission," Hickman says. For instance, you may decide to expand your services into a new geographical area during the next five years.

2) *Accomplish your goals with specific strategies.* "Your goals won't just magically be met," Hickman continues. "You have to put strategies in place to see that they come about." To reach the expansion goal mentioned in Point 1, for example, you may want to develop a strategy statement that calls for developing a highly qualified staff to support that growth.

3) *Support your administrator's plan to implement your strategies and reach your goals.* The how-tos of implementation will be your administrator's responsibility, Hickman points out. But, as a board, you must give him or her the tools necessary to do the job.

This may mean budgeting extra dollars in specific areas like staff development, or for increased recruiting and retention efforts.

Once you've set goals and determined strategies, your role shifts from one of "planner" to one of "evaluator." Your administrator will come up with action steps to implement the plan--complete with target dates and deadlines--and your job will be to monitor progress toward the goals.

Your third responsibility: Monitoring and evaluating

As a board member, you should consider yourself a "trustee" of the nonprofit you serve. The community trusts you to make sure the nonprofit is operating the way it should. And it's part of your job to keep an eye on the progress of the nonprofit for your community.

Of course, you can't watch every detail and every activity that takes place in the nonprofit--that would be interfering with the responsibility of your administrator. But the board must monitor and evaluate bottom-line results. This can be done most effectively by keeping a close eye on the financial health of your nonprofit and by ensuring that progress is made on the long-range plan. Here are some tips on doing both.

The board monitors finance

Finance is one of the most complex items you will probably monitor. On the other hand, it doesn't have to be an overwhelming task because your board job doesn't require you to be a financial expert!

I suggest you reach a "comfort level" in how you will interpret the financial picture of the nonprofit. Reaching this level doesn't mean that you have to understand everything about the budget. All you need to know is that your administrator is managing finances properly.

Begin this process by paying careful attention to your nonprofit's budget. This document is the board's financial plan for the organization and deserves plenty of your time. The administrator and his or her staffers will prepare the budget, which will then be presented to the board for approval.

On the next page is a simple checklist of things to ask when you receive the final version of the budget. Board members should keep three important questions in mind to determine if their nonprofit's financial house is in order:

Where are projected revenues coming from in the next year? _____

Where in the budget will the money be spent? _____

Are expenditures consistent with our long-range plan? _____

Once you've reviewed the budget and have decided that it is a sound financial plan for the upcoming year, leave the rest to your administrator. He or she will provide you with monthly or quarterly financial reports. You should regard these as indicators of how well the budget plan approved by the board is being followed. If you don't understand something in the reports, ask your administrator for clarification.

These financial reports should cover both the revenue and the expense sides of the budget. Again, you don't have to be a financial wizard to understand them. Just make sure that the money is coming in and going out according to your budget.

On the expense side, here's what you should be able to understand about each major budget category...

- ✓ What was budgeted?
- ✓ What has been expended to this point?
- ✓ What's the variance between the spending plan in the budget and the amount actually spent?
- ✓ What are the reasons for the variances?

The same holds true for the revenue side. For each major income source...

- ✓ How much money did you anticipate at this point in the budget year?
- ✓ What has actually come in?
- ✓ What's the variance between the revenue you expected and the amount that came in at this point in the budget year?
- ✓ What's the explanation for the variance?

The final step in monitoring the financial status of your organization is an annual audit conducted by an independent auditor. This individual should be recommended by the administrator and hired by the board.

Audits are a required procedure for most nonprofits, but they are much more than just a legal mandate. They are the board's principal protection against financial misconduct or mismanagement.

When the annual audit is completed, a detailed report will be delivered to the board. Board members should feel free--in fact, obligated--to spend time during a regular meeting going over this report with the auditor. You should seek re-assurance that the finances are well-managed and that any weaknesses are being corrected.

Some ineffective ways to monitor finances

● *Don't review a list of bills paid at board meetings.* In most instances, you need not even see a list of bills. Once you've approved your budget, your administrator should have full authority to make purchases without board approval. Remember, it's the administrator's role to handle the day-to-day budget expenditures--make sure your actions don't second-guess him or her!

