

## Recruiting and Vetting Nonprofit Board Members

A key ingredient to increasing a nonprofit organization's impact in the community it serves is having the right people on the team. Critical to this team are an organization's board members.

"Board composition is a key lever," said Jeri Eckhart-Queenan, a partner at the Bridgespan Group, a nonprofit advisor to nonprofits and philanthropy. "Having the right people with the right skills helps the organization achieve its strategic goals."

Therefore, the first question that nonprofits should consider as they start to formulate their board recruiting plans is: What are our key strategic priorities, and what new skills or expertise might we need on our board to help us achieve those priorities?

Depending on the domain in which a nonprofit operates and the beneficiaries it serves, an organization may need its board to have specific expertise, perhaps functional or geographic. For example, an organization focused on early childhood issues may want board expertise in that subject area. Similarly, a nonprofit that's primarily serving underprivileged families in India or Africa, or the city of New York, for example, will likely want to include board members who are either from the area served or who have a deep knowledge of the service area.

Other needs may change over time as the organization grows or expands its mission. Consider a nonprofit organization with a proven local model that is considering expanding nationally. A board member with experience running a national organization or one who has been involved in a similar expansion could provide critical insight as the organization formulates and implements its plans. And, as the organization considers specific new locations, having a board member with extensive real-estate knowledge also could be invaluable.

At Project Bread of Boston, Massachusetts' leading anti-hunger organization, having a board member who is also a senior executive at Blue Cross and Blue Shield of Massachusetts made it possible for the nonprofit to expand and improve its FoodSource Hotline, a comprehensive information and referral service for people in Massachusetts who are facing hunger. The hotline was overwhelmed by a sudden surge in call volume as the national recession took hold in late 2008 and early 2009. Ellen Parker, executive director (ED) of Project Bread, said the hotline saw a 61-percent increase in calls in the first

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quarter of 2009. Parker asked her board member from Blue Cross for some advice on how to decrease the wait times and handle more calls. The board member sent over the head of the insurance giant's subscriber call center, who evaluated Project Bread's needs, helped it determine the right staffing levels and a software solution, and even found a vendor willing to offer the software product at a discount.

"Blue Cross has really become a great partner of ours," Parker said. "The help with the hotline was enormous, and it really came out of the relationships that we have built on the board."

As Parker's story illustrates, dedicated board members typically bring far more to the table than just their expertise in a given area. "The value of a board member is not only what's in their head," said Eckhart-Queenan, "but also the networks and the reputational capital they bring that allow them to contribute deeply to the organization."

### **Recruiting for diversity**

Another important component of board recruiting is ensuring diversity among board members. An organization's diversity goals can encompass gender balance, ethnic and racial balance (particularly important if the community the organization serves is ethnically diverse), geographic balance, and many other factors.

"The most effective boards are those that are able to bring together a diverse group of people that bring a range of thought and perspective," said Eckhart-Queenan. "Boards must think about diversity as they fill these board positions. It can't be an add-on at the end."

Dennis Hanthorn, Zurich general director of The Atlanta Opera, said he is continually working to increase the diversity of the opera's board so that it better reflects the ethnic diversity found in Atlanta. He has succeeded in boosting the presence of African-Americans on the board and now is working with leaders in the Latino community to bring more Latinos into the organization. "Diversity is always a concern," he said. "Our goal was to diversify our board, and we're doing better at it."

Parker said her diversity goals for Project Bread's board include not just a racial balance, but also representation on the board from the communities that the organization funds (i.e., food banks). Parker said part of that effort is ensuring that board members recruited from the food bank community feel like peers with the corporate and political members of the board so that all board members have an equal voice. "Diversity is not just a good thing to do," she said. "I believe it's how we make our services higher quality – by involving the people we serve in decisions."

## **Identifying great candidates**

After an organization has evaluated how the composition of its board can advance its strategic goals and has identified the board roles it needs to fill, it can begin identifying potential board candidates.

Wayne Luke, a partner at the Bridgespan Group, said the best way to uncover great potential board members is to enlist the help of your board's "difference makers," i.e., its most engaged, most active members. "Ask the board members whom they want the new members to most resemble," he said. "The lens through which they will look at potential members is the lens of involvement and engagement."

Once the organization identifies a good board candidate, Luke said the discussions with the candidate should focus on how much the organization does to help the community, rather than how prestigious the board position may be. As Luke put it, "It's less about 'Here's an opportunity for your career advancement' and more about 'Here's a service opportunity.'"

## **Conducting due diligence**

As part of its early due diligence, the organization should ask board candidates four key questions:

1. Can you fulfill our board's fiduciary and legal oversight responsibilities?
2. How have you already demonstrated a passion for organizations like ours?
3. Do you fundamentally have the time to serve on our board?
4. Are you able to meet the board's fundraising requirement? (If the organization has one.)

### **1. Can you fulfill our board's fiduciary and legal oversight responsibilities?**

"You need to be clear about getting the right people with the right skills to do your financial oversight and your legal oversight," Eckhart-Queenan said. "These are the fundamental responsibilities of a board, established in law."

These responsibilities can include approving financial plans, monitoring the organization's financial health, ensuring financial controls are in place, ensuring there are independent audits, managing key risks, and ensuring all legal requirements are met.

