

How Non-profit Boards can Effectively Utilize Committees

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Committees are valuable vehicles used to accomplish much in a non-profit organization. They are the units that take on specific and detailed work when the task is too complex and time consuming to handle in meetings of the entire board, thus increasing overall efficiency. What's more, committees provide opportunities for the organization to foster and develop talent to keep the leadership pipeline full. Involving more people, allowing volunteers to use their specialized skills or interests, and addressing work in right-sized groups make committees a very real asset for non-profit organizations.

Boards need to understand three basic concepts to capitalize on the benefits of committees:

- how to organize and use committees effectively
- how to keep the number of committees limited and focused on critical issues
- how to conduct committee meetings in a successful and efficient manner

Organizing Committees

All committees in a non-profit are units of the board, both doing work for and reporting to the board. The board ensures that each committee, whether a standing committee (*may be required in the by-laws*) or an *ad hoc* committee (*set up for a short period of time and for a very specific purpose*), is carefully designed, limited, and structured to maximize effectiveness. The following eight elements are critical for the board to consider in providing this structure:

1. Define the purpose and authority of the committee. While the name of the committee will undoubtedly provide some initial information on the purpose of the committee, it is important to make the charge and scope of the committee clear, explicit and limited. This charge and set of parameters needs to be put in writing for future reference by both the committee and the board. Unless these parameters are made clear, all too many committees annex additional purposes and stray from the original board intent. A written overview typically includes the responsibilities and tasks expected to be accomplished by this group.

2. Ensure there is enough important work to be done in order to justify forming a committee. Committees are often formed because it seems like the right thing to do, or because other organizations have such a committee. Committee meetings require additional time, scheduling and politics. They can burn out frustrated key volunteers (*and board members*) unless there is adequate and important work to be done. The group shouldn't have to spend time floundering around trying to figure out what they must accomplish. Define the normal frequency of the meetings (*e.g. monthly or quarterly*) and then add

Glossary

Executive Committee The term "executive committee" refers to a committee of the board that is usually chartered to act in the stead of the full board, in between meetings of the full board or in emergency situations. Not every non-profit has an executive committee, as the establishment, as well as the composition, limits, and powers of an executive committee are established in the by-laws of a non-profit corporation. Usually the membership of the executive committee is comprised of the elected officers of the organization and the executive director.

Board Chair The Board Chair (*or Board President*) refers to the individual who chairs the board of directors, who is elected and is ultimately the spokesperson for the board of directors. This person is chosen based upon procedures defined in the by-laws and has responsibilities defined in state law for assuring accuracy of reporting and meeting various legal requirements of the not-profit organization. Additional duties of the Board Chair can be identified in the by-laws as well.

Organizing Committees (continued)

additional meetings if necessary. The point here is to be very conscious of the need not to waste the time and energy of your volunteers on busy-work. The next section of this paper explores the variety of possible committees and suggests eliminating those that are unnecessary.

3. Consider who will be appointed to the committee. As alluded to earlier, committees report to the board. It is essential that communication between the committee and the board is clear, timely and complete. To assure this, each committee should have at least one board member whose job it is to facilitate communication and to act as a liaison between the two groups. The board member does not necessarily need to chair the committee, although this may be an organizational norm. Too often, non-profit committees are comprised only of board members. This strategy has the tendency to wear out the board member's energy and fails to develop a pipeline for the board. It is valuable to give other volunteers a chance to serve and prove themselves as potential leaders in the future. Trying to include volunteers on each committee (*who are not on the board*) is strongly suggested. Finally, it is important to clarify what (*if any*) role staff will play on the committee. Can staff members be actual members of the committee or should they only provide staff support and facilitate communication? Clarify these issues ahead of time so they won't just become *de facto* rules for operation.

4. Determine how and when committee membership changes will be made. It is healthy for any organization to refresh both their board

and their committees on some periodic basis. So we recommend having committee members serve with specific terms. Ideally, this would be staggered terms so that the effectiveness and continuity of the committee is not hampered. Are both the committee chair and all the members aware of the terms? Are they eligible for a second term? This is a decision the board should make and apply equally to all committees. Also needed are policies that make clear whose responsibility it is to make committee appointments, and how suggestions for potential committee members can be made. An open and transparent system well serves the organization in the long run.