If, however, you are legally required to review bills, don't waste meeting time going through them. Read this list beforehand. If you have a question about a specific expenditure, call your administrator for clarification before the meeting. Going over each bill in the board room wastes time and detracts from your real job of monitoring the overall financial health of the nonprofit.

● *Don't delegate to the finance committee the full board's responsibility for the financial integrity of your nonprofit.* In reality, this is an impossibility! No matter who you think you delegate this task to, it still remains the responsibility of the full board. The finance committee's only role is to help the board understand the financial picture.

● *Don't allow board members to sign the nonprofit's checks.* Many boards think this is an effective way to monitor the expenditures of their nonprofit. But they're wrong. It's not only time-consuming and cumbersome, it undermines the responsibilities you've given your administrator. Signing checks is part of the day-to-day operations of the nonprofit--and thus his or her job. (Editor's note: In some instances, auditors require that board members co-sign checks. If this is the case at your nonprofit you obviously must comply. However, this should be seen as a formality, not as the most effective way to monitor finance).

The board monitors/measures progress toward long-range goals

Since your long-range plan is your blueprint for the future, it is vitally important that you make sure that progress is being made toward the outlined goals and that all your board business focuses on the direction your plan has set.

As noted earlier in this chapter, your administrator is charged with implementing your plan--but it is your job to monitor how well he or she is meeting designated goals. This can be done rather simply through the monthly administrator's report. Ask your administrator to update progress each month--including deadlines met, difficulties encountered and successes achieved.

You also need to monitor your board's activities to make sure the majority of your actions support the directions set down in your plan. Here are two ways to do just that...

1) "We spend at least 15 minutes at each meeting reviewing our nonprofit's long-range goals," says an Arkansas board member. "This reminds us that every action we take must be made with the best interest of these goals in mind."

2) A Midwestern board posts its goals on large sheets of paper in the board meeting room as a constant reminder that its job is to advance the nonprofit according to the board's strategic plan.

Your fourth responsibility: Being an advocate

Because you serve as a volunteer leader on a board, you're in a unique position to act as an advocate for your nonprofit within the community. Here's why...

The relationship of paid staffers to your nonprofit could be described as "enlightened self-interest"--their livelihood depends on the organization's success. But as a volunteer board member, you have a higher motive--service to the community at-large. And because you give freely of your time and effort, you have enhanced credibility--a prime quality for an advocate!

Your role as an advocate will take several different forms--lobbying lawmakers and funding sources, communicating to those you serve about the goals of your nonprofit, and carrying out public relations functions. There are many activities you can become involved with in each of these areas--so many, in fact, that I've devoted all of Chapter 7 to them!

Advocacy includes offering your expertise to the organization

Besides taking your nonprofit's message and spreading it to members of your community, you are also in a unique position to learn what others are saying about your nonprofit and bring these ideas back to your administrator. This sort of information can be a great asset during planning and budgeting, and can help your nonprofit improve the programs and services it provides.

You also may be the most valuable volunteer your nonprofit has! As you well know, nonprofit organizations never have enough money to hire all the experts or specialists they need. It's natural for board members to offer their talents and skills.

If you have a special competency in computers, finance or marketing, for instance, be sure to bring it to the attention of the administrator and your board. But remember, when you offer personal expertise, your services are like those of any other outside employee or consultant: Your services, views and recommendations can be accepted or rejected by your administrator.

You must take care that you don't misuse your position on the board to force your nonprofit to accept a service that you can provide.

How do we measure up?

