

Before Saying *Yes* to Board Service, Ask Some Hard Questions

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You've been asked to serve on a board of directors. Before saying "yes," ask a few revealing questions of the officers, nominating committee or the paid executive.

Remember that the board is ultimately responsible for governing the organization. Walk the other way if you hear, "You won't have to do anything when you get on the board."

1. Why are you asking *me*?

Find out what skills they are seeking. You might be asked because of your influence in the community, your passion or skills. Has the composition of the board been carefully planned? Run if they are just looking for warm bodies and you happened to fit that profile.

2. Does the organization have subsidiaries or related organizations?

You might think you're being asked to serve on a basic board but then find out this position is also responsible for a subsidiary foundation, for-profit corporation, local chapters and/or a political action committee. Find out if this board is a *parent* to other organizations for which you may be responsible. Will your board service carry over to the subsidiaries? Ask for an organizational chart.

3. What about insurance?

Ask about insurance and you'll probably get, "we're covered." Ask more specific questions. If directors and officers insurance covers the board, how large is the policy? If you see an expense line item in the budget for insurance, ask what types of insurance and expect to hear: D & O, general liability, a surety bond and possibly meeting cancellation. If someone says, "don't worry about insurance, we're covered by volunteer immunity," *be very cautious!*

4. Are there pending lawsuits or claims against the association?

Nobody wants to get on a board and find out the year will be full of depositions, defense strategies and legal concerns. Ask if there are any claims against the association, including member or employee claims. A good leader will be able to govern without being distracted by risk management.

5. What's the board's relationship to committees?

The structure of committees might increase the workload. If the organization adheres to the principles that “committees advance the work of the board,” and “the board doesn’t do committee work at the board table,” you’re in luck. However, if you find out that the committees are composed of the board members, then you’ll be wearing the hat of board member *and* committee member. You may be expected to chair or serve as a committee liaison.

6. Does the board think strategically?

The best answer will be evidence of a strategic plan. How old is the plan? Is it concise and compelling, or a document that appears to collect dust? When is the next planning retreat scheduled? If it is during your term, you’ll be expected to put in an extra day or two to create a new strategic plan.

7. What’s in the leadership manual?

The leadership manual should have everything necessary to be a knowledgeable board member. If there is no manual, maybe it’s the wrong organization for you. A thorough manual will provide the governing documents (bylaws, articles, and policies), as well as a clear report of finances and assets, and descriptions of board responsibilities. The IRS records are public; if they are not in the manual, feel free to ask. Do *not* ask for personnel files --- they are the responsibility of the executive director, and not the board.

8. How long is my term?

It’s a simple question. Is it a 1 to 3 year term? Will you be expected to serve a second term? Are there term limits? The answers should be in the bylaws. If you are hoping to move up the leadership ladder you could be serving 7 to 10 years.

9. What’s the organization’s tax status?

Some associations are *for-profit* corporations while others have lost their tax-exempt status. Don’t assume the organization is a not-for-profit corporation, exempt from paying federal income tax until you ascertain the facts.

10. How are conflicts of interest handled?

The composition of a board brings together people with different interests. It is possible that a director may have a conflict of interest from time to time. Effective in 2008, the IRS Form 990 asks, “Does the organization have a written conflict of interest policy? If yes, are the officers, directors or trustees, and key employees, required to disclose annually interests that could give rise to conflicts?” As a new director, you’ll want to consider if you have any conflicts that you’ll be expected to disclose.

11. How frequently does the board meet?

Some boards meet for 90 minutes every other month while others might meet quarterly for a two-day marathon. Find out now how much time you'll be expected to set aside. Then add the time needed for preparation, travel, on-site attendance and follow through. (If you have a supervisor --- or spouse --- share this information with him or her before accepting the position to ensure you have their support.)

12. Does the organization have a regular financial audit?

An annual financial audit by an independent CPA ensures that when you take your seat on the board the books have recently been looked at for discrepancies or mismanagement. An audit tends to remove the opportunities for mismanagement of finances. Make sure the organization has a recent audit and received good marks in the management letter. (It is OK to ask for a copy of the audit.)

13. Does the executive director have a contract?

It is a board responsibility to hire and evaluate the performance of the paid executive. Are you being asked to serve on a board that has no paid executive? Or is the executive retiring and you'll have to help find a replacement? Most boards say that the executive search process can zap energy and creativity for months. Find out if the executive has an employment contract, and how many years remain. How long has he or she been employed in the organization? You're looking for stability in staff during your term on the board.

Your nomination won't be revoked because you ask revealing questions. If you get the right answers you'll be eager to make a favorable impact on the community, members and stakeholders whom you will be representing.

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