

# ORGANIZATIONAL LIFE CYCLES & EVOLVING BOARD ROLES



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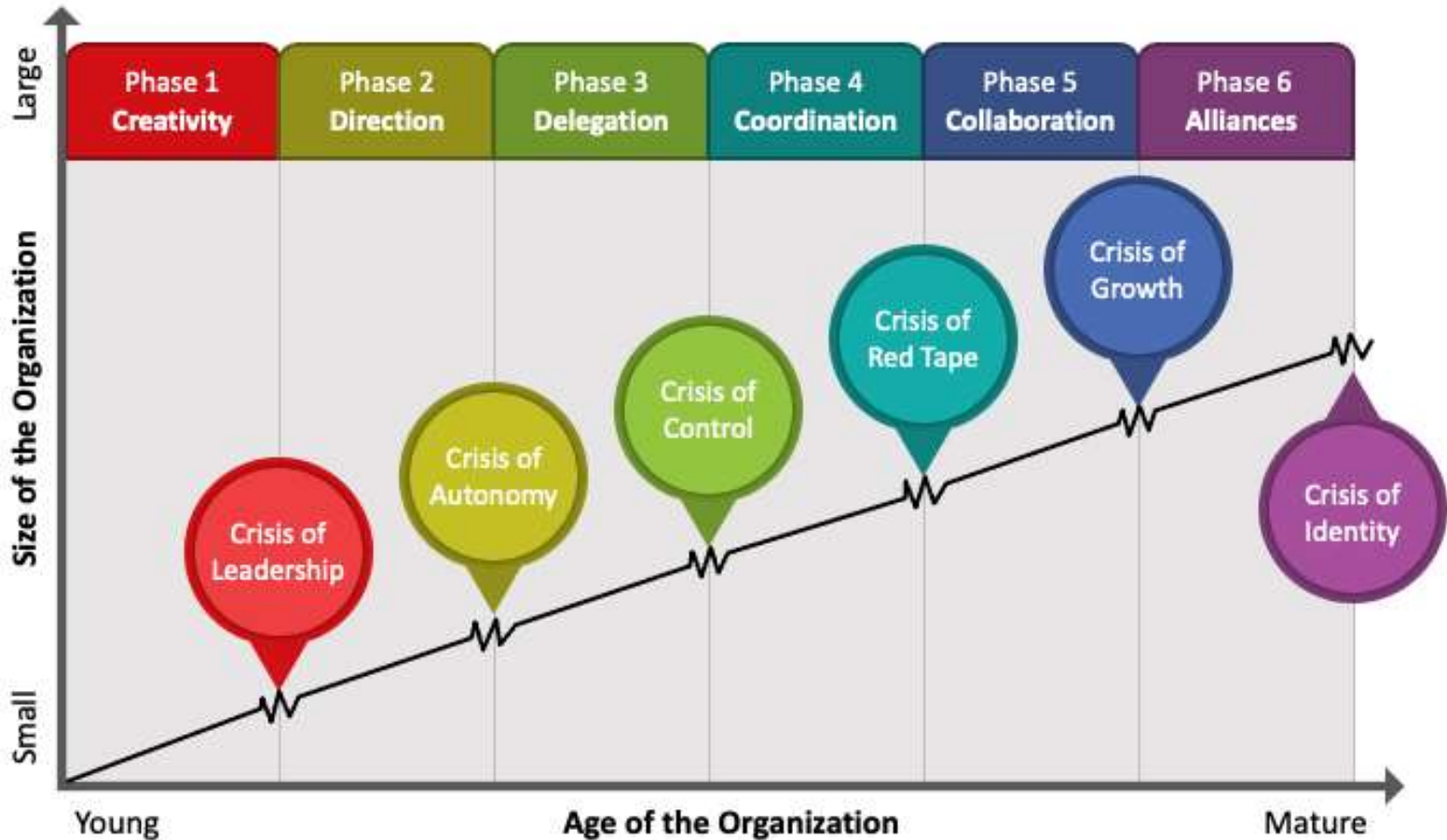
# BASIC BOARD RESPONSIBILITIES

1. **Ensure Legal & Ethical Integrity**
2. **Build a Competent Board**
3. **Determine Mission, Vision & Purpose**  
**Ensure Effective Planning**  
**Monitor Program & Service Quality**
4. **Protect Assets, Manage Resources Wisely & Ensure Fiscal Oversight**
5. **Ensure Adequate Resources**
6. **Enhance the Nonprofit's Public Standing**
7. **Hire, Support, Monitor & Evaluate the Chief Executive**