YES NO

<input type="checkbox"/>	<input type="checkbox"/>	1) Our board members understand their primary role as policy-makers and delegate day-to-day management of this nonprofit to the administrator.
<input type="checkbox"/>	<input type="checkbox"/>	2) Our board recognizes its responsibility to hire a competent administrator and to reconfirm our confidence in him or her each year by conducting a performance appraisal and renewing his or her contract.
<input type="checkbox"/>	<input type="checkbox"/>	3) Our board recognizes the importance of strategic planning.
<input type="checkbox"/>	<input type="checkbox"/>	4) Board members know the characteristics of a good mission statement and have written a mission statement that accurately reflects what we want this nonprofit to be and do.
<input type="checkbox"/>	<input type="checkbox"/>	5) This board takes time to brainstorm about the future of this nonprofit.
<input type="checkbox"/>	<input type="checkbox"/>	6) When this board writes its strategic plan, it considers internal strengths and weaknesses, as well as external opportunities and threats.
<input type="checkbox"/>	<input type="checkbox"/>	7) We write long-range goals that are tied to our mission, and set forth reasonable strategies to meet those goals.
<input type="checkbox"/>	<input type="checkbox"/>	8) Board members review and update the mission statement and plan at least once a year.
<input type="checkbox"/>	<input type="checkbox"/>	9) This board monitors our financial situation in a responsible fashion, by approving the budget, monitoring monthly/quarterly financial reports and by conducting an annual audit.
<input type="checkbox"/>	<input type="checkbox"/>	10) All actions taken at our meetings reflect board member commitment to our long-range plan.
<input type="checkbox"/>	<input type="checkbox"/>	11) Board members are active advocates who promote the interests of this nonprofit and the people we serve.
<input type="checkbox"/>	<input type="checkbox"/>	12) Board members offer their personal expertise to our nonprofit—but realize that, in this role, they are like any other outside consultant and their services may be accepted or rejected by the administrator.

What are others in the B&A network doing?

Defining Your Job--Use your nonprofit's mission statement to define the board member's job. Board Chairperson Carolyn Jons (Ames, Iowa) says her board reviews the mission statement every time it is in the decision-making process. "If an issue under consideration doesn't support our organization's objectives, then board members shouldn't be spending time on it," she says. "We recently decided it was time to increase the size of our facility. We wrote a short statement that reflects exactly how the facility expansion relates to our mission."

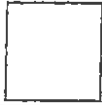
Planning Made Easy--In order to help them at a long-range planning brainstorming session, members of a South Dakota board walked through their nonprofit's facilities. Then after the tour, members took the time to ask themselves the following questions: "What did we see here that was impressive? How could we expand in this area? What did we see that was disappointing? How can we improve it?" Then they gathered around the conference table and started throwing out ideas, which they jotted down on large sheets of paper.

Dreaming About The Future--Another board in Maine subscribes to the "dream a little" method of planning. Board members tell me they set aside time to think of all the needs in their area that are compatible with their mission. Then they ask themselves what they would need to do to meet all those needs in the next 15 years. The key to this process, they tell me, is not to dismiss any thoughts. They refuse to allow nay saying. Board members are discouraged from comments like "There's no way we could grow that fast!" or "We could never afford the facilities we'd need!" or "Our staff could never handle this sort of growth."

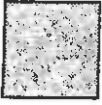
Instead, they work under the assumption that anything is possible!

Being An Effective Volunteer--Listen to this warning about volunteering your expertise, offered by a Minnesota board member: "It would be ridiculous for a nonprofit to pay an outside firm for the information or services that a board member could provide at no expense," she says. "But there are serious risks to this approach."

This board member serves as a public relations consultant to her administrator. "The key to the success of this arrangement is that we both recognize the clear lines of authority," she says. "The administrator treats whatever I do as a consultant just as though an outside firm is doing it. The administrator has the final word. And I take care not to use my role as board member to 'get my way' when we disagree."



4



The board/administrator relationship

There are few issues in a board member's life more thorny than figuring out the distinctions between his or her role and that of the nonprofit's administrator. The line that separates these two roles is one that can easily become blurred. And, unfortunately, when each party loses sight of what it is supposed to do and begins to tread on the other's turf, the good work of your nonprofit can easily be disturbed.

This is why it's worth taking the time to look closely at exactly what the relationship of administrator to board member entails.

Although the administrator works for the board, this relationship is a far cry from the typical employer/employee one. The board is chosen to ensure that the nonprofit's overall operation follows its mission statement.

On the other hand, the administrator is responsible for the daily management of the nonprofit. Without these two key players performing their respective roles, no nonprofit team can hope to be a winner!

Defining who does what on the board team

It's easy to say that the role of the board is to set policy while the administrator's is to manage. There are, however, gray areas within this definition, and the board and administrator must come to agreement on these if they are to succeed. The only way to reach consensus is to look at potential areas of conflict and decide exactly who does what. Here's a short list of items that are often confusing...

