10 WAYS TO IMPROVE YOUR BOARD

Best Practices of Effective Nonprofit Governance

By Warren Bird, Ph.D.

ECFA

EVANGELICAL COUNCIL
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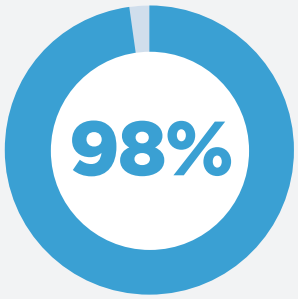
"Our board has been very effective over the last 12 to 18 months."

How would you respond to that statement for your nonprofit board? Would you agree or disagree?

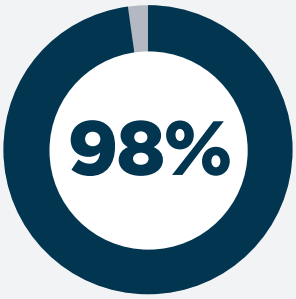
To learn more, we polled roughly 2,000 of the Christ-centered nonprofits currently accredited with ECFA. We asked their CEOs, board chairs and board members more than 100 questions about how their board works—or doesn't![1]

It turns out that **effective boards** have a lot going for them. For example, among effective boards, look at these high, compelling percentages from their board members:



"Our board understands the organization's mission"

"Our board members have high passion for the ministry"



"Our board understands the core programs, products, and services of the organization"

But what happens when we compare survey participants who rated their boards as effective against those who don't think their board is effective? The following list illustrates the areas where the contrast is greatest. These responses offer many implications for what effective boards do best, and how all boards can improve.

The insights below are framed as ten "best practice" steps you can take to improve your board's effectiveness. Each shows a comparison between effective boards and ineffective boards, starting with the comparisons where the gap was the greatest.

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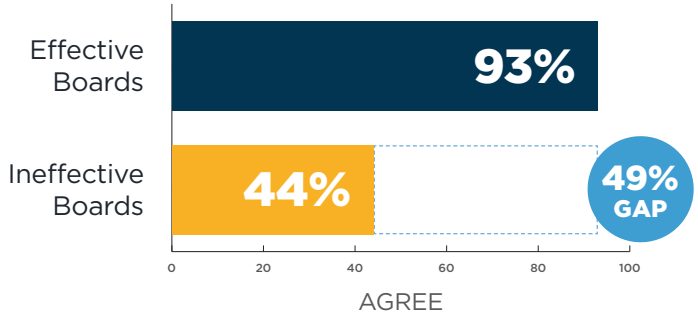
Big Differences Between Effective and Ineffective Boards

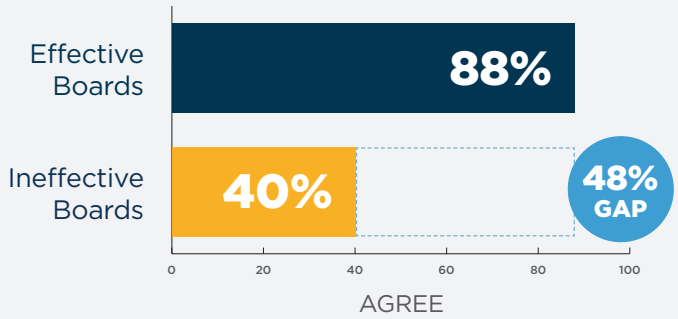
1. Set Clear Expectations

"Our board understands its roles and responsibilities."



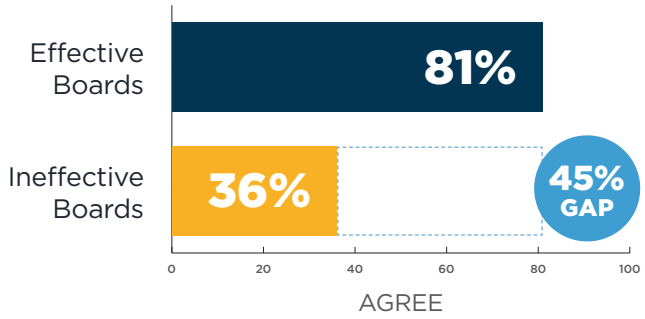
2. Prioritize Planning and Strategizing

"Our board ensures that the ministry has an active strategic planning process in place."