# PASSAGES: ORGANIZATIONAL LIFE CYCLE PHASES

*"Evolution & Revolution as Organizations Grow,"* Larry Greiner, Harvard Business School; adapted by Karl Mathiasen for nonprofits



# DETAIL: ORGANIZATIONAL LIFE CYCLE PHASES

|                            | PHASE OF CREATIVITY                                       |  | PHASE OF DIRECTION                             |  | PHASE OF DELEGATION           |  | PHASE OF CONSOLIDATION                                 |   | PHASE OF COLLABORATION & ALLIANCES |
|----------------------------|---|--|--|--|-------------------------------|--|--|---|------------------------------------|
| <b>I<br/>D<br/>E<br/>A</b> | One big family working for the cause; everyone pitches in | <b>L<br/>E<br/>A<br/>D<br/>E<br/>R<br/>S<br/>H<br/>I<br/>P</b> | Operating procedures standardized & documented | <b>A<br/>U<br/>T<br/>O<br/>N<br/>O<br/>M<br/>Y</b> | Expand into new project areas | <b>C<br/>O<br/>O<br/>R<br/>D<br/>I<br/>N<br/>A<br/>T<br/>I<br/>O<br/>N</b> | Formalized planning provides coherence & consolidation | <b>T<br/>E<br/>A<br/>M<br/><br/>A<br/>C<br/>T<br/>I<br/>O<br/>N</b> | Focus on team & collaboration      |
|                            | <b>MANAGEMENT FOCUS</b>                                   |  |  |  |                               |  |  |   |                                    |
|                            | Commitment to cause                                       |  | Efficient operations                           |  | Market expansion              |  | Org consolidation                                      |   | Nimble via teams                   |
|                            | <b>ORG STRUCTURE</b>                                      |  |  |  |                               |  |  |   |                                    |
|                            | Informal  |  | Centralized                                    |  | Decentralize                  |  | Team approach  |   | Task groups                        |
|                            | <b>TOP MANAGEMENT STYLE</b>                               |  |  |  |                               |  |  |   |                                    |
|                            | Individual, entrepreneurial                               |  | Directive                                      |  | Delegate                      |  | Monitor  |   | Matrix                             |
|                            | <b>REWARDS</b>  |  |  |  |                               |  |  |   |                                    |
|                            | Mission, meaning  |  | Mission, meaning                               |  | Mission, project bonuses      |  | Mission, merit increases                               |   | Mission, merit increases           |
|                            | <b>CONTROL SYSTEM</b>                                     |  |  |  |                               |  |  |   |                                    |
|                            | Tangible results  |  | Standards                                      |  | Profit center reports         |  | Plan updates, dashboards                               |   | Plan updates, dashboards           |
|                            | <b>COMMUNICATION</b>                                      |  |  |  |                               |  |  |   |                                    |
|                            | Frequent, informal  |  | Formal   |  | Decentralized                 |  | Frequent, transparent                                  |   | Frequent, transparent              |

- # of employees increases
- Informal communications inadequate
- Charisma & cause insufficient to keep org running
- Burdened w/mgmt responsibilities & demand more structure
- Fears of impending bureaucracy
- Longing for the good old days
- Time to let go of our baby