- The **board** creates policies for financial management and approves the budget, but the **administrator** invests funds, makes sure bills are paid and handles day-to-day expenditures. The **board** approves the bid for a major purchase, but the **administrator** makes a recommendation and then carries out the actual purchase. Small purchases are usually made by the **administrator** without board approval.
- The **board** hires the auditor to audit the financial records, but the **administrator** seeks bids for the audit and makes a recommendation to the board.
- The **board** is responsible for writing the nonprofit's long-range plan, but the **administrator** makes recommendations and implements the plan once it's completed.
- The **board** approves departmental budgets and general funding for staff salaries, but the **administrator** decides the scope of each department's activities, sets individual salaries and determines the amount of raises line staffers receive.

● The board sets broad personnel policies, but the administrator determines the level of staffing, writes job descriptions, and hires, disciplines, promotes, evaluates or fires staffers.

You'll find an exercise about roles and responsibilities at the end of this chapter that your board and administrator can complete. This exercise lists a number of possible situations you may face and asks you to decide--long before any of them come up--who will do what. The exercise is a great way to uncover potential areas of disagreement and get them resolved.

Use this method to sort out policy-making from management

Once you've defined the difference between the roles of administrator and board, the important thing is to stick to this definition. Every time you make a decision or face the opportunity to become involved in a specific issue, you run the risk of overstepping your bounds.

Here's two litmus tests to help you determine whether a decision is yours to make--or whether it is best left to your administrator. To find out if the issue facing you is policy-related, ask...

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Will the decision help determine procedures, activities, programs or services that affect the entire organization?
<input type="checkbox"/>	<input type="checkbox"/>	Is the decision required by law or regulatory agencies?
<input type="checkbox"/>	<input type="checkbox"/>	Is the issue something the administrator has requested the board to make a decision on?

A "yes" answer to any of the above questions means that you're looking at a policy decision that needs to be handled by the board. To find out if the issue you face is a management function, ask...

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Does the issue affect an individual staffer?
<input type="checkbox"/>	<input type="checkbox"/>	Does it relate to the efficiency and quality of service provided by a specific department or program?
<input type="checkbox"/>	<input type="checkbox"/>	Does the issue relate to an administrative area that is operational in nature, or affect specific units or divisions versus the entire organization?

A "yes" answer to any of these questions means the decision is probably best left to your administrator.

Treat your administrator as a vital team member

Once you've got the roles of administrator and board member sorted out, there's another important thing to remember: The administrator shouldn't be treated like an ordinary employee of your nonprofit. Instead, he or she is a vital member of your board team and should be invited to participate in all your discussions and activities.

There should rarely be an occasion when the board meets without your administrator. Closed sessions can quickly destroy the cooperation that is so vital between board and administrator. Here's why...

- *They quickly destroy any spirit of trust.* In fact, a California board member I know once described closed sessions as the most effective "team-busting" proposition he'd heard of. And I agree! There needs to be a sense of honesty and trust shared between boards and administrators, and that only comes from the opportunity to work together and talk things through.

- *Closed sessions don't allow administrators to explain their actions.* Boards are left to guess why decisions were made and how they affect the good of the nonprofit. Without this information, boards can easily begin to second-guess the administrator--and even undermine his or her authority!

- *Holding sessions without the administrator also means ignoring one of your best resources.* Your administrator knows how the nonprofit operates best and will be able to tell you which of your plans are most workable. You'd only be shooting yourself in the foot to ignore this valuable input on all decisions you're asked to make!

The only time I recommend that a board exclude the administrator from a meeting is when the board discusses how to evaluate its administrator. This is when you may want to discuss which points will be brought up about the administrator's performance or what questions will be asked during the evaluation. Once this discussion has taken place the administrator should be included in any discussions concerning performance issues.

Once you've planned your evaluation, however, your administrator should be part of any formal discussion that follows.

