

Nonprofit Board Governance Assessment



CPAs & ADVISORS

Board Governance Assessments Provide Reassurance

As part of the best practices followed by nonprofit organizations, the Board of Directors (Board) should undertake a governance health check on a recurring basis. A **Board Governance Assessment** is an objective review of how an organization is overseen and evaluates whether there are adequate checks and balances in place for effective governance.

Reinforcing the organization's bylaws and board governance manuals, regular assessments ensure that proper policies, procedures and practices are followed by the Board. The organization can confidently demonstrate to donors, funders and other stakeholders that any deficiencies identified have been addressed and their governance structure is adequate to support the organization through tough decisions and difficult financial times.

Goal

The goal of the board governance assessment is to review the Board's governance structure to identify strengths, weaknesses, risks, and opportunities, and to advise the Board regarding current best practices related to nonprofit governance.

What is Evaluated during a Board Governance Assessment?

The assessment looks at several key performance indicators (KPIs):

- ✓ Board composition and structure
- ✓ Roles and responsibilities
- ✓ Board member engagement
- ✓ Program understanding
- ✓ Strategic planning
- ✓ Risk
- ✓ Advocacy
- ✓ Fundraising
- ✓ Financial oversight
- ✓ Diversity, equity and inclusion



Example Board Governance Assessment Specifications

- Review key governance documents (e.g., Board bylaws, agendas, meeting materials, past meeting minutes, committee structures, and committee charges).
- Review Board policies and make recommendations about policy gaps, potential policy updates, and to advise on policies that may be redundant or potentially open the organization to risk, or policies that the Board might consider adopting to further strengthen the organization.
- Attend (virtually) one Board meeting. Based on observation and review of past meeting documents, advise the Board on possible changes to meeting structure/process.
- Conduct an internal survey of the Board and key leaders to determine perceptions of effectiveness. This will include board performance, culture, engagement, governance, leadership, and structure.
- Review the Board's annual self-assessment process and provide recommendations on future assessment tools and processes.
- Review Board bylaws and advise the Board on best practices.
- Provide a findings report with recommendations and make a closed-session presentation to the Board with findings.

Nonprofit Board Governance Solutions



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