# OVERVIEW

The Nonprofit Board Self Assessment Tool is designed to help nonprofit organizations assess their board's performance and identify priorities for board activities going forward. We believe this combination of performance assessment and priority-setting is the foundation of superior nonprofit board performance over time. The tool should be used with our framework for nonprofit board responsibilities, which describes in detail the key elements of effective nonprofit board governance. The output of the assessment is intended to focus discussion among board members around the governance activities that will result in the greatest benefit for the organization. The tool may be used by nonprofit managers and board members:

* To identify the areas of board performance that are strongest and those that need improvement
* To identify priority areas for the board to focus on over the next 1 or 2 years
* To allow different views to emerge – the difference between responses given by two groups of board members or by the board and senior staff can be tracked and then used to start a discussion

Superior board performance across the full range of nonprofit institutions cannot be precisely defined. Distinctive performance for each of the dimensions is therefore not intended to be precisely accurate for any single institution. In fact, institutions rarely need to perform at a distinctive level in every area. A board committee, rather than the entire board, can often handle specific responsibilities and bring topics forward for full board discussion as needed.

Respondents should use their best judgment to rate their board in the spirit if not in the letter of the performance description. The scores are meant to provide a general indication – a “temperature” taking – of a board’s performance, in order to identify potential areas for improvement.

Please make generous use of the comments section to expand on or explain your ratings. We typically find summaries of anonymous comments as helpful as the ratings themselves in surfacing issues.

This tool is meant to create an informed starting point for discussion among the leadership of a nonprofit. Informed discussion and commitment to address priorities results in board effectiveness. We encourage you to adapt the tool to meet your own organization’s governance needs, and we appreciate feedback on how to improve the usefulness of this tool.

# GUIDELINES FOR ASSESSORS

The Nonprofit Board Assessment Tool has three sections:

* 1. Performance of the board (or board committee) on its core responsibilities
  2. Perceived importance of responsibilities for the next 1-2 years
  3. Quality of enablers in place to support board effectiveness

In sections 1 and 3, ‘"Performance of board on its core responsibilities" and "Enablers of board effectiveness," a description of distinctive performance has been given for each responsibility and enabler. Please rate how well your board is performing on a scale of 1 to 4 (1 = poor, 2 = fair, 3 = good and 4 = distinctive). An organization’s performance does not need to match the distinctive description precisely in order to be distinctive. Rather, the description is given as an indication of the general level of performance to help calibrate your rating. Please use the comments section to expand on any aspect of performance you wish. If a row is not relevant to the organization assessed, write “N/A” in the comments section; if you simply have no knowledge, write “D/K.”

For each of the responsibilities in Section 2, "Perceived importance of responsibilities for the next 1-2 years," indicate how important you believe it will be for the board to focus on each area in order to make the most positive impact on the performance of the organization. Since the board cannot focus on all responsibilities with equal weight at the same time, the ratings are intended to indicate relative priorities for each responsibility.

Please return your completed tool to the administrator, who will collate the results and compile an anonymous summary of comments for board discussion.

Please identify your role in the organization:

Board Member X

Management

Other

# Approximate time needed for completion: 15 minutes

**AREAS COVERED BY THE ASSESSMENT’S 3 SECTIONS**

**SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES**

**Shape mission and strategic direction**

* Clarify mission and vision
* Participate in and approve strategic and policy decisions

# Ensure leadership and resources

* Select, evaluate, and develop CEO
* Ensure adequate financial resources
* Provide expertise and access for organizational needs
* Build reputation

# Monitor and improve performance

* Oversee financial and risk management
* Monitor organizational performance
* Improve board performance

# SECTION 2: PERCEIVED IMPORTANCE OF RESPONSIBILITIES FOR THE NEXT 1-2 YEARS SECTION 3: ENABLERS OF BOARD EFFECTIVENESS

* Size and structure
* Composition
* Leadership
* Processes

# SECTION 1: PERFORMANCE OF BOARD ON ITS CORE RESPONSIBILITIES

|  |  |  |  |
| --- | --- | --- | --- |
| **Shape the mission and vision** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4= distinctive)** | **Comments** |
| **Common understanding of mission** | All board members share a common understanding of the mission that has been stress tested through discussion | 3-4 | Lots of interest by all Board members in wordsmithing the revised mission statement shows enthusiasm and commitment and the text shows a broad agreement on substance |
| **Common understanding of vision (i.e., what the organization aspires to become in**  **5 years)** | All board members share common understanding of where organization wants to be in 5-10 years; vision is well documented with concrete goals. | 3-4 |  |
| **Use of mission and vision in policy/strategy decisions** | All major policy/strategy discussions include explicit consideration of fit with mission and vision | 3 | Not sure how much a 4 would be constructive here: there is a bureaucratic sub-optimum that would require written statements by staff of how they are fulfilling this |
| **Process for raising mission and vision issues** | Formalized process (e.g., board retreats) to foster active board member participation in examining mission-related issues | 3-4 | Good staff leadership on this issue. The main problem is attendance at the sessions |

