

# Types of Nonprofit Boards\*

Nonprofit Boards of Directors in the United States share certain legal and practical responsibilities. Regardless of the size or type of nonprofit, the Board is legally the governing body, with responsibility for setting organizational directions and providing fiscal oversight. However, Boards differ greatly in their focus and priorities. Boards of national and community-based nonprofits often best fit one of three major categories: programmatic, policy, and fundraising. Sometimes – perhaps ideally – they are a combination of all three.

## Programmatic Boards

A programmatic Board is deeply and actively involved in the work of the organization. Its members are expected not only to set direction and policy but also to understand and assist with program design and evaluation. Its members are usually active volunteers as well as Board members – although their volunteer work is not really a governance function. In addition, the staff asks for Board input on programmatic directions and decision making, well beyond approving new program areas. While the chief staff officer (Executive Director or President/Chief Executive Officer) runs the organization, s/he actively seeks and expects Board members to serve on advisory committees, review program designs, and/or help maintain facilities.

Organizations that have programmatic Boards are often small, relatively new, advocacy-focused, membership-based, and/or heavily dependent on volunteer “staff.” For example:

- A legal services and immigrant rights organization may have an active Advocacy Committee whose members testify before municipal and state legislative bodies, speak at press conferences, and meet with elected and appointed officials. It may also have a Board-driven Pro Bono Legal Services Committee.
- An adult education program or an after-school program with dozens of volunteer teachers, tutors, and mentors may have a Board that includes many current and former volunteers and committees like Curriculum Development as well as Finance and Administration.
- A small HIV/AIDS organization serving children may depend on volunteers to help maintain its facility as well as provide toys for the children – with its Board members serving as the leading volunteers and chairing committees responsible for Facilities and Toys and Supplies.
- A membership organization may have few or no staff, and its Board may serve as chairs of a wide range of committees that oversee all its work – from advocacy to scholarship funds.

Many Board specialists argue – perhaps correctly – that these programmatic activities are not really governance. However, they are a large part of the work of many Boards. And Board members involved with program are often very active and engaged, because they are involved in tasks that obviously make a difference.

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One challenge for programmatic Boards is to ensure that they *also* meet the organization's governance needs related to policy and direction setting, oversight, and fundraising. Another – for organizations with paid staff – is to avoid getting inappropriately involved in management and implementation, interfering with the authority of the chief staff officer and “micromanaging” the organization. When a Board member is in an official meeting, s/he is a decision maker, and the Board as a body supervises the chief staff officer. When an individual Board member is serving as a volunteer, s/he has no individual governance authority. S/he works under the supervision of the chief staff officer or other designated staff member.

## **Policy Boards**

Policy Boards focus on setting organizational direction and policies. They carry out roles typically identified as governance responsibilities, such as organizational and financial oversight, strategic planning, and program evaluation. They create the organization's vision, set or revise the mission, agree on organizational goals and directions, authorize programs to be operated, and establish policies to guide the organization. They also ensure that the organization periodically evaluates its programs and their results.

A policy Board most often gets involved in program discussions in order to consider whether existing programs should be continued or changed and/or new programs authorized. Its members are rarely accused of micromanaging. In advocacy organizations, the Board is actively involved in approving public policy positions. Members usually are not expected to be program or advocacy volunteers – or if they do volunteer, that role is totally separate from their Board activities.

Often, a nonprofit Board gradually changes from a programmatic to a policy Board as the organization grows, hires professional staff, and has less need for Board members as volunteers and more need for their help in determining agency direction. Sometimes, the change is accelerated because the Board becomes inappropriately involved in day-to-day operations, causing tension with the chief staff officer. Members reach agreement on how to differentiate Board and staff roles to avoid future micromanagement or interference with staff functions. The Board becomes more separated from daily operations, and more able to provide an informed but independent perspective on programs and priorities. Policy setting becomes the Board's legitimate, respected role.

Policy Boards are the norm for national nonprofits, and for local nonprofits that have been in existence for 5-10 years or more and have professional staffs and budgets over about \$750,000. *The larger the organization's budget and staff, the more likely it is to have a policy Board.* Sometimes the Board is also a fundraising Board, as described below.

While not as “hands on” as being a program volunteer, policy making allows Board members to be substantively involved in shaping the work of the organization. To play this role successfully, Boards need members with a range of knowledge, skills, contacts, and relationships. Individuals feel – and are – useful and needed. Members need to be well informed about the organization. Ideally, they do much of their work through committees, which facilitate development of an in-

depth understanding of a particular aspect of the nonprofit's work – and use of the specific skills and experience of individual Board members.

## **Fundraising Boards**

A fundraising Board recognizes that helping the organization obtain needed resources is one of its principal functions, and works hard to carry out that role. The Board as a *whole* and Board members *individually* play an active role in fundraising.

A fundraising Board usually has the following characteristics:

- Helping to raise money for the organization is viewed as a responsibility of the Board as a whole, not merely a few individual members.
- All Board members make a personal contribution to the organization each year.
- A Board committee (usually called the Development, Resource Development, or Fundraising Committee) takes a lead role in planning and coordinating the Board's involvement in resource development.
- The Board views fundraising and financial oversight as related but separate functions, and fundraising is led by the Development Committee, not made part of the responsibility of the Finance Committee.
- Board members receive regular training in various aspects of resource development.
- The Board has specific annual fundraising objectives and responsibilities. For example, it may take primary responsibility for one or more special events, take the lead in an annual campaign to raise funds from individuals, assist with an endowment or capital campaign, and/or help to identify and establish contacts with new institutional donors. Often an annual resource development plan is developed with Board involvement, approved by the Board, and used to guide overall resource development, including Board roles and responsibilities.
- Board members play many different resource development roles consistent with their capacities, contacts, and interests. For example, grassroots members who can attest to the value of the organization are active participants in meetings with donors, while members with appropriate contacts arrange entrée to such donors.
- Board members are able to state the organization's mission and priorities and describe its activities accurately to a potential donor.
- Prospective Board members are made aware of member fundraising responsibilities before they are elected, and are asked when they join to sign a Board agreement that clearly states their resource development responsibilities.

Given the fundraising challenges facing nonprofits, from smaller community-based organizations to national entities, most need fundraising Boards. This does not mean that the Board fails to carry out responsibilities for setting policy and direction. Many policy Boards and some programmatic Boards are also fundraising Boards. It does mean that Board members not only oversee and review resource development, but also *do* some fundraising. Because fundraising is

also a staff function, they usually do it under the supervision of the Development Director or chief staff officer.

The need for active Board involvement in resource development demonstrates that it is an oversimplification to say that “Boards set policy; staff implement.” Sometimes Board members also implement – serving as active volunteers for the organization but in non-program-specific ways.