

FIVE HABITS OF HIGH-PERFORMING NON-PROFIT BOARDS

When a Board of Directors serves in a governing capacity of a non-profit organization, the Board needs to act in certain ways in order to assure high levels of performance of the organization. This tool lays out the five habits of high-performing non-profit boards.

Habit 1: Board members cultivate the Board as a distinct entity.

- Board members recognize the Board as a distinct entity that governs the organization.
- The Board is different from Board members.
- The Board directs the organization via the chief executive.
- Individual Board members do not direct the chief executive or other staff, except when authorized to do so by the Board.
- Board members offer suggestions and ask for information from the chief executive.

Habit 2: The Board focuses on results – and on monitoring results.

- The Board's job is to define the long-term goals that the organization is to achieve.
- The Board expresses those goals through a written strategic plan and/or policies.
- The Board regularly monitors the goals and policies it has set.
- The Board uses the monitoring process to identify ways to improve the organization's performance.

Habit 3: The Board ensures sufficient resources are on hand and that those resources are managed effectively.

- The Board regularly reviews the finances of the organization.
- The Board helps develop and approves the organization's budget.
- The Board assures resources are aligned and sufficient to meet the organization's goals.
- The Board raises money and other resources to support the organization (it has clear policy on Board giving and fund-raising).
- The Board assures an audit is conducted of the organization's finances.

Habit 4: The Board develops itself so that it can effectively serve the organization's needs.

- The Board operates with integrity, modeling open, trust-building communication.
 - The Board keeps information confidential unless it has been approved for broader circulation.
 - The Board engages in productive, trust-building questioning and communication.
 - The Board recognizes the potential for conflicts of interest and is open and transparent about those conflicts
- The Board regularly monitors and discusses its effectiveness and structure.
- The Board clarifies the roles of the Board, Board members, Board chair, and chief executive.
- The Board assures an orderly succession of Board leadership – and cultivates future Board leaders.
- The Board recruits and approves new members and orients them to be effective Board members.

Habit 5: The Board provides feedback and support to the chief executive.

- The Board regularly evaluates the chief executive on the basis of the organization's success in achieving its goals.
- The Board assures the chief executive receives the coaching, mentoring, and training support that he or she needs.
- When a vacancy occurs, the Board selects a new chief executive based on his or her ability to achieve the Board's goals.