

Marion Conway Consulting Newsletter

Consultant to Nonprofits

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Highlights from The BoardSource Report: The Nonprofit Governance 2007 Index

BoardSource has published its **Nonprofit Governance 2007 Index** with survey results from over 1000 Board Members and 1100 Chief Executives who completed separate questionnaires. This newsletter features highlights of the report and my commentary on the results.

Overall Ratings

Overall, both CEOs and Board Members give themselves good marks on understanding the mission and providing legal and financial oversight. They get lower grades on such crucial aspects of board service as fundraising, strategic planning and community relations. The most pressing issues facing nonprofits were by far **financial sustainability, fundraising and strategy**. I bet most of you concur with this finding.

Fundraising

Fundraising ranked #1 as an area needing improvement by Boards and some of the most basic fundraising statistics for board members were shocking to me - I thought they would be much higher - especially among a BoardSource population. Here they are:

- 46% Charities have a 100% participation in personal giving
- 74% Average giving among Board Members
- 68% Charities that require Board Members to give

In my Board development workshops I always stress that all board members should make a personal financial commitment. How can you be passionate about an organization's mission (the number one requirement for board service) and not make a personal financial commitment to it? Now I understand why some people look at me like I must be kidding or a modern day Pollyanna. But the reality is giving by Board Members is important on grant applications, as lead commitments in capital campaigns and as an example for all other giving. Folks, if you are interested in fundraising get your own house in order first!

Accountability Policies

- 93% Have Directors' and Officers' Liability Insurance
- 88% Have a Conflict of Interest policy
- 69% Have a written Statement of Ethics
- 60% Have a Whistleblower's Policy

Bits and Pieces

Visit Marion's Blog!!

Marion's blog is visited by people from all over the world. Here are some recent post topics:

Technology for Nonprofits Online Seminars Coming Up

-Info on Idealware's Upcoming Webinars in Oct and Nov.

Strategic Planning - What Is It and Why We Should Do It

The Board, Strategic Planning and Major Gifts - My Thoughts Just Published in The Major Gifts Report

Visit Today!

AFP - NJ Chapter Confer- ence on Philanthropy

AFP-NJ's Conference on Philanthropy is always an event worth attending. It will be held at the Hanover Marriott on Friday, November 2nd. The theme is "Champions for Change." Featured speakers are Susan Raymond from Changing Our World and Dave Dravecy author of "When You Can't Come Back."

Center for Nonprofits We Built It - But Will They Come? Mission, Message and Marketing

A Panel Discussion
11/7 Somerset 11/13 Newark
Visit njnonprofits.org for details

There has been a dramatic increase in attention to accountability issues. The percentage of organizations having a conflict of interest policy has increased from 61% in 1994 to 88% today. Although small nonprofits lag in having accountability policies, they also are making progress as demonstrated in all the measures.

Financial Oversight and Disclosure

92% Have an external financial audit

85% Have Board members with financial expertise

51% Have audit committees that are separate from the finance committee

Although most Board members (92%) responded positively that financial reports are understandable, timely, and accurate, only 55% give their Boards an A for financial oversight. This suggests that Board members would like to understand the finances a lot better than they currently do.

Board Size, Meetings, Structure, Committees

The average size of the Board of respondents was 16 voting members with an average length of a Board term of 3.1 years. Larger Boards tend to have term limits - usually two- but term limits remain unpopular with small organizations. By far the top motivation for joining a Board is having a fit with its mission and personal interests (80%). 91% of Board Members say they were recruited by another Board member or the CEO. Very few came from other sources.

Most Boards have people with the traditionally desired skills of business management, finance, law and experience in a field related to the organization's mission. Only 30% have Board members who have technology experience. I urge you to consider seeking people with technology backgrounds for your Boards as this really is an important Board skill today.

75% of Boards meet between 3 and 10 times a year with the average meeting being about 2 1/2 hours. More than 50% of Boards have Executive, Finance, Governance and Fundraising committees. I was surprised that only 40% of those responding had an Audit committee. I would bet that number will be much higher when the next survey is taken.

93% of Board Members are interested in additional governance training

74% have a structured, in-person Board orientation for new members

52% of Boards have completed a written board assessment*

*This is double the number in the 1994 survey

Well - That's a lot of data to think about. Give me a call or send an email with your comments. I hope you have found this information useful and stimulating.

Marion

Read the whole BoardSource Report at:

http://www.boardsource.org/dl.asp?document_id=551

Plan Your Board Retreat Now!

Upcoming Project Highlight

I am honored to be the keynote speaker and morning program facilitator for the Brain Injury Association of America annual leadership conference in Austin, Texas in December. My keynote theme will be Visionary Leadership.

Workshops and Board/Staff Retreat Facilitation on these subjects is available.

Board Development
Planning a Board Retreat
Visionary Leadership
Benchmarking for Nonprofits

Strategic Planning for Nonprofits
Board Recruitment
Nonprofit Lifecycles
Understanding Technology