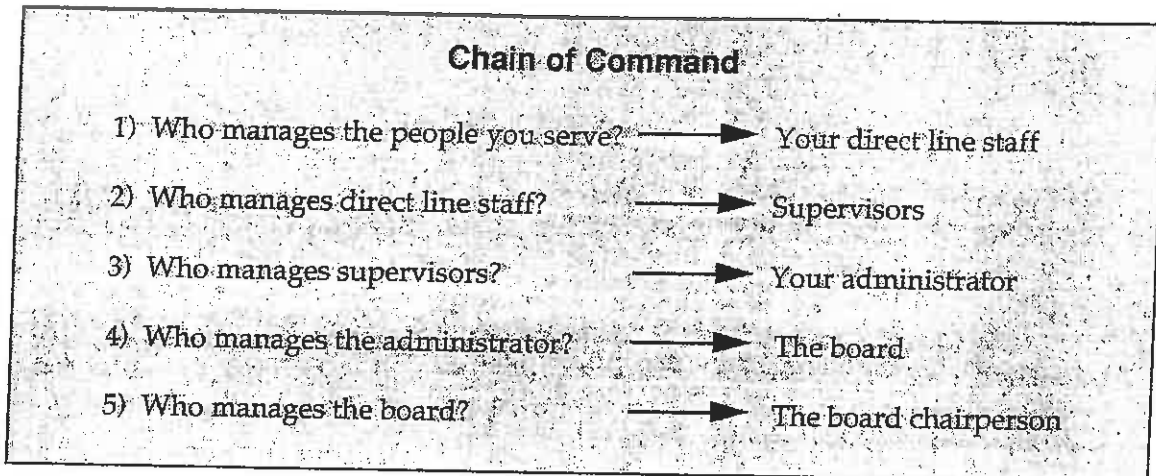
The board's relationship with other staffers

The proper relationship of the board to staff members is also vitally important to the smooth running of a nonprofit. A poor understanding of this connection can undercut an administrator's effectiveness and cause a crisis of authority.

In practice, the board has only one employee--the administrator. The board hires this individual to be the nonprofit's expert in all management areas--including personnel. The administrator is charged with hiring and firing staffers, and has complete responsibility for supervising, evaluating, rewarding and disciplining them.

Staffers must clearly know who gives the orders, who is accountable to whom and who has responsibility for what. To accomplish this, the board creates a chain of command with lines of authority and accountability.

The following simple question/answer exercise illustrates the most effective chain of command:



When board members ignore this chain of command, they interfere with the ability of the administrator to effectively run the nonprofit. Once a short circuit between the board and staffers is allowed to happen, a dangerous precedent is set.

For instance, if the board changes or overturns an administrator's discipline decisions, his or her authority to handle personnel issues is undermined. Staffers will believe they can come to the board with every issue. The result is that the administrator becomes an ineffective figurehead without real authority to manage staff.

Staffers often fail to understand the chain of command

Of course, your support of the chain of command is only half the equation. You may never go to staff members inappropriately—but what do you do if staffers come to you with a complaint??!

It's not unusual for a staff member to take a concern or complaint directly to the board or to individual board members. When this occurs, however, it is the board member's responsibility to clearly remind the staffer about the chain of command. You'll want to urge the staffer to take the issue up with his or her immediate supervisor, and to follow the internal grievance procedure as necessary.

There is a board/staffer relationship

Acceptance of the chain of command does not mean that a wall is placed between the board and line staffers. Staffers, administrator and board members are all

players on a team whose overall mission is service. There are two primary ways staffers can work together with the administrator and board members:

1) *On committees.* Staffers can provide important background information and bring expertise about your nonprofit to some board committees--like planning. Staffers, however, should understand that they serve on committees to offer their insight--not to bring up staff issues.

2) *By giving reports.* Many nonprofit boards ask their administrator to invite staffers to make presentations at board meetings. This practice, usually done on a rotating basis among key staffers, is an excellent way to keep a board updated and informed about programs and projects. At the same time, it gives staffers the opportunity for positive interaction with the board.

Make your administrator's evaluation a positive opportunity

An annual review of your administrator's performance is your opportunity as a board to look at his or her progress, determine what changes are needed--and make suggestions about how these changes can be made.

To conduct an effective evaluation, however, your board needs to give itself lots of time to plan thoroughly. You should set a date and place, select an evaluation form, hold a formal session with your administrator and follow up with clear goals you'd like your administrator to accomplish in the upcoming year.