The specific duties will vary based on the size of the organization and may change over time as an organization grows. Parker said that the financial and legal oversight role of her Project Bread's board has changed significantly as the nonprofit grew from a \$2.5 million organization into an \$8 million organization. In the early years, according to Parker, board members pored over every operating detail and every financial and legal document.

## **2. How have you already demonstrated a passion for organizations like ours?**

People familiar with high-impact boards said passion for the mission can be shown in many ways. It could be as straightforward as previous nonprofit board experience or volunteer experience for a similar organization. It also could be that the candidate grew up around the Boys & Girls Club or YMCA, for instance, and believes deeply in the value of youth-serving organizations.

Dennis Kelly, president/chief executive officer (CEO) of Zoo Atlanta, said all of his board members are passionate about the zoo. But he said that board members are attracted to the organization for a wide variety of reasons--all of which are equally valid. He said some simply love animals, others are passionate about conservation, others are interested in the education component, and still others simply believe that the zoo is an important part of the community and that they have a civic responsibility to help. "Passion for the mission can take many forms," he said.

## **3. Do you fundamentally have the time to serve on our board?**

People familiar with nonprofit board service said that those who are new to the sector often underestimate the amount of time required to be an effective board member. In fact, the time commitment for many nonprofit boards can be substantial.

"For a mid-sized, average board, it's not unrealistic that you could expect people to be committing 75-100 hours per year," said Linda Crompton, president and chief executive officer (CEO) of BoardSource, a Washington, DC-based organization dedicated to building strong nonprofit boards and encouraging board service.

All board members must be able to meet the basic requirements of board service. At most nonprofits this means, at a minimum, preparing for and attending as many as four board meetings and serving on at least one board committee. If, for example, a candidate already serves on a dozen boards, it is fair to ask whether they have adequate time to devote to yours.

## **4. Are you able to meet the board fundraising requirement? (If the organization has one.)**

The role of fundraising by board members varies widely within the nonprofit sector. Boards that have a revenue strategy based on raising funds from individuals or philanthropies often need board members who are able to personally make substantial financial contributions and who are willing to solicit donations from other individuals. For other nonprofits—such as organizations that rely on government grants—fundraising is not a board responsibility.

The key is to be clear about your organization's board fundraising requirements before recruiting begins. Then explain those requirements to potential board members as part of the recruiting process. "It's important for nominating committees to have thought through this issue," said Eckhart-Queenan. "The board needs to be clear before recruiting what the requirements will be for the new board member."

Many nonprofits rely on their board members to fundraise. But Bridgespan's Luke cautioned that organizations that make the ability to raise funds the sole qualification for board membership can actually diminish their board's overall effectiveness. The problem, he said, is that it is de-motivating for hard-working board members when other members are allowed to simply write a check and show up for luncheons.

"It's one thing to have someone fully invested and also able to write a check, but don't go after them just because of wealth. It makes the board dysfunctional," Luke said. "Having everyone engaged makes the board stronger. Do you want to be part of a team where 20 people are playing hard and getting their jerseys dirty or do you want to be on a team where seven people are playing hard and everyone else is sitting on the sidelines?"

### **Ensuring cultural fit**

In addition to determining whether a board candidate meets specific requirements, nonprofit leaders said it is important to determine whether the candidate will be a good cultural fit with the rest of the board and the organization itself. "Look for people whose motive is to advance the mission rather than their own personal gain," said Eckhart-Queenan. "People who are good listeners and who ask probing, thoughtful questions."

Parker said that whenever Project Bread considers a new board member, one of the most important issues is whether the new member will add to the positive dynamic of the board, and how he or she will get along with other board members.

Luke said that after talking to a board candidate, the group overseeing board recruiting should hold a debriefing session to discuss how the candidate would fit in on the board and the specific board role that a particular candidate could play. For example, could they see the candidate taking the reins on government relations, the annual fundraiser, community engagement, or a specific committee? "Be intentional about the particular role and the piece of value this person would bring," Luke said.

Hanthorn said a cohesive, high-impact board not only improves the organization, but it can also make board recruiting easier over time. “The community knows [ours] is a board of leadership,” Hanthorn said. “So, people want to be involved. [Board members] are leaders in their own right in the community, and they are respected in the community. Along with that, they’ve already made sound judgments in running their own businesses, so we need them to move that experience into running an opera. And they do.”

### **Remember, it's a partnership**

Nonprofit leaders said it is important throughout the recruiting process to be clear about board members' responsibilities and to make sure that candidates truly understand them before they commit to the job.

Hanthorn, for example, asks new board members to sign a two-page Statement of Understanding. The document lists in detail what the organization expects from board members in terms of advocacy, leadership development, and financial support. The requirements range from attending two of the three annual board meetings to participating in a board committee to lending expertise to staff to soliciting prospective donors to buying season opera tickets.

Conversely, the Statement of Understanding also explains the commitment that the opera promises to make to its board members. This part of the document, which both the CEO and the board chair sign, includes items such as: producing the finest opera in the Southeast; using board members' time effectively; offering opportunities for board members to increase their leadership role with the organization; and providing appropriate acknowledgement and recognition.

Being crystal clear about what both sides can expect from the partnership is an important part of his organization's board recruiting strategy, giving Hanthorn a foundation on which to build strong relationships with his board members so that, together, they can work toward accomplishing the organization's strategic goals.

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