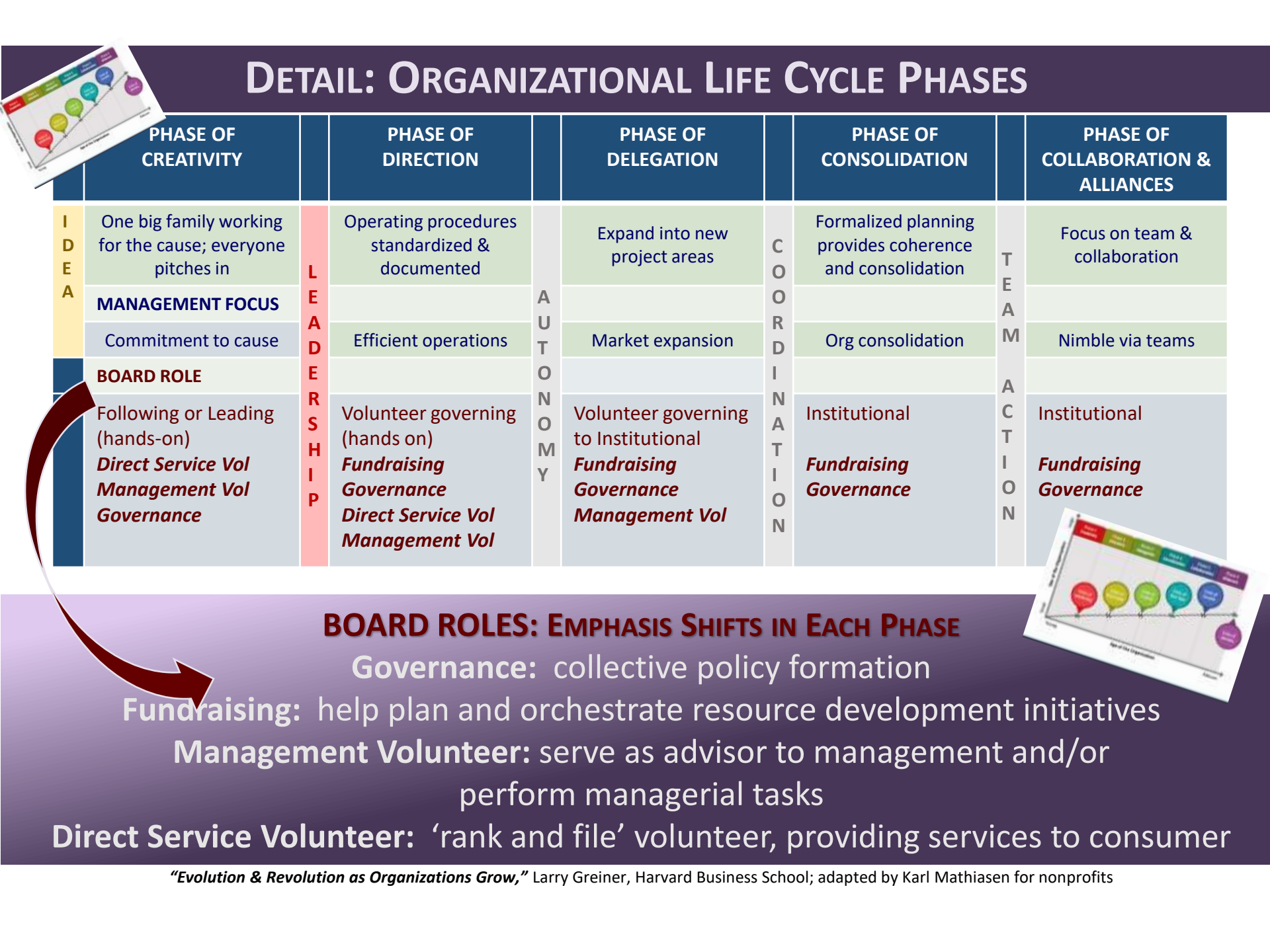
- Hierarchy: Lower staff does not share ownership
- Procedures rigid; stifle initiative
- Demands for greater autonomy & staff participation in decisions

- Projectitis/fiefdoms rampant
- Coordination breaks down
- Focus on individual projects
- Calls for renewed sense of overall direction

- Red tape
- Proliferation of planning
- Accountability systems can exceed their utility



# DETAIL: ORGANIZATIONAL LIFE CYCLE PHASES



|                            | PHASE OF CREATIVITY  | PHASE OF DIRECTION  | PHASE OF DELEGATION  | PHASE OF CONSOLIDATION                                   | PHASE OF COLLABORATION & ALLIANCES                 |
|----------------------------|--|---|--|--|--|
| <b>I<br/>D<br/>E<br/>A</b> | One big family working for the cause; everyone pitches in  | Operating procedures standardized & documented  | Expand into new project areas  | Formalized planning provides coherence and consolidation | Focus on team & collaboration                      |
| <b>MANAGEMENT FOCUS</b>    |  |   |  |  |  |
|                            | Commitment to cause  | Efficient operations  | Market expansion   | Org consolidation  | Nimble via teams                                   |
| <b>BOARD ROLE</b>          |  |   |  |  |  |
|                            | Following or Leading (hands-on)<br><i>Direct Service Vol</i><br><i>Management Vol</i><br><i>Governance</i> | Volunteer governing (hands on)<br><i>Fundraising Governance</i><br><i>Direct Service Vol</i><br><i>Management Vol</i> | Volunteer governing to Institutional<br><i>Fundraising Governance</i><br><i>Management Vol</i> | Institutional<br><i>Fundraising Governance</i>           | Institutional<br><i>Fundraising Governance</i>     |
|                            |  | A<br>U<br>T<br>O<br>N<br>O<br>M<br>Y  |  | C<br>O<br>O<br>R<br>D<br>I<br>N<br>A<br>T<br>I<br>O<br>N | T<br>E<br>A<br>M<br><br>A<br>C<br>T<br>I<br>O<br>N |