|  |  |  |  |
| --- | --- | --- | --- |
| **Engage in strategic planning and policy decisions** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4= distinctive)** | **Comments** |
| **Process for strategic planning and quality of board participation** | Formal process for board involvement that specifies broad framework (timing and content) for strategic planning; joint board and staff ownership of strategic plan with some board members heavily involved; active discussion by the entire board supported by needed facts/materials before final approval | 3-4 |  |
| **Quality of strategic plan** | Robust plan covers all key strategic elements; agreed upon program outcomes are tightly linked to mission and vision and results inform subsequent decisions; clear plan for closing resource gaps if any | 3 | There is a limit to how much an org like NBI can fulfill this given the expectations of funders and the reactive nature of some of our advocacy |
| **Agreement on the distinction between board level and management-level decisions** | Board and staff have a shared understanding of relative roles (written or explicitly discussed); all parties feel their views are heard in the process; frequent interaction between CEO and Board Chair ensure “no surprises” environment | 3 | We do successfully avoid surprises. Sometimes staff tries to take on board roles but this is less of an issue than in the past, and was never a real problem |

|  |  |  |  |
| --- | --- | --- | --- |
| **Select, evaluate and develop CEO** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Succession planning** | Board has explicit view on succession and actively works with the CEO to identify internal candidates and provide development opportunities for the top 3-5 candidates to “round out” their skills | 1 | Staff seems to have done some of this but on their own without much Board involvement |
| **Evaluation and development process** | Evaluations performed at least annually against pre-defined criteria; evaluation includes 360-degree feedback and includes a self- assessment by the CEO. Written feedback includes skill development plan. CEO compensation decision reinforces view of performance | 2 | Neither staff nor Board seems to be able to do the pre-definition. This is OK because as an influencer organization it is impossible IMHO to develop meaningful and repeatable metrics. We do benefit from 360s and self-evaluations, and the Board finds that the ED’s self evaluation is where it should be: somewhat but not much harsher than ours. |
| **Search process (when required)** | Formal search criteria, expectations for first 2 years, and search plan receive broad board support; internal and external candidates reviewed and “true choice” between qualified candidates can be made | 1 | See succession planning |

|  |  |  |  |
| --- | --- | --- | --- |
| **Ensure adequate financial resources** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Financial needs assessment** | Board works with staff as a part of strategic planning process to develop a multi-year view of funding requirements and trade-offs embedded in different resource levels; board feels strong ownership for the targets | 2-3 | Much of this is a consequence of the unstable funding environment that NBI and its peers have faced for 20+ years |
| **Individual donations to the organization** | All board members financially support organization, which is a priority for each board member’s charitable giving; board consistently meets/ sometimes exceeds “donation” goals | 2-3 | We initiated this recently but I have no information on how much money we raise this way |
| **Involvement in fundraising planning and execution** | Board and staff develop clear plan to meet fund-raising targets; board introduces staff to potential donors and drives fund-raising activities when necessary | 3 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Provide expertise and access for organizational needs** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Board understanding of needed access and influence to support organizational objectives, (e.g., legislative access, community access)** | Needs for access and influence based on strategic view of organizational objectives; needs identified in detail to allow meaningful roles to be identified for individual directors | 2-3 | Largely N/A with current Board |
| **Ability of board to provide access and influence needed** | Board proactively reaches out to further organizational goals and is frequently very influential in achieving them | 3 | But also largely N/A |
| **Board understanding of needed expertise to support organizational objectives, e.g financial, strategic, subject matter expertise** | Needs for expertise based on strategic view of organizational objectives; needs identified in detail to allow meaningful roles to be identified for individual directors | 3 | Weak on development |
| **Ability of board to provide expertise** | Board expertise addresses most needs and is seen as source of distinctive value to organization | 3 | ditto |

