

BOARD DEVELOPMENT

The Good Habits of Highly Functioning Boards

When it comes to nonprofit boards of directors, a functioning board is not the same thing as a functional one – and the difference between the two can dramatically impact the organization’s success.

By Scott Nelson, Senior Consultant and Regional Director, California

Semantics aside, to be purely functional, a nonprofit board must perform certain essential duties such as determining the organization’s mission and purpose; selecting and providing oversight of the CEO or executive director; developing organizational strategies and plans; defining programs and services; securing and overseeing financial resources; observing applicable laws and ethical standards; and elevating the organization’s public standing.

Functional nonprofit boards – certainly the highly functional ones which most boards aspire to be – excel at most if not all of these responsibilities, and then some. Highly functional boards work cohesively and strategically to constantly advance their organization and deliver on its mission. Their members also bring to the organization unique and valuable qualities, knowledge and experience, and relationships and resources that enhance its performance, sustainability, and societal benefits.

The Phoenix Philanthropy Group consulting team has extensive experience in virtually all aspects of nonprofit boards, including board development and training, strategic planning, board member responsibilities and engagement, bylaws and governance, legal requirements and ethical standards, and more. We know intimately the critical impact nonprofit boards have on their organizations. Indeed, several of our consultants have served as both nonprofit board members and CEOs (not in the same organization at the same time, of course).

So what distinguishes a highly functional board from one that merely functions? Following are some key factors and characteristics, though certainly not the only ones, as determined by our Phoenix Philanthropy consultants:

- “Highly functional boards are bound together by a shared passion for the organization’s mission. This leads to camaraderie among board members and strengthens their personal commitment to the organization. While board service is a serious commitment, the way to retain board members and have them perform at the highest level is to ensure that the board experience is enjoyable and fulfilling.” – Laurel Kimball, Principal



- “Each new board member must have a clear understanding not only of what is expected of them, but also how they can best serve the organization with their talents. They need a clear sense of purpose.” – Jan Halpin, Principal
- “There must be clear and specific job descriptions which are effectively communicated to board members, both before they join and on an ongoing basis.” – Julie Iacobelli, Principal
- “The best nonprofit boards take seriously their three seminal duties: the Duty of Care, meaning each member is prepared and ready to contribute to discussion and decision-making; the Duty of Loyalty, meaning they put the interests of the organization first; and the Duty of Obedience, meaning they and the organization understand and fully comply with the law.” – Deborah Whitehurst, Senior Consultant
- “Board members should meet one-on-one with the CEO or executive director, as well as the chief development officer, at least once a year – and more often if possible.” – Marc Kellenberger, Founding Partner
- “Highly effective boards fundamentally understand and embrace that fundraising for the organization is a team sport and everyone's job, not someone else's job. They also demonstrate a culture of philanthropy and set a strong example by contributing personally at a level commensurate with their leadership position.” – Curt Miner, Senior Consultant
- “Excellent boards consider the addition of new members the most impactful and powerful action the board can take. Such choices will drive the culture now and in the future, and the best boards purposefully seek independent thinkers, entrepreneurial spirits, and those willing to challenge convention. They also understand and respect the lines between the board's and CEO's responsibilities, and strive for continuous improvement, while benchmarking against the best.” – Laura Brehm, Senior Consultant
- “Ideally your organization will be among your board members' top three volunteer leadership commitments, and they will be prepared to bring their full resources (time, talent, treasure – and more) to bear on the organization's behalf. Excellent boards also promote the mutual benefit of board engagement – understanding both what the board members themselves are seeking from their engagement and what the organization needs from their leadership. The key is to ensure mutual benefit while putting the mission and vision of the organization first.” – Richard Tollefson, President and Founder
- “In any nonprofit organization, it's important that board members be evaluated regularly to ensure they are contributing at the level expected and to allow for change, when needed. Appropriate term limits enable new leaders and ideas to come forth that invigorate and advance the organization, its mission and vision.” – Cassandra Larsen, of Counsel



- “A highly functioning board encourages, accepts and supports differences among its members, communicates openly and with respect, and strives for harmony in working toward the common good or mission. By doing so, a board creates an optimal environment for facing and honestly solving the most difficult issues and achieving true organizational transformation.” – Oliver Welty, Senior Consultant and Regional Director - California

While many factors contribute to making a nonprofit board functional and successful, any board demonstrating these characteristics is sure to be performing its responsibilities and advancing its organization among the very best.

To learn more about highly functional boards and how to develop and sustain them, as well as our broad range of other nonprofit and philanthropy consulting services, contact The Phoenix Philanthropy Group at 1-877-524-7884, or visit us at www.phoenixphilanthropy.com.

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