# 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

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| **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 | I really appreciate Ralph keeping this mission statement dynamic and bringing it to board every couple of years. |
| **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. |  2 |  We’re pretty good at envisioning the mission impact. Not so good at envisioning what this looks like operationally – budget, growth strategy, etc. |
| **Use of mission and vision in policy/strategy decisions** | All major policy/strategy discussions include explicit consideration of fit with mission and vision |  3 |  Staff has done a great job defining our major areas of work and keeping those current |
| **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 |  I don’t know about “formalized process,” but Ralph’s generative inclinations and the state of play discussion keeps these issues on the table. If we had a more operational than generative chief exec, I don’t see current habits on the board that would pick up the slack.  |

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| **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 |  Again, staff keeps this in front of us and we do a good job discussing and staying out of staff’s hair. |
| **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 |  2 |  Our strategic plan discussions are about pretty broad topic areas – not so much focus on outcomes or resources. Could improve. |
| **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 |  Some of our board members are quite good at this, and we’ve had some turnover in the past couple of years with board members who were overly directive towards staff rolling off. |

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| **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  |  We don’t have a board or CEO succession plan. |
| **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 |  We could do better, but we’re not terrible. |
| **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 |  2 |  We need to improve |

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| **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 |  Funding diversity, long-term plans for long-term funding – board needs to provide more value there. |
| **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 |  Are we all contributing? I don’t know. |
| **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 |  2 |  Board could improve |

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| **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 |  3 |  |
| **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 |  2 |  |
| **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 |  |
| **Ability of board to provide expertise** | Board expertise addresses most needs and is seen as source of distinctive value to organization |  3 |  |

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| **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 |  |
| **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 |  2 |  |

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| **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. |  2 |  Board should be identifying new funding sources to diversify portfolio |
| **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 | n/a |  |
| **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 |  Staff manages this and does a good job |
| **Board role in risk management** | Board annually reviews potential sources of risk and mitigation plans; surprises or gaps in coverage are few |  2 |  We should have a couple of deep dives on risk in a year |

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| **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 |  1 |  We’re not doing this |
| **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 |  I can’t give us a better grade than 2 – chief exec and staff pay increases too erratic |
| **Board understanding of accountability** | Board identifies primary stakeholders and ensures that performance results are communicated effectively to the stakeholders | 3 |  Outstanding communications by staff |
| **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  |  Board is not really doing this |

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| **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 |  WE’re pretty small and have been focused on nailing down secure funding |
| **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 |  Board is slow and incomplete in its self-evaluation. Patrick has been a strong leader on governance; whole board is pretty complacent about its own performance |
| **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 | 1 |  We need this |
| **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 |  We need this |

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

# Low Medium High



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

Developing (or replacing) the CEO – high Ralph is great – we need to keep him!

Developing the financial resources needed to support the strategy high

Providing expertise or access to support organizational priorities (please identify    priorities below) medium

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

Overseeing financial performance and ensuring adequate risk management high

Assessing performance against mission and key program priorities Improving board performance – low – staff does a great job at this

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

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| **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
 |  2 |  We’ve discussed growing the board to make it more diverse before shrinking it again so that we don’t have everyone experienced rolling off at the same time. The amount of harm incurred by the organization if a lot of old guard term out depends entirely on who the new board members are. If they are funder-types representing a utility with little buildings background, that’s an issue. If they are influencers in the building policy community, the issue becomes moot.  |
| **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 |  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 |  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 |  3 |  |

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| **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” |  2 |  We need to be doing more active research and outreach to find diverse and relevant candidates |
| **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 |  Getting a little better under Patrick |
| **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 |  1 |  We need to do better |
| **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
 |  1 |  We have term limits in the bylaws and don’t enforce them |

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| **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 |  Not really |

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| **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 |  1 |  nope |
| **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 |  |
| **Quality of leadership relationship with CEO/ key staff** | Board leadership has an effective working relationship with the CEO and key staff |  3 |  Good from my perspective, but what Ralph thinks also matters a lot |
| **Effectiveness of board leadership** | Current board leadership has the necessary skills, enthusiasm, energy, and time to provide leadership to the board |  3 |  |

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| **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 |  Mostly a board member issue, not a staff issue |
| **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 |  Ralph does a great job building a generative agenda |
| **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 |  3 |  Great board interaction |

**OTHER COMMENTS:**

**We’re moving in the right direction – need to move faster**