



Questions to Ask Before You Agree to Serve On a Nonprofit Board of Directors

1. Ask yourself what you want to get out of serving on a board. Some people choose organizations that they have a true passion for, or commitment to. Some want to find organizations that allow them to network and develop community contacts. Others want to make a difference, and look for organizations where they can be more “hands on”. The reasons for wanting to serve on a nonprofit board can vary greatly from person to person; knowing what you want, however, will help you find the best fit for the “time, talents, and treasure” you will give!

Questions to ask of the nonprofit organization include:

2. What is the expected time committment?

Boards vary greatly in the amount time required of their board members. Some meet only four times a year others, monthly. Many ask that board members also serve on a committee, or volunteer at events or in the delivery of programs. Some may hold an annual retreat, or be initiating strategic planning.

- When, where, how often and for how long do they have board meetings?
- Are there requirements that each board member also serve on a committee?
- Do they hold an annual board retreat or board development workshop?
- How many “events” do they hold each year? Are board members required to attend or volunteer at them?
- Also ask how long board terms are, and whether or not they can be renewed.

3. Is there an expected financial commitment or requirement? If so, is there a “minimum” expected gift?

Nonprofit organizations often require, or at the very least request, a financial contribution from their board members. Many funders request to see the level of board financial commitment, not so much as amounts given, but commitment to the organization exhibited. After all, can you really ask others to donate to your organization if you are not willing to do so? Most organizations do not specify any gift threshold – Whether its 25.00 or 2500.00, it is appreciated and valued. Some boards, however, may have a minimum expected donation.

4. Do you have Directors and Officers insurance coverage? What about other coverages, such as liability?

As a board member, you are legally responsible for the organization, and it is important that the organization has the proper coverages to protect you in the event of a lawsuit. Board members can be sued for their actions, or in some cases, their lack of action. While it does not happen often, it does happen.

5. How many are on the board, and who? How many are needed for a quorum?

The average board size in the United States is 16 members, but can vary in size from 3 to 70 or more. Larger boards tend to be less “hands on” and associated with large nonprofit organziations, but that is not always the case. A small, committed board may be able to move mountains, but it may also require

greater involvement of its individual board members. Look for diversity, not only in terms of racial/ethnic representation, but in ages, genders, skill sets, and community segments.

6. What does the organization actually do? How many does it serve? What impact does it have on the community? Who does it partner with? What are the mission, vision, and values of the organization?

7. How large is the annual budget, and is the organization financially stable?

Nonprofits must operate transparently, and the nonprofit equivalent of a tax return (called the 990) must be made available to the public. 990's, including financial information, are posted annually on www.Guidestar.org. If an organization balks at disclosing financial information, consider it a red flag.

Many nonprofits struggle financially, and the lack of a healthy surplus should not be an automatic red flag. However, as a future board member, you will want to be aware if there are financial challenges, and the severity of those challenges, beforehand.

8. Is the board being sued, or has it ever been sued?

The fact that an organization is being sued is not necessarily a reason to run from a nonprofit, but before you agree to serve as a board member you should certainly know about and understand any lawsuits.

9. Is there a new board member orientation? What's included?

Orientations for new board members are designed to provide you with the basic information you will need to be an effective and knowledgeable board member, once you agree to serve. Information that is usually covered includes: The mission, vision, and values of the organization, the by-laws of the organization (you should receive a copy), the organization's budget, the prior year's budget versus actual numbers or financial statement, a detailed explanation of the programs and services offered, an organizational chart including number of staff and their positions, the responsibilities of the directors, and organizational policies. You will be asked to sign a Conflict of Interest statement, and some nonprofit organizations may ask you to sign an ethics policy and/or a board member commitment form.

For more information on board service, contact United Way of Greater Chattanooga's Center for Nonprofits at 423 752 0300 or visit our website at www.cnpchatt.org