5. Clarify the type and extent of reporting that is expected. The committee should have a clear idea of how frequently the board expects them to report and whether these are oral or written reports. If the committee chair is not a board member, it is important to define who is responsible for communicating to the board. All of this will ideally be presented in writing from the board in advance of the first committee meeting and then reviewed periodically.

Glossary

Committee Chair The term "committee chair" is used to designate the person who has responsibility for presiding over the deliberations and actions of a committee of the organization. Committees are established and designated by the board of directors, and the chair of that group may be appointed by the board, elected by the board, or chosen by the committee itself, all depending upon the by-laws of the organization. This person has responsibility for the conduct of meetings and reporting to the board as required. The chair may or may not be a board member, depending on what is designated in the by-laws.

Full Board This term means the entire board of directors (*and a legal quorum of this group as defined in the by-laws*) not to be confused with the executive committee, the Board Chair, or some other designated body.

Organizing Committees (continued)

6. **Define the roles of the board chair and the executive director.** In many organizations, either or both the board chair and executive director (ED) sit as *ex officio* members of all committees. This has implications.

Either they are technically members of each committee but are not really expected to attend or they are actual members of each committee. If so, these two officers of the organization should actually attend every meeting of every committee. In this latter case, a situation has been set up where essentially no delegation is occurring and these two individuals will burn out. And then, if they are just too busy with other things and miss a meeting, it can send a message that they aren't interested. In the former situation, it gives an ambiguous message, which can also be problematic.

In order to achieve the level of efficiency desired with using committees, specifically clarify whether the board chair and executive director are part of the committee. If using them as members, do so thoughtfully. Both are logically members of an executive committee, if one exists. The board chair is often a member of the audit committee and the executive director is often a member of the fundraising committee. The point is to avoid having both the chair and ED serve on every committee.

Other than formal roles, the chair and/or ED may have an interest in a topic being discussed at a particular meeting. They may contact the chair of that committee and ask to sit in, as feels relevant. Concomitantly, a committee (*or committee chair*) may ask either the board chair or ED to attend a particular meeting to provide their insights. Again, avoid making this a regular situation to curtail the inefficiency of these individuals attending every meeting with every committee.

7. **Think through the size of the committee.** Committees need to be small enough to get real work done, but at the same time, large enough to have key perspectives and constituencies represented. This number should not be less than three, nor more than nine in almost any case. Committees need not all be the same size, but thinking these things through ahead of time is important. The board should consider how many interested and informed volunteers are available so as to spread opportunities and yet still be able to fill positions. When defining committee guidelines, the board may also decide if they want to set a quorum for each committee and how firmly they wish to communicate and enforce expectations on attendance.

Glossary

Executive Director The title of Executive Director (ED) is used in this paper as the leading and highest ranking administrative officer of the non-profit organization, whether they are paid or not. This is opposed to the individual who is ultimately in charge of the organization, which would be either the Board Chair or Board President, who is defined legally as the top individual role in governing the whole organization. The Executive Director acts the Chief Executive Officer (CEO) of the organization. The ED is responsible to the board, and the board has the ultimate responsibility for evaluating, hiring and firing the ED. The term ED is most commonly used in non-profit organizations, although some use the title of President or CEO, all depending upon the history, by-laws, and field of work of the organization.

De facto This means "in fact" in Latin. It means that a situation is real or actual, despite not being legally or officially designated. For example, a charismatic, logical and clearly spoken member of a committee might be considered the *de facto* leader of the group, even though they never have been designated as the chair, resident or some other official title. Their effective actions make them the *de facto* leader. In another example, the historical patterns of behavior become *de facto* rules.