Remember that you're measuring administrator effectiveness on bottom-line results, like:

- The quality of the information and recommendations the administrator gives to the board.
- The overall financial health of the nonprofit.
- The extent of community support for the nonprofit.
- Measurable progress towards the nonprofit's long-range goals.
- Success in achieving the goals set forth in the previous evaluation.
- How well he or she works within the job description given by the board.

A few good rules for administrator evaluation...

1) *Don't ask staffers to evaluate the administrator for the board.* Line staffers generally do not have the qualifications to evaluate management positions. For example, they often think administrators should be doing more hands-on work. Staffers don't understand that the administrator's job is to plan for the future and make decisions based on the "big picture."

2) *Consider the formal evaluation a positive attempt to improve your administrator's performance--not a faultfinding mission to document errors.* The evaluation should be an opportunity for the board and administrator to discuss how to

make the nonprofit run better. You need to look at the areas where the administrator shines as well as those where he or she could stand improvement.

3) *Emphasize the areas of the administrator's performance that reflect your nonprofit's priorities.* Some duties performed by your administrator are more important to the success of your organization than others. For instance, an administrator's ability to manage finances may be more important than his or her involvement in some minor public relations activities.

4) *Encourage dialogue between the board and administrator.* Evaluations are a communication device intended to reinforce strengths and uncover weaknesses. They are most effective when there's an informal give-and-take between the board and its administrator. This interaction lets the administrator know how you feel about his or her job performance--and sets the stage for working together to make future improvements.

5) *Focus on the administrator's performance--not on his or her personality.* Evaluations should be based on the administrator's job description--and nothing else. By keeping the assessment strictly based on performance, your board can focus on the purpose of evaluation--upgrading your nonprofit by improving your administrator professionally.

6) *Recognize and reward the administrator's positive achievements.* As board members, you don't want to underestimate the value of your administrator. Evaluations are a fair and objective method to determine whether he or she deserves a raise and how much.

7) *Set measurable and timely goals to correct deficiencies in performance.* The most important part of the evaluation process is setting realistic goals to eliminate problems. Remember: If an administrator doesn't correct his or her deficiencies before the next evaluation, all your board efforts have been wasted.

8) *Review your administrator evaluation process each year when you've completed the most recent one.* Correct any problems with forms or procedure, and tell your administrator so that he or she will know what to expect next year.

Note: Aspen Publishers, Inc. also publishes the "Administrator Evaluation Manual," a comprehensive guide to help the board team develop a complete evaluation system for the administrator. For more information about this manual, call 1-800-638-8437.

How do we measure up?

YES NO

<input type="checkbox"/>	<input type="checkbox"/>	1) Our board understands that its role is to set guidelines for the governance of this profit and to delegate authority to the administrator to carry them out.
<input type="checkbox"/>	<input type="checkbox"/>	2) Board members consider the administrator an integral part of the board team and its decision-making process on all issues affecting our nonprofit.
<input type="checkbox"/>	<input type="checkbox"/>	3) Our board is comfortable delegating management responsibility to the administrator and conveys in clear terms what is expected of him or her.
<input type="checkbox"/>	<input type="checkbox"/>	4) This board does not hold any closed meetings excluding the administrator.
<input type="checkbox"/>	<input type="checkbox"/>	5) When board members have questions about their proper roles and responsibilities, they go directly to the administrator for answers.
<input type="checkbox"/>	<input type="checkbox"/>	6) Our board understands the importance of our nonprofit's chain of command policy and refers all complaints, concerns or comments from staffers, the public or those we serve to the administrator.
<input type="checkbox"/>	<input type="checkbox"/>	7) Members of this board don't seek out staffers to talk about what's going on at the nonprofit.
<input type="checkbox"/>	<input type="checkbox"/>	8) Our board makes an effort to get to know staffers at the nonprofit in appropriate ways.
<input type="checkbox"/>	<input type="checkbox"/>	9) Board members show concern for the well-being of staffers and recognize their outstanding performance through board action.
<input type="checkbox"/>	<input type="checkbox"/>	10) We have a formal procedure for evaluating the administrator's performance that recognizes areas of achievement and sets measurable goals to correct any deficiencies.

What are others in the B&A network doing?