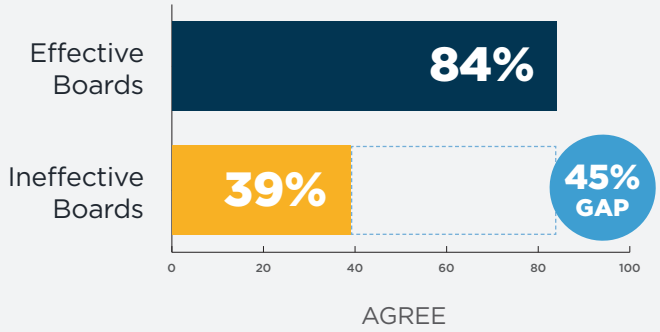
3. Focus on the Fruit

"Our board is very focused on measuring mission impact."



4. Study the Trends

"Our board devotes creative energy and board meeting time to assess risks and opportunities—and thus is well-informed about the outside forces impacting the organization."



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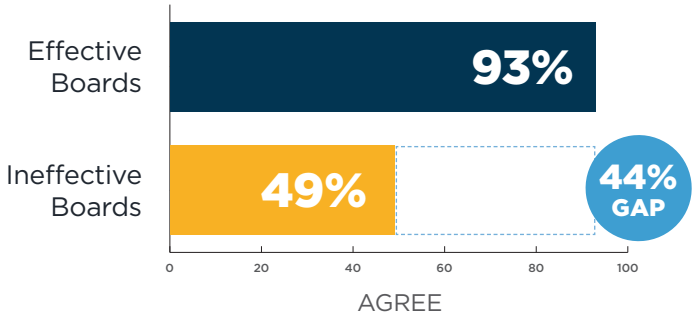
Big Differences Between Effective and Ineffective Boards *(cont'd)*

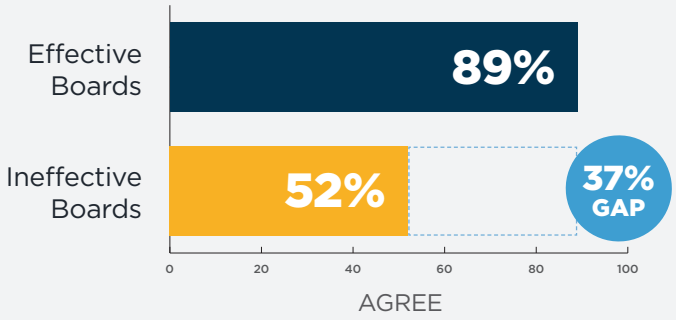
5. Increase Board Member Passion

"Our board members are passionate about our organization's primary mission/vision and invest time, talent, and treasure in personally enhancing our mission."



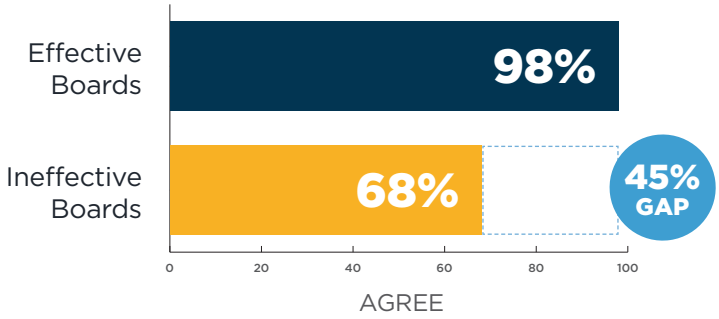
6. Minimize Opportunities for Scandal

"I am confident that the way our board currently does its governance has minimized the likelihood of a major scandal."



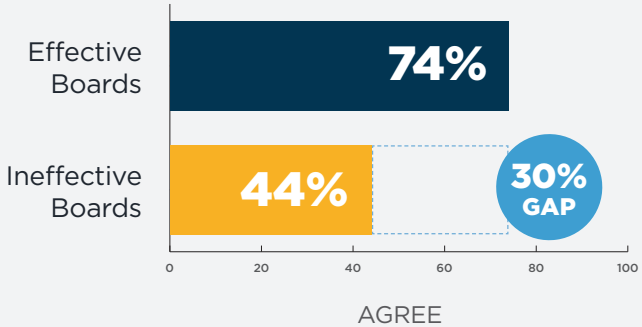
7. Clarify Your Mission

"The primary mission/vision of our organization is a very clear one."