|  |  |  |  |
| --- | --- | --- | --- |
| **Build reputation** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Board understanding of reputation objectives and of the role the board can play in building/enhancing reputation** | Needs for reputation building based on strategic view of organizational objectives; needs identified in detail to allow meaningful roles to be identified for individual directors | 3 | Good participation of members in academic and policy discussions |
| **Board effectiveness in enhancing reputation of organization in the relevant communities** | Board members proactively reach out in community to build awareness and excitement about the organization; board members seen to be very effective ambassadors for organization | 3 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Oversee financial performance, ensure risk management** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Board role in financial planning** | Board’s active involvement in preparing/reviewing multi-year financial plan results in robust discussion of resource allocation, funding plans, and investment objectives in context of strategic goals. | 3 | Staff has developed a good system which Board reviews regularly |
| **Ongoing monitoring of financial and investment performance** | Board monitors financial statements regularly; key performance indicators routinely reported to whole board; well-prepared staff can explain variances and discuss potential corrective actions; “no surprises” because of trust-based communication with staff | 3 |  |
| **Fiduciary and other regulatory compliance** | Board ensures timely, independent audit of results and internal processes; board understands compliance required to regulatory bodies; feedback from auditors/regulators forms basis of recovery plan monitored by board | 3 |  |
| **Board role in risk management** | Board annually reviews potential sources of risk and mitigation plans; surprises or gaps in coverage are few | 3 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Monitor performance and ensure accountability** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Board involvement in developing performance metrics** | Board works with staff to set outcome based metrics and goals as well as activity/efficiency metrics; targets set for 1 to 3 year period. Performance of comparable institutions is used to inform targets | 2-3 | This type of organization cannot find meaningful multiyear metrics that are not primarily a function of decisions beyond our control. |
| **Process for monitoring performance** | Board routinely monitors and discusses the performance of program/organization and uses results to inform the strategic plan, resource allocation, and evaluation of the CEO | 2-3 | Board tends to review this on an annual basis. |
| **Board understanding of accountability** | Board identifies primary stakeholders and ensures that performance results are communicated effectively to the stakeholders | 2-3 | Staff is the center of this communications strategy but Board contributes strongly as requested |
| **Process for obtaining and using feedback from stakeholders** | Board has formal process in place (e.g., stakeholder committee) to obtain feedback from stakeholders without filters by the staff; board ensures that the results from the stakeholder feedback are used to inform strategy and resource allocation | 2 | But it is not clear how we could do this without being counterproductive (in the case of funders) or redundant (to the extent that stakeholders are already represented on the Board |

|  |  |  |  |
| --- | --- | --- | --- |
| **Improve board performance** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Goal setting for the board as a follow- on to strategic planning** | Board translates the strategic plan for the organization into a set of concrete goals for the board and board committees, including timelines and required staff support | 2 | Not clear to me how this would be done, or why it is important to NBI. I am open to suggestions. (This makes sense for some other organizations on whose Boards I sit. But staff tends to have a large role in the process, which is not what the wording in Col. 2 suggests.) |
| **Evaluation of board performance against goals** | Board evaluates its performance against the goals and uses the lessons learned to develop plans to improve board effectiveness | 1-2 | Individual members evaluate their performance but not generally in writing or other sharable form. |
| **Process for evaluating individual directors** | Board committee in place to evaluate individual director performance periodically and jointly discusses how to help a director give his/her best to the organization; little collective tolerance for directors who are not active in organization governance and support | 2 | Board responds as needed to deal with individual member underperformance but does not have regular procedures. |
| **Developing a plan for improving board performance over time** | Formal process (e.g., annual self assessment) results in a clear plan for improvement; board collectively owns the topic of improving its value to the organization | 1 | This could be a new self-assignment |

A nonprofit board adds value by undertaking each of the nine responsibilities identified; however, boards rarely have time to focus on all of the responsibilities. Good nonprofits prioritize their activities depending the context of the organization. As you complete this section please identify those areas of potential board focus that are most needed over the next 1 to 2 years to ensure the organization succeeds against its mission.

# How important is it for your board to focus on:

Clarifying the organization’s mission or vision

# Low Medium High



**Low because we just went through this exercise**

Resolving key strategic or policy issues (please identify issues below)

Low because I think we have pretty good consensus on this

Developing (or replacing) the CEO

Medium to high because we need a succession plan

Developing the financial resources needed to support the strategy

Medium—this would entail new board members with these skills/connections

Providing expertise or access to support organizational priorities (please identify

   priorities below)

Building/enhancing reputation of organization with key stakeholders/community (please identify stakeholders/community targets below)

More diversity (new members) would seem to be the best strategy here—medium to high importance

Overseeing financial performance and ensuring adequate risk management

I think with three near-death experiences in our past we are capable of doing this now. The need is to cut expenses before the financial deterioration gets out of hand, since the main risk is reductions in revenues.