Pats On The Back--Recognize good performance by the administrator, suggests Board Member Paul Freeman (Minneapolis, MN). "My board recognizes our administrator when he does something special by hosting a dinner or picnic in his honor," says Freeman. "We invite staffers so they can see how we appreciate their boss."

Documenting Responsibilities--A Southwestern board uses an effective exercise to help it clarify the difference between board and administrator responsibility. It holds a special meeting with the administrator just to talk about respective roles. "We brought along large sheets of butcher paper and listed likely-to-occur situations at our nonprofit," explains one board member.

"For instance, when we hear serious complaints about a staff member, what should we do? Then we all brainstormed and came to a consensus on who should do what. We keep the sheets of paper in the board room and whenever there's confusion about roles, we just pull them out. It's really helped keep everyone on track, and has made us all feel positive about the important role we play."

Board/Staff "Mixers"--A California board wants to get to know staff members better so it sees them as people--not as budget line items. So board members mix with staffers at the nonprofit's occasional social events.

The staffers at this particular nonprofit have potlucks every other month and board members attend. They also make it a point to show up at open houses and going-away parties for staffers. Board members tell me the interaction is productive and gives them the chance to get to know staffers on a more personal level.

Recognize Staff Achievements--An Iowa board finds a way to connect with staffers by formally recognizing specific staff achievements. "Each month, our administrator tells us about staffers who worked extra hours, won awards, or just made exceptional effort," a board member tells me.

"Board members hear a brief presentation about the deserving staffer, and then we pass an official motion extending our thanks. It's a great way to let staff members know we appreciate their efforts--without becoming involved in their day-to-day activities."

Who does what?

As a board/administrator team, discuss items on the list below and decide how you would assign the responsibility for each decision. Label each item with one of the following:

B = only the *board* may make the decision
A = *administrator* has complete authority to make the decision
I = administrator has authority to act and then *inform* the board
P = administrator must seek *prior approval* from the board to act

- 1) Write a grant proposal
- 2) Submit a grant proposal to a funding source
- 3) Discipline an employee who arrives at work intoxicated
- 4) Change board meeting times or frequencies
- 5) Decide the administrator will represent your organization at a business or social function
- 6) Initiate a total ban on smoking in agency offices
- 7) Set minimum salary for new staff
- 8) Have preliminary plans drawn up for a new building project that was mentioned at a meeting
- 9) Hire a consultant for a construction project
- 10) Purchase a new telephone system with budgeted funds
- 11) Send an office secretary to a three-day leadership conference in Las Vegas at the organization's expense
- 12) Plan a board/staff retreat to revise the long-range plan
- 13) Select a firm to audit your organization's finances
- 14) Hold a press conference to announce building-expansion plans
- 15) Have the administrator's office redecorated and refurnished
- 16) Decide the administrator can go to a week-long seminar
- 17) Hire an employee for an unbudgeted position
- 18) Approach citizens about serving on an advisory committee

- 19) Communicate information to another board
- 20) Notify contractors of bidding results
- 21) Decide in which bank(s) to deposit organization funds
- 22) Decide how to invest \$20,000 of surplus funds
- 23) Decide which items or services to cut to meet budget demands
- 24) Change billing procedures
- 25) Change office records to a computerized system
- 26) Give recognition awards to community members for their contributions
- 27) Lay off a staff member to meet budget
- 28) Develop the agenda for board meetings
- 29) Award contracts to vendors
- 30) Order repair of vandalized property
- 31) Hear budget requests from outside organizations
- 32) Promote a staff member from a direct service position to an administrative position
- 33) Establish guidelines for evaluation of employees
- 34) Change the administrator evaluation form
- 35) Determine the type and number of clerical positions for the office
- 36) Retain legal counsel for the agency
- 37) Select a person for an administrative assistant position
- 38) Establish a flexible work schedule for the administrator
- 39) Fire a popular, long-time employee for poor job performance

Correct answers: 1)A 2)I 3)A 4)B 5)A 6)B 7)P 8)P 9)P 10)I 11)I 12)A 13)B 14)I
 15)A 16)I 17)P 18)P 19)I 20)A 21)B 22)A 23)P 24)A 25)A 26)B 27)A 28)A 29)B
 30)A 31)B 32)I 33)A 34)P 35)I 36)B 37)I 38)P 39)I

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