## BOARD ROLES: EMPHASIS SHIFTS IN EACH PHASE

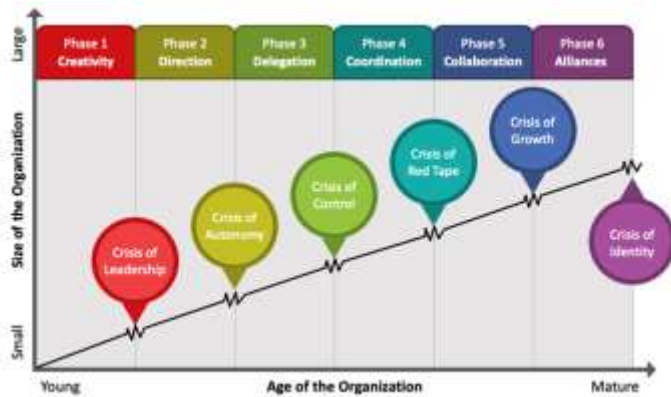
**Governance:** collective policy formation

**Fundraising:** help plan and orchestrate resource development initiatives

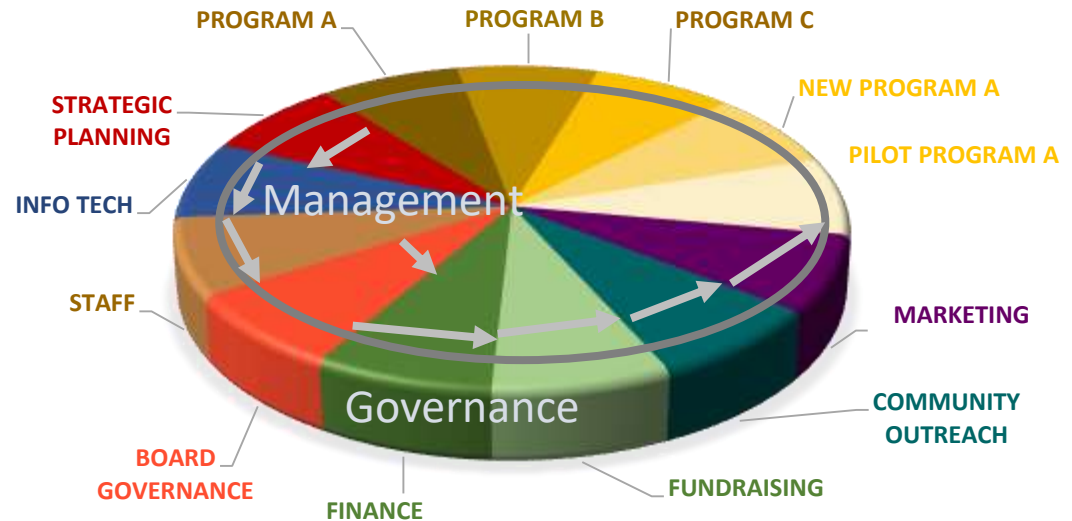
**Management Volunteer:** serve as advisor to management and/or perform managerial tasks

**Direct Service Volunteer:** 'rank and file' volunteer, providing services to consumer

# BOARD & STAFF/GOVERNANCE & MANAGEMENT: SHARED RESPONSIBILITY AREAS, SHIFT AS ORG REQUIRES



## BOARD & STAFF RESPONSIBILITY SHARING



### BOARD ROLES: EMPHASIS SHIFTS IN EACH ORG LIFE CYCLE PHASE + EACH FUNCTIONAL AREA

**Governance:** collective policy formation

**Fundraising:** help plan and orchestrate resource development initiatives

**Management Volunteer:** serve as advisor to management and/or perform managerial tasks

**Direct Service Volunteer:** 'rank and file' volunteer, providing services to consumer



# SAMPLE: BOARD RESPONSIBILITIES

- **Oversee and direct all affairs of the nonprofit per its mission, by-laws and the concepts of fiscal responsibility.**
- **Long term planning, marketing, financial development planning, board development, and annual budgeting. Day-to-day operation is delegated to the Executive Director/CEO and staff, and their delegated volunteers.**
- **Understand and promote the organization and its mission to corporations, foundations, governmental organizations and to individuals to broaden its service base as well as its financial base.**