8. Provide CEO Soul Care

"Our board chair (or a designated board member) regularly encourages our CEO to address 'soul care'[2] topics in his or her own life."



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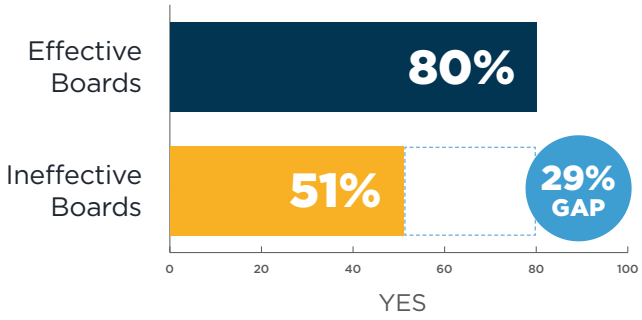
Big Differences Between Effective and Ineffective Boards *(cont'd)*

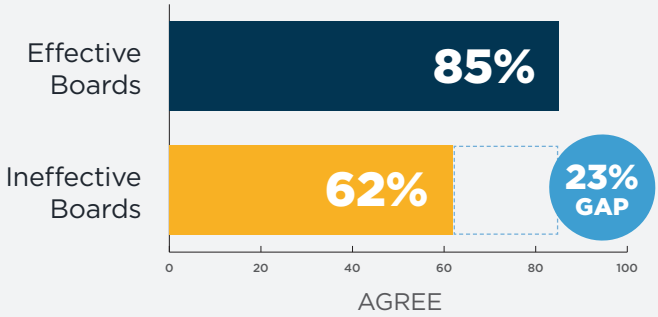
9. Keep Improving Program Quality

Did the quality of [your] programs increase in the last 12 months?



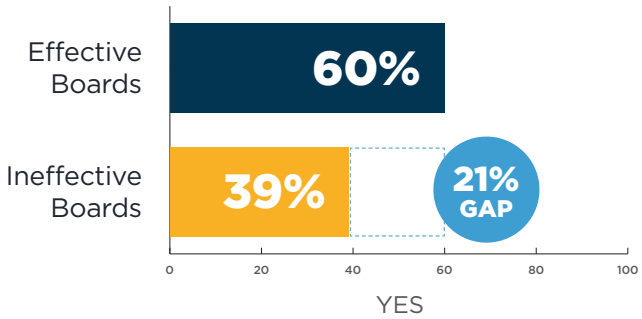
10. Avoid Micromanaging

"On a scale of 1 to 10, how do you rate your board on micromanaging?" (1 is "way too much micromanagement" and 10 is "healthy level of management/ governance." Micromanaging refers to when the board is inappropriately "in the weeds" of operations that should better be left to staff.)[3]



Bonus: Set Measurable Goals

Did your CEO offer 3 or more measurable goals that your board approved this year?



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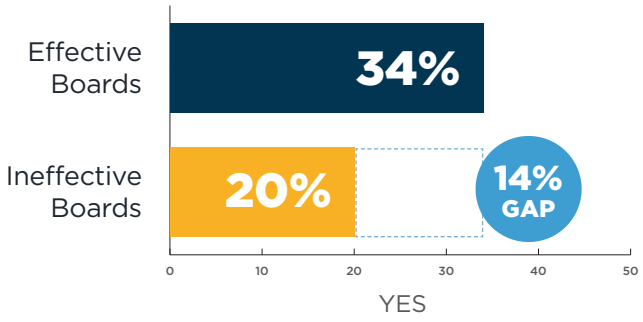
Areas of Concern for *ALL* Boards

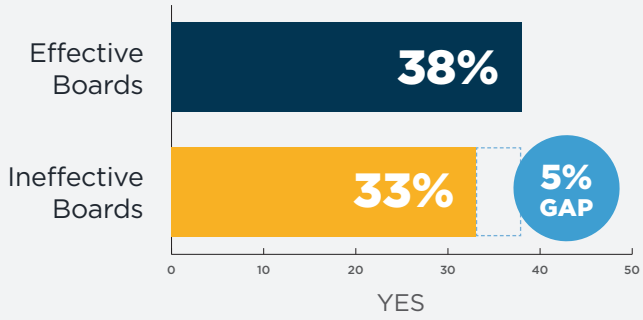
1. Plan for CEO Transition

Does your board have a written succession plan in the event of the CEO's death, long-term illness, or unexpected resignation?