Organizing Committees (continued)

8. **Think through the appointment of committee chairs.** The board should take great care in the appointment of committee chairs. Picking the right person can make a huge difference in the effectiveness and efficiency of the committee. The chair needs to be a person who works well with others and has the temperament and interpersonal skills to draw out all members of the group. (This person can help identify and grow talent on the committee.) The ideal chair will be well-organized and perform required duties in a timely manner. These skills are more important than whether or not s/he is a board member. Consideration of these skills may be the determining factor as to who is appointed chair, recognizing that providing such leadership positions is a way to evaluate the person's appropriateness as a future board member.

Limit the Number of Committees

A non-profit organization has many different needs. Numerous organizations make the mistake of having a standing committee to address every objective. A review of the literature conducted to prepare this paper showed non-profit organizations with the following committees:

- Executive Committee
- Development Committee
- Finance Committee
- Personnel Committee
- Promotion Committee
- Human Resources Committee
- Program Development Committee
- Legal Committee
- Governance Committee
- Nominating Committee
- Audit Committee
- Strategic Planning Committee
- Marketing Committee
- Board Development Committee
- Assessment Committee

There are certainly other committees beyond this list. There are many opportunities to establish committees, but the board needs to carefully consider how many committees are actually supportable with the board, staff, volunteers and other resource limitations they face. The same literature review uncovered an article arguing for no more than three committees due to resource limitations. We will not suggest a standard limit, but we do believe it is the responsibility of the board to limit the number of committees to what can reasonably be supported and staffed, asking itself whether each committee is truly essential.

Glossary

Ex Officio The term is Latin meaning "from the office," to describe someone who is a member of a committee or even the board because of the office they hold, such as the executive director. For example, the ED may sit on the Board as long as s/he holds the position of executive director. When they leave, that role on the Board goes to the next ED. This term does not indicate whether they have a vote as part of the group! Voting capability needs to be clarified in the by-laws of the organization and approved as appropriate in these by-laws. In some non-profits, the ED also may be defined as an *ex officio* member of committees of the organization.

Sarbanes-Oxley Act The Sarbanes-Oxley Act of 2002, also known as the 'Public Company Accounting Reform and Investor Protection Act' and commonly called Sarbanes-Oxley (or SOX), is a federal law applying to private corporations and applying additional rules and responsibilities to Boards of Directors and manners of handling financial matters in those organizations. This law was enacted because of the financial scandals at Enron and other corporations. The law calls for additional public disclosure and greater checks and balances to avoid similar fraudulent situations. While the law does not apply to non-profit organizations on a federal level, many states have adopted similar regulations for non-profit organizations. These usually call for (*among other things*) a clear conflict of interest policy, a records retention policy, and a whistleblower policy. The state regulations in the applicable state should be understood and/or anticipated.

Limit the Number of Committees (continued)

Most organizations utilize an executive committee comprised of the Board officers and executive director. An executive committee can act in-between board meetings and plan for the full board meetings. The group's small size typically allows for quick action and confidential discussion on delicate topics. The executive committee may pay special attention to finances of the organization if there is not a finance committee. Having a development committee is also something that proves useful in meeting multiple goals. This group can focus on recruiting board members, act as a nominating committee, structure the board orientation for new members, and develop on-going growth and educational opportunities for the entire board. Some organizations use the board development committee to handle the strategic planning process and measure success towards strategic plan goals. If the organization is dependent on philanthropy and grants, a fundraising committee may be in order. Non-board members can easily assist the organization in achieving fundraising goals.

The authors also suggest the establishment of an *ad hoc* audit committee whose purpose is to review the results of the organization's audit on an annual basis. An audit committee allows not only for a thorough review of the audit, it also helps meet the goals of transparency called for in the federal Sarbanes-Oxley Act (see *Glossary on page 5*). About half of U.S. states require non-profits to follow the Act. The audit committee only needs to meet once annually, and usually is comprised of the board chair, the treasurer, at least one financial expert from inside the board, or another volunteer with financial expertise.

The board needs to appoint committees when there is a real need and when they are adequately able to support these committees. Care is suggested in not over-using (*or abusing*) board members by asking them to serve on multiple committees besides the board itself.

The board is responsible for (*perhaps annually*) seeking information from the committee members themselves as to how the committee is functioning. A periodic review causes the organization to systematically review its purpose and need. Evaluate whether each committee should continue to exist. If not, eliminate it.