## Board Member duties:

- **Attend quarterly 2-hour Board meetings & actively participate in the governance of the organization.**

*Members missing 3 consecutive meetings in 1 year can be automatically removed from the board.*

*Members who need a 3-6 month extended leave of absence, due to personal or professional circumstances, should request one.*

- **Counsel the Board Chair & Executive Director/CEO as needed**
- **Support outreach and fundraising events, by contributing time, money & friends**
- **Annually make an individually significant financial contribution to the organization**
- **Consider including the nonprofit in your estate plans, thereby making a planned gift & leaving a charitable philanthropic legacy**
- **Annually evaluate the work of the Board as a whole**
- **Annually evaluate the work of the Executive Director/CEO**
- **Actively serve on at least one Board Committee**

*Committee Chair reports at each Board meeting & Chairs committee work sessions between Board meetings.*



**The expected time commitment is 4-8 hours per month:**

**Quarterly Board meetings @2 hours + quarterly committees @2 hours + prep/follow up  
+ attend programs, trainings events & fundraisers**

**Board terms are 2 years, with a maximum of two consecutive terms. One-third of the Board rotates each year.**

# BOARD & STAFF RESPONSIBILITIES

| Board Responsibilities   | Staff Responsibilities  |
|--|---|
| Ultimately responsible to approve, monitor and refine overarching organizational policies relating to overall mission, program focus, financial goals, and personnel policies. | Carries out work within policy parameters authorized by the Board.  |
| Provides perspective of a reasonably prudent person when making due diligence inquiries about the operations of the nonprofit.   | Provides the professional skills needed to manage daily operations.   |
| Responsible to know the overall mission, history, governance policies, and key programs of the nonprofit.  | Responsible to understand and master their own job, within the context of overall mission, history and key programs.                                |
| Understands the boundaries of Board/staff responsibilities.  | Makes day-to-day operating decisions necessary for the functioning of the nonprofit.  |
| Available for CEO consultation on organizational matters.  | Consults with CEO on organizational matters.  |
| Acts as formal, as well as informal, ambassador for the nonprofit.   | Undertakes outreach duties as outlined in job description.  |
| Hires, supports, and evaluates the CEO annually.   | Hires, supports, and evaluates all direct-report staff annually. Assures such of all staff on an ongoing basis.                                     |
| Ensures financial stability by participating in fundraising planning, fundraising activities, and by at least annually making an individual donation.                          | Supports the board in its fundraising duties, by helping implement fundraising tasks on a daily basis.  |
| With staff support, reviews, evaluates and refines the work of the nonprofit to ensure that it is meeting its mission.   | Helps the board make well-informed decisions to evaluate programs, management and fundraising, based on complete, accurate, and timely information. |



# SCENARIOS: QUESTIONS, COMMENTS, OBSERVATIONS?

1. The board just hired the nonprofit's first executive director, and everyone on board is excited and relieved. The workload was getting to be too much, so now a staff member can focus full-time on the nonprofit's needs. The board chair continues to set the agenda and run board meetings. The executive director is invited as a guest, since they are not a board member. The new, first-time executive director accepts this, as **the board says they lead the organization and staff manages daily details**. Questions? Comments? Observations?

2. The same board described in #1 wants a lot of **social media designed and posted**; and the new executive director simply can't keep up and doesn't have the time amidst all the other seemingly more important priorities. A board member offers to take it over for the executive director. Good idea or not? What controls/agreements should be put in place?

3. A board wants to hire a **fundraising consultant to work for a percentage of the funds raised**; and someday have enough money to hire them as a staff member. Good idea or not? Options?

4. A nonprofit is having an issue recruiting enough volunteers to help. Staff is doing all it can to fill in amidst their other work but cannot fill the gap. **A Board member offers themselves and their extended family to provide the services, below the typical market cost, but still, for a fee**. No board members have EVER been paid for their efforts on behalf of the nonprofit. What is the board's role here?

5. Even though COVID doesn't necessitate it anymore, **some Board members want to meet person and some by zoom**. The nonprofit's solution is to hold all Committee meetings by zoom; and quarterly full-Board meetings in person, at a country club that has sufficient space and ventilation for social distancing. The country club will not offer meeting space; the board has agreed that the nonprofit should budget for buffet dinners, so that board members can socialize. A board member asks if adult beverages (wine, beer, mixed drinks) are included. Should **alcohol** be served? (In the pre-board meeting meet/greet, during the board meeting &/or during buffet dinner.) Questions? Comments? Observations?