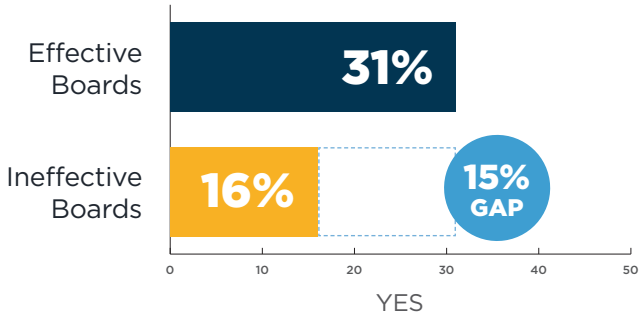
2. Evaluate Whether to Grow Younger

Do you have one or more board members age 35 or under?



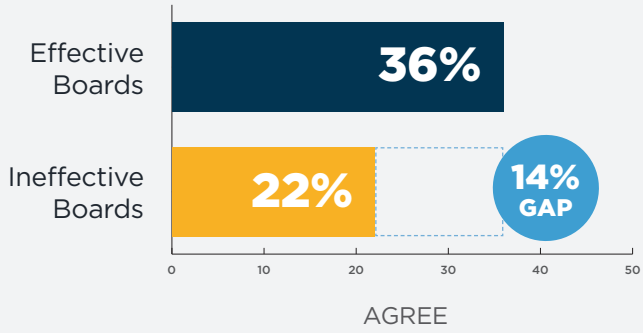
3. Be Intentional in Recruitment

Do you have a strategy for recruiting younger board members?



4. Develop Additional Giving

"We provide training and encouragement to help board members encourage others to give"



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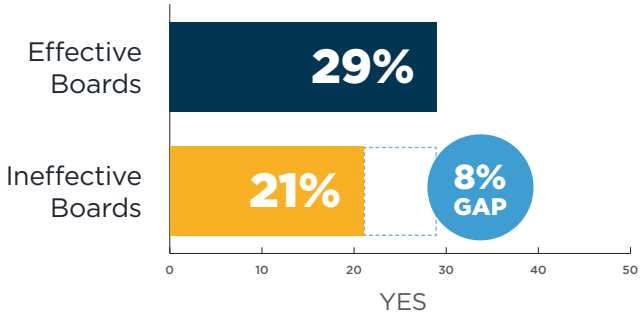
Areas of Concern for *ALL* Boards *(cont'd)*

5. Commit to Improvement

In the last two years, have you had an outside person help your board look in the mirror to do self-assessment for how it could improve?



Seek Outside Help?

One section of the survey asked people in which areas they feel they need help. The list begins with the areas where the contrast is greatest.

Ineffective Boards Reveal a Greater Need for Outside Intervention
Board Members Who Agree They Need "Much Help" or "Major Help" with...

	Effective Boards	**Ineffective** Boards	Difference
1. Board/CEO/senior team clarification of roles and responsibilities	4%	41%	37%
2. Assessing ministry results and kingdom outcomes	8%	37%	29%
3. Annual CEO performance review	10%	39%	29%
4. Improving board agendas and reports	4%	31%	27%
5. CEO succession planning	18%	42%	24%
6. Recruiting and selecting the next CEO	18%	41%	23%
7. CEO/Board communication	4%	27%	23%
8. Hearing from God about the future	14%	34%	20%
9. Being spiritually discerning	5%	23%	18%
10. Staff roles in board meetings	4%	19%	15%
11. Resolving conflicts of interest	2%	15%	13%
12. Establishing spiritual qualifications of board members	3%	16%	13%
13. Understanding financial reports	5%	17%	12%

