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Board Education Moment

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Board Passages: Three Key Stages in a Nonprofit Board's Life Cycle

(Excerpts from an essay by Karl Mathiasen, III, National Center for Nonprofit Boards)

...a board is not and cannot be static. Instead it must change and evolve as the organization changes and grows. The roles, functions, and membership need to be altered to meet the new challenges the nonprofit organization itself confronts. Just as nonprofits pass through identifiable organization stages, so do nonprofit boards. Three very different and quite distinct types of board's gradually and often quite belatedly develop as nonprofit organization grow and change. The first of these is the organizing board, the second is the governing board, and the third is the institutional board.

Organizing Board – Assumes a strong leadership role.. The leader asks board members to undertake tasks for the agency and if so, no one question whether this is an appropriate board task of really a job for staff. As task oriented boards they quickly develop a strong sense of ownership of the organization. When a staff person is finally hired it is clear from the outset that this person is not the leader but an employee, someone who is expected to follow the boards lead and implement it mandates.

Governing Board – While organizing boards tend to be small, homogenous, and very committed to the purpose of the organization, the organization continues to grow and begins to experience strains. To put it mildly, the transition from a following or a leading organizing board to a governing board is perplexing to and frustrating for both board and staff. Usually the transition does not begin in earnest until organizing members begin to leave for one reason or another and new members join the board. As the governing board evolves the Board Chair and the executive director emerge as the principal leaders and accept responsibility for ensuring the work of the board and the staff gets done. Board members are expected to get out of operations, hold the executive accountable, allows the executive director to manage the staff, and in general, assume a more arms-length governance stance. The three primary roles are finance, policy setting, and board development. The Board Chair takes seriously the task of board development and begins to establish clear expectations for the board.

Institutional Board – the mature board. Fundraising is now become the major, if not the principal focus of the board's activity. The board works principally at the pre-operational stages and through its committee, providing overall guidance and the beginning of initiatives and evaluations of achievement and audits of performance at the completion of work.

Discussion: What does all of this mean? If there are three rather typical nonprofit board stages where do we stand? Are we on the right track?