Additional Online Resources

Blue Avocado
Boardnet USA
BoardSource
Bridgestar
Cause Planet
Colorado Nonprofit Association
The Community Foundation
Community Resource Center
Free Management Library
Internal Revenue Service
Minnesota Council of Nonprofits

Conduct Committee Meetings with Effectiveness and Efficiency

The third major consideration in assuring effective committees is (1) helping the committee chairs conduct meetings in a manner that respects the committee members, (2) get all they can out of the committee process, and (3) adhering to time parameters and agendas. The board may wish to share the following suggestions with committee chairs in order to support the effective management of committees. Finally, the board chair is encouraged to provide support for committee chairs by checking in periodically.

How to Conduct Committee Meetings with Effectiveness and Efficiency

1. Solicit agenda items and send out the agenda ahead of time. The chair should always let the members know that there is an upcoming meeting, what items are carried over from previous meetings, and share any new items that will be addressed. Seek additional agenda items from the membership.

2. Make it clear that all members are expected to come prepared. The chair should send relevant background material and then expect members to have read and digested this information before the meeting.

3. Start and end the meeting on time. Out of respect for the members and their time, meetings need to be started and ended as scheduled. If the chair can see that the group won't be able to complete their task, s/he should ask the members whether they desire to stay later, schedule an additional meeting, or carry over the discussion to the next meeting. Respecting the clock indirectly shows respect for the members.

4. Show all the committee members respect. Everyone is on the committee for a reason. It is the committee chair's job to assure that everyone participates, seeking out comments and feedback from the quieter members. Don't let one or two individuals dominate the discussion. Instead, go around the room for comments before those who have already spoken get called upon again.

5. Look for opportunities to grow new members. Committees are fertile ground to grow new leadership for the organization. The committee chair should be on the lookout for such potential talent, giving these members assignments to prove themselves, and working collaboratively with them to help them grow.

6. Keep to the agenda. The pace of discussion needs to be shaped and guided by the chair so all items can be given adequate consideration. If new issues surface, they probably should be added to the next meeting's agenda unless there is considerable time left at the end of the scheduled meeting. Even then, the committee should be consulted as to whether they would rather consider the item(s) at the next meeting.

7. Make sure everyone knows the role staff will play. Staff is generally included in committees to play a support role to interject information germane to the discussion. Ultimately, the decisions of the committee are the responsibility of the board, not the staff. Therefore, it is not appropriate for staff members to control the operations of a board committee or be unduly relied-upon by committee members to carry out the majority of committee work. If staff has serious concerns they ought to be raised with the ED. S/he should address concerns with the committee and board chair ahead of time.

8. Send out a concise set of minutes in a timely manner. The chair's responsibility is to assure that a complete, concise and timely set of minutes are sent out, usually within 48 hours of the actual committee meeting. The chair should find out if the board chair or others want or need to see the minutes. If so, include these people on the distribution list.

How to Conduct Committee Meetings with Effectiveness and Efficiency (continued)

9. Recognize and show appreciation for the work of the individual committee members. The committee chair should take every opportunity to recognize committee members, acknowledge their contributions, and thank them on behalf of the organization. A simple "thank you" goes a long way in motivating volunteers.

10. Report to the board in a complete and timely manner. The chair is responsible for providing reports to the Board, as required. These reports should be concise and yet complete, expressing concerns or any recommendations. If the chair (*or designated board representative*) for some reason cannot give the report in person, then the chair will arrange for a substitute and let the board chair know who will be coming.

11. Be prepared to drop members who are not participating. If the chair encounters a committee member who is not contributing, s/he should consider talking to the board chair about asking the person to step out of this role. Individuals not contributing to the work whom are allowed to stay on the committee set a bad example for the rest of the committee.

12. Ask for feedback on how the committee is working. On an annual basis, the committee should be polled about how well the committee is working. Seek their opinion on how the committee could be more effective and provide constructive criticism. This can either be conducted by the committee chair or the board chair. The summary of this feedback should be shared first with the chair and then with the entire committee.

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