Assessing performance against mission and key program priorities Improving board performance

# Please add any additional thoughts to explain your answers or identify additional needs:

|  |  |  |  |
| --- | --- | --- | --- |
| **Size and structure** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Board size** | Board discusses issue of size explicitly and directors widely believe the current size adequately balances:   * Coverage of roles * Cohesiveness among members * Work load | 3 |  |
| **Executive committee (if it exists)** | Executive committee has clear role, well understood and supported by all board members; serves as a valuable resource to the board chair and CEO in guiding the organization and also in improving the overall board performance | 2-3 |  |
| **Committee structure: Purpose and charter of committees** | Committee structure explicitly designed with clear charter around organizational priorities; board effectively uses mix of ad-hoc and standing committees to fulfill objectives | 2-3 |  |
| **Mechanisms for increasing affiliation with organization other than governance board membership** | Board has effective structures/mechanisms for affiliation such as advisory groups with well- defined roles or, such options have been considered and rejected as not necessary | 2-3 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Composition** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Understanding of board composition needed to meet organizational goals** | Systematic process for identifying needed board skills driven by strategic plan; gaps are understood and agreed to by the entire board; most new board members seem to “fit our needs well” | 3 | Some question about the word “systematic” but otherwise this is done well, if too ad-hoc |
| **Process and criteria for recruitment** | Formal process with clear evaluative criteria in place; whole board reaches out to potential members from a wide range sources; recruitment process is continuous and with multi-year horizon; new members are seen as great additions to the board | 2-3 | Not structured enough but functional |
| **Diversity on the board** | Board understands types of diversity needed for organization and the value of diversity; current diversity on the board adequately reflects the diversity needed | 3 | Lots of dimensions of diversity to strive for. We are establishing a diversity officer to help |
| **Term limits** | Term limits effectively balance:   * Need for new members/skills * Retention of valuable directors Mechanisms are in place for ensuring continued involvement of high- performing retiring board members | N/A | This assumes that everyone agrees that term limits are needed. Many or most of us do not. Our problem is not accumulation of dead wood, rather it is the difficulty of recruiting effective new members. IMHO term limits undermine long-term planning and impair institutional memory in ways that cause mistakes to be repeated every time the board turns over. |

|  |  |  |  |
| --- | --- | --- | --- |
| **Composition** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Orientation of new members** | Formal orientation process covers key topics (mission, organization, finances, responsibilities of directors); committee assignments are welcomed by new directors who quickly become effective members of the board | 1 | We should develop a plan for orientation |

|  |  |  |  |
| --- | --- | --- | --- |
| **Leadership (Board chair, committee leaders)** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Process for deciding who leads and for how long** | Clear, well-understood, and accepted process is in place to select and transition board and committee leadership. Board leadership decisions seen to strengthen performance of institution | 2-3 | Often it is more of a question of who has the best skills combined with agreeing to do the work. But this weakness in management theory has not resulted in weakness that I have been able to observe in organizational performance. |
| **Succession planning and development of board leaders** | Process in place to identify and develop board leaders; committee assignments rotated to give board members experience and opportunity to lead; board seen to have a rich set of future leaders | 2 | How do we develop leadership skills? |
| **Quality of leadership relationship with CEO/ key staff** | Board leadership has an effective working relationship with the CEO and key staff | 3-4 |  |
| **Effectiveness of board leadership** | Current board leadership has the necessary skills, enthusiasm, energy, and time to provide leadership to the board | 2-3 | Some question about availability of time |

|  |  |  |  |
| --- | --- | --- | --- |
| **Processes** | **Description of distinctive performance** | **Current performance**  **(1=poor; 2=fair; 3=good; 4=distinctive)** | **Comments** |
| **Quality of preparation** | Calendar of meetings set and distributed for the year; agenda for the individual meetings sent out ahead of time with indication of expected focus/ high impact areas for board consideration; board receives quality background materials well in advance of meetings and arrive prepared | 2-3 | Good improvement in this area over the past year or so |
| **Effective meeting processes** | Meetings start and end on time and time is managed to ensure board discussion on all important topics; minimal ‘show and tell’ by the CEO/staff; most time dedicated to board discussion and debate on important issues. Board members feel involved and their contributions valued | 3-4 |  |
| **Fun and Passion** | Board interactions are productive and enjoyable; good mixture of work and fun activities including effective efforts to connect board members to the mission (e.g., site visits); board members hate to miss meetings | 4 |  |

**OTHER COMMENTS:**