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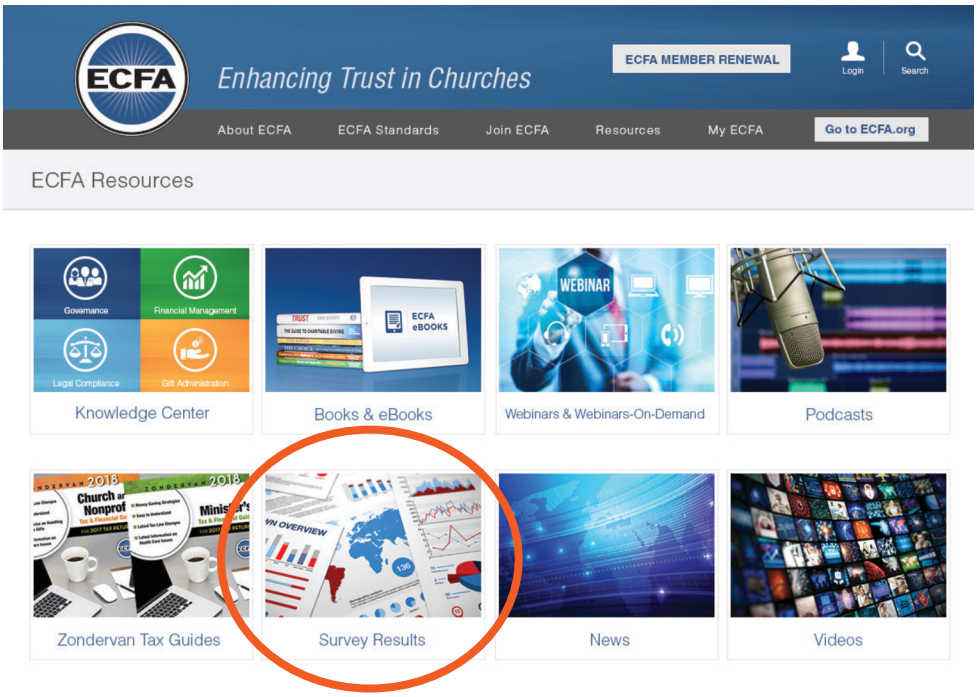
More Reports to Come

The ECFA library of survey findings and other resources is growing. For example, see "Four Challenges for Governance Boards: Many Boards Unprepared for the Future" by Warren Bird, a report taken from this same survey data. This and other reports are available for free download.



[1] The survey titled "Unleashing Your Board's Potential: ECFA 2018 Governance Survey" was fielded in late 2018 (10/23-11/30). It was sent by email, with three reminder emails, going solely to CEOs, board chairs, and board members of ECFA-accredited organizations, excluding local churches. It asked each participant up to 126 different questions. From 18,531 invitations, we received 1,662 usable responses for a 9% response rate.

[2] In the survey, we offered this definition of soul care: "In today's culture, boards are increasingly recognizing the responsibility to attend to the senior pastor's spiritual and emotional health – also known as "soul care." (This might include encouragement and accountability from the board that the senior pastor has regular times in the Word, prayer, reflection, taking a weekly day off, taking a full and uninterrupted vacation time each year, and following sound practices for personal accountability.)"

[3] In the responses, the 1-10 scale has been translated into percentages. Thus 1=10%, 5=50%, and 10=100%.

About the author:

Dr. Warren Bird, ECFA Vice President of Research and Equipping, is a nationally recognized researcher and is an award-winning author/coauthor of 31 books for church leaders.

For more resources:
ecap.net/resources **ecfa.org/surveys**

WHO WE ARE

ECAP exists in order to support Christian ministries in child protection and abuse prevention through awareness, accreditation, and resources to put an end to child abuse in Christian ministries. We believe it is the duty of every Christian ministry to take special care to put safety standards in place in order to ensure that vulnerable people are not at risk of being abused while under their care. Our desire is for Christian ministries to be safe places for children and youth to hear the gospel and grow in discipleship in order that spiritual formation would take place unhindered by abuse.

For more information visit: **www.ecap.net**

Founded in 1979, ECFA provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate compliance with established standards for financial accountability, transparency, fundraising, and board governance. The Christ-centered ministries accredited by ECFA include churches, denominations, educational institutions, rescue missions, camps, and many other types of tax-exempt 501(c)(3) organizations.

For more information visit: **www.